# Principles of Hotel Management

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First Edition, 2009

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# BASICS OF MANAGEMENT

Human beings are by nature gregarious. Community or group life has been one of earliest and most enduring features of human existence on this earth. This natural phenomenon of human beings living in groups have generated a variety of groupings such as family, clan, community friendship group, organisations, etc.

Organisations—business or social, dominate our lives. Our activities and behaviour are shaped by these organisations right from birth to death. Everyday of their lives human beings deal with organisation. There is no escape from them. Hospitals, schools, colleges, clubs, societies, local state and central government, manufacturing and trading concerns are some of the organisations we are associated with throughout our life.

Our association with some of them are close and long while they are short lived or temporary with some others. The only alternative may be a complete return to nature which very few of us may choose. This association of human beings with organisations dominates in every country irrespective of the ideology and geographical differences.

An organisation needs a system of relationship among functions; it needs stability, continuity and predictability in its internal activities and external contracts. It requires harmonious relationship among people and processes.

All organisations have certain aims and objectives before them for which they strive and do their best to achieve them through their people who run and manage the affairs. In order to define the roles of their members, their behaviour and activities, they develop certain rules and regulations, policies, practices and procedures. Organisations are thus made of objectives, people, systems and procedures.

Different definitions of the organisation make it clear that different scholars look upon organisation from different angles. Some regard it as a mechanism to achieve certain objectives by division of labour, authority and responsibility among its members and coordinating their activities. Some regard it as a network comparison of human relationships in groups. Some others regard it as a system. These different approaches to achieve its objectives are reflected in different organisation theories which have developed certain principles to guide managers in designing the organisation and making it an effective instrument of meeting business goals.

In this block, we discuss different theories of the organisation, i.e., Classical, Neo-classical theory, and Modern Organisation theory.

## ESTABLISHED WAY

The term "classical" in English language refers to something traditionally accepted or long established. The beginning of the classical organisation theory can be traced back to the heydays of industrial transformation in the second half of the nineteenth century when some perceptive observers felt obsessed with the problem of growing size of the industries. In the beginning, the large scale operations were carried out by the organisations

with the help of unskilled and semi-skilled people but later on, the technological development changed the industrial scene completely. Many new economic, social and technical problems sprang up. The need for solving these problems called for the development of organisational forms and management practices which were quite different from the traditional ones. This phenomenon changed the individualistic nature of organisation and management into mechanical nature. This view was current till the first half of the twentieth century.

The classical writers viewed the organisation as a machine and human beings as different components of that machine. Their approach has focused on input-output mediators and given less attention to constraining and facilitating factors in external environment. Workers were considered to be driven by economic considerations who could be solely motivated by economic rewards. While managers were regarded as kind-hearted, rational, intelligent and qualified people. Because an organisation was treated as a machine, it was felt that its efficiency could be increased by making each individual efficient, so that both the organisation's and the workers' interests might be served. Increased human productivity would facilitate the organisation in achieving its goals and objectives while on the other hand workers would get higher wages in return for their increased productivity. Thus, management is to emphasise on the improvement of machine in order to get higher productivity from the people at the minimum expense. The emphasis was on specialisation of performance and coordination of various activities.

The classical theory was based on the following assumptions:

(i) The relationship between workers and management was established through formal communications, defined tasks and accountability and formalised procedures and practices to minimise conflict between them.

(ii) Workers are considered to be driven by economic

considerations who can be motivated basically by economic rewards. Money is considered the main motivator.

(iii) The managers were characterised as rational, kind-hearted, intelligent and qualified personnel but they are supposed to deal with the workers firmly in the system.

(iv) The theory assumes that the organisation is a machine and the people its components. In order to make any improvement in the whole system, internal factors were considered and less attention was given on factors in the external environment which may constrain and facilitate the system.

(v) It has been assumed by the theory that both workers and managers are rational. Workers can easily perceive that their interests can be served only by increasing the productivity and getting more wages for higher produc-tivity, on the other hand, management gets the fruits of higher productivity. Management tries to find out best ways of doing a job by introducing new improvements in machines and devoting time to such technical enginee-ring and administrative aspect of organisation which can make the man produce as much as he can with minimum expenses so that workers can contribute more to the organisation and earn more for themselves in return.

(vi) The theory puts special emphasis on error and particularly on the detection of error and its correction after it happens.

(vii) The theory assumes that man is relatively homogeneous and unmodifiable while designing the jobs and in picking the extra pairs of hands.

(viii) The classical organisation theory, in its essential character, is centralised. The integration of the system is achieved through the authority and control of the central mechanism.

Classical theorists were divided in opinion. The two streams are scientific management and administrative management. The scientific management stream of the organisation theory emphasised on the efficiency of lower levels of organisation while administrative stream focused on the efficiency of higher levels. F.W. Taylor is called the father of scientific management approach. Taylor and his followers insisted upon dividing and sub-dividing the tasks through time and motion studies because he was of the view that objective analysis of facts and collection of data in the workplace could provide the basis of determining the best way to organise the work. Thus, they investigated the effective use of human beings in industrial organisations and studied primarily the use of human beings as adjuncts to machines in the performance of routine tasks. The approach taken by this theory is quite narrow and encompasses primarily psychological variables. As such this theory is also referred to as 'Machine Theory' or 'Physiological Theory.'

The scientific management group was mainly concerned with the tasks at floor or operative levels, and these tasks were quite different from other tasks in the organisation because:

(i) These tasks are largely repetitive in nature so that the daily activities of a worker can be sub-divided in a large number of cyclical repetitions of essentially the same or closely related activities.

(ii) These tasks do not require any problem-solving activity by the workers who handle them. Thus, more attention was given in standardizing the working methods.

The second stream is the administrative stream of organisation theory emphasises efficiency at higher levels. It was concerned with the managerial organisation and process. Henry Fayol was the leader for this group. He, for the first time studied the functions and laid down principles of management in a systematic manner for the guidance of managers. The other contributors were Gulick, Oliver Sheldon, Mooney and Reliey,

Urwick, Weber and others. The theorists have viewed the central problem as being one where there must be identification of tasks necessary for achieving the general purpose of the organisation and of the grouping or departmentalising, to fulfil those functions most effectively.

These two approaches are similar in recognising the fact that organisation is a closed system, however, there are differences between the two.

Scott and Mitchell have pointed out four key pillars on which the classical organisation theory seems to have been built. They are: 1. Division of labour, 2. Scalar and functional processes, 3. Structure, 4. The span of control.

Division of labour refers to the division of tasks of an organisation into sub-tasks and then allot these sub-tasks or sub-parts to individuals. The allotment should be in such a way that each individual would have a small task so that he can specialise himself in that part with a view to improve the efficiency of the organisation while at the same time, the total of individuals' tasks should add up to the organisation's goals and objectives. The approach rests upon the simple assumption that the more a particular job is broken down into its component parts, the more specialised a worker can become in carrying out his part of the job and the more specialised he becomes, the more efficient the whole organisation will be. This element is the cornerstone among the four elements mentioned above because other three elements are dependent upon division of labour.

The scalar and functional processes deal with the vertical and horizontal organisation. The scalar process deals with the vertical elaboration of an organisation. In other words, it is the chain of command or the line of authority, along which authority flows from the top (chief executive) to the bottom (first line supervisor) and obligations and reporting from the bottom to the top. Each one in the organisation is told who their superiors are and who are their subordinates or to whom they are responsible

and accountable in performing their job. Delegation of authority flows from this line of command. The functional process deals with the horizontal organisation, i.e., grouping of various functions into units and clearly defining the relationship between the various heads of the units. The grouping of functions can be done on the basis of purpose, process, clientele, place and time.

It refers to the logical relationship of functions in an organisation arranged in order to accomplish the objectives. These relationships are line and staff relationships. People, departments, divisions and other segments of the organisation that are authorised to determine the basic objectives of the business and assess their achievements constitute the line. The staff is that part of the organisation which assists and advises the line on matters concerning it, in carrying out its duties. For example, in a manufacturing concern, production is a line function while personnel and finance are the staff functions.

In order to achieve the objectives, the managers are to get the work done from the unlimited number of workers in a large organisation. A manager cannot supervise an unlimited number of people. The span of control refers to the number of subordinates a supervisor can supervise effectively. Wide span yields a flat structure whereas short span results in a tall structure. Graieunas has developed a mathematical formula to show the numerical limitations of the subordinates, a manager can control.

If an organisation is designed on the above principle, it will look like a pyramid. At the top of the structure, there is head of the organisation followed by the top executive, executives, middle managers, junior managers and at the bottom the first-line supervisors. Chain of command and line of communication both flow from the top to the bottom in this structure. The line of responsibility, however flows from bottom to top. There is no provision of upward communication in this system except in relation to the results of task performance.

The classical theorists have developed certain principles of organisations for the guidance of managers and executives and they claim them as fundamental, essential, inevitable and universal. Though divergence of views exists, there is a considerable degree of unanimity on these principles. Fayol was the first to give principles of administration. He developed a comprehensive list of fourteen principles: (i) division of work; (ii) authority and responsibility; (iii) discipline; (iv) unity of command; (v) unity of direction; (vi) subordination of individual interests to general interests; (vii) fair remuneration; (viii) equity and a sense of justice; (ix) stability; (x) initiative; and (xi) teamwork spirit. These principles are more or less have a considerable degree of unanimity and some of these principles are still applied in organisations.

The classical theory suffers from various limitations. It was put under serious criticisms in the first half of the nineteenth century by the neo-classical thinkers and others. The criticisms are mainly based on the following grounds:

The classical theory is based on certain assumptions. These assumptions were found unrealistic and hence not applicable to organisations at a later date. The wrong assumptions, found unrealistic are:

The classical theorists viewed the organisation as a closed system, i.e., it has no environment and hence no interaction with the outside world. They felt that the organisation structure could be created as a house, i.e., step by step. They thought, once the organisation is created, it would run smoothly and efficiently because human beings are rational and they work more for economic rewards. In this way, the model fails to consider many environmental factors which influence upon the organisation and, thus, this assumption leads to incomplete view of actual organisational situations.

The classicists took a rigid and static view of the organisation whereas an organisation is not static but dynamic. The

organisation can instantly respond to changes in the environment and adjust accordingly. The environment influences the organisation and is influenced by it. The organisation imports inputs, transforms them and export outputs to the environment. The adjustments are necessary keeping in view the requirements of the organisational environment and its various internal parts. Thus, the best organisational pattern should meet the external and internal requirements and these requirements are ever-changing and dynamic.

A major criticism of the classical theory is that the assumption regarding human behaviour was quite unrealistic. Human behaviour is complex in nature and not as simple as was established by the classical theorists. They lack sensibility to the behavioural dimensions of an organisation and make over-simplified and mechanistic assumptions for the smooth running of the organisation, ignoring all complexities of human behaviour at work. They assumed human beings as inert machines who performs tasks assigned to them and ignored their social, psychological and motivational aspects of human behaviour. This assumption of classical behaviourists led the workers to frustration, conflict and failure and thus subordinates man to the organisation.

Human nature under this theory was also wrongly predicted, Mason Haire observed that "there are implicit assumptions about man on which classical organisation theory seems to me to be based. He is lazy, short-sighted, selfish, liable to make mistakes, has poor judgement and may even be little dishonest."

The assumption that people at work can be motivated solely through economic rewards is wrong. Several researches in human behaviour have contradicted this assumption. Hawthorne Experiments brought seven facts to light about several other motivational and maintenance factors that motivate people at work. Such other factors may be formation of informal groups, emergence of leaders beyond the chain of commands,

improvement in productivity linked with better status and job enrichment, etc.

The theory was not only criticised for its certain assumptions that are unrealistic in modern industrial world but its certain principles formulated by classical theorists were also criticised. The main criticisms of classical principles are as follows:

Its various concepts and principles are developed by practitioners in management which are mainly based on personal experience and limited observation. They (principles) lack precision and comprehensive framework for analysis. No scientific method was used. Moreover, it is not clear whether these principles are action recommendation or simply definitions. Certain independent specifications are to be made in understanding the meaning of an organisation. The classicists have referred to the advantages of various organisational arrangements, their arguments are one-sided and they offer no objective criteria for selecting one method over other methods. March and Siman observed, perhaps the most crucial failure of the administrative management theory is that it does not conform to the practice. The theory tends to dissolve when put into testable form. Thus, not a single principle is applicable to all organisational situations and sometimes contradicts each other.

The classical theorists have claimed that these principles have universal application. This suggests that these principles can be applied in: (i) different organisations, (ii) different management levels in the same organisation, and (iii) different functions of the same organisation. The empirical researchers, however suggest that none of the principles has such characteristics. Moreover, there are many principles which are actually contradictory with other principles. For example, principle of specialisation is quite in conflict with the principle of unity of command. The following are certain classical principles which are invariably questioned:

The classical theory is based upon the hierarchical structure that establishes the authority relationship between individuals in an organisation. It refers to arrangement of individuals in superior-subordinate relationship. Today, the institutions of hierarchy based upon position within the organisation is being discounted and the technological specialisation with authority of knowledge is gaining importance.

The classical theory suggests that each person has one superior. This principle has now become outdated. The trend is changing and the organisation seeks help from other members who are not in their chain of command, such as staff personnel. The organisations formally provides such supervision and the members thus, work under multiple command instead of under unity of command.

The classical theorists have focused excessive reliance on the strength of four key pillars, i.e., division of labour, scalar and functional process, structure and span of control. The neo-classicists who do not entirely reject the principles of classical theory, have attacked these key pillars. Some of the more important points raised by them are:

Division of labour is one of the key pillars of the classical theory but this tenet is criticised on the ground that there is no exclusive basis for grouping products, process, person or place, can always be used. The considerations of expertise and economy warrant different approaches in different situations. Besides, division of labour cause depersonalisation of work at the operative level which results in loss of human relationships. Moreover, despite the fact that there is division of work among individuals and even though they may work independently of each other, the unit to which they belong specialises in a particular activity and its interdependence causes

stresses and strains. Because these individuals and units work for common goals it raises a serious problem of coordination so that work may be done efficiently, cooperatively and harmoniously. As executive of each unit is answerable to the goals set for his unit, he internalises his sub-unit goals resulting in jealously guarded functional segments in the organisation.

Division of labour, moreover, causes several human problems of work. Due to limited repetitive tasks, the workers feel boredom, monotony, psychological alienation, etc. It also fails to utilise multiple capacities of people. The theory ignores human values such as satisfaction of job.

The scalar and functional process raises another problem of delegation of authority and responsibility. It is assumed that the rational personal programme will help in selecting the personnel having capacities matching authority and responsibility in a particular position. But the neo-classicists are of the view that there is no measuring rod for measuring the capacity. Besides, in an organisation, only capacities do not work, there are so many other kinds of overlays which affect decision-making process. Moreover, as March and Siman have pointed out, in most organisational situations, people are not looking for any optional solution but they require 'satisfying' solution, i.e., solution that meet the requirements.

Classicists have laid down certain principles which, if followed will lay down a neat and perfect organisation structure, but the human behaviour disrupts the best laid organisation plans. Research showed that major conflicts between line and staff personnel in the organisation were experienced because jobs are becoming increasingly specialized have requiring a higher knowledge context. It can be felt if everything had worked in a predetermined way, there would have been no need of specialised control agencies, or organisation structure and it was the only cause for the development of control agencies.

The classical approach suggests a narrow span of control specifying the number of subordinates to 5-6 at higher level and 20 at bottom. But the view of neo-classicists favour a wider span of control having a large number of subordinates under one supervisor. According to them, there are several considerations, such as the abilities of supervisor and subordinates, nature of work, time schedules, geographic dispersion, etc. The ability to handle the responsibilities increases with the increase in level of education.

Weber's 'ideal' bureaucracy, the main constituent of the classical theory, suggests the strict adherence to rules and regulations through mindless application of the letters of the rule. The scope for individual initiative and contribution to the organisation goal is thus limited. The result is red-tapism and observation of rules and regulations becomes the main objective and the objectives for which these rules and regulations are formed, are forgotten. Robert K. Morton has rightly observed that the rules and procedures may take positive values and become ends rather than means to ends and the decision-making tends to become a routine application of precedents with little attention to alternatives not previously experienced. Today when problem-solving ability, innovativeness and creativity are required, the bureaucratic approach appears to be inadequate.

The classical theory is devoted to specialisation of different parts of organisation to maximise output with the use of minimum input. The classicists concentrate their views along with the division of labour, organisation structure, grouping of activities and span of control, etc. but not with its effects on the interrelationships. It is a need model and assumes action and communication will flow uninterrupted.

They do not envisage the development of informal groups and their leaders who control the behaviour of their members. According to neo-classicists, there is no scope for emotions and

sentiments and no conflicts due to elaborate job descriptions, policy specifications, rules and regulations, clear-cut authority and responsibility, etc. under the classical theory. In this way, it recognises tasks and not the people.

The theory provides little scope for integrating people with the organisation. The goals are set at the top without consulting the subordinates who are actually, the real executors. The decision-making is highly centralised. The theory concentrates too much of authority at the top as the people at lower level are considered to be the 'inferior lot.'

The various criticisms of the classical organisation theory should not lead one to feel that it is a useless theory and does not offer any guidance for managerial action in an organisation. In fact, still there are many classical principles which are applied successfully in many organisations. It shows that though not much, the classical theory has its validity in designing an organisation. Scott observes, "It would not be fair to say that the classical school is unaware of the day-to-day administrative problems of the organisation. The classical organisation theory has relevant insights into the nature of an organisation, but the value of this theory is limited by its narrow concentration on the formal anatomy of the organisation."

## FRESH LITERATURE

The classical organisation theory focused attention on physiological and mechanical variables of the organisational functioning in order to increase the efficiency and productivity. But positive aspects of these variables could not produce the positive results in work behaviour and the researches tried to investigate the reasons for human behaviour at work. They discovered that the real cause of human behaviour is somewhat more than the physiological variable. These findings generated a new phenomenon about the organisational functioning and focused attention on human beings in the organisations. These

exercises were given new names such as 'behavioural theory of an organisation', 'human view of an organisation' or 'human relations approach in an organisation.'

The neo-classical approach was developed as a reaction to the classical approach which attracted so many behaviourist to make further researches into the human behaviour at work. This movement was started by 'Mayo' and his associates at Hawthorne Plant of the Eastern Electric Company, Chicago in the late twenties, gained momentum and continued to dominate till the sixties. An impressive account of thinking of human relations has been given by Douglas M. McGregor in his book entitled *'The Human Side of Enterprise.'*

The classical theory was the product of the time and the following reasons were responsible for its development:

(i) The management thinking was showing signs of change because of the improved standards of living and education level. The technological changes were forcing the management to expand the size of the organisation and complexities were increasing. This also led to the fact that the management be somewhat more sympathetic and considerate towards their workers.

(ii) The trade union movement got momentum and made the workers conscious of their rights. It was no longer possible for the management to treat the human beings at work as 'givens'.

These were two main reasons which were responsible for the change of management behaviour from autocratic to the custodial approach which was based on offer of fringe benefits apart from wages to meet their security needs.

Though neo-classical approach was developed as a reaction to the classical principles, it did not abandon the classical approach altogether, rather it pointed to the limitations of the classical approach and attempted to fill in the deficiencies through

highlighting certain points which were not given due place in the classical approach. In this regard, there were two schools of thought—one school of thought with writers as Simon, Smithburg, and Thompson, pointed out the limitations of the classical approach to structural aspect only and the analysts called this group as 'neo-classicists'. This school of thought suggested modifications to the classical principles but did not abandon the basic principles. The other school of thought which consisted of large number of writers focused on the human aspect neglected by the classicists. This group was called as human relationists or behaviourists. Both these schools were reactions to the classical theory but failed to suggest or develop any new theory except providing some points of criticism on varying counts. Both of them could be referred as neo-classicists.

Neo-classicists, endeavoured to identify the weaknesses of classicists through empirical research and most of the criticisms of classical theory have emerged through researches. Howthorne studies were the beginning of the series. The other contributors are Roethlisberger, Dickson, Whitehead, Lippitt and White, Coach and French Jr., etc.

Neo-classical approach is based on two main points: (i) Organisational situation should be viewed in social as well as in economic and technical terms, and (ii) The social process of group behaviour can be understood in terms of clinical method analogous to the doctor's diagnosis of human organism. The neo-classicists view organisation as combination of formal and informal forms of the organisation. The informal form was missing in classical approach. They also introduced behavioural science to diagnose human behaviour and showed how the pillars of classical doctrines—division of labour, functional processes, structure and scalar chain are affected and modified by human actions. The main prepositions of neo-classical organisation theory are as follows:

1.  The organisation in general is a social system composed of numerous interacting parts.

2. The social environment on the job affects the workers and is also affected by them. Management is not the only variable.

3. The informal organisation also exists within the framework of formal organisation and it affects and is affected by the formal organisation.

4. There is always a conflict between organisational and individual goals that always increases the importance of integration between these two.

5. People are interdependent and their behaviour can be predicted in terms of social factors.

6. Money is one of the motivators but not the sole motivator of the human behaviour. Man is diversely motivated and socio-psychological factors are more important.

7. Man's approach is not always rational. He behaves irrationally as far as rewards from the job are concerned.

8. Both-way communication is necessary because it carries necessary information downward for the proper functioning of the organisation and transmits the feelings and sentiments of people who work in the organisation upward.

9. Teamwork is essential for cooperative and sound functioning of the organisation.

The neo-classical theory provides various modifications and improvements over the earlier theory and offers a more humanistic view towards people at work. Neo-classicists have also introduced behavioural science in the study of organisational functioning which has helped managers quite a lot. This approach emphasised the micro-analysis of the human behaviour. The theory has brought into light certain important factors which were altogether ignored by the classicists such as informal group, group norms, informal leader, non-economic rewards, etc. Thus, the approach gives evidence of accepting the classical doctrine though superimposing its modifications,

resulting from individual behaviour and the influence of the informal group.

The main criticisms of the neo-classical theory are as here under:

> Certain assumptions on which the neo-classical theory is based do not seem to be true. For example, the assumption that there is a solution to every problem which satisfies everyone in an organisation is not true. Often there are conflict interests among various groups in the organisation that are structural and not merely psychological.

The various formats and structures of organisations given by neo-classicists are not universal. Their application is limited. There is no particular structure which may serve the purpose of all the organisations. It also overlooks some of the environmental constraints which managers cannot ignore and this lapse makes the practicability of the theory limited.

The theory lacks the unified approach of the organisation theory. In fact, it is not a theory at all. All that was done in neo-classical theory is simply modification of the classical theory rather than organisational transformation. So, this theory has almost the same limitations as the classical theory.

The theory gives too much emphasis on human aspects in the organisation. As the classicists concentrated on structural aspect, neo-classicists concentrate their attention on the human aspect. It ignores the other aspects such as formal structure, discipline, etc.

Some thinkers while criticising the theory have called it bankrupt because it suggests nothing new. Though, the theory has offered valuable contributions to the lore of organisation like the classical theory, it suffers from incompleteness, a shortsighted perspective and lack of integration among the many factors of human behaviour studied by it.

Howthorne studies at the Western Electrical Company, Chicago was the main source of inspiration to the neo-classical school. Mayo and his associates carried out several experiments there, by providing better working and living conditions and financial incentives, and they got amazing results. Productivity and efficiency went up considerably. The following facts were uncovered by these experiments:

1. The individual roles as defined and norms established by their social system differ from those of the formal organisation. Workers follow the social norms rather than try to achieve the target management thinks they can achieve even though this would have helped them earn better and as much as they physically can.

2. Non-economic rewards and social sanctions also play quite a significant role in guiding the behaviour of the workers. It is their perception of the situation that matters and not that of the management. They fear retaliation for violating the group norms. So, they follow group norms and are not motivated by the economic incentive plans.

3. The group plays an important role in determining the attitudes and performance of individual worker. Often workers do not act or react as individuals but as a member of their group. A worker can more readily accept the change in his behaviour if the group of which he is a member changes its behaviour.

4. Informal leader and not the formal leader, i.e., the formal incharge of the group as supervisor or manager, sets and enforces the group norms. Formal leader is proved ineffective unless he conforms to the norms to the group of which he is incharge.

5. There is need for communication between the ranks participation in decision-making and democratic leadership. It explains to the lower participants as to why

the management has taken a particular decision. The lower ranks are allowed to share in the decisions taken by the higher management especially in matters concerning them. Thus, suggesting that the management is just, non-arbitrary and concerned with the problems of workers and not only with the work output.

6.  Increasing satisfaction leads to increased organisation effectiveness.

7.  The management should possess not only technical skills but also effective social skills.

8.  People are motivated in the organisation not merely by the satisfaction of lower needs but by fulfilling certain higher level needs.

The above conclusion of Hawthorne Experiments received a wide publicity and they changed the attitude and the thinking of the management significantly. This approach was further persuaded relentlessly by behaviourists.

We may look at the organisation from two different angles:

1.  We may consider the overall picture of the organisation as a unit; or

2.  We may consider the relationship between its various internal components.

When we consider the overall picture of the organisation, we consider all the elements—internal and external—and their effects on each other simultaneously. This approach may be called the 'goalistic view' because it tries to reach the goal of an organisation by unifying the efforts of all the elements. For example, when we consider finance, workers and their attitude, technological developments, etc. we are following goalistic view. It serves as a mean-ends analysis which in turn facilitates division of work and helps in judging the extent of success of comparing actual and targeted performance. But it does not answer many problems such as interdependence of elements,

organisations environment, interface, etc. It gives a systematic view when we consider the second approach, i.e., we examine the relationship between each element of the organisation and their interdependence. If we examine employer-employee, customer and organisation, debtors-organisation relationships, we follow systematic view.

The systems approach focused attention on the following aspects:

(i) It integrates all elements for the proper and smooth functioning of the organisation.

(ii) The organisation overall goals can be achieved successfully because it considers all the aspects of the problems deeply and maintains a harmonious relationship between various elements so that they work unitedly to achieve goals.

(iii) The approach helps in acquisition and maintenance of various resources, i.e., man, material, money, and machinery, etc. for pertaining the smooth functioning of the organisation.

(iv) It allows adaptation to internal requirements and environmental changes in order to survive and grow.

Kast and Rosenzweig define the system as an organised unitary whole composed of two or more interdependent parts, components or sub-systems and defined by identifiable boundaries form its environmental suprasystem. More simply, a system may be referred as units composed of several interdependent parts. System may be denoted as a grouping of parts and not simply an agglomeration of individual parts. Though each part performs its own functions yet they work towards a common goal. The behaviour of the entity is a joint function of the behaviours of the individual parts and their interactions. For instance, a human body may be regarded as a system, consisting of several sub-systems, such as circulatory, reproductive digestive, nervous systems, etc. Even though each

sub-system performs different and distinguished function, they depend on each other. Similarly, an organisation is composed of a number of sub-systems of sub-systems such as internal organisation, technological, psychological, structural, managerial and environment etc. which are constantly changing and evolving. A change in one may affect the other.

From the analysis of foregoing definition and discussion following characteristics of a system emerge:

> A system has several parts. Each part is dynamic and affects all other parts. They are interrelated and interdependent. Interdependence of different parts is must in an organisation as a system because of division of labour, specialisation, sharing of limited resources, scheduling of activities, etc. The work of the organisation is divided into various departments, sub-departments and so on, assigning each unit an independent specialised task, which on integration culminates into the accomplishment of overall organisational goals. These parts are interconnected in such a way that a change in one part may affect the other part and in this way, the whole organisation.

A system is composed of several sub-systems. For example, in a manufacturing organisation, total manufacturing is one system, within which may exist a complete production system which again may contain an inventory control system. Conversely, a system or sub-system may form part or container of other system. For example, an individual who may be a part of one system, may also be a part or container for another physiological system.

Every system may be distinguished from other systems in terms of objectives, processes, roles, structures, and norms of conduct. So, every system is unique if anything happens in the organisation, we regard it as an outcome of a particular system and we locate the fault in the system.

Almost all systems are open. Open system imports certain factors processes them and exports them to the environment. Organisation is also an open system. It imports matter, energy and informations, from its environments, transforms or converts them into a usable product or useful service and export that product or service to the environment. This process of importing, transforming and exporting goes on indefinitely. Though the organisation exports, they do not import all but retain some energy within themselves for survival and growth. As they are open, they are to absorb shocks and influences from the environment and those that are flexible respond to adapt themselves to the environment situation.

As systems are open, they influence other systems in the environment depending upon its strengths and capacities in relation to other systems. Obviously, the influence of environment, in most cases is greater than the system's over impact on the environment.

***System of Secondary Importance :*** In the previous section, we have suggested that a system is an integrated whole of various sub-systems. An organisation as a system can better be understood by identifying the various sub-systems within it. The levels of systems within a subsystem are called sub-systems and levels of systems within are identified by certain objectives, processes, role, structures and norms of conduct. A system is composed of various lower order sub-systems and is also a part of a super-system. The various sub-systems of the system constitute the mutually dependent parts of the large system, called organisation. These sub-systems interact, and through interaction create new patterns of behaviour that are separate from, but related to, the patterns specified by original system. The interdependence of different parts as characterised by Thompson, may be pooled, sequential, or reciprocal. When dependence is not direct, it is pooled interdependence. For example, an organisation, having sales divisions in different cities making their own buying and selling, but drawing upon

its common funds is an example of pooled interdependence. When one sub-system is directly dependent upon another, it is sequential interdependence.

Such type of interdependence may be seen in production job or assembly line when output of one sub-system is the input for the other department or sub-system. Reciprocal interdependence refers to the situation where outputs of each unit becomes inputs for another such as in production and maintenance divisions. Thus, system behaviour emerged as one, and since different variables are mutually interdependent, the true influence of alerting one aspect of the system cannot be determined by changing it alone.

There are various ways of classifying sub-systems and one may support any of them. Each of the organisation unit may be treated as a sub-system. In other words, each functional unit of an organisation may be regarded as different sub-systems such as production sub-system, personnel or finance or sales sub-systems, etc. Seiler has classified four components in an organisation, i.e., human inputs, technological inputs, organisational inputs and social structure and norms. From these inputs, he has derived, the concept of socio-technical system, Kast and Rosenzweig have identified five sub-systems, i.e., goal and values sub-system, technical sub-system, psychological sub-system structural sub-system, and managerial sub-system. Katz and Kahn have identified five sub-systems. These are: technical sub-system concerned with the work that gets done; supportive sub-system concerning with the procurement, disposal and institutional relations; maintenance sub-system for uniting people into their functional roles; adaptive sub-system concerned with organisational change; and managerial sub-system for direction, adjudication and control of the many sub-systems and activities of the whole structure. Carzo and Yunouzas give three kinds of sub-systems in an organisation as a system, i.e., technical, social and power sub-systems. We shall here discuss these three sub-systems.

The technical sub-system may be referred to as the formal organisation. It refers to the knowledge required for the performance of tasks including the techniques used in the transformation of inputs into outputs. Being a formal organisation, it decides to make use of a particular technology; there is a given layout; policies, rules and regulations are framed; different hierarchical levels are developed, authority is given and responsibilities are fixed; and necessary technical engineering and efficiency consideration are laid down. The behaviour in the organisation cannot be explained fully by technical sub-system, also because there is a fundamental conflict between the individual—a part of the system and the system itself resulting from the expectancies of the organisation and that of the people—regarding the work he has to perform. It requires certain modifications in the behaviour of the man through the social and power sub-systems.

The objective of the technical sub-system is to make necessary imports from the environment, transform them into products or services and export them back to the environment. For this purpose, it involves decisions, communications, action and balance processes. Through the decision process, three main problems of what to produce, for whom to produce and how to produce are resolved. Decisions are based on information gathered from various sources. Such informations are communicated through the communication process to action centres to implement them. Through balance process, an administrative balance is obtained so that all parts may be coordinated and no one part can dominate all other parts in the organisation. These processes take place on the basis of roles assigned to people according to the requirements of the job. In order to handle the job properly one is given authority from the superiors and is assigned a status matching with the importance of the job and the individual's ability to do the job. Norms of conduct are defined in the well-designed policies, norms, rules, procedures and description of the job. Thus, the arrangement

of job in relation to each other, process and authority relations, etc. provide a structure to the technical sub-system.

As we have explained earlier, there exists a conflict between an individual and the system itself because people differ very widely in abilities, capacities, attitudes and beliefs, likes and dislikes, etc. People find the formal set-up quite inadequate to satisfy all their needs especially social ones. Gradually they are seen interacting with each other and at times by cutting across the hierarchical and departmental lines, etc. on non-formal matters. Thus, they form groups to discuss their informal matters and display their positive and negative sentiments towards each other. Sometimes, one member gets the membership of different social groups for different purposes and thus social behaviour is patterned.

The interaction between individuals and the group are generally known as informal aspect of the organisation which is the result of operation of socio-psychological forces. Such interaction can be interpreted in terms of mutual expectancies. Informal group expects certain type of behaviour from its individual member and in turn, individual has expectancies of psychological satisfaction, he hopes form the association. In this an individual modifies his behaviour according to group norms and the group modifies its behaviours according to what is expected from it by its members.

Another group of elements in social sub-system consists of status, role, norms and values. Status is a position determined as being important in the interpersonal relationship of the group. Thus, it is a social rank, prestige, sentiments and feelings of a person in comparison with a social system. Some members come to be more highly respected than others while some others born to be followers. Role is a pattern of action, expected of a person in his position involving others. Thus, it describes specific form of behaviour and develops originally from the task-requirements. Different members have to play different roles assigned to them by the group. Norm is that the general

expectation demands character for all role incumbents of a system or sub-system. Unwritten norms are followed by the members of the group. Anybody not adhering to norms are reprimanded or punished. Value is the more generalised ideological justification and aspiration. Value guides the behaviour of the members.

Power behaviour of the people in an organisation plays a very important role. As the organisation starts functioning, people realise the importance of their job in relation to others in the organisation; the benefits of their experience to the organisation; the benefits of their experience to the organisation; the crucial location of their jobs, their personality characteristics; the fact of their access to the superior authority holder. In this way, they have acquired power to some degree or the other, based on the source of their power that influences the decision-making and regulate others behaviour.

Individual's abilities to regulate the behaviour of others vary. Some persons are more powerful and some others have powerful influence areas than others have. Consequently, a power differentiation based on the amount of power enjoyed (which is again a function of success achieved and attempts made to influence the behaviour of others) develops in a power structure. It gives birth to politicking and people play opportunistic roles. Power minded people have no norms. Generally, norms are decided by the individual's interests and the opportunity of serving those interests and, therefore, sheer expediency is the norm. The power holder enjoys the status in accordance with his abilities to influence the behaviour of others in order to carry out his wishes. This part of the system is known as power sub-system.

All the three sub-systems discussed above have distinct operational field. But, in actual practice, a clear-cut distinction among the three is very difficult to make and disentanglement of one sub-system from the other poses a serious problem. The three sub-systems are intertwined by considerable overlapping.

Some behaviour pattern in the organisation are part of two sub-systems; some others are part of all the three sub-systems; some other activities are exclusive to a particular system; and still there are few behaviours which do not fall in any of the sub-systems.

These three sub-systems are mutually dependent parts of the larger system, the organisation. There is interdependence between these parts of sub-systems and the whole organisation. Moreover, organisation itself, is a sub-system of a larger system society and has many other systems in its environment. Besides each part, sub-system or system constitutes environment of the other. As such, each of them influences and in turn, gets influenced by others.

## Non Concept

Modern organisation theory has its evolution from the General Systems Theory whose inventor and chief architect was Bertalanffy. General system theory presents an integration of different levels of system. It provides a macro view from which we may look at all types of systems.

The modern organisation theory is of recent origin having developed in sixties, and flourished in seventies. The theory presents the answers of several questions remained unheeded to by the earlier theories. The modern theory has an analytical base and has sufficiently relied on empirical research. The theory is a fundamental one, though it presents a new paradigm. It is not simply an extension of the old theories like the classical or the neo-classical theories. Its premises are based upon a conception of organisations as open, organic and probabilistic system. It gives answers to many complex questions ignored by the classical or the neo-classical theorists as pointed out by Scott and Michell:

   (i)   What are the various parts of the system?

  (ii)   What is the nature of their interdependency?

(iii)  What are the processes which link the various parts of the system and facilitate their adjustment to each other?

(iv)  What are the goals of the system?

We shall now discuss how these questions as answered by the modern theorists:

*Significant Parts :* As every system has several parts, so the organisation being treated as a system, must also have several parts. The parts of organisation system may be classified.

Individual is an important part of an organisation and provides energy to matter and information—the organisational inputs. Individuals in an organisation come together with varied backgrounds, attitudes, motives and sentiments, they interact and influence each other and things in their environment and are also influenced by them.

Every system is formal because it lays down certain principles, rules, regulations, procedures, and norms of conduct for its proper functioning. Such rules, etc. may be oral or written. There are also hierarchical levels through which communication flows downward and upward. Organisational charts and manuals also constitutes important parts of formal system.

In a formal system, people come together and interact with each other which causes development of certain relations and sentiments— positive, negative or indifferent. These relations and developments steadily result in spontaneous development of informal groups, groups so formed satisfy many of the social needs that remained uncared for by the formal organisation.

Every organisation has hierarchical levels. It is like a pyramid consisting of layers and every layer has functional segmentation. The number of segments get reduced with the increasing level of the layer in the organisation and at the top only one layer remains that ultimately envelops the entire organisation. Every level and every individual at that level is assigned a role which is played by everybody in relation to those having role

relationships. Accordingly, an individual gets certain privileges and prerogatives over others. The technical equipment, technology employed design of machines, arrangement of jobs, etc. constitute the physical environment of the work situation. It provides, implies or embraces the physical conditions under which a person is to perform the work and it affects skills, motivations and perceptions of people ultimately leading to a particular efficiency level.

*Interdependent Nature :* The above parts of a system of an organisation work unitedly for the attainment of a common goal. While performing their individual roles, they hardly work independently and to prove themselves productive, they work cooperatively and in collaboration with each other. Thus, these parts interact within and between themselves and such interaction may be interpret interactions and interpret interactions.

Each part of the organisation interact with all other parts. Individuals interact with informal organisations to get their social needs satisfied which formal organisation fails to satisfy. It makes modifications in individuals and expectations of the organisations. The individual may mould the group according to his point of view and by convincing the group, they can put their viewpoint before the organisation. Thus, each part interact affecting each other and resulting in mutual modification of expectancies. Consequently demands and expectations of individual reconcile for harmonious relationships. The same may happen with organisations.

Individual performs a very minute part of the total job and even for that limited task he is to seek assistance from others such as mechanic for removing the defects of a machine or for oiling the machine, etc. Thus, the individual's job may be a part of the series of processes involved, i.e., one may be a supplier for raw material for a job while the other depends for raw materials on others. In this way no part can complete his job without the assistance of others and thus their actions affect each other.

***System of Complementarity :*** As we have mentioned earlier no one part works in isolation. They are interdependent and interrelated. The linking processes are decision, communication, action and balance. The interrelationship between the parts effects decisions which conversely explains the relationship through the decision processes. This shows the flow of significant decisions and how decisions are arrived at through socio-metric authority, power, functional communication, etc. processes. All parts make decision and most of them especially the important ones are the product of joint efforts of various parts. Thus, the decision process links the various parts. Through communication process, various parts are able to get, store, retrieve and feed information to the action centres and such centres implement the decisions. So, through action process, decisions are implemented. Different units are controlled, integrated and balanced in order to be sure that no one part dominates the other parts.

Every system including the organisational system has certain goals. Leaving apart certain specific goals meant for a specific organisation or part, every organisation or system works towards the attainment of common goals which necessitates interaction, ability, adaptability and growth. Interaction takes place because parts are interdependent and interconnected. Stability is the objective of every system. However, static structure and the simple dynamic of every system do not seek adaptability and growth. The cybernetic system seeks adaptability but adaptability and growth are the objective or characteristics of all open living systems.

The modern organisational theory has made valuable contributions in the development of the organisational theories. The following are important:

1. The theory has an empirical and analytical base and looks at the organisations in system perspective.

2. It seeks interrelationships and interconnections amongst

various organisational parts and seeks an answer to the question arising out of such interdependence.

3. It takes holistic view, i.e., a whole is not a sum of the parts. The system approach does not approve the separate study of different parts and then integrating them to make a whole. It opines that such integration is not possible and the total system should be studied as whole and not in parts.

4. The concern of modern organisation theory is to study the interrelationships between parts and to know how these parts respond to it. Thus, the system approach opened up vast possibilities for the analysis of innumerable parts and sub-systems within an organisational system and its interaction with its environment.

5. Unlike the classical or the behavioural approaches, modern theory adopts a realistic view regarding the principles of the organisation. The theory suggests as the organisation is composed of several sub-systems, it is quite impossible to prescribe certain principles which are universally applicable or appropriate to all organisations. Such principles are possible only when the system is stable, mechanistic, and effectively closed to intervening external variables. But once we take the organisation as an open system with interactive components, we can no longer think in simplistic and unidimensional terms.

6. The theory presents an open, organic and probabilistic system of the organisation as opposed to traditional theory's closed, mechanistic and deterministic view. Open system refers to an exchange relationship of the organisation with the environment and its serious dominating influence. Organisations are organic systems because they have adaptability and flexibility to adapt themselves to the environmental situation. Organisations

       are probabilistic systems because nothing is certain in an organisation, only a probability can be forecasted.

7. The classical approach followed a macro approach and the behaviourists, a micro approach but the modern organisation theory attempts a macro- micro-macro approach of the organisation. Besides, this attempt to comprehend the impact on the organisation to changes in environment has proved a new paradigm which is not merely an extension of old, rather it constitutes a real revolution in theory. It helps us understand the interrelationships between the major components of an organisation its goals, technology, structure and culture.

Though the modern theory has contributed a lot to the organisation, yet it is not free from criticisms. Notwithstanding its contribution to modern thinking, it has not lived up to the expectations, it raised at the beginning. It promised to provide an adequate and comprehensive explanation of the organisation, but this promise does not seem to be fulfilled. It was initially received enthusiastically but the initial enthusiasm could not be sustained for long.

It remains fragmented because isolated attempts have been made in this direction and no integration of techniques and concepts into a high level of abstraction was attempted. Its concepts are still evolving. Though critics regard it as an important theory of organisation, but undoubtedly it has not yet developed sufficiently as a theory of explanation in the realm of human behaviour. There is no such transformation in the theory that can eliminate the old and substitute the new.

In this chapter, an overview of various management theories was provided. In depth, the analysis of classical and neo-classical theories was furnished. The key characteristics of classical organization theory being: (a) Division of Labour (b) Functional Process (c) Structure and (d) Span of Control.

The neo-classical approach was developed as a reaction to the classical principles, it did not abandon the classical approach altogether, rather it pointed to the limitation of classical approach.

Highlights of Hawthorne experiments were also described. The major facts discovered by these experiments include the important role of groups in determining the attitude of workers; need for communication among ranks; increasing satisfaction leads to effective organization and that people in an organization are motivating higher level needs. It also provided an overview of systems approach and the modern organisational theory.

### ATMOSPHERIC IMPORTANCE

Every organisation exists and operates within its environment. In fact, every organisation is a sub-system of its total environmental system. Every organisation interacts with its environment, and both affect each other.

### FUNCTIONAL ATMOSPHERE

Simply stated, organisational environment refers to the environment under which an organisation exists and operates. The environment is composed of many factors, forces, conditions, influences and so on.

According to Robert Albanese:

"The environment of an organisation may be defined as a perceived set of conditions, influences, or forces external to an organisation that has relevance to the goals and tasks of the organisation."

In the words of Robbing:

"Environment is the composition of those institutions or forces that affect the performance of the organisation but over which the organisation has little control."

According to Prof. Keith Davis, organisational environment "is the aggregate of all conditions, events and influences that surround and affect it."

Thus, organisational environment refers to those surroundings, factors, circumstances, institutions or influences that affect the working and existence of an organisation.

## CHIEF TRAITS

Following characteristics of organisational environment highlight its nature :

> Organisational environment is dynamic. It is constantly changing due to the change in the factors or forces composing it.

Organisational environment consists of many factors, forces, conditions, events, influences institutions etc. arising from many sources. These all interact with each other and create new set of influences. Thus, it is complex phenomenon. It is easier to understand in parts but difficult to understand in its totality.

The dynamic environment consists of internal and external environment. Internal environment is composed of the forces and conditions within the organisation. External environment is composed of the forces and conditions outside the organisation. There is a geographical boundary of the environment of every organisation. Forces and conditions that arise within that boundary usually affect the organisation. However, the geographical limit is determined by the area of operation of the organisation.

All the factors of the environment are mutually dependent. Each factor affects all the other factors. For instance, social factor affects economic, political, legal, religious, technical and other factors.

Organisational environment is multi-faceted. It may look different to different persons. Moreover, a slight change in factors

may cause change in the environmental scene. Again, some see a particular state of environment as an opportunity while others may perceive it as a threat.

Environment affects all organisations. The profitability, growth, prosperity, diversification, etc. of art organisation largely depend on the environment in which it exists and operates. Moreover, any change in the environment also affects an organisation in several different ways.

Every organisation imports its resources (human, physical, financial and informational) from its environment and export its goods or services to its environment.

The basic purpose of every organisation is to earn profits through satisfaction of needs of the environment. No organisation can survive and succeed without achieving this purpose.

Every organisation has to face and deal with the challenges posed by its environment. It is a precondition for the success of the organisation. In order to face challenges effectively, every organisation needs to change its plans and strategies according to the change in the environment.

## Extra Knowledge

Every organisation needs to study and understand its environment. Survival and success of an organisation largely depends on its ability to understand and anticipate its own environment accurately. Briefly, the need for study of environment arises due to the following reasons :

1.  To understand complexities of environment.
2.  To obtain information about the changes that are taking place in the environment.
3.  To know and understand environmental fluctuations.
4.  To know and evaluate the amount of risks associated with the organisation.

5. To understand the mutual effect of the environmental factors.

6. To evaluate the plans under execution.

7. To prepare strategic/corporate planning.

8. To prepare action plans.

9. To obtain information about opportunities and threats for the organisation.

10. To evaluate strengths and weaknesses of the organisation.

11. To make the organisation environmental friendly.

12. To prepare for organisational change.

13. To ensure overall managerial effectiveness.

## DIFFERENT SETS

Organisational environment can be classified under the following heads :

The internal environment means the environment composed of the conditions and forces within the organisation. In other words, internal environment is a result of the internal forces and conditions. It influences the actions and behaviour of the persons internal to the organisation. The main components/ elements of internal environment are as follows:

1. Purpose or objectives of organisation.

2. Counter value system and philosophy of organisation.

3. Policies, rules and regulations of organisation.

4. Nature, composition and structure of management including the Board of Directors.

5. Authority relationships in organisation.

6. Human resources of organisation.

7. Physical assets and production facilities of organisation.

8.  R & D and technological strengths of organisation.

9.  Finance strength of organisation.

10. Market standing and brand equity of organisation. Internal environment is largely controllable. Hence, managing this environment is not regarded as a serious challenge for managers.

External environment consists of the forces and conditions outside the organisation. Such an environment influences the actions and behaviour of the entire organisation. It is beyond the control of the organisation. The components of external environment are being discussed under the next heading.

## EXTERNAL CLIMATE

External environment may be classified into two parts :

The micro environment consists of the factors or activators within the immediate environment of the organisation. Such an environment directly affect the performance of the organisation. It is, therefore, also known as the direct-action environment. The main components or factors of such an environment are : (i) Shareholders, (ii) Consumers, (iii) Trade unions, (iv) Suppliers, (v) Market intermediaries, (vi) Competitors, (vii) Financial institutions and creditors, (viii) Government and government agencies.

The word macro means large or whole. The macro or general environment means the environment composed of all those major forces and conditions that affect the organisation's activities and behaviour. Such an environment provides opportunities and poses threats to the organisation. The macro environment forces are beyond the control of the organisation. The main components of macro or general environment include economic, social, cultural, religious, political, legal, technological, educational, international and so on. Macro environment is

sometimes classified into economic and non-economic environment. Economic factors of macro environment constitute economic environment whereas the other factors of macro environment constitute non-economic environment. The main components of macro environment are briefly described as follows :

Economic environment refers to the economic factors and forces that have economic effects on organisations. Such environment affects the direction and working of organisations. The main factors and forces of economic environment are as follows :

(i) Economic system, whether capitalistic, socialistic, communistic or mixed economic system.

(ii) Stage of the economy, whether developed, under-developed or undeveloped.

(iii) Present state of economic or trade cycle, price level and rate of inflation.

(iv) Economic structure *i.e.,* the structure and sources of national income, income distribution pattern, rate of capital formation, rate and growth of GNP, per capita income, export-import and balance of payment position, stock of foreign exchange, etc.

(v) Economic planning, such as Five Year Plans, annual budgets etc.

(vi) Economic policies including industrial policy, licensing policy, exim policy, fiscal policy, agricultural policy, taxation policy, labour policy, etc. These policies have far reaching effects on organisational environment.

(vii) Economic laws, including the companies law, business laws, FEMA, competition law, banking law, law relating to securities and stock exchanges.

(viii) Other factors including the following :

(a) Disposable income with consumers.

  (b) Conditions of resource market *i.e.* money market, human resource market, raw materials market, services and supply markets and so on.

All these economic factors form economic environment of an organisation. These factors influence the performance of all organisations. These factors decide the supply of inputs, their costs, quality availability and reliability of supplies and performance of organisations.

Market environment directly affects the success and failure of business organisations. The main components of market environment are as follows :

  (i) Customer or client factors such as needs preferences, attitudes, values, bargaining power, buying motives and psychology and so on.

 (ii) Product factors such as demand and image of products, features, design, utility and functions of products, product life-cycle, price, differentiation, and so on.

(iii) Distribution factors such as channels of distribution or middlemen, level and quality of customer service, transportation system and its costs, delivery system etc.

(iv) Promotional factors such promotional measures and promotional mix, advising and promotion media and methods and so on.

 (v) Competition-related factors such as different forms of competition and competitors, entry and exit of competitors; nature of competition, and relative strategic position of major competitors.

The single most important factor that has greatly affected modern business organisations is the technological environment. Technological environment is the most dynamic of all the environmental factors. It refers to the forces that help transformation of organisational resources into goods or services.

It is concerned with the dynamics of product and process technology, research and development, innovations in product and processes, technological obsolescence and so on. Advancement and change in technology vitally affect the organisation's product lines, plant size and location, costs, profitability, growth and development. The main components of technological environment are as follows :

   (i)  Technological development, change and rate of change of technology.

  (ii)  Development of automatic machines operated through computers and robots.

 (iii)  Research and development in product and production processes.

 (iv)  Search and use of new sources of energy *e.g.* automatic power, solar power, mind power and so on.

  (v)  Advancement in communication system and information technology e.g. satellite communication.

 (vi)  Advancement in transport system.

 (vii)  Advance in packaging materials and packaging system.

(viii)  Development of new synthetic materials.

 (ix)  Research and development in bio-technology.

  (x)  Speed of transfer of technology between the nations and its absorption.

 (xi)  Cost of technology acquisition and collaboration in technology.

    Political environment has close association with the economic environment. Political environment greatly affects the economic environment and consequently the economic organisations. The components of political environment are as follows :

   (i)  Political ideology of the government such as democratic, autocratic or military, socialistic or communist.

  (ii)  State of political development.

(iii) The degree of politicalisation of business and economic issues.

(iv) The level of political morality.

(v) Political stability.

(vi) Efficiency of the government agencies.

(vii) Extent and nature of governmental intervention in the business.

(viii) Government policies with regards to social and economic organisations.

(ix) Political parties and pressure groups.

(x) Structure of the government.

(xi) Centre-state relations.

(xii) Bureaucracy and administrative system.

(xiii) Executive and judiciary.

(xiv) Parliament and its working.

(xv) Foreign policy and relations.

Political environment has a great bearing on the growth and development of business organisations. It establishes an environment which may be pro-business or anti-business. It provides stability needed for long-term business planning.

Legal environment is an illegal part of the organisational environment. It is closely related with the' political environment. The main components of the legal environment are as follows:

(i) Constitutional framework of the country.

(ii) Basic legal framework regulating the general law and order environment of the country.

(iii) Business laws, including the Contract Act, Sale of Goods Act, Partnership Act, Negotiable Instruments Act, Arbitration Laws and so on.

(iv) Corporate and economic laws, include the Companies Act, Banking Laws, FEMA, Competition Act, Consumer

Protection Act, Essential Commodities Act, Trade Marks Act, law relating to Cooperatives, law relating to securities and stock exchanges (SEBI etc.) and so on.

(v) Industrial and labour laws including Industrial (Development and Regulations) Act, Factories Act, Industrial Disputes Act, the Payment of Bonus Act, Gratuity Act, Provident Funds and Miscellaneous Provisions Act and so on.

(vi) Pollution control laws including air, water, social, noise pollution control laws, Environment Protection Act and so on.

(vii) Judicial system and judiciary.

(viii) Taxation system and laws.

(ix) Economic policies such as industrial policy, licensing policy, foreign investment policy etc.

All these factors and forces form the legal or regulatory environment of an organisation. These factors regulate and control the working of all the organisations.

Socio-cultural environment influences all organisations. It is the environment of society as a whole. It consists of the following factors :

(i) Demographic characteristics such as population, its density and distribution. Composition of population such as male, female, age, class, caste, education religion etc.

(ii) Degree and rate of urbanisation, rate of rural-urban mobility, income distribution.

(iii) Social values and beliefs.

(iv) Social and religious organisations and their impact on society.

(v) Social traditions, customs and conventions.

(vi) Cultural heritage.

(vii)   Family structure and changes in it and family values.

(viii)  Standard literacy and education.

 (ix)   Level of general awareness and consciousness of rights.

  (x)   Work culture and ethics of members of society.

 (xi)   Changing life-style and patterns and materialism in society.

Thus, social and cultural environment is the social and cultural fabric that affects organisations and their members.

Customs, traditions, beliefs, value system etc. mostly affect the organisations. With the change in social and cultural environment, life-style and needs of the people change. Therefore, new products appear and new managerial challenges evolve.

Historical environment consists of the events, thoughts, work-practices etc. that have taken place in the past. Historical environment also influences all the organisations. Past events, thoughts, practices always influence the future organisations. Hence, social or racial clashes, wars, political instability, administrative styles, industrial, social and political movements in the past are likely to influence the future organisations.

Natural or physical environment is created by geographical, ecological and physical factors. Weather, climatic conditions, topographical factors, geographical location, natural resources such as mountains, rivers, sea and coastal area, oil and other minerals, live stock, water-level, level of pollution etc. are the major factors that form the natural or physical environment. All these factors and their combinations affect all the organisations.

The international environment is very important in the era of globalisation. It mainly affects the organisations engaged in internal business. International environment is the result of the relationship between the countries and their trade policies. Sound international environment may lead to increased flow of capital, technology and other resources, goods and services between the countries.

Managers need to scan and analyse organisational environment.

The third step or function in the management process is directing. Planning and organising functions lay the foundation for directing function. Once the plans have been formulated, the organisation structure has been designed and competent personnel have been assigned the task and authority, the function of directing starts. It emphasises working with people by guiding, motivating, leading, communicating and supervising the subordinates with a view to achieve organisational objectives efficiently and effectively.

Directing is the process of initiating action according to some plan. It is the process of guiding, supervising, motivating, leading and influencing people for accomplishment of organisational objectives.

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

In the words of Koontz and O'Donnell, "Direction is a complex function that includes all those actions which are designed to encourage subordinates to work effectively and efficiently in both the short and long run."

According to Ernest Dale, "Direction is telling people what to do and seeing that they do it to the best of their ability."

In the opinion of Urwick and Brech, "Directing is the guidance, the inspiration, the leadership of those men and women that constitute the real core of the responsibilities of management."

According to Marshall E. Dimock, "The heart of administration is the directing function which involves determining the course, giving orders and instructions, providing the dynamic leadership."

***Direction :*** Thus, directing is the process of guiding, instructing, motivating, influencing and leading subordinates

with a view to achieve organisational objectives efficiently and effectively. It includes issuing of orders, explaining procedures to the subordinates and seeing that they do their tasks to the best of their ability.

The nature or function of directing has been discussed in the following features/characteristics :

> Directing is one of the most important functions of management. Marshall Dimock calls it the 'heart of administration (management)'. In fact, it is an indispensable function of management because it is concerned with initiating, mobilising, influencing and integrating human resource of the organisation.

Directing is all pervasive function. It is performed by all the managers at every level of the organisation. However, the amount of time and effort spent on directing varies by the level of managers. Directing is a continuous or on-going process. It is not a one-time activity or one-shot action. A manager never ceases to direct, guide, teach, coach and supervise his subordinates.                                        *[Haimann]*

Every manager has to guide, supervise, motivate or lead his subordinates continuously.

Directing is an integrating and connecting function between the other functions of managerial process.          [*Haimann*]

Directing is a dynamic function. The style of directing depends on the level of subordinates and prevailing circumstances.

Directing function has two-fold objectives :

(i)  To accomplish organisation objectives, and

(ii)  To develop managers. Thus, directing aims at not only to accomplish objectives but also to develop future managers.

Directing is the process around which all performance revolves. It is the essence of operations.          *[Haimann]*

Without proper direction, no task can be effectively performed. It is essential for effective performance of tasks.

Directing consists of many activities and processes. It consists of issuing orders and instructions, explaining procedures to the subordinates. It involves motivating and leading subordinates and seeing that they do their tasks to the best of their abilities.

Directing is the core of human relations at work. It deals with interpersonal human relationships at work. Therefore, sometimes, it is also referred as the 'people' function of management. It involves the study and influencing the human behaviour and relations. Directing is founded upon communication system. In the absence of effective communication system, directing function can never be performed.

Marshall E. Dimock has very rightly stated that "the heart of administration is the directing function. . . ."

Without directing, management process remains incomplete. It is wrong to assume that good planning and good organising will automatically result in the subordinates performance of the assigned duties. The function of directing deserves equal attention along with other functions. Haimann has observed that "In order to make any managerial decision really meaningful, it is necessary to convert it into effective action which the manager accomplishes by directing." Briefly, the importance of directing is discussed in the following points :

> Directing is essential to get the things done through others. Without proper guidance, instructions, supervision, motivation, no manager can get the things done as per plans. Theo Haimann has rightly observed that "nothing happens until and unless the car is put into gear and accelerator depressed. Without the issuance of directives, without guiding and overseeing subordinates, nothing or at best very little would be accomplished."

Directing initiates action. Through direction managers motivate and influence subordinates to initiate action for accomplishing the objectives. All resources will be utilised only when action is initiated. Planning, organising and controlling functions can be effectively performed when work is initiated through directing.

In order to execute plans and decisions, directing is essential. Without effective directing, no plan or decisions can be effectively executed. Faulty directing can nullify the effects of best plans and sound decisions.

According to Haimann, "Coordination is a necessary by-product of good managerial directing." In fact, effective direction contributes in coordinating activities in organisation. Directing is one of the techniques of coordination.

One of the basic objectives of directing is to develop future managers. Through directing, managers constantly coach, counsel, guide and advise their subordinates. This practice helps develop efficient future managers.

Directing helps achieve objectives effectively. Through direction, managers can integrate the individual objectives with organisational objectives. This ultimately helps in accomplishing organisational objectives.

Usually employees resist change. But through proper directing, employees can be induced to accept change pleasantly.

Directing is important for creating work environment. Through proper directing, managers can mobilize and motivate employees and influence their behaviour. Hence, they are able to create work environment in the organisation.

Through proper direction, managers can motivate employees. In the process of directing, managers can deal with many physical and psychological problems of employees and motivate them.

Effective directing means effective supervision, communication, motivation and leadership. These all contribute to the growth and stability of the enterprise.

The function of directing is irreplaceable. There is no substitute of directing. Even computer-aided work procedures cannot substitute directing. It shall always remain an irreplaceable function of management.

Following are some of the basic principles of directing :

This principle states that subordinates should be given clear understanding the objective of directing. Moreover, subordinates should also be made known of their roles in accomplishing the objectives.

This principle states that for effective directing, there should be harmony of individual objectives and organisational objectives. A good directing system should encourage fulfilment of individual objectives while at the same time contributing to the achievement of organisational objectives.

This principle states that a subordinate should receive orders and instructions from only one superior. A subordinate should have reporting relationship to a single superior. In other words, a subordinate should be accountable to only one superior. It is necessary because no one can serve two bosses at the same time.

This principle states that managers should, as far as possible, ensure direct supervision. Moreover, objective methods of supervision should be supplemented by direct personal supervision. *[Koontz and O'Donnell]*

Through direct supervision, superiors can better communicate with other subordinates. Moreover, they can view the problems first-hand and receive suggestions from the subordinates immediately.

This principle states that effective leadership is essential to

effective directing. Therefore, managers should adopt an appropriate style of leadership to ensure effectiveness of direction. Managers should vary the leadership style appropriately. The leadership style that is effective for one environment may not be effective for another environment. Hence, manager should adopt an appropriate style in order to illicit desired response from the subordinates.

This principle states that sound two-way direct communication system should be maintained to ensure effectiveness of directing. It will provide free flow of ideas, information, suggestions, complaints and grievances between superior and his subordinates.

This principle states that for effectiveness of directing, a manager must motivate his subordinates. A manager should devise and use proper techniques to satisfy the physiological and psychological needs of his subordinates. Satisfied subordinates are ready to accept orders and instructions voluntarily. Hence, managerial task of directing becomes effective and easier.

This principle emphasises that manager should try to maximise individual contribution to the attainment of objectives. Therefore, directing should aim at maximising individual contribution.

This principle states that directing can be more effective if manager ensures participation of his subordinates in the process of directing. Therefore, a manager should solicit and consider ideas, opinions, views and suggestions of the subordinates before directions are issued.

This principle requires that for effective directing, a manager should develop informal relations with his subordinates. A manager should, therefore, promote and recognise informal groups and their leaders. Informal relations can increase the effectiveness of directing because it is easier to secure cooperation of people through such relations.

This principle states that a manager should select and use appropriate techniques of directing. The selection of techniques should be based on the nature of task and the prevailing situation. The technique of supervision should be appropriate to the person supervised and the task performed.

This principle requires that a manager should follow-up the directing process and make necessary changes in it wherever necessary. It means that directing is a never-ending process. It involves constant coaching, counselling, advice, supervision, and helping the subordinates in their respective activities. This requires continuous follow-up and feed back.

The main elements or components or techniques of directing are as follows :

1. Issuing orders and instructions,
2. Supervising,
3. Motivating,
4. Leading, and
5. Communicating.

The first and foremost step in the process of directing relates to the issuing of orders and instructions. A manager is required to issue orders and instructions to initiate, modify or stop any action. These are necessary to ensure proper performance of activities necessary to accomplish organisational objectives.

An order or instruction is, in fact, conveys a decision of a manager. Therefore, the order or instruction must be properly issued. A good instruction should have the following features or essentials :

(i) It should be clear and unambiguous.
(ii) It should be simple and easy to understand.
(iii) It should be brief, concise and complete.
(iv) It should be reasonable and enforceable.

(v) It should be logically convincing and acceptable.

(vi) It should be compatible with the organisational objectives, policies and rules.

(vii) It should, as far as possible, be in writing.

(viii) It should be properly drafted or worded.

(ix) It should be able to secure cooperation.

(x) It should specify the time within or by which it must be complied with.

(xi) It should pass through the managerial hierarchy from top to bottom.

(xii) It should be backed up by feedback and follow-up action or instruction.

Supervision is an essential element of directing process. The term 'supervision' is made up of two words : 'super' and 'vision'. Supervision, therefore, means overseeing by some superior of the subordinates at work. Every superior (manager) has to see that his subordinates work as per plans and standards.

Thus, the supervision is the process of ensuring performance of subordinates in accordance with the plans, policies, programmes, procedures, methods, rules etc.

Though supervision is important at every level of management, it is mainly concerned with the operative level of management. A supervisor is usually a first line manager and deals with the rank and file employees. He teaches his subordinates in the ways in which their job can be best performed. He explains them the procedures, methods, rules etc. of the organisation. Moreover, supervisor also looks into the problems and grievances of his subordinates and helps them in resolving the same. Motivating means arousing desires and wishes in the minds of subordinates to do the best for the organisation. It is a process of stimulating or inspiring individual and groups to do things with utmost zeal and enthusiasm.

Motivation satisfies needs and meets the expectations of the employees. It creates willingness among the employees to contribute more to their jobs. This leads to higher performance. Moreover, motivated employees can readily accept organisational changes. This all helps in achieving organisational goals efficiently and effectively.

It is, therefore, the task of every manager to motivate his subordinates. He must use financial as well as non-financial incentives to motivate the employees. He must make every effort to satisfy intrinsic and extrinsic needs of the employees in order to motivate them.

According to Koontz and O'Donnell, "Leadership is the ability of a manager to induce subordinates or followers to work with confidence and zeal." Simply stated, leadership is the process of guiding and influencing behaviour of subordinates to work willingly for attaining objectives of an organisation.

Leadership plays a vital role in management. The quality of leadership usually determines success or failure of an organisation.

There are different leadership styles. Every manager must develop and adopt the style that can best inspire individuals and groups for higher, effective, and regarding performance.

Communication is the process of exchanging information, facts, ideas, emotions and understanding by two or more persons. It is a systematic process of conveying or exchanging, careful listening and understanding of the message.

Communication is successful only when desired response is elicited. Therefore, every manager must develop sound two-way communication system. Moreover, he must also be responsive the feedback and communications received from the subordinates.

Communication is the fundamental and vital to all managers. It is a basis of action and cooperation. Sound communication

system gets ideas and instructions, understood properly, results in increased performance and morale. It helps in coordinating activities in an organisation.

*Control :* Control is the fourth and final principal element of the managerial process. This function intends to ensure that everything occurs in conformity with the plans and predetermined goals are successfully achieved. Thus, this function aims to make things happen in order to achieve goals.

Simply stated, control means checking and correcting activities in order to ensure that things occur in accordance with the plans.

1. According to Massie, "Control is the process that measures current performance and guides it towards some predetermined goals."

2. In the words of Philip Kotler, "Control is the process of taking steps to bring actual results and desired results closer together."

In the opinion of Henri Fayol, "Control consists of verifying whether everything occurs in conformity with the plan adopted, the instructions issued, and principles established."

According to Terry and Franklin, "Controlling is determining what is being accomplished that is, evaluating the performance and, if necessary, applying corrective measures so that the performance takes place according to plans."

In the words of Robbins and Coulter, "Control is the process of monitoring activities to ensure that they are being accomplished as planned and of correcting any significant deviations."

According to Robert Albanese, "Managerial controlling is the process of assuring that actions are in line with desired results."

Thus, control is the process by which managers ensure that performance is in conformity with the plans and goals. It involves

setting of standards, measuring actual performance and correcting the performance if it deviates from the standards. It should be noted that function of control is concerned with checking and correcting activities of human beings and not the human beings.

Following characteristics of control clearly explain its nature:

Control is a managerial function. It is the task of every line manager. A non-manager is not required to perform control function.

Controlling is all pervasive function. Controlling exists at every management level.                    *[Terry]*

Every manager has to exercise control over the activities and behaviour of the subordinates. However, the scope of control varies by level of managers.

The elements' and nature of control process are universal. The control process remains the same regardless of the activity involved or its location in the organisation.      [*G. Dessler*]

Every control process involves four steps or elements: (i) Fixing standards, (ii) Measuring actual performance, (iii) Comparing performance with standards and detecting deviation, and (iv) Taking corrective action if required. All these steps are involved in every control process.

Control is a continuous and never ending process. As long as organisation exists, managerial control continues to exist. It is a continuous process of setting standards, evaluating the actual performance and correcting the performance if it deviates from the standards.

Control is a dynamic process. It is not static. It involves continuous review of standards in the light of changing situations and ensuring performance in conformity with the standards. Thus, this process is subject to change with the change in the situations.

Controlling is a positive and constructive process. The purpose of controlling is positive because it aims at making things happen as desired. Terry and Franklin have rightly alarmed that "Controlling should never be viewed as negative in character .... It is a managerial necessity and not an impediment or a hindrance."

Control is a goal-oriented function. Objective of controlling is to assure that actions contribute to the goal accomplishment.

*[Robert Albanese]*

Thus, control is not an end in itself. It is a means to achieve desired results.

Control is an action-oriented function. It implies taking some corrective action to achieve desired performance. Mere evaluating actual performance is no control. Taking suitable action for correcting the deviation from desired performance is the essence of control. Thus, its essence is in determining whether the activity is achieving the desired results. *[Haynes and Massie]*

Control is a forward looking. It aims at future. It not only aims at correcting the current performance but also provides standards for future performance.

Control is one function of management and its twin is planning. In other words, controlling and planning are closely related. These functions cannot be separated. Planning and controlling may be viewed as the blades of a pair of scissors. The scissors cannot work unless there are two blades. Without objectives and plans, control is not possible.

*[Weihrich* and *Koontz]*

Control relates to checking and regulating actions and behaviour of human beings towards organisational goals. It does not aim at controlling human beings and their freedom.

Control is not meant for interfering with others. It does not aim at reducing authority of subordinates. It is simply a means of ensuring actions of subordinates are in line with the desired

results. The scope of control is very wide. It covers all the aspects of performance leading to desired results. More specifically control includes the control of quantity, quality, time and cost. Any activity to control these four aspects of performance can be included in its scope.

## AIMS AND PURPOSES

Controls are intended to serve several purposes. However, the basic purpose is to ensure actions and behaviour in line with the desired results. Briefly, the principal objectives of control are as follows:

1. To direct the activities according to plans.
2. To establish coordination between objects, means and efforts of the organisation.
3. To know the progress of the activities on the basis of standards fixed.
4. To find out deviations and try to remove these deviations.
5. To get the knowledge regarding quality cost and time of work performed.
6. To regularise actions and behaviour.
7. To prevent dishonesty and establish order and discipline.
8. To maintain flow in activities of the business.
9. To stop wastage and to minimise the cost.
10. To make decentralisation and delegation of authority successful.
11. To motivate employees.
12. To ensure efficient and effective use of organisational resources.

Control is an important element of the management process. Without control, manager cannot complete the process of management. He cannot get the things done and achieve desired goals results. Robbing and Coulter state, "Control is important

because it is the final link in the functional chain of management activities. It is the only way managers know whether or not organisational goals are being met and why or why not." Briefly, the importance of control is described in the following sub-heads.

According to Peter Drucker, "Control maintains the equilibrium between ends and means, output and effort." When there is such an equilibrium, enterprise functions smoothly. In other words, a sound control system ensures smooth functioning of the enterprise. It ensures achievement of long- term and short-term goals by maintaining equilibrium between ends and means and output and effort.

Modern large organisations have got a lot of complexities. They produce large variety of goods and services. They use automatic and computerised techniques of production. They cover vast geographical market area and use complex distribution network. Thus, their working is influenced by many factors simultaneously. In such a situation, uniformity of actions and behaviour in entire organisation can be ensured only through effective control system.

To become competitive is one thing. But to remain competitive over a long period of time is a big challenge. Maintaining competitiveness requires effective control. Through effective control, managers may use their available resources judiciously and remain competitive.

Control is essential in order to attain organisation goals. An effective control system ensures that activities are completed in ways that lead to the attainment of organisation goals.

*[Robbing and Coulter]*

Control is the function intended to ensure that everything occurs in conformity with the plans. Thus, control is the essential to the success of planning. Without effective control, no plan can be successful. Terry and Franklin have rightly pointed out

that "failure of controlling means sooner or later failure of planning and success of planning means success of controlling."

It has been rightly said that executive decisions are primarily control decisions. Control system finds deviations in actual performance from the standard. Managers have to decide how to correct the deviations. Thus, control system facilitates managers to decide about follow up actions. Control system is essential for the success of delegation and decentralisation of authority. No delegation or decentralisation of authority can produce desired results without proper control system. Moreover, a manager remains responsible even after delegation. Hence for meeting this responsibility, he has to control the actions of the delegate.

According to Peter Drucker, "The synonymous to control is direction." It means, effective control means effective direction. Through control process management can ensure that actions are efficiently and effectively directed towards objectives of the organisation.

Effective control system ensures unity of direction. This, in turn, ensures unity and uniformity of actions and behaviour. These develop spirit of cooperation among the employees. This ultimately promotes coordination of efforts among all employees and departments.

An effective control system is vital to the employee motivation and morale. Controlling helps employees to do their work better, to win respect. It serves, as challenge and opportunity to improve performance. Employees never like a situation that is out of control because in such a situation they cannot predict what will happen to them. They become victims of caprice of managers rather than the beneficiaries. *[McFarland]*

On the other hand, effective control system ensures judicious evaluation of the employee efforts and adequate rewards. It safeguards them against raw-deal. Consequently it enhances employer the motivation and morale.

Effective control system causes every organisation member to comply the norms, rules and other standards of behaviour and action. Members are not under the temptation of greed of monetary and other gain for doing things violating the norms, rules etc. Thus, the disciple and honesty can be ensured to a reasonable extent. However, it should be noted that control cannot cure habitual dishonesty in all the cases. But management shall be regarded irresponsible if it does not make a reasonable effort to main disciple and honesty among its employees through effective control system.                    *[McFarland]*

Control system also contributes to timely performance of activities. Predecided work schedules programmes, time-tables etc. are the controlling techniques that ensure timely performance of the activities.

Through control system every action and activity is evaluated against the set standards or rules or plans. Hence, mistakes or irregularities can be detected and corrected at early stages.

A Sound Control System can ensure economy in operation. It can help in reducing and controlling overall and per unit cost of production. It is possible because control system ensure efficient and effective use and elimination of wastage of resources.

Sound control system plays vital role in ensuring organisational stability. The techniques of control such as plans, policies, rules, budgets, standards or norms of behaviour can greatly contribute to the organisational stability. These can give sound foundation to the organisation and create its own work, culture and build image and goodwill in the society.

Modern business organisations work in an ever-changing environment. Products, competition, technology, consumer likings, government policies, corporate and industrial laws, employee behaviour, social and religious beliefs etc. are changing. Such a changing situation can be managed through adaptive controls. Adaptive controls enable organisations to make

adjustments in their objectives, structure, functioning and means in accordance with the needs of the situation.

Control is a continuous or ongoing dynamic process. It may involve many steps. Usually a control process consists of the following steps :

1. Establishment of standards.
2. Measurement of performance.
3. Comparison of performance with standards.
4. Taking corrective action.

The first step in the process of control is the establishment of standards of performance. It may be noted that standards are the objectives or plans against which actual performance can be measured.

Standards may be in several forms. But they should be tangible, verifiable, and measurable. More specifically, standards should be in quantitative as well as in qualitative terms. The performance standards are generally classified into four categories :

These standards state the amount/number of product or service to be produced during a given time period.

These standards state the length of time to be allowed to make a certain product or perform a certain service.

These standards state the cost associated with producing a product or service.

These standards set the level of perfection desired.

These standards prescribe the desired type of behaviour of employees in an organisation.

Standards to be effective, should satisfy the following conditions :

(i)  Standards should be fixed in all the key areas of business.

(ii)   They should be consistent with the goals and policies of the organisation.

(iii)  They should be, as far as possible, expressed in quantitative terms. Such standards can reduce subjectivity.

(iv)   They should be precise and tangible so that everyone can understand them easily.

(v)    They should focus on achievement of results and not on procedures.

(vi)   They should be capable of achieving with reasonable effort, cost and time.

(vii)  They should be flexible and capable of being adapted to changing circumstances.

(viii) hey should be set in consultation with the employees.

(ix)   They should be objective and based on facts.

(x)    They should include the tolerance limits *i.e.* permitted limits of deviation.

(xi)   They should be revised from to time.

The next step in the control process is the measurement of actual performance. Actual performance may be measured through personal observation, samples, reports, accounting statements etc. But managers should carefully select the methods and time measurement. Measurement methods may be quantitative as well as qualitative or a combination both.

Again the time of measurement should also be fixed with the most care. Managers should also decide a reasonable time interval for measurement of performance. It should not be so short nor so long. Too short time interval may involve too much expenses whereas too long interval may not detect deviations in performance in time.

To make measurement of performance worthwhile, it should be clear complete, precise and objective.

The third step in the control process is the comparison of actual performance with the standards. At this step, manager finds out the degree of variation or deviation between actual performance and the standard. Where manager finds no deviation, no further action is required.

Then the control process is deemed to have completed. When deviation is found in the performance, manager has to find out the extent of deviation. If the deviation is within the tolerance limits, manager need not bother. However, if the deviation exceeds the tolerance limits, the manager's attention is needed. In such a case, manager has to take some corrective action.

The fourth and final step in the control process is to take correction. At this point, manager should find out the cause of deviation. If the cause is beyond the control, manager can do nothing. If the cause is controllable, manager may either :

(a) correct actual performance, or

(b) revise the standards.

Manager may correct actual performance by :

(i)   providing training,

(ii)  revising compensation plan,

(iii) redesigning job,

(iv)  changing the strategy,

(v)   changing the organisation structure and so on.

When he decides to take corrective action, he should take it immediately. Immediate action corrects problems at once and gets performance on track. Where the deviation has been the result of faulty and unrealistic standard, manager should revise the stand. The above stated four steps constitute an effective control process. This control process is basic and universal. It essentially remains the same regardless of the activity involved at the level of manager.

Late Profs. Koontz & O'Donnell and many other experts have laid down certain principles of control. Some of the basic principles of control are summarised as follows:

> This principle states that control must contribute to the achievement of objectives. In other words, control must facilitate the accomplishment of organisational objectives.

This principle requires that for ensuring effective control, accurate and objective standards should be established. These standards should be specific and capable of being measured. Good standards will generally be accepted as fair and reasonable by the workers being measured.

This principle states that for effective control manager's focus should be on strategic or key points of performance. Effective and efficient control requires focus on those crucial activities or operations where variation from standards would cause greatest harm.

This principle states that control system should be able to detect deviations quickly and to take corrective action immediately with minimum of cost. The results of the control should be worth their cost-both in monetary and human term.

This principle holds that control should be exercised only by the manager responsible for the execution of the particular plan.

This principle states that effective control system should aim at preventing present as well as future deviations from the standards.

This principle states that control system should be designed to maintain direct contact between the controller and the controlled. Such a control system will ensure high quality of managerial actions and behaviour.

This principle requires that control system must be so

designed to reflect the character and structure of plans. It will help in implementing the plans effectively.

This principle states that controls should be tailored to fit the organisation structure. Responsibility for execution of plans and for correction of deviations should clearly point out in the organisation structure. Deviations from plans can best be corrected when they are associated with specific managerial positions having responsibility and accountability for action.

This principle states that controls must be designed to meet the needs of the individual manager. More specifically, control system should be tailored to suit the personality, quality and authority of the manager.

This principle holds that a manager should be concerned with and concentrate only on exceptional deviations *i.e.* significant deviations and ignore others.

This principle prescribes that controls should be flexible enough to meet the needs of changing conditions.

This principle holds that control system should be reviewed periodically.

This principle states that control should be followed by appropriate action. Any control is justifiable if measures are undertaken to correct the potential or actual deviation from the standards or plans.

An effective control system should meet the following requirements :

> A control system is effective only when it is goal-oriented. Therefore, before formulating a control system, its goals should be set and properly understood by all concerned. Moreover, everyone should be made known what is his role and expected of him to contribute to the system.

A control system should be accurate. It must generate accurate and reliable information. Inaccurate information from a control system may cause the managers to take inappropriate action or no action.

Control system should be able to provide timely information. The best information has little value if it is delayed. Hence, control system should be able to receive and evacuate information quickly and timely for timely corrective action.

An effective control should be as objective as possible and not biased. It should be fair and reasonable to those about whom information is being received and evaluated.

A control system may fail if it cannot be understood by the users *i.e.* employees. A control system that is difficult to understand can cause unnecessary mistakes and confuse or frustrate employees.                              *[Gray and Smetaser]*

Difficult system may even be ignored by the employees and very purpose of the system may be defeated. Hence, a control system should be easy to understand.

The modern organisation operates in a dynamic environment where change is inevitable. Hence, control system should be flexible and forward looking. It should be flexible enough to adjust the changing circumstances. It should be able to take advantages of new opportunities and face challenges successfully. It must also keep pace with the ever-changing pattern of dynamic business world.                              *[Haimann]*

A control system must be economical to operate. The cost of control system should not exceed the value of its benefits. But the economy need not be exercised at the cost of effectiveness of the system. However, to minimise the cost, management should try to impose the least possible controls. It should be remembered that control should not become the end, rather control should be used as a means to achieve the objective.                              *[Grayson Jr.]*

A control system should use reasonable and attainable control standards. If they are too high or unrealistic they will not be achieved and hence will not motivate employees. Some employees may even be forced to attain the standards. In such a case, they may resort to unethical or illegal short cuts. Therefore, the control system should enforce the standards that challenge and induce people to reach higher performance levels. They should never be demotivating or encouraging deception .

*[Robbins and Coulter]*

Management cannot control everything that happens in an organisation. Hence, managers should focus on those points or factors that are strategic or key ten the organisation's performance. They should focus on those crucial activities and operations where variation from standards would cause the greatest harm. *[Robbins Coulter]*

A control system should be consistent with the organisation structure. It should be consistent with organisation's activity relationship as well as with the authority relationships. In other words, flow of information for control system should correspond with the organisational relationships. Only such a system can determine who controls what, who provides information, who will control whom and so on.

A control system should be based on exception principle. This principle states that managers should concentrate on exceptional deviations from the standard. It is due to the fact that managers cannot control all the activities. Hence, managers should concentrate on the exceptional deviations or the significant deviations in performance from the standards.

A control system should contain multiple criteria of control. It means that it should include quantitative as well as qualitative criteria of control. Such criteria are more logical and objective. They are more difficult to manipulate. They promote more accurate evaluation of performance.

An effective control system not only helps to detect deviation

from the standard but also suggests the actions to be taken to correct the deviation. Thus, an effective control should be able to point out the defect and specify the corrective act.

In order to formulate an effective control system, participation of all concerned should be ensured. In other words, control system should be a joint effort of the manager and his subordinates. Proper participation can greatly influence the success of control system.

It is a matter of fact that every organisation is different in its size, operations and needs. Hence, the system and techniques of control will differ from organisation to organisation. Moreover, the system and techniques will also differ from level to level in the organisation. Hence, control system should be designed and tailored to suit the needs of a particular organisation.

A control system should within it have a self-control system for each sub system or department. If a department can have its own control system, much of the detailed controls can be handled within the department. These departments with self-control can then be tied together by the overall control system.

*[Joseph L. Massie]*

A control system should be designed to maintain direct contact between the controller and the controlled. Even when there are number of control systems provided by staff specialists, the supervisor at the first level is still important because he has direct knowledge of performance.           *[Joseph L. Massie]*

Every control system involves human beings and hence affected by human factors. Hence, a technically well designed control system may fail if human and psychological factors are ignored. Hence, the physiological and psychological factors of human beings (i.e. needs of human beings) should be considered while formulating a control system.

It should consider and give allowance to the factors which cannot be controlled.

The system should watch the means used to achieve the ends.

The control factor should be an effective feedback mechanism.

A plethora of techniques are used in controlling operations of in organisation. A few important techniques are as follows :

## GLOBAL APPROACH

1. Personal observation,
2. Setting examples,
3. Plans and policies,
4. Organisation-charts and manuals,
5. Disciplinary system,
6. Written instructions,
7. Statistical data,
8. Special reports and records,
9. Financial statements,
10. Operational audit,
11. Break-even analysis,
12. Standard costing, and
13. Budgets/Budgetary Control.

### *Modern Techniques*

1. Return on investment,
2. Management audit,
3. Management information system,
4. Zero-base budgeting, and
5. PERT/CPM.

Personal observation technique is the oldest and most important technique of control. Under this technique, managers

occasionally visit personally the subordinates at work place and observes their performance. If they find any deviation, give instructions on the spot. Personal observation is important because it permits first-hand evaluation of work. But control through personal observation is time consuming and busy managers cannot find enough time to inspect personally. However, it should be noted that there is no substitute for direct personal observation and contact.                    *[Haimann]*

It is the old saying that "example is better than precepts." Some managers follow this saying and put good examples of performance before subordinates and expect the same from them. Examples set by managers become the norm of behaviour for the subordinates.

For instance, if a manager sets the example of punctuality, his subordinates tend to follow the same easily. Thus, behaviour and actions of subordinates can be controlled through exemplary behaviour of the manager.

Organisational plans include strategies, policies, procedures, methods, rules, programmes etc. These all are important tools that guide and control the actions of all the organisation members. These prevent deviations in actions and behaviour and ensure uniformity of actions and decisions. Thus, they play crucial role in controlling activities.

Organisation charts and manuals are the documents that provide a clear picture of relationships, duties and responsibilities of organisation members. These can be used to compare performance of the members. Thus, these can serve as important control techniques.

Disciplinary system provides for reprimand, censures, criticism, disciplinary action, punishment etc. Thus, it is a negative technique of control. For minor but regular lapses on the part of an employee, reprimand is issued. Where employee repeatedly makes mistakes or where mistakes are grave, strict disciplinary

action is taken. Disciplinary system can ensure control but through negative means. It is through fear and pain. It is demoralising. Hence, it does not create congenial work climate. Managers should, therefore, be judicious in making use of this technique of control.

Written instructions are issued from time to time to the organisation members. These provide latest information and instructions in the light of changing rules and conditions. These may provide additional knowledge and even remove misconceptions of the members. Instructions may be issued through personal/ individual letters, circular letters, bulletin, notes etc. These are the supplementary control techniques.

Statistical data are important source of control. Statistical data are collected and presented in the form of tables, charts and graphs. They are analysed in numerous ways such as mean, mode, standard deviations, regression, correlation. These data serve important role in the areas of production control, quality control, inventory control and so on.

Special operational reports and records are also prepared in addition to normal reports and records. These are non-routine reports prepared by experts. They contain much deeper information. They are actually investigative reports. They, therefore, indicate the depth of the problem and suggest the means of correcting/solving the problem.

Financial statements include the 'profit and loss account' and 'balance sheet'. These show the working and financial position of a business. These are used as techniques of control. For this purpose, financial statements of different time-periods are compared and analysed. Moreover, comparison and analysis of financial statements of different firms are also made. The conclusions drawn from such comparison and analysis are used for controlling financial performance of the firm.

The audit is an effective tool of control. Operational audit relates to the internal operations of the firm. Statutory audit is

more of a nature of financial operations. Some firms use internal audit with the help of special internal staff or external audit team. It provides an overall review of working of the entire organisation. It can reveal to what extent established policies, procedures, rules, work standards and methods have been followed in the day-to-day working of the organisation. These information can be used to control the operations of the organisation.

Break-even analysis is a graphical technique of control. It is a technique of identifying the number of units of a product that must be sold in order to generate enough revenue to cover costs. Thus, it is a technique of finding out a point of break-even where total cost equals to the total revenue. Thus, this technique is useful in controlling production and sales volume in order to avoid loss. [For details and graphical presentation, refer Chapter entitled, 'Planning'.]

Standard costing is a technique of cost control. Under this technique, standard costs of material, labour, overheads etc. are determined. Then, actual costs are recorded and compared with the standard costs and variances are found out. Then causes of variance are found out. Finally, measures are taken to prevent variances in future.

Budgets are used as a control device by almost all the managers. A budget is a numerical statement showing the allotment of resources to specific activities. Managers prepare various types of budgets for various activities. They include revenue budget, capital budget, expenditure budget, production budget, sales budget, master budget and so on. Budgets are used as a technique to control the concerned activity.

When budgets are used as a technique of control, it is called the budgetary control. It is a process of finding out what is being done and comparing the actual results with the related budget data and finding out the deviations and correcting the deviation. Thus, budgetary control helps managers to control the cost or use of resources as planned.

The modern techniques of control are as follows :

1.  *Return on Investment or ROI :* Return of investment (ROI) is a technique of control of overall performance. It measures the rate of return on investment *i.e.* capital employed. This technique is based on the assumption that goal of business is not to maximise profits but to optimise return on capital employed. Therefore, in this technique profit of the organisation is not taken in absolute terms but is considered in terms of capital employed. The ROI is calculated as under :

$$ROI = \frac{Sales}{Total\,Investment} \times \frac{Net\text{-}Profit}{Sales}$$

Managers compare rate of return between two or more periods of the organisation or of the two or more other organisations and try to reach certain conclusion. On the basis of such conclusion, managers control the activities and operations of their own organisation.

2.  *Management Audit :* Management audit is yet another new technique of control. Management audit is a systematic technique of evaluation of the working, and effectiveness of management of an organisation. It is designed to make an assessment for the effectiveness of entire management process. This audit is conducted by an independent team of expert from relevant areas. This audit is a periodic event.

    The audit team collects many facts and information from office records, personal interviews with the members of organisation. It also gathers information through questionnaires circulated among the members and clients or customers of the organisation. The audit team then makes certain recommendations for future guidance of management. Management uses these recommendations for controlling the working and performance of the organisation.

3. *Management Information System or MIS :* Management information system (MIS) is a system of collecting, processing and transmitting information needed by managers. More specifically, this system is a centre of facilities and personnel for collecting, processing, storing, transmitting information needed for managing an organisation. Managers use these information for planning, decision-making as well as for controlling the activities of the organisation. In this way MIS is a technique of control.

4. *Zero-base Budgeting or ZBB :* Zero-base budgeting is a new approach to budgeting and used as control technique. It is a budgeting technique which does not consider figures of previous period or year while preparing a budget. It prepares budget afresh without considering the figures of earlier year or period. It takes into account the needs of the activity. Therefore, manager has to justify his entire budget on the basis of facts of the prevailing situations. Such a budget can control the activities in the light of current situations or conditions.

5. PERT/CPM-PERT and CPM are network techniques that are also used in controlling the actions and performance. PERT stands for "Programme Evaluation and Review Technique" and CPM stands for "Critical Path Method". Though these techniques differ slightly, they are based on the same principle.

PERT/CPM is technique of scheduling complex projects involving many activities. In this technique, a network diagram is prepared that displays the sequence of activities needed to complete a project and time and cost associated with each activity. Thus, PERT not helps in planning the schedule of a project but also helps managers to monitor and control progress of the project, identify possible obstacles, and shift resources as necessary to keep the project on schedule. Thus, with a PERT/CPM a manager can ensure control of complex projects.

Though control is essential for better performance and maintenance of good standards, there are certain limitations also. Some of the limitations are discussed below :

1. *Difficulty in Setting Standards :* There are many areas in the context of a business where measurable standards of performance just cannot be set. Importance among such areas are employee morale, customer reaction, and research and development. In the absence of these, control function becomes less effective.

2. *Difficulty in Qualification :* Sometimes standards cannot be fixed in terms of quantity. Hence, control becomes even more difficult.

3. *Influence of External Factors :* There may be an effective control system but external factors which are not in the ambit of management may have adverse effect on the working. These factors may be government policy, technological changes, change in fashion, etc. The influence of these factors cannot be checked by the control system in the organisation.

4. *Expensive :* The control system involves huge expenditure on its exercise. The performance of each and every person in the organisation will have to be measured and reported to higher authorities. This requires a number of persons to be employed for this purpose. If the performance cannot be quantitatively measured then it will be observed by the superiors. The exercise of control requires both time and effort.

5. *Opposition from Subordinates :* The effectiveness of control process will depend upon its acceptability by subordinates. Since control interferes with the individual actions and thinking of subordinates they will oppose it. It may also increase the pressure of work on subordinates because their performance is regularly monitored and evaluated. The factors are responsible for the opposition of controls by subordinates.

6. *Difficulty in Pin-pointing Responsibility :* Control process is concerned with identifying the factors responsible for deviations. But, in modern times, it is difficult to do so, because a number of persons are concerned with the performance of a single job. To the extent it is so, control is weakened.

7. *Time Consuming :* There are cases when control becomes time consuming exercise. It is due to the nature of techniques used and the work itself.

8. *Limits of Corrective Action :* Sometimes deviations are found but no corrective action is possible. Sometimes, corrective action cannot be taken quickly and damages cannot be controlled.

# FUNDAMENTALS OF
# HOTEL MANAGEMENT

Among the important inputs which flow into the tourist system is tourist accommodation. Accommodation facilities constitute a vital and fundamental part of tourist supply and an important feature of the total tourist image of a country. Many countries have recognised the vital importance of accommodation industry in relation to tourism and their governments have coordinated their activities with the industry by way of providing attractive incentives and concessions to suppliers of tourist accommodation, which have resulted in the building up of various types of accommodation. For instance, availability of sites for tourist accommodation on liberal payment terms, special concessions in the form of long-term loans, liberal import licences and tax relief, cash grants for construction and renovation of buildings, and other similar concessions are provided to the accommodation industry.

The United Nations Conference on International Travel and Tourism held in Rome in 1963 considered, in particular, problems

relating to means of accommodation. The Conference acknowledged the importance of means of accommodation, both traditional (hotels, motels) and supplementary (camps, youth hostels, etc..) as incentives to international tourism. The Conference recommended that governments should consider the possibility of including tourism projects, and particularly those relating to accommodation on the list of projects eligible for loans from their industrial or other corporations, and that, where required, they should establish special financial corporations for tourism. It also recommended that governments should give sympathetic consideration to the possibility of granting special facilities and incentives for accommodation projects. An adequate supply of accommodation suitably tailored to the requirements of the tourist market is one of the basic conditions of tourism development. The provision of accommodation facilities and their growth should, at the same time, be regarded in a much broader context as they make an important contribution to the economy as a whole, by stimulating economic development, social contacts and commercial activities.

In the promotion of tourism, of all the constituents of the tourist industry, the accommodation sector thus constitutes the most important segment. Tourism is, to a great extent, dependent on the type and quantity of accommodation available. Accommodation is a very important part of the tourism infrastructure and the expansion of tourism inevitably brings about the development of accommodation. It is rather the core of the tourist industry. Accommodation is, in other words, the matrix of tourism, and is thus the obvious choice to play a distinctive role in the development of this expanding industry.

According to the World Tourism Organisation, WTO Report on 'The Development of the Accommodation Sector, tourist accommodation is used to denote the facilities operated for short term accommodation of guests, either with or without service, against payment and according to fixed rates. For the purposes of classification, all tourist accommodation has been

divided into the following groups: (i) hotels and similar establishments (the hotel industry proper) and, (ii) supplementary means of accommodation.

The first group usually includes hotels, motels, boarding houses and inns, while the second includes registered private accommodation (rented rooms; apartments, houses), camping and caravan sites, youth hostels, recreation centres for children, mountain huts and shelters as well as health establishments, that is, sanatoria and convalescent homes.

## THE HISTORY

The early history of accommodation for travellers can be said to have its origin in the Greek Word 'Xenia'. By this word ancient Greeks meant not only hospitality but also all forms of protection given to a visiting stranger. In ancient Greece, hospitality was a sort of divine order. The city or a town itself was bound to offer hospitality to a visitor and protect him from any discomfort. This was a custom. In the city of Sparta, whose extremely rigorous customs did not attract many visitors, it was the goddess Athena who was considered as protector of strangers, and hence her name 'Xenia Athena'.

Travelling during this period was not an easy affair. Travellers were mainly diplomats, philosophers, intellectuals and researchers. There were no lodgings specially designed to receive visitors. Guests were invited to stay in the dwellings of noblemen. This was rather a gift comprising a place to stay, food, care and bath. This explains the presence of baths in most archaeological finds. In ancient Olympia one can find one of the first buildings constructed with the aim of accommodating strangers, called the "Leonidio", built in 4th century B.C.

As travelling became more frequent, accommodation for travellers was viewed in two ways. The traveller who left his home required accommodation at his destination and, during journeys which could be completed in a single day, he needed

overnight accommodation. The institution of 'inns' came into being. Inns can perhaps be considered to be the first of such accommodation units which catered to the needs of travellers in early times. During the Roman Empire many such inns were established which provided food, drink and also entertainment to weary travellers. However, with the decline of the Roman Empire by about A.D. 500, the institution of inn-keeping lost its importance and for many years there was not much development since people travelled very infrequently and there being not much trading activity, there was not much need felt for inn-keeping.

Later, when travelling began to be undertaken in coaches, travellers were lodged in 'Hostelries' situated at the relay stations where both the traveller and their horses found rest and food. From this time onwards, hospitality was not always offered free. Payment for accommodation used was being resorted to.

After the advent of Christianity, it was the Church which came to the rescue of the travellers. Travel grew again for religious pilgrimage purposes. Travellers in thousands visited religious centres. Monasteries took over the role of providing lodgings and facilities to travellers who were mainly pilgrims. These welcomed the travellers and made their stay a comfortable experience. Every large monastery had a person responsible for reception of visitors and their well-being. The accommodation and the hospitality provided were free.

By the 15th century, the institution of the 'inn' once again developed in several countries in Europe, specially in England and France. During the seventeenth and eighteenth centuries, the facilities provided in the inns were expanded. Some of the inns had as many as 30 or more rooms. The English Common Law declared the inn to be a public house and imposed social responsibility in the innkeeper for the well-being of the traveller. Even today over one hundred odd inns are still operating in England as hotels as part of Trust House Limited. Some of these were built about four hundred years ago.

In the United States of America another type of accommodation unit, known as the 'tavern', was opened in the year 1634 by a man called Samuel Coles who had come by ship to the New World in search of a fortune in the year 1630. By 1780, taverns were popular meeting places where people used to come for eating, drinking and entertainment. Many important events were associated with taverns. In the year 1783, General George Washington bid farewell to his top ranking officers at the Frances Tavern in New York city. The famous Boston Tea Party was planned in a tavern called Green Dragon.

In India the concept of shelter for travellers is not new. In fact, it is as old as its recorded history. The historical records are replete with the mention/references of *viharas, dharamshalas, sarais, musafirkhanas,* etc. These establishments provided a home to all wayfarers, be they pilgrims, scholars, adventurers or merchants. The shelter under various names has always been a part of India's culture as a valuable institution, providing a vital service. The ancient Buddhist monks were probably the first to institutionalise the concept of a shelter in India. The cave temples scattered all over the south-western region of India have both a *chaitya* (sanctuary) for worship and prayer and a *vihara* (monastery). These monks, although living in their quiet retreats, away from towns and villages, were nevertheless mindful of the needs of travellers and pilgrims who found shelter and food at these monasteries. It is interesting to note that these monasteries were located on the ancient trade routes between important centres of pilgrimage of the region. It is gathered from some inscriptions that merchants gave liberal donations for the construction and maintenance of these establishments. Mere charity was obviously not the motivation in these displays of generosity. The trader travelled with their merchandise and money on these routes and the *viharas* were their 'hotels'.

In the medieval period this ancient institution gradually assumed a more secular character. Although religious centres invariably had *dharamshalas* and *musafirkhanas* attached to

them, the caravan *sarai* appeared as an exclusive traveller's lodge with a *Nanbai* or the cook attached with it. Sher Shah Suri, the Great Afghan Emperor and the builder of the Grand Trunk Road, is credited with having built caravan sarais at regular intervals all along this highway creating favourable conditions for commerce and travel. However, he was not alone in this venture. The Mughals built such facilities all over their empire. Later kings, rajas, nawabs, rich businessmen and philanthropists built *sarais* making travel less arduous.

At approximately the same point in time, the inn was the western counterpart of India's *sarais.* With the expansion of commerce, travelling became profitable and with it emerged the business of providing comfortable shelter and good food to the growing number of travellers. The *sarais* in India, like the inns in Europe, or the stage coach stations in the USA of the 18th and 19th centuries, stood all along the well-travelled routes. They provided food and shelter to the travellers and fodder to their horses. The amenities these early hotels offered would seem to us to be primitive but they conformed to the life-style of that age. However, with the passage of time, the age-old institution of the *sarai* or the inn adapted itself to the ever changing and constantly growing requirements of the market.

## HOTEL AS AN INSTITUTION

The institution of hotel had its beginning in the early fourteenth century. The first hotel in the classical sense, the forerunner of the present day existing complex unit, is said to have been created in Paris, in the year 1312. Other similar hotels were soon established in France, Holland, Italy, Germany and many other countries.

With the growth of travel in the eighteenth century, there appeared in London the prototype of the modern hotel with the opening by one David Low in 1774. The next fifty years saw a gradual increase in the hotels and resorts in many countries

of Europe. In the United States of America, hotels emerged from institutions known as 'Tavern' by the simple expedient of a change of name. By about the beginning of the nineteenth century, the terms tavern and hotel were used to describe the same thing. By the year 1820, 'hotel' became the accepted term to describe a place where people stayed for the night and took their meals on payment. In the 1820s the first tourist hotel appeared in Switzerland. The period preceding World War I also saw many hotels coming up in Europe especially in resorts of France, Italy, Switzerland and Germany. The hotels in fashionable resorts such as Vichy and Evian in France, Montecatine in Italy, Baden-Baden in Germany became very popular with tourists. In the same way hotels also came up in summer resorts along the French and Italian Riviera.

From the age of carriage and horses through the age of railroad into the era of jumbo jet, the hotel industry developed with the simultaneous development of transportation systems. In the field of mass passenger transport, railways could perhaps be credited with being the pioneers. The evolution of the railway system in the eighteenth century greatly affected the quality and the quantity of accommodation used in conjunction with travel. The growth of the railways also brought in a speedy network of stage coach services. By the mid-nineteenth century the use of the stage coach as a means of travel had almost ceased. The industrialisation in its wake brought increased urbanisation.

The great number of people who flocked to various urban towns in search of employment and also entertainment needed some kind of accommodation. This need for accommodation enabled promising and enterprising people to build hotels and inns in many such urban towns to cater to an increasingly local market and also to serve the large number of travellers carried by the railways. Until about the middle of the nineteenth century, the bulk of the journeys were undertaken for business and vocational reasons, by road and within the boundaries of individual countries. The volume of travel was relatively small

and was confined to a fraction of the rich segment of the population in any country. Inns and similar establishments along the main highways and in the principal towns grew to become the hallmark of the accommodation for the travellers. The traveller could reasonably expect, at most inns, a clean and comfortable stay when he wished to eat or spend the night. It provided the bulk of accommodation *en route*. This trend continued until the end of the nineteenth century, as most people travelled by coach.

**Emergence of the Hotel :** Although the earliest hotels date back to the eighteenth century, their growth on any scale occurred only in the following century when the railways created sufficiently large markets to make large hotels possible. During this period a large number of hotels grew up at important destinations. The hotels were developed along the main railway and highway routes in major towns.

Substantial development of the hotels thus awaited the volume and the type of traffic only the railways could bring. With the development of railway systems in many other countries within and outside Europe, the number of hotels also increased. These hotels catered to the increasing volume of traffic. The 1860s also saw the introduction of Thomas Cook's railway and hotel coupons. Starting in 1868 Cook arranged regular circular tours of Switzerland and Northern Italy from England. By the 1890s, l,200 hotels throughout the world accepted hotel coupons. Thus we find that railways greatly influenced the development of hotels during the early twentieth century.

The demand for accommodation of tourists was thus met by a variety of facilities ranging from inns, taverns, private houses to hotels. The main changes in the demand for tourist accommodation have come about from changes in tourist transportation and in the popularity of different forms of holidays. After the introduction of the motor car and the aircraft, a large number of hotels sprang up at various tourist areas and

destinations. The growth of hotels continued until the 1950s. Hotels as a unit of accommodation dominated the scene all over the world.

***Definitions :*** Hotels provide accommodation, meals and refreshments for irregular periods of time for those who may reserve their accommodation either in advance or on the premises. In broad terms, hotels provide facilities to meet the needs of the modern traveller. The dictionaries define hotel in several ways: 'a place which supplies board and lodging', 'a place for the entertainment of the travellers', 'large city house of distinction', and 'a public building.'

The common law states that a hotel is "A place where all who conduct themselves properly, and who, being able and ready to pay for their entertainment, are received, if there be accommodation for them, and who without any stipulated engagement as to the duration of their stay or as to the rate of compensation, are, while there, supplied at a reasonable cost with their meals, lodging, and such services and attention as are necessarily incident to the use of the house as a temporary home."

A definition of the hotel as a business entity worthy of study was presented by hotel operators during the consideration of the hotel business to authorities of the National Recovery Administration, in Washington in 1933. This definition, as formulated by Stuart McNamara, was:

> "Primarily and fundamentally a hotel is an establishment which provides board and lodging, not engaged in interstate commerce, competitive with or affecting interstate commerce (or so related thereto that the regulation of the one involves the control of the other), but is a quasi-domestic institution retaining from its ancient origin certain traditional, and acquiring, in its modern development, certain statutory rights and obligations to the public,

where all persons, not disqualified by condition or conduct, prepared to pay for their accommodation, are to be received and furnished with a room or place to sleep or occupy if such accommodations are available, and with such services and attention as are incident to their use of the hotel as a home, and/or with food, at stipulated prices, and with or without contract as to duration of visit, and which conducts, within the confines of its physical locations, this business of supplying personal services of individuals for profit. Incidental to such fundamental and principal business, the hotel may furnish quarters and facilities for the assemblage of people for social, business or entertainment purposes, and may engage in renting portions of its premises for shops and business whose contiguity is deemed appropriate to an hotel".

***Categories of Accommodation :*** Accommodation can be categorized in different ways. These could be categorized by location, price, by type of visitors and by type of facilities they offer. Luxury hotels are at one end of the scale while budget or economy hotels are at the other end. Some are within the city limits or in city centre while others may be in suburban areas. Some properties may cater to business travellers while others may cater to families on holiday. Yet another way to categorise them is on the basis of whether they are fully serviced, partially serviced or non-serviced. It is however, difficult to place international lodging accommodation into strict, exclusive categories.

According to the organisation for Economic Cooperation and Development (OECD) there are eleven different types of accommodation plus two 'other' categories. The 'other' categories refer to other "hotels and similar establishments" and "supplementary means of accommodation". Following are the main categories of accommodation:

**Hotels**

   (i)  International Hotels

  (ii)  Commercial Hotels

 (iii)  Residential Hotels

 (iv)  Resort Hotels

  (v)  Floating Hotels

 (vi)  Capsule Hotels

(vii)  Airport Hotels

### HOTELS AT WORLD LEVEL

International hotels are the modern western-style hotels located in almost all metropolitan and other large cities as well as principal tourist centres. These hotels are luxury hotels and reclassified on the basis of an internationally accepted system of classification. The hotels are placed in various star categories. There are five such categories ranging from five star to one star, depending upon the facilities and services provided. These hotels provide, in addition to accommodation, all the other facilities which make the stay a very comfortable and interesting experience. These facilities include well-appointed reception and information counter, banquet halls, conference facilities, etc. There are also a number of shops, travel agency, money changing and safe deposit facilities. Restaurant facilities, bars and banqueting are an integral part of the business of a hotel. The various services provided in these hotels include international and local cuisine, food and beverage service and speciality restaurant service. These hotels also provide entertainment for the guests in the form of various dance and music programmes, sports and games.

A number of these hotels belong to the luxury category. There are some international chains which own a large number of such luxury hotels. Hotels belonging to international chains are mostly owned by public companies and controlled by a

Board of Directors. These hotels have various departments which are managed by persons qualified and experienced in the field of hoteliering. The chief of the hotel designated as General Manager is responsible for the overall management and operation of the hotel through his departmental heads. International hotels are suitable for metropolitan cities and for other large business and commercial towns and principal tourist centres. The potential of these hotels is therefore limited to these areas. A number of this type of hotels have conference/convention facilities and are suitable for holding meetings, conventions and conferences.

*Resort Hotels :* Resort hotels cater to the needs of the holiday-maker, the tourist and those, who by reasons of health, desire a change of atmosphere. Resort hotels are located near the sea, mountain and other areas abounding in natural beauty. Rest, relaxation and entertainment are the key factors around which resorts are built. The primary motive of a person visiting them is rest and relaxation which he is looking for, away from his routine, busy work life.

The resort hotels, in order to provide special services to the visitors, are built to give a visitor special welcome and an atmosphere of informality. The type of services and amenities located in resort property include recreation facilities such as swimming pool, golf course, tennis courts, skiing, boating, surf-riding and various indoor sports. Other important amenities include coffee shops, restaurants, conference rooms, lounge, shopping arcade and entertainment. Emphasis in resort hotels, however, is on recreational facilities. The clientele of resort hotels is mostly persons with considerable income looking for relaxation and recreation. Resort hotels rarely attract commercial patronage.

Resorts can be of various types and can be classified on the basis of climate and topography. Broadly they fall in the following categories: (i) Summer resorts, (ii) Winter resorts (iii) Hill resorts, (iv) All season resorts, and (v) Health resorts.

A majority of the resort hotels are seasonal establishments which work to capacity during the high tourist season. Generally the high tourist season is the period when there are holidays at educational institutions. However, in recent years many of the resort hotels, with a view to extend the season, provide certain special facilities and various other concessions to the guests. The concessions provided include reduced tariffs, free entertainment, sightseeing, gifts, etc.

***Commercial Hotels :*** The commercial hotels direct their appeal primarily to the individual traveller as compared to international or resort hotel where the focus is on group travel. Most of the commercial hotels receive guests who are on business although some have permanent guests. As the hotel caters primarily to people who are visiting a place for commerce or business, these are located in important commercial and industrial centres of large towns and cities. These hotels are generally run by the owners and their success depends on their efficient running and the comfort and facilities they provide. In some of the large industrial towns, fully licensed commercial hotels exist complete with restaurants, grill room, functional accommodation and a garage for those travelling by automobile.

***Residential Hotels :*** These hotels can be described as apartment houses complete with hotel services. These are often referred to as apartment hotels. The tariff of rooms in these hotels is charged on monthly, half-yearly or yearly basis and is charged for either furnished or unfurnished accommodation. These hotels, which are located mostly in big cities, operate exclusively under the European plan where no meals are provided to the guests. These hotels were developed in the United States of America where people discovered that permanent living in hotels offers many advantages. Services and amenities provided in these hotels are comparable to those of an average well-regulated home. These are very popular in the United States and western Europe where these are also popularly known as Pension.

***Floating Hotels :*** As the name suggests, these hotels are located on the surface of the water. It may be on the sea or on a lake. All the facilities and services of a hotel are provided here and these are very popular in many countries. In some countries old luxury ships have been converted into floating hotels and are very popular among tourists. The atmosphere they provide is exclusive and exotic. In India, floating hotels in the form of houseboats are very popular with tourists.

***Capsule Hotels :*** Capsule hotel is the newest innovation in the budget hotel market. The first of its kind was opened in Osaka in Japan in the year 1979, as a spin-off of the 1970s fashion in Japanese architecture for capsules. These have now sprung up in increasing numbers in big cities of Japan.

The capsule is a box made of glass-reinforced plastic or cement, open either at one side or one end, in which are concentrated some of the functions of a traditional hotel room—bed, a clock, radio, TV, flexible lighting, a box for valuables and a miniature table for writing. Rooms in a capsule hotel generally are lined up in double-decker fashion along a central aisle as in a sleeping compartment of a train. Toilets and washrooms, vending machine room, and lounge are close by on each floor, of the hotel. The functions of each capsule are controlled and monitored by a central computer system and the security is controlled by close circuit TV cameras. The hotels cater mainly to business travellers. The low tariff and vintage locations are the major factors for their popularity. The hotels are well located near major transportation centres in Japan's largest cities.

***Airport Hotels :*** Airport hotels, as the name suggests, are located near the airports primarily to cater to the needs of transit passengers, airport crew as also passengers of delayed or cancelled flights. The various facilities provided in these hotels are designed to offer comfort and convenience to the air travellers. The various services may include parking and shuttle service to and from the airport terminal. The hotels may also provide

services for business travellers for organising meetings, conferences and conventions etc.

**Space Hotels :** Space tourism is probably just another decade or so away. A brand new phenomenon in the hotel stay to be available in space travel would be called 'Skotel'. It would perhaps be the world's first airborne hotel. In the initial stages, space travel may start off as suborbital flights which would mean taking off in a shuttle and staying put in space for a few days. It may limit to flying off from an airport orbiting the earth once and then landing back on it. According to the International Institute of Tourism Studies, space tourism is broadly applied to the concept of paying customers travelling beyond earth's atmosphere. It can include parabolic flight, vertical suborbital flights, orbital flights lasting upto three days or week-long stays at a floating space hotel, including participatory educational, research and entertainment experiences as well as space sports competitions.

Many experts have conceived different designs and ideas regarding the structure of space hotels. Some experts feel that space hotels wouldn't be anything more than clusters of pre-fabricated cylindrical modules. Inside these cylinders there could be lots of fun. Since there would be zero gravity one may find the bar of the hotel merrily perched on the ceiling, while the other guests laze on the ground below. Studies are, however, going ahead on Space Hotel concepts. Some of these concept hotels including one called space Hotel Europe can room around 50 guests. Most travel specialists would advertise them as elevated or uplifted establishments, since space hotels would be above earth hotels simply because of the physical reality of being airborne or floating in space.

**Supplementary Accommodation :** Supplementary accommodation may be of various types other than the conventional hotel type. Although hotels have been and still are the principal form of accommodation, there has been a growth

and development of some other forms in various parts at the world. Supplementary accommodation can be classified on the basis of its location, type of construction, type of management, etc. A study of these indicates that their diversity is a reflection of the specific nature of each one and their names simply indicate various ways in which one and the same function can be fulfilled or a need can be satisfied.

Supplementary accommodation may be described as the premises which offer accommodation, but not the services, of a hotel. Services provided here is minimal and not comprehensive as in the case of hotel establishments.

All establishments under the heading of supplementary accommodation are designed to offer the possibility of stay overnight and meals in return for cash payment per day and on the basis of services provided. The standard of comforts is modest compared to that of a hotel. On the other hand, however, there are certain inherent advantages in this type of accommodation. The biggest advantage is that of price. It is moderately priced. In addition, the atmosphere is informal and there is more freedom with regard to dress, etc. There is also more emphasis on entertainment and sports resulting in increased social contact among the guests.

Supplementary accommodation plays a very important role in the total available tourist accommodation in a country and can cater to both international as well as domestic tourist traffic. In fact, in some countries more tourists utilise this type of accommodation than hotels. In France and Italy as also in some other countries in Europe and elsewhere there are more campers than there are hotel clients. The following are some of the principal forms of supplemental accommodation:

   (i)  Motel

  (ii)  Youth Hostel

 (iii)  Camping Sites

(iv)  Pension

 (v)  Bed and Breakfast Establishments and

(vi)  Tourist Holiday Villages.

***Motel :*** The concept of motel and motel-hotel originated in the United States of America. Motel was meant for local motorists and foreign tourists travelling by road. Primarily designed to serve the needs of motorists, motels almost exclusively meet the demand for transit accommodation. They serve the function of a transit hotel except that they are geared to accommodate motor travelling guests for overnight stay. The important services provided by motels include parking, garage facilities, accommodation, restaurant facilities, public catering and recreational facilities. Hence all motels are equipped with filling stations, repair services, accessories, garages, parking space, "elevator service to the automobile, restaurants, etc. There are also equipment and tools available which the guest can use himself if he wishes to repair his vehicle. The price charged for accommodation and meals/refreshments is much cheaper as compared to that in hotels.

Motels are mostly located outside the city limits in the countryside along the main highway and preferably at an important road junction. Since these establishments cater mainly for persons travelling by road, their development is linked with the development of new motorways along which these are necessarily located. Motels are of different types. Some provide just the minimum services while others are well-furnished, with comfortable accommodation and excellent facilities. The accommodation provided is of a chalet type, which is furnished, having a dining hall and a fixed menu. Shopping facilities for travelling public are also provided.

In many countries, especially the United States of America, motel accommodation is ranked with hotel accommodation and subject to general standards applicable to the hotel industry. In countries like Norway, France, Ireland, Turkey, etc., specific

legislation has been introduced for motels. This includes requirements for the approval of plans, easy access of cars, minimum capacity, provision of restaurant where necessary, minimum standards for facilities and provision of petrol pump or service station where they exist and model classification standards similar to those for hotels. For instance, in France, there are three categories designated by stars, the classification being based on location, sanitary fittings and collective amenities. An increasingly important segment of the accommodation industry, motels are looked upon as a distinct asset, as these have enabled the industry to meet the changes in travel patterns and personal preferences of the modern day traveller.

*Youth Hostels :* Youth hostels made their first appearance in Germany in the form of a movement in about the year 1900. The movement which spread rapidly all over the world was based on the need of city youth to travel throughout the country. In order to provide some sort of accommodation and services the dormitories in the inns were equipped with cots, mattresses, sheets and blankets. Large rooms in inns were used as dining and living places providing full board at low cost to the guests. There was also provision of additional kitchen where travellers could prepare their own meals. Since the movement was started with a view to encouraging youth to travel in order to learn and know more about the country and also to socialise, it had an educational value. As such, no service was provided in the inn. The persons staying in the inn were themselves required to look after the inn. Subsequently, exclusive youth hostel buildings were constructed to accommodate young travellers.

A Youth hostel can be defined as a building which offers clean, moderate and inexpensive shelter to young people exploring their own country or other countries and travelling independently or in groups on holiday or for educational purposes. It is a place where young people of different social backgrounds and nationalities meet and come to know each other. The objective of youth hostels, therefore, is not merely to provide

accommodation and board, but also to serve as centres which offer an opportunity to young people coming from different parts of the country, as also young travellers from abroad, to know and understand each other. It is a place of friendship, recreation and out-of-school and college education.

The youth hostels are equipped to accommodate young men and women who travel on foot, by bicycle or other means of locomotion and who, at very little cost, are provided with a place to sleep, eat or to make their own meal. The services provided include accommodation, meals and also recreation. The charges for these services are very modest. The hostels are also equipped to enable the users to prepare their own meals if they so desire. The accommodation provided in the hostels is for a limited number of days.

In most countries, youth hostels are developed and managed by non-commercial organisations whose main aim is the development of youth tourism. Since World War II, the number of such hostels has increased greatly. These hostels are now planned to provide comfortable accommodation as also such other services and facilities which are required by youth. Also the number of those using these hostels has grown tremendously. Many hostels receive an increasing number of groups and organise stays for winter sports or sailing.

The construction of youth hostels is based on certain norms laid down from time to time all over the world. International requirements for these include provision of separate dormitories for men and women, appropriate and clean toilets, washrooms for both men and women, a kitchen where hostelers can prepare their own meals, common rooms, living accommodation for warden and a left-luggage room. There is also a provision of a kitchen where warden and staff can prepare meals to supply to hostelers, separate small room for instructors, a dining room and classroom for school parties and a warden's office. Some youth hostels have playgrounds attached for the use of hostelers.

The International Youth Hostel Federation has laid down certain minimum requirements for accommodation in the youth hostels. These include:

   (i)   Separate dormitories for men and women with separate entrances;

  (ii)   Separate toilets and washrooms for men and women with separate entrances;

 (iii)   A members' kitchen where hostelers can prepare their own meals;

 (iv)   A common room, separate from members' kitchen, wherever possible;

  (v)   Living accommodation for warden(s), on the premises wherever possible.

*Caravan and Camping Sites :* Caravan and camping sites constitute a significant accommodation category in many holiday areas. These are very popular in some European countries as in the United States of America. These are also known as open-air hostels, tourist camps or camping grounds. Camping, originally practised by hikers on foot, is increasingly giving way to car camping.

The sites are usually located within the large cities in open spaces. Equipped to receive mobile accommodation in the form of caravans, the camping sites provide facilities for parking, tent pitching, water, electricity, toilet, etc. Though the services provided generally include restaurants, recreational rooms, toilets and at certain places a grocers shop, the type of services often vary from place to place.

Some countries have enacted legislation establishing the minimum facilities that must be provided and these include health and sanitation standards, prices to be charged for parking and use of various services and facilities.

*Pension :* This type of accommodation is very popular in certain European countries. Particularly in Italy, Austria, Germany

and Switzerland these establishments are used extensively by the tourists. Pension is also described as a private hotel, a guest house or a boarding house.

Catering facilities are optional and are usually restricted to the residents. Many of them stay for longer and definite periods such as a week or a fortnight. The reservation of accommodation is made in advance. Mostly managed by a family, a pension is much cheaper than a hotel.

***Bed and Breakfast Establishments :*** Also known in some countries as apartment hotels and hotel garnis, they represent a growing form of accommodation units catering for holiday as well as business travellers. These establishments provide only accommodation and breakfast but not the principal meals. These are usually located in large towns and cities, along commercial and holiday routes and also resort areas and are used by en route travellers. Some of these are very popular with holiday-makers.

***Tourist Holiday Villages :*** Tourist villages were established in some European countries after World War II. These are situated at warm seasides and in the regions which offer certain facilities for tourists. In Italy and Spain, tourist villages are located in the regions not economically developed, thereby helping the region economically. The villages are mostly promoted by important clubs, social and tourist organisations.

The village complex is a centre of accommodation providing extensive sports and recreation facilities, riding, swimming, tennis, volleyball, football, sauna, mini-golf, badminton, table tennis and yoga. These provide both board and lodging. The atmosphere in these villages is kept as informal as possible. Telephones, radios, newspapers and TV are banned unless there is an emergency. Wallets and other valuables are locked away at the beginning of one's stay.

The staff are chiefly educated young people who live on an equal basis with the holiday-makers. The accommodation

provided is usually in multiple units and many provide for self-catering. The furnishing provided in the rooms is minimal. The easy mixing of guests is encouraged by the banning of advance booking of tables in the village restaurants. One rarely finds oneself sitting with the same group twice.

The holiday villages are usually based on family units, each providing a convertible living room, bath/shower and sometimes a kitchen. The villages are self-sufficient, providing almost all necessities required by the residents. There is also a small shopping complex where one can buy articles of daily need. The services of a doctor are available. The accommodation is sold for a week or a fortnight at an all-inclusive price. In Spain and Italy, these are classified into three categories according to the services and amenities provided.

***Time-share and Resort Condominiums :*** Through time-share and condominium concepts a tourist has a unique range of options for resort holiday and lodging. In the case of condominiums, a tourist owns a room or a suite within a condominium or hotel complex and uses the same as required by him or it can be rented to other tourists. The owned condominiums usually are within the complex of rooms or suites that are rented as regular hotel or resort rooms. It is difficult of tell the difference between an owned and a rented room.

Time-share on the other hand is a modification of condominium ownership. The units are owned partially. The time-share owner may own one-fifth of a unit thereby sharing the unit's use and costs. In some cases the owner may only purchase a certain set of weeks to use the unit. In other cases, a group of investors may jointly own a property through actual deeds. The time-share title implies that the unit is shared with others throughout the year.

Time-share began in the French Alps during the mid sixties. However, it was in USA that the concept began to take a proper shape. It is said that Time-share was born when distressed real

estate developers of United States in the Florida region, could not sell their second homes in the mid-seventies and decided to sell one apartment fifty times over for each week of the year. Holiday time-share brings a number of benefits not only to the buyer and developer but also to the holiday resort areas and the traditional suppliers of services to the holiday industry.

Today, time-share owners have the choice of trading the use of their units with others. This provides the owners a unique opportunity to vacation at comparable prices at destinations throughout the world. May time-share companies are available to help time-share owners locate others interested in exchanging units.

Time-share today has become quite popular with holiday-makers especially with families. It offers high quality accommodation and associated amenities ideal for repeat visitors. It also offers better price and value than a hotel room for extended stays and is a hedge against room rate inflation. Time-share offers flexibility of use and a variety of experiences through exchange options as also peripheral benefits offered through an exchange company.

***Regulation of Accommodation :*** Tourist accommodation is an important component of a tourist plant. As an individual product it is intangible, often bought in advance of its use. The tourist at the time of making purchases thus cannot inspect or accept or reject. Accommodation as such, raises some issues in its development and in its marketing, both as an individual product and as a part of a package.

It creates a need for reliable and accurate information for both the tourists and the travel agents, and therefore, may require supervision and control. An individual operator needs to bring information about his accommodation to the tourist before he sets off on his journey and also when he reaches his destination. Similarly the tourist on the other hand, needs to know in detail what accommodation is available at what price

in a particular destination from which he can make a choice about where to stay. Schemes of classification, registration and grading of the tourist accommodation are intended to meet these requirements.

The United Nations Conference on International Travel and Tourism held in Rome in the year 1963 also emphasised the need for some sort of regulation of accommodation with a view to safeguard the interests of the users. Considering that special attention should be given to relations between the public authorities and the operators of tourist accommodation facilities, the conference advocated the adoption of a hotel trade charter codifying the regulations applicable to the hotel industry and, in particular, giving official tourist organisations powers enabling them to perform the activities devolving on the state in that field.

The conference observed that many states classify tourist hotels or are considering doing so. Acting upon the recommendations put forward by the International Chamber of Commerce, the conference advocated the standardisation of methods of classification and in particular the subdivision of hotels into five categories, each identified by a conventional sign (stars) in conformity with the sets of standards appropriate to different climatic conditions. The conference also considered the question of classifying supplementary means of accommodation such as tourist bungalows and camps.

*Registration :* The aim of registration is to provide a complete list or register of tourist accommodation within a particular definition. A registration scheme results in an inventory of accommodation which can be kept up-to-date. In order to be comprehensive, it normally has to have statutory legal authority and is administered by a government authority or a statutory body. Because of the wider range of accommodation used by the tourists, a scheme of registration should normally cover all forms of accommodation used by them.

*Gradation :* Grading separates accommodation into different categories or grades, on the basis of judgements such as standards of amenities and service. A grading scheme provides qualitative judgements on the amenities and facilities of a particular accommodation unit in a form which enables the user to choose the quality of accommodation he requires. This may refer to the physical facilities, food and other services of the establishment, various amenities provided, etc. The establishments are graded individually or collectively by way of giving them numbers, letters or symbols.

*Classification :* The chief aim of classification is to maintain standardisation of services and security for tourists. By establishing uniform standards of classification, it is easier for all concerned with tourism (tour operators, travel agents, tourist enterprise and tourists themselves) to know exactly what standard of services is offered by each hotel (according to the number of stars) thus leading to more effective uniformity both in statistics and in regulatory and control standards. The adopted scheme envisages that hotel establishments are to be divided into five categories, symbolised by stars, and based on objective standards. The categories are assigned on the basis of two types of requirements:

(i)  minimum requirements common to all categories, as stated in the classification scheme, concerning health, sanitary, material and staff standards;

(ii) minimum requirements for each category, expressed as specific conditions for the hotel (as a building), the rooms, additional accommodation, facilities and guest service. The classification scheme is intended as a guide for National Tourism Administrations in their efforts to perfect a classifications system in collaboration with the hotel sector, on the basis of the principles set forth in the scheme. The classification system is to be adopted in a flexible manner so that any establishment failing to

comply with a particular, though not fundamental requirement, would not be downgraded provided it complied with all other requirements.

*International Hotel Association (IHA) :* Founded on 18th March, 1946 in London on the initiative of Societe Suisse des Hoteliers, the International Hotel Association (IHA) replaced the International Hotel Mens Association set up in June 1869 and International Hotel Alliance set up in April 1925. The main aim of the new association was to bring together members who could be of mutual benefit to each other. The IHA was registered by a French Ministerial Decree of 23 September 1949 having its headquarters in Paris.

The priority objectives of IHA include the protection and coordination of hotel interests in their relations with travel agencies who often play an important intermediary role between hotels and clients. Through the IHA/UFTAA Convention, there is a formal codification and confirmation of international practice governing relations between hoteliers and travel agencies. It informs hoteliers on their rights concerning payment, commission, cancellation, late arrival or no-show and relevant compensations.

*Membership :* IHA has a membership spanning 160 countries, comprising hotels and restaurants whether chains, both national or international, or individual establishments, who wish to participate directly in the Associations activities, even whilst being represented by their National Associations.

In addition, there are hotels and tourist personalities as individual members. Affiliates like hotel schools, training centres, tourist organisations, suppliers and services companies etc. also participate in IHA activities. The Association today represents more than 700,000 hotels and restaurants throughout 160 countries and more than seven million hotel industry wage earners.

There are over 90 National Hotel Association members of

the IHA. Each Association has the right to send delegates to vote their numbers being determined by the number of hotels who are members of the Association in the respective country. Independent hotels, which constitute about 80 per cent of IHA membership, are entitled to the numerous services offered to IHA.

All members receive a personalised membership card which entities them to 25 per cent discount on accommodation in IHA member hotels.

*Objectives and Aims :* The aims of IHA include the following:

(i)   to federate National Hotel Association of all countries;

(ii)  to study problems affecting the international hotel industry and international tourist traffic including re-establishment of free traffic, economic policy for hotels and restaurants, hotel guides, international currency exchange, hotel insurance and conditions of work and personnel;

(iii) to create an international employment service for qualified hotel personnel and for the exchange of apprentices;

(iv)  to inform members of international problems concerning hotels; and

(v)   to give commercial information concerning travel agencies.

*The Structure :* The association has a General Congress which meets at least every two years, an Executive Committee consisting of 30 members and a Council having 180 members. The Association is headed by the President and assisted by a Deputy President and five Vice Presidents. There is a General Secretariat responsible for looking after administrative and personnel matters. Planning and Finance Committee looks after all matters pertaining to finances including membership. Publications Committee is responsible for various publications of the association and their distribution. In addition, the following

Functional Committees look after various subjects of the Association:

  (a)  Industry Economic Committee;

  (b)  Sub-Committee on Computerisation;

  (c)  Travel Agencies and Commercial Relations Committee;

  (d)  Seasonal and Resort Hotels Sub-Committee;

  (e)  Legal Committee; and

   (f)  Labour Relations and Training Committee.

One of the most important activities of IHA is, however, the provision of a wide range of practical services for hoteliers interested in attracting business from all over the world. The services include the following:

> Annual IHA international meetings are held where the most pressing issues confronting the large hotel chains", individual hotel owners, and service and supply companies are addressed. These meetings provide an ideal environment in which members can exchange valuable ideas, promote individual properties, and discuss specific problems and concerns of the industry.

***International Hotel Guidebook*** : An annual listing of all IHA members is provided to members free of charge. The guide is an automatic sales tool: used by travel agents, hoteliers, airlines, international corporations and business and professional offices worldwide promoting all the properties and services listed. *Hotels* & *Restaurants International,* a bimonthly magazine published in the US, with a special IHA section in every issue. This magazine keeps the industry well informed of all the activities of the IHA, its members and councils.

***International Bibliography :*** A publication listing books in western languages concerning hotel-related information, administration, proper management, hotel catering, etc. available to members upon request.

The World Directory of Travel Agents, a valuable reference book for hoteliers, listing 6,000 reliable travel agencies approved by the IHA. All listed agencies must belong to their national association, and must be in business for at least one year.

Debt Recovery Service is available to members upon request. The IHA intervenes and assists member hotels to claim payments overdue from foreign travel agencies.

Statistical Service on Payment Incidents, is a subscription service offered to members. Monthly lists are provided of at least 100 slow-paying travel agencies worldwide. Confidential information concerning travel agents is available upon request.

***International Hotel Training and Staff Placement:*** The IHA brings together hoteliers and distinguished specialists in hotel education. The IHA offers a hotel trainee network that facilitates the mobility and coordination of hotel training worldwide. The network also organises introductions for the placing of upper management.

***Documentation Centre:*** The IHA provides members with a wide and varied range of information on the hotel and tourism industries. For example, the IHA member may obtain lists of hotel publications, information on public utility charges, tariffs and all relevant hotel and industry material.

Address Labels of travel agencies worldwide are available to members for promotion and sales use at a small fee.

***IHA Membership Card:*** This card entitles the member to a 25 per cent discount on accommodations in other IHA member hotels worldwide. It encourages referral business the year round and is a valuable sales tool in low seasons.

***Accommodation Volume and Use :*** The number of rooms that are available to the travelling public within lodging facilities varies from country to country and from region to region. Within a country most of the accommodation units will be located where the demand for these is very big.

The demand will be more near the location of tourist attractions both natural or man made. Internationally the demand for accommodation will be more pressing in the regions which receive more tourists. Today Europe and America are the regions which receive maximum share of world tourists and it is here that the largest number of accommodation units are located.

According to World Tourism Organisation (WTO) estimates, or a survey conducted by them, the total capacity of hotels and similar establishments like motels, boarding houses and inns is over 20 million bed places.

The largest accommodation capacity is, however, available in the continent Europe which is about 10 million bed places in the hotel industry proper. This constitutes about half of the total bed places available all over the world. The explanation for this is that the demand for both international and domestic tourists in Europe is maximum.

In several European countries, hotel development is concentrated in small and medium-sized hotel constructions. In many countries, within the framework of general expansion of the accommodation sector, the increase in hotel accommodation was outstripped by the increase in supplementary means of accommodation, such as camping and caravan sites, rented rooms, apartments, etc.

This type of accommodation has become the main provider of lodging for domestic tourism and has also started to play a very-significant role in international tourism. In America the total capacity of hotels and similar establishments increased significantly in several countries of the regions.

In East Asia and the Pacific region, several countries are currently enjoying a hotel-building boom. In South Asia, the countries of the region are undertaking great efforts to develop the accommodation sector. In the Middle East, hotel construction

in the region is mainly concentrated on luxury-class hotels intended chiefly to cater to business travellers. In view of the high profitability, there are many hotel projects which are under construction. In the African region, accommodation facilities are concentrated in the northern part of the continent.

## CHANGING SCENARIO

The accommodation sector has undergone substantial changes in recent years. New developments in tourism and transportation, changes in the organisation of travel and technological innovations are some of the factors which are responsible for these changes. In addition, increasing consumer demand among tourists, due in turn to the improvement in living standards and economic conditions, has also changed the profile of the accommodation sector.

All the above factors seem to have influenced the structure of the hotel industry as a whole. The tendency among middle-income groups to take a holiday at any time of the year has encouraged accommodation operators to offer novel kinds of arrangements which are now available in addition to traditional hotel accommodation.

New types of accommodation, particularly holiday villages suitable for family-type tourists, condominiums and apartment houses, private villas and camping facilities have proved very successful and to a certain degree are replacing traditional hotels and boarding houses.

These changes reflect changes in demand with new, often younger, groups entering the international travel market and also new approaches to the problem of providing facilities in every competitive industry with a highly seasonal demand. The probable future developments in the accommodation sector were the subject of study undertaken in WTO's research programme. Some conclusions which emerge from the study are as follows:

(a) a significant growth in accommodation supply will continue to be contributed by chain operators, including airlines. This expansion will result mainly from the further development of management contracts and franchise agreements;

(b) there will be a continuing move towards the further diversification of accommodation. The development of budget accommodation, covering budget hotels, and also supplementary means of accommodation, is likely to continue as mass tourism stimulates new demands for competitively-priced accommodation;

(c) rising building and operating costs, growing environment and conservation pressures, as well as the need to keep staffing levels at a minimum, will influence design and construction of accommodation units;

(d) the standard of accommodation will continue to rise. Demand for recreational and sporting facilities will increase in both business and leisure accommodation;

(e) advances in technology will both influence the traditional construction methods, for example, more frequent use of prefabricated building techniques, as well as traditional methods of hotel operations.

In recent times, several environmental problems have come to be recognised in the accommodation sector. Several environmentalists as well as users of accommodation are demanding that environmental issues associated with accommodation industry should be addressed properly. Tourists visit different places of tourist interest and consume various products they buy.

The consequences of the pressure of consumers on tourist services results in putting pressure on the environment. However, with few exceptions, industry owners are taking various steps to address the environmental issue in its proper perspective.

The various policies for the accommodation industry cover areas like environmental protection, energy conservation, waste reduction, emission reduction, recycling of waste, reduction of chemical usage and awareness and education of employees and the guests about environment.

The best possible arrangement is that the commitment for environment should have full support of the top management and that it should start with them. It should be an integral part of management practice and be communicated to all personnel. Once this is agreed, corporate policies can be implemented through management techniques such as environmental audits. A proper and formal monitoring system that can be adopted to achieve the best possible results.

## HOTELS AS AN INDUSTRY

*Definition :* "Hotel" or "Inn" is defined by British law as a "place where a bonafide traveller can receive food and shelter, provided he is in a position to pay for it and is in a fit condition to be received." Hence, a Hotel *must provide* food (and beverage) and lodging to travellers on payment and has, in turn, the right to refuse if the traveller is drunk, disorderly, unkempt, or is not in a position to pay for the services.

*Origin :* The hotel industry is, perhaps, one of the oldest commercial endeavours in the world. The first inns go back to the sixth century B.C. and were the products of the urge to travel, spurred by the invention of the 'wheel'.

The earliest inns were ventures by husband and wife teams who provided large halls for travellers to make their own beds and sleep on the floor. They also provided modest wholesome food, thirst-quenchers like wine, port, ale, etc. and stabling facilities. Entertainment and recreation were provided by the host's wife or his wench. The entire cooking service, and recreation was provided by the husband and wife team and his family.

These conditions prevailed for several hundred years. The advent of the Industrial Revolution in England brought ideas and progress in the business of inn-keeping. The development of railways and steamships made travelling more prominent. The Industrial Revolution also changed travel from social or government travel to business travel. There was a need for quick and clean service.

The lead in hotel-keeping was taken by the emerging nations of Europe, especially Switzerland. It was in Europe that the birth of an organised hotel industry took place in the shape of chalets and small hotels which provided a variety of services and were mainly patronised by the aristocracy of the day.

In early England, public houses were normally called "inns" or "taverns". Normally, the name "inn" was reserved for the finer establishments catering to the nobility and clergy. The houses frequented by the common man were known as "taverns". In France, a similar distinction was made with the finer establishments known as "hoteleries" and the less pretentious houses called "cabarets".

The word "hostel" was used after the Norman invasion derived from "host". The "hosteler" was the head of the hostel whereas the same position was called the "innkeeper" in England. The word "hotel" was used in England in about 1760 after a passage of over 80 years. In America lodging houses were called "inn" or "coffee house".

The real growth of the modern hotel industry took place in the USA beginning with the opening of City Hotel in New York in 1794. This was the first building specially erected for hotel purposes. This eventually led to great competition between different cities and resulted in frenzied hotel building activity.

Some of the finest hotels of the USA were built in this era, but the real boom in hotel building came in the early twentieth century. This period also saw the beginning of chain operations

under the guidance of E.M. Statler. It involved big investments, big profits and trained professionals to manage the business.

The Depression in 1930 had a disastrous effect on the hotel industry. It was felt that the hotel would never recover; but the outbreak of World War II brought a tremendous upsurge. This prosperity continued through the war years into the fifties, when two new concepts emerged:

(1)  Motels,

(2)  International chain operations.

While the growth of motels was restricted to the North American continent, international chain operations spread into all continents. Individual entrepreneurs found themselves crushed in this race for a multi-dimensional, multi-national industry. International chains could provide the expertise technology and marketing thrust that individual owners could not provide. Individual owners thus merged themselves with large international chains such as Sheratons, Hiltons, Hyatt, Holiday Inn, Ramada Inn, etc. These international chains provided the following services to individual owners:

1.  Partnership—sharing equity and profits.

2.  Franchise—providing "name" and "association" and marketing services in exchange for franchise and marketing fees.

3.  Management—expertise in management, professional managers, technicians, manuals, systems, etc. on the basis of management fees and share of profits as "incentive" payment.

4.  Marketing—active selling, chain benefits, reservation tie-ups, etc. on payment for marketing fees and incentive payment.

Today's hotel caters to all the needs and wishes of a guest and the future holds promise for a further mushrooming of modern hotels.

## KINDS OF HOTELS

Hotels may be categorised depending upon factors such as:

1. Location
2. Number of rooms
3. Type of plan room rates that are quoted
4. Type of clientele
5. Length of guest stay
6. Facilities that it offers.

### *Categorisation by Locations*

**Downtown Hotel :** It is located in the heart of the city within a short distance of the business centre, shopping areas, theatres, public buildings, etc. Rates in these hotels are normally high due to their locational advantage and also due to the fact that the rate of return on investment (ROI) computed on these capital intensive hotels is substantially high. Normally business clientele prefer such hotels.

**Suburban Hotel :** Located in the suburbs, it has the advantage of quieter surroundings. Rates quoted are moderately low. Such hotels are ideal for limited budget travellers and also organisations who find the quiet setting ideal for conferences, seminars, educational programmes, etc.

**Resort Hotel :** This type of hotel is located in the hills or at beaches. It is mainly patronised by vocationers. Basic facilities are provided and the rates offered are often on American Plan, i.e. room plus all meals included.

**Airport Hotel :** As the name suggests, these hotels are situated at the airport and are ideal for transit passengers who have only a few hours in the city making it impossible for them to stay in a downtown hotel. Rates are on European plan, i.e. charges for room only.

**Motel :** This term is derived from the phrase, "motor hotels",

which are located principally on highways. They provide modest boarding and lodging to highway travellers. The length of stay is usually overnight, thus rates quoted are on European plan. i.e. room only.

*Inns :* They are smaller in size with modest board and lodging facilities. They may be located anywhere within or outside the city. They are the forerunners of the modern motel.

*Categorisation by Number of Rooms :* The capacity of a hotel in terms of the number of rooms is a yardstick for the categorisation of the hotel by "Size". Hotels with 25 rooms and less may be termed "small"; those with 25 to 100 may be called "medium"; those with 101 to 300 are called "large". Hotels with over 300 rooms which are very common these days, may be termed "very" large.

*Categorisation by Type of Plan :* Hotels are categorised according to the type of plan, they offer. We thus have hotels on European plan. American plan or Continental Plan for a discussion of plans. These plans are decided by the hotel on a variety of factors including type of clientele, length of stay and average customer preference.

*Categorisation by Type of Clientele :* We often hear in hotel parlance, the terms such as Group hotel, Commercial hotel, Family hotel, etc. This categorisation is based on the type of patronage. Group hotels cater to groups and thus their rates would be on American Plan. Commercial hotels cater to mostly businessmen and are on European Plan. A family hotel would again be on American plan. Such hotels are normally situated in resort cities.

*Categorisation by Length of Guest Stay :* This categorisation of hotels further be divided into three sub-groups:

(1) Transient hotels where a guest can register for a day or even less (airport hotels could be termed thus);

(2) Residential hotels where guests stay for a minimum

period of one month the hotel signs a detailed lease with the customer;

(3)  Semi-residential hotels which incorporate the features of both the transient and residential hotels.

*Categorisation by Facilities the Hotel Offers :* Facilities offered by hotels may be the most important criteria for classifying hotels. Some countries adopt the star rating system. Thus, a five star hotel which is the highest rating will provide facilities such as central air-conditioning, attached bathrooms with hot and cold water, channel music, wall-to-wall carpeting, shopping arcade, health club, swimming pool, sports facilities and a variety of restaurants and bars including a coffee shop, speciality restaurant, grill room, etc.

These are just some of the criteria for star rating. Certain such facilities are denied as the star rating of the hotels goes lower and lower. They may be excluded for a variety of reasons such as cost, level of business, etc.

# 3

# SALIENT FEATURES OF MANAGEMENT

Accommodation facilities constitute the most important item in the package of facilities offered to the tourists. The success of tourism industry depends to a great extent on the availability and quality of accommodation facilities. Modern tourists are becoming progressively conscious of greater comforts and conveniences and as such comfortable accommodation is a deciding factor for growth of tourism. The Estimates Committee of the Lok Sabha in its report for 1975-76 has stated that "since the hotels constitute the most important and, in fact, a basic element of tourism infrastructure, the various measures taken and efforts made to tourism promotion will not produce the desired results if the hotel accommodation in the country lags behind." "Accommodation facilities are the places where tourists stop (cease to be) travellers and become guests. The level of guest satisfaction achieved by an area's accommodation facilities will, in a large measure, determine the total success of the tourism programme."

## Numerous Types

Accommodation facilities can be of many types, viz., hotels, motels, inns, guest houses, private hotels, establishments with bed and breakfast only, holiday camps, holiday and conference centres, paying guest accommodations, choultries, youth hostels, etc. Among them hotels are the most important. Almost all foreign tourists stay in some hotel or the other. The other types of accommodation are mainly used by the domestic tourists in addition to hotels. An attempt was made during the enquiry to find out the relative importance of these different types of accommodation for the domestic tourists.

It could be seen from the table that out of 500 respondents, 323 (65%) used hotels, 134 (27%) choultries, 75 (15%) stayed with friends and relatives, and so on. Hotels being the most important type of accommodation, a large number of tourists use them. Next to hotels, come choultries because they are free or cheap. Till recently most of the pilgrim centres in India had only public choultries meant for the devotees. Now the situation has changed. The concerned authorities are providing fairly comfortable paid accommodation, which is mainly meant for the masses. A survey conducted by the Indian Statistical Institute in 1982-83 revealed that 76.8% of foreign tourists preferred hotels. The relevant figures for youth hostels, host family accommodation, rent-free places and other categories were 4.3%, 12.5%, 1.5% and 4.8%.

As majority of the foreign tourists and about 65% of the domestic tourists, as seen above, use hotels, this class of accommodation is studied in detail.

## Classification of Feasibilities

With a view to maintaining standards and enforcing control, the Department of Tourism, Ministry of Tourism and Civil Aviation, Government of India, has a system of categorising the available accommodation as per certain criteria. Accordingly, the hotels

could be either approved or unapproved. When a hotel comes in the approved list it presupposes that it is of international standard. Normally a foreign tourist would prefer only an approved hotel because it has the stamp of official recognition. This is an important aspect as far as a hotel is concerned because approval itself is sufficient advertisement. So though not at the initial stages, all the hotels above a particular standard try hard to get this recognition at least in due course. Most of the new hotels constructed as per standards stipulated by the Government automatically come in the approved list. The classification of hotels as per the above stipulations came into effect from 1963 and consequently data on hotels as per the classification are available from that year.

The number of approved hotels and the rooms therein are given for a period of time. It could be noted from the table that the number of approved hotels which stood at 186 in 1963 had come down to 166 in 1968 and to 152 in 1971 and steadily increased thereafter. It is not clear how the number of hotels could come down. The Hotel Review and Survey Committee, 1968, has also noted the reduction in the number of hotels but no explanation is given for the reduction. Perhaps it may be due to closure or sometimes due to derecognition. Yet another possible reason for the decrease could be that there might have been differences in the criteria adopted for approval over the years due to changing circumstances. However, there has been continuous increase in the number of hotel rooms. It has risen from 7,085 in 1963 to 29,332 in 1982 as seen from the table.

Over the period, the number of hotels has doubled and that of rooms more than trebled. This high rate of growth is certainly attributed to the patronage given by the Government in terms of some tax incentives and the creation of a Hotel Development Fund in 1968. During the recent years, 1978-1982, by and large the growth rates are lower, both in the number of hotels and in rooms in absolute terms. According to the Federation of Hotel and Restaurant Associations of India (FHRAI), this trend is

attributed to reduced incentives. It may be added that during 1982-83 there has been considerable increase in hotel capacity particularly due to the construction of many large hotels on the eve of the Asiad.

It would be ideal if the rate of growth in hotel capacity keeps pace with the rate of growth of tourist arrivals especially when the existing hotel infrastructure is not sufficient. Data reveals that during 1963-82, the increase in the number of hotels and rooms was about 100% and 300%. As against this, the increase in foreign tourist arrivals was 500% during the same period. This shows the wide gap between the demand for and supply of hotels.

It could be seen that throughout the period in question, there has been shortfall in hotel accommodation, which has been very acute since mid-1970s. However, by 1985, the gap between the demand for and supply of hotels, on the basis of projected room capacity and tourist arrivals is likely to be completely wiped out.

1.  The foreign tourists stay in hotels for about 70% of the time of their stay in the country. (This percentage is worked out from 'statistical evidence that the average stay is 14 days, of which 10 are in hotels.') But, according to published evidence, the average stay of foreign tourists in India works out to 33 days in 1963, 20 days in 1968 and about 25 days each for the subsequent years. Hence, for the purpose of calculating the hotel requirement, the average stay is taken as 25 days throughout. With the assumed 70% stay in hotels the number of days of stay in hotels per tourist works out to 18 days.

2.  The foreign tourist arrivals in a year is taken to be 1,000. Then the total visitor-days (foreign) for which hotel accommodation is needed works out to (1,000 x 18) 18,000.

3. It is estimated that 'the ratio of foreign to Indian guests in 5 star hotels is 73 : 27'. In respect of other approved hotels, this ratio is likely to be lower. The survey of tourists given in data would reveal that the ratio of foreign tourists to domestic tourists staying in luxury class and medium class hotels is 249 : 164—roughly 3 : 2. We have already seen the hotel requirement for the foreign tourists alone to be 18,000. Then the total requirement of hotel accommodation would be (18000 x 5/3) 30,000 visitor days. It would mean that when 18,000 beds are needed for 1,000 foreign tourists, another 12,000 beds have to be provided for the domestic tourists.

4. Normally the occupancy in approved hotels as would be seen later is 72%. If that is so, the total number of beds to be provided would be          = 41,660 in a year.

   This works out to 114 beds per day.

5. From a sample of 50 hotels, the room-bed ratio is calculated for finding out the hotel room requirement for the 114 beds. The ratio works out to 1: 1.87. From this ratio it could be found that for 114 beds 60 rooms are required. Taking the foreign tourist arrivals for different years, the requirement of rooms is worked out for these years. The researcher is aware of the limitations in this calculation, namely, the room-bed ratio may not be truly representative for all the hotels and for all the years.

6. The estimate is conservative as we have assumed uni-form demand pattern which is not very realistic.

The available figures in would give the impression that a large number of the tourists did not have any accommodation. But it is not so. Such of those who did not get accommodation in these (approved) hotels would have gone to the unapproved

hotels which are not included in the above analysis. While analysing the occupancy ratio, it would be seen that some of the hotels have an occupancy ratio well exceeding the average and it is learnt that in some hotels, which are not covered in the survey, the occupancy ratio is over 100%. This indicates that some of the rooms would have been let out to more than one customer during the day depending on the time of checking out or in extraordinary cases extra beds would have been provided.

In addition to the approved hotels, there are a large number of unapproved hotels. There are as many as 324 such hotels (as per the *Hotel and Restaurant Guide: India,* 1983). Perhaps, the figure would be even more as the *Hotel and Restaurant Guide* includes only those hotels which are members of either the FHRAI or/and the regional hotel and restaurant associations. One would think that these hotels are substandard in terms of facilities and comfort. But they are not and in fact some of them are awaiting approval by the Department of Tourism. On enquiry it was found that their applications for recognition are pending with the Government. Their recognition is a question of administrative procedures and consequent delay and not one of quality of these hotels. "According to Government sources, applications for star classification from 171 hotels are still awaiting clearance with a room capacity of 14,003."

Even foreign tourists, who normally prefer approved hotels, stay in these hotels as "many of these hotels are clean and those who spend money from their own pockets naturally prefer inexpensive accommodation". ' That is to say, inexpensiveness coupled with comparatively good services and facilities makes these hotels suitable for the middle income and low income classes of tourists—foreign and domestic. As seen already, all along the shortfall in the approved category of hotels has been partly met by these unapproved hotels. Hence while taking an inventory of hotels, it would be realistic to include these hotels also.

Many hotels are under construction or on expansion. "The Ministry of Tourism and Civil Aviation has approved another 205 hotel projects which are in various stages of completion with a room capacity of about 16,765". In Delhi alone 12 new hotels were under construction with an envisaged capacity of 4,358 rooms. Of these about 2,500 rooms were completed in 1982. The pace of construction is beset with many problems like lack of infrastructural facilities and essential inputs and inevitable bureaucracy.

By the next year, when all on-going projects would be completed, there will be about 60,100 hotels rooms, calculated as under.

| | |
|---|---|
| Approved hotel rooms | 29,332 |
| Unapproved hotel rooms (Awaiting classification) | 14,003 |
| Hotels under construction—expected to be ready by next year | 16,765 |
| **Total** | **60,100** |

These projected 60,100 hotel rooms would be just sufficient to meet the demand, at the rate of 60 rooms per 1,000 tourists, for about one million expected foreign tourists. (As noted earlier, the projected demand for hotels include an appropriate fraction of the domestic sector also.)

"The criteria for classification have been set by the Department of Tourism and include everything from the size of the room to qualifications of the staff. Initially hotels are classified into 1 star, 2 star, 3 star, 4 star and 5 star. Recently yet another class, namely 5 star deluxe, is added. 1 and 2 star hotels may be referred to as economy class used by budget tourists. 3 and 4 star hotels are referred to as middle class hotels and 5 star and 5 star deluxe hotels obviously come under luxury class.

It could be seen that 2 star hotels outnumber the other

hotels throughout. Next comes the 3 star hotels followed by 1 star. The number of 5 star and 5 star deluxe hotels lagged behind the 4 star hotels till 1979. From 1980 the same rose up. But in respect of growth, 1 star hotels have reduced in number, while the growth rate of 2 star hotels is not steady. Perhaps these could have been upgraded consequent on improved facilities. Regarding the rest, there has been significant growth though not uniform. During the 22 year period, the number of 5 star hotels has increased by 586%, 4 star hotel by 158% and 3 star hotels by 208%. The growth in hotel rooms as against the number of hotels would give a more realistic picture. It could be seen from the table that the number of rooms in 5 star hotels has increased faster than that of the other classes of hotels, followed by 3, 2 and 4 star hotels.

A considerable hotel capacity is in the unclassified category of hotels. In fact about 50% of the approved hotels and rooms during 1978-80 remained unclassified. It only signifies the inordinate delay in getting a hotel classified. A hotelier is anxious to get his hotel approved and classified as quickly as possible. It would be in the best interest of the hostelers, if this could be expedited. Things have started moving in this direction. The unclassified hotel capacity is reduced to 30% by 1984 from 50% in 1978-80.

At this stage it would be of interest to study the user pattern of the different classes of hotels. It could be noted that fewer tourists use luxury class hotels compared to medium class and economy class hotels. Only 10% of the foreign tourists use luxury hotels while about 40 and 70% of them use medium and economy classes of hotels respectively. Out of the 500 domestic tourists interviewed, only 343 used hotels of one class or the other. Of these 343, only 17 used luxury class hotels, 157 medium class hotels and 310 economy class hotels. Evidently, it could be concluded from the above, that both foreign and domestic tourists mostly favour the medium and economy class hotels. Hence the need for more of these hotels. But presently

over 30% of the hotel rooms are in the luxury hotels. However these luxury hotels are not mainly intended for the tourists. In fact their clientele are mostly from the business and Government.

Supply of and demand for each class of hotels cannot be equated. Yet, the study of the extent of the tourists getting the class of hotels of their choice would indicate the gap. As, per data the availability of different types of hotels as stated by the foreign tourists is given. (This study is not extended to domestic tourists.)

Out of 48 tourists who used luxury class hotels, 42 (85%) could get this particular accommodation in most cases as indicated by a high percentage of availability, namely 60-100%. Similarly 75% of the tourists who used medium class hotels and 70% of the tourists who used the economy class hotels were able to get the particular class of hotels of their choice to the extent of 60-100%. Such of those who do not get hotels of their choice would naturally go in for other classes of hotels within their reach. From the table it could be seen that the demand for middle and economy classes of hotels is more than the supply, indicating the need for more of such hotels.

The availability of hotel accommodation in terms of number of hotels or rooms is an important factor in the context of tourism development. Equally important is their geographical location/ physical distribution. But there cannot be any hard and fast rule in this regard because normally hotels come up at places of demand and it is not realistic to expect equal distribution. However, it would be of some interest to study the existing position in India regarding the regional distribution and concentration of hotels in metropolitan cities.

The Federation of Hotel and Restaurant Associations of India (FHRAI) has divided the country into 4 regions geographically, viz., northern region covering Delhi, Uttar Pradesh, Rajasthan and all other northern States; Calcutta region covering Orissa, West Bengal, Bihar and other eastern

States and eastern Union Territories including Andaman and Nicobar Islands; western region covering Maharashtra, Gujarat, Madhya Pradesh and Goa, Diu and Daman; and southern region covering Andhra Pradesh, Karnataka, Tamil Nadu and Kerala, and the Union Territory of Pondicherry.

The more conspicuous aspects seen from the table may be highlighted here. The regional distribution of the approved hotels is lopsided with 119 hotels in the southern region, 111 in the northern region, 99 in the western region and 41 in the Calcutta region. This would give the impression that Calcutta region is very much lagging behind compared to other regions. This is so because most of the areas included in the Calcutta region, particularly Assam, Tripura, etc., are not conducive for development of infrastructural facilities. Besides there would not be enough demand for accommodation in these areas due to non-accessibility. Even basic transport facilities are being developed only now. Such developments supplemented by the extension of Vayudoot services to this region would improve the tourist flow into the region.

The southern and northern regions are better placed than the other regions in regard to hotel infrastructure. This incidentally reflects the relatively more and increased tourist traffic in these regions. The situation with reference to the northern region would be slightly better when the 12 large new hotels constructed in connection with the Asiad are also taken into account. The position is not much different with reference to the unapproved hotels.

As regards the star-wise distribution of hotels, the northern region stands first in terms of number of all categories of star hotels. With respect to 1, 2 and 3 star hotels, the northern region is followed by the southern region, western region and Calcutta region. On the other hand, the relative position of the regions is different in respect of 4, 5 and 5 star deluxe hotels. Here the northern region is followed by the western region, southern region and Calcutta region.

It is of interest to note that the southern region with the largest number of approved hotels occupies 2nd place with regard to 1, 2 and 3 star hotels and 3rd place in respect of the other star hotels. This is partially explained by the fact that almost 50% of the approved hotels in the region are yet to be classified. Similar is the situation with regard to the Calcutta and western regions also. Perhaps when the classification process is complete, the star-wise distribution of hotels would be different. It also emerges from the study that there is a case for speedier classification of hotels, once they are approved. In respect of unapproved hotels the pattern of distribution is the same.

The distribution of approved hotels in the major 4 metro cities, namely, Delhi, Calcutta, Bombay and Madras, reveals that out of a total of 128, 37 are in Delhi, 12 in Calcutta, 50 in Bombay and 29 in Madras. The relative position of the 4 cities with reference to the unapproved hotels is more or less the same. A casual look at the distribution of hotels in these four cities vis-a-vis their respective regions reveals that 33% of the approved hotels and 30% of the unapproved hotels in the northern region are in Delhi alone. The corresponding figures for Calcutta work out to 29% for both approved and unapproved hotels. Bombay accounts for 50% of approved hotels and 53% of the unapproved hotels of the western region. In the case of the southern region 29% of approved hotels and 9% of unapproved hotels are in Madras. These figures speak of the degree of concentration of hotels in these four cities. This situation should not be explained away by saying that these cities are predominant. The point of interest is that there are other cities in the different regions, but they have not grown as big as the metro cities though most of them have fairly known for the tourist attractions. So a case may be made for extra effort to decentralise the hotels in the less developed cities in the respective regions.

It is of significance to study the position of Tamil Nadu in this context. From the table it could be seen that there are 48

approved hotels, including 23 star hotels and 25 unclassified ones. In other words, 13% of the approved hotels in India and 40% of the approved hotels in the southern region are in Tamil Nadu. These figures are quite encouraging as far as Tamil Nadu is concerned. This is partly due to locational advantage as the major city in the southern region, *viz.,* Madras, is in Tamil Nadu. This natural advantage is supplemented by the more encouraging steps taken by the Government to develop tourism.

The study is further extended with reference to total number of rooms in the four major cities to give yet another dimension to the analysis. It could be seen from data that in respect of the rooms in approved hotels, Bombay stands first with 4,054, followed by Delhi with 3,875, Madras with 2,032 and Calcutta with 1,135 rooms. It may be noted that over 50% of the rooms in the approved hotels are in these four cities, though in terms of number of hotels, these four cities together account for only about 35% of the total number of approved hotels.

It is not intended here to make out a case for equitable distribution of hotels in the different regions/cities or creation of hotels standardised capacity. The differences are bound to exist. This pattern of distribution of hotels would change in due course with the changing emphasis and with the development of new and more tourism centres.

It is of academic interest to know the ownership pattern of hotels. This is studied with reference to 364 hotels, both approved and unapproved, taken at random from 16 cities/tourist centres with eight or more approved hotels each according to the *Hotel and Restaurant Guide,* 1983. The data are presented data.

It could be noted from the table that out of 210 approved hotels with 19,801 rooms, 24 hotels with 941 rooms are owned by sole trading concerns, 40 hotels with 2,221 rooms by partnership concerns, 80 hotels with 5,444 rooms by private limited companies and 60 hotels with 10,678 rooms by public limited companies.

It is of significance to note that a large number of luxury hotels are owned by corporate undertakings while a few such hotels are owned by the non-corporate sector. In the case of 3 star and the luxury class hotels the corporate sector owns 60 while the non-corporate sector owns only 16. Out of the 12 one star hotels 3 each are owned by partnership and sole-tradership concerns, 5 by private limited companies and 1 by public limited company. The non-corporate sector owns 20 two star hotels while the corporate sector owns only 11 such hotels.

In terms of rooms, out of 25,325 (approved and unapproved taken together) 10,768 are owned by public limited companies, 6,170 by private limited companies, 5,165 by partnership and 2,123 by sole tradership. In a nutshell, in respect of approved hotels corporate sector claims a major share. In the case of unapproved hotels the non-corporate sector predominates.

This position is not due to any special treatment to the corporate sector in the matter of granting approval, but due to the fact that the corporate sector by and large are financially well off, construct hotels according to standards and stipulations for the grant of approval, while the hotels in the non-corporate sector usually are not of international standards, perhaps due to less favourable financial position.

Number of rooms per hotel is taken as the measure of size. Size of hotel depends on a host of factors such as location, class and ownership of the hotel and so on. A hotel in a metropolitan city would normally be big. Similarly higher the 'star' of the hotel, bigger is the size. Further, eventually hotels owned by corporate undertakings tend to be big while those owned by non-corporate undertakings tend to be small as mentioned earlier.

The average size of hotels in Bombay, Calcutta, Delhi and Madras and the all-India average are given. It could be seen that the average size of hotels in these four cities is comfortably higher than the all-India average. The table (last column) also

gives the average size of hotels, star-wise. It could be seen that the average size of 5 star hotels works out to 240 rooms, 4 star hotels to 81 rooms, 3 star hotels to 52 rooms, 2 star hotels to 42 rooms and 1 star hotels to 33 rooms. Average size of unclassified hotels works out to 55 rooms. The Hotel Review and Survey Committee reported that the average size of hotels star-wise was 170, 72, 46, 36 and 31 rooms for 5, 4, 3, 2 and 1 star hotels respectively in 1968. Over the years there has been significant growth in the average size of 5 star hotels, i.e., from 170 rooms in 1968 to 240 rooms in October 1982. In the case of other classes of hotels also the size has increased but only marginally.

It could be seen that by and large, hotels owned by soletraderships are small in size compared to others. The average size of approved hotels owned by sole tradership is the lowest with 39 rooms per hotel and is the highest for those owned by public limited companies with 178 rooms. In the case of partnership and private limited companies the average size works out to 55 and 68 rooms respectively.

The average size of hotels, all hotels approved and unapproved taken together, given in the last column reveals that the hotels owned by the public limited companies are the biggest with an average of 174 rooms per hotel. This figure is roughly 3 times, 4 times and 5 times the average size of hotels owned by private limited companies, partnership and soletradership.

Fixing the hotel tariff is just like pricing any product or service. It is beset with many problems. The price should be affordable to the public and remunerative to the owners. In the case of hotel industry, the problem of price fixation is more pronounced because of the highly perishable nature of its service, seasonal spurt and slag in the demand and unadjustability of supply to demand in the short run. Further, the cost of construction, operating cost, locational factors, the degree of competition, etc., are also to be considered.

It is said that room tariff normally is not determined by market forces of supply and demand. It is true that tariff quoted by the hotels concerned has to be approved by the Department of Tourism. "But practically every year early in September hoteliers represent to the Department of Tourism for a 10 to 15% increase in their room tariff. Their applications are rubber stamped by the Department and hotel charges go up annually in early October." Why should this be approved? The Department cannot act otherwise. The hoteliers have a better bargaining power because of sellers market prevailing in this industry due to the heavy shortage in hotel capacity.

But, if the market conditions change the pricing mechanism also would change. What has been happening in New Delhi since the Asiad is an example in question. To meet the antici-pated short-term increase in demand on account of the Asiad, as many as 12 new and large hotels were constructed. But the anticipated increase in demand did not materialise. The sudden increase in the hotel capacity has changed the market condition from sellers market to buyers market. Many hotels are now selling rooms at cut rates. "Some of them like Samrat of the ITDC Chain have officially announced off-season discounts of 30% but others are doing so under the counter. Two of Delhi's posh hotels are selling rooms to single occupants for as little as Rs. 300 against the listed tariff of Rs. 750 or Rs. 775." This may be an isolated instance but it certainly proves the point that market forces have a definite say in price fixation, apart from regulatory measures by the Government .

The room tariff quoted by the different hotels are normally for a day. Some hotels take 24 hours' stay as a day while in others there is a particular check-out time, usually 12.00 noon. The latter practice is certainly against the interests of the inmates. The hoteliers may have their own good reasons. However, it may be suggested that the Government would do well if it tries to maintain uniform and standardised procedure in all hotels. Incidentally this would create a better goodwill among the tourists.

It may be added that the hoteliers are seized of this matter and have made a beginning in this direction.

The room tariff are of three types, namely, the American, plan, Modified American plan and European plan. "American plan includes three full meals and room. Modified American plan includes the price of the room, breakfast and dinner. No meals are included in room rates under the European plan." The European plan is adopted in most of the unapproved hotels in India. In the case of a sample of 50 approved hotels, 20 offer all the three plans, 15 offer European plan only and the rest either the American plan and/or the Modified American plan.

These different plans are good as far as they go but in passing it may be mentioned that it would be better if the tourists are given the freedom to eat anywhere they like. The American plan and the Modified American plan give the impression that there is an element of compulsion attached to them. This should be avoided. However, in practice almost all the tourists eat from where they stay unless they are on the move.

It is important to give the freedom to the tourists because invariably most of them will be on the move on sightseeing during day time and it would be too much to expect them to come back for their noon-meal and sometimes even for the supper. Perhaps there would be some valid reasons from the point of view of the hoteliers, because they should have an assured demand to justify their investment in the restaurant section of the hotel which is not usually frequented by the general public as much as in the case of economy class hotels.

A comparison of room rates in India with those in other countries shall help in assessing the competitiveness of Indian hotels. In the case of deluxe hotels, Indian rates are the lowest. In the case of 1st class hotels Indian rates are the second lowest, the lowest being that of Colombo. Again ours are the lowest in respect of standard hotel rates and of the economy

class. This is confirmed from the survey. It was found that 385 out of 500 tourists have opined that Indian tariff is relatively lower their own countries. About 80 have stated that the tariff is equal to theirs while about 35 stated that the tariff is higher than theirs. It could be concluded from the above that Indian hotel tariff, by and large, is lower. This is a favourable factor and could be effectively used as a promotional incentive. But care must be taken to see that we are not underquoting ourselves. In our eagerness to earn foreign exchange, are we in effect attracting and subsidising the middle and low income foreign tourists at the expense of our own people? It may be suggested that there should be a more pragmatic and realistic approach to the tariff policy.

There may be a temptation to quote lower rates thinking that it will attract more custom but in all probability it will create a psychological feeling among the international tourists that Indian hotels are of a lower standard. They may not appreciate a lower rate for better comforts and services and so as a matter of caution it is necessary to keep a watch on the tariff movements elsewhere and try to keep pace with them. It may be added that the above line of argument/suggestion has been made with respect to tariff prevailing in hotels which are frequented by foreign tourists, who are mostly relatively affluent. As regards the tariff in hotels frequented by domestic tourists, especially the middle and low income group, the need for lower and cheaper rates can rarely be overemphasised.

Apart from the listed tariff, some hotels charge sales tax, luxury tax, service charge, etc. There is no uniform code or procedure. These charges and taxes also vary from hotel to hotel. It is officially stated that in hotels which charge service charges, tipping is prohibited. But in practice how effectively this prohibition is done is anybody's guess. In this context, it is suggested that efforts should be made to standardise the procedure and practice with respect to these sundry charges. With the practice there is a psychological inhibition in the minds

of the tourists that they are fleeced. An all-inclusive rate would certainly create better goodwill and confidence.

The user psychology and behaviour should always be kept in mind in tariff fixation. There are tourists who are extremely sensitive to price levels and for them reduced rates would be a stimulant. Yet reduction in tariff must be very cautiously done so that it does not lead to customer suspecting the quality of the hotel. Another category of tourists are willing to pay for quality though price remains the important factor. The third category is the luxury group tourists. "Service has traditionally been a distinguishing, often famous, feature of the hotel. Customers from high income brackets are attracted by the comfort and status of such establishments. Price must be used to reinforce this image rather as a competitive device. These are 'status symbols' for their guests; then they have to ensure that they remain one of the most 'expensive' hotels." That is to say that high tariff sometimes will be a stimulant for the luxury class tourists as much as low tariff will be for budget class tourists. This is an important point to be borne in mind in making tariff policy decisions.

In passing it may be highlighted that there is need for providing enough physical comforts and services commensurate with the tariff. It is seen from the survey that out of 235 foreign tourists staying in star hotels, 152 have stated that the tariff is commensurate with the services rendered. The rest felt that though there are enough physical comforts, the services provided are not satisfactory. This certainly points out that there is greater need for trained personnel at various counters.

By occupancy ratio is meant the ratio between 'sold rooms' and 'installed rooms'. It means the extent of utilisation of hotel capacity. Hence higher occupancy ratios would mean greater utilisation and *vice-versa*. An unduly high occupancy ratio would indicate a short supply of rooms. Hotel industry on the whole with its 'perishable product' and diverse demand pattern due to

time and locational factors cannot hope for 100% occupancy of all its units at all times. There are bound to be differences in occupancy ratios of different hotels for obvious reasons. Hence a study of the occupancy ratio for different types of hotels would help in ascertaining the extent of utilisation of hotel infrastructure and also in deciding upon the priority to be adopted in the development of different classes of hotels.

The all-India average occupancy ratios for different categories of approved hotels are recorded for five years for which complete data are available. It could be seen from the table that the occupancy ratios over the years have come down for almost all classes of hotels, with the exception of 2 star hotels. (No satisfactory explanation can be ascribed to the increase in the occupancy ratio of 2 star hotels. It may be quite accidental.) The average occupancy ratio for all hotels taken together has decreased from 75.8% in 1978 to 70.2% in 1982 and to 64.2% in 1983 and 65.5% in 1984.

The decrease could be attributed to increase in total capacity without corresponding increase in demand. In the four-year period the increase in foreign tourist arrivals is only 15% while the number of rooms in approved hotels has increased by 34%. Category-wise the occupancy ratio for 5 star hotels has come down from 87.3% in 1978 to 79% in 1982 and to 66.6% in 1984. The decrease in occupancy ratio of the 5 star hotels is the steepest. This could be due to substantial increase in the number of rooms, to the tune of about 170%. Considering this increased capacity, the decrease in occupancy ratio is only marginal. Similar trend is found in other classes of hotels too. In respect of unclassified hotels there is decrease in both the number of rooms and in occupancy ratio, the latter decreasing steeply. One possible reason for this steep decrease could be that most of such hotels when compared to the star hotels are in places other than the 4 major metropolitan cities where the demand for hotels is comparatively less. It could be seen that out of the 28 unclassified hotels in the northern region only 2 are in Delhi,

of the 19 in Calcutta region only 5 are in Calcutta, of the 45 in western region only 17 are in Bombay and of the 59 in southern region only 10 are in Madras.

Now certain questions pose themselves. Whether the present occupancy ratio is normal or otherwise? Whether new hotels should be commissioned or not? If yes, what class(es) hotels are to be commissioned?

Whether the present occupancy ratio is normal or not is a matter of opinion. All approved hotels in India fix room rates according to the modified Hubbert formula. Accordingly, the excess of their operating expenses over income from other sources (restaurant, etc.) has to be recovered from room income, at 60% occupancy ratio. Normally a hotel with 60% occupancy ratio would break even. The approved hotels have 65% occupancy ratio which is certainly very encouraging.

Since the demand for hotel rooms has always been on the increase, more hotels are to be developed. In doing so it should be remembered that foreign tourists prefer medium class hotels and domestic tourists prefer economy class hotels. That means emphasis should be laid on 3, 2, and 1 star hotels and economy hotels like the Janata hotels.

Accessibility refers to the relative location of a hotel with respect to the nearest city proper, railway station, bus stand, airport, etc. Normally, except the airport, all other important places, including trade centres, bus stand and railway station, are within the city. Till very recently it was thought that hotels should necessarily be within the city proper or as near as possible to the places of activity. That is why almost all the hotels, except the new ones, are located within the city proper. On an analysis of the physical location of 100 hotels, both approved and unapproved. It was found that 94 hotels were within a distance of 10 km from the downtown area, 89 hotels were within 10 km from the nearest railway station and 91 hotels were within 40 km from the nearest airport. 10 km to the railway

station/downtown or 40 km to the airport should be considered normal. Now it is clear that the already established hotels are very much within the city complex. Some of them are located even in the most congested and uncomfortable places.

Of late the trend is changing, perhaps not out of choice but out of necessity. Sufficient and convenient land for a new hotel within a city is almost a luxury today. From the tourists point of view, perhaps they will like to have sprawling hotel complex far away from the polluted, noisy and sometimes maddening atmosphere. They will like to have a comfortable hotel with clean and fresh air, extensive gardens, lawns, natural setting, etc. All these could be relatively easily provided if new hotels are located away from the already congested cities. This would initially appear to be an unwise proposition with respect to 'sales'. But with the improved transport and communication facilities and established 'brand image' proximity of hotels to the heart of the city has only limited significance.

The latest thinking on this aspect is the establishment of hotels in semi-urban and rural pockets. "Land is fairly cheap in non-metropolitan areas, so hotels can be built out; they don't have to be built up. Natural light, ventilation and renewable sources of energy can be tapped far more effectively out in the country than they can be in towns. Further such settings lend themselves to the village-hamlet atmosphere, thus attracting domestic tourism from the cities. So if these complexes are effectively planned, they can have a built-in flexibility, responding to quick changing tourist patterns, catering to a wide cross-section of travellers." Such a hotel is referred to as condominium hotel or shortly 'contel.'

Experts consider that there is enough and more scope for 'contels' in India. But the practitioners must be convinced about the new concept. A beginning in this respect is already on the anvil. It is held that with the introduction of travel circuits to develop tourism in a most integrated manner, major hotel chains

are thinking in terms of setting up their units at strategic halts so that the groups travelling under their sponsorship could be easily accommodated in their own 'net.' In this regard, the Tamil Nadu Tourism Development Corporation has a place of pride, in the sense that most of its hotels are located *en route* of its weekly conducted coach tours, providing accommodation to its clientele under one roof and at the same time getting an assured business. Thus the 'contel' concept is basically a strategic marketing technic. It is held that 'contel' could rectify the imbalances in hotel industry like too much concentration, too many luxury class hotels, too many large-sized hotels, etc.

Hotels provide a vast range of services and facilities. Though originally conceived as a place where a temporary sojourn is provided, over the years the basic feature of a hotel has changed very much. With the emergence of status-symbol consciousness, hoteliers started playing to the expectations of the public by providing a variety of facilities, some of which are highly sophisticated. The facilities provided by the chosen approved and unapproved hotels are given.

It could be seen from the table that as many as 35 distinctive facilities are provided by hotels apart from accommodation. To ensure competitiveness and to meet the user demands, hoteliers have added a host of services to the 'basket' they sell.

Most of the approved hotels offer varieties of facilities compared to the unapproved hotels. Precisely that is why these hotels come under the approved category. However, in certain respects the hotels have to gear up their services such as own transport facilities, tour arrangements, etc., for the benefit of the tourists. To meet the increasing demand of the business tourists, secretarial and similar services need to be extensively provided.

Normally one would think that this is the way it should be, but there are strong views against this kind of tendency of providing a host of ancillary services. The travel writers, Hugh and Collen Ganzter, opine that "A hotel is a hotel. It is not a

restaurant... not a shopping arcade... not a health club, beauty parlour, office centre or convention hall. In other words, we must return to the concept of a hotel as an inn, a hostel and a lodge... Hotels have been forced to engage numerous specialist organisations under their umbrella because their status-conscious guests wanted to be cossetted. That age is passing fast."

However, from what we see around us with respect to the nature and varieties of facilities provided by most of the modern hotels and also the attitude of the so-called elite tourists, it is doubtful whether such change would set in so sooner what is important is the attitude of the tourists and guests and not that of the hoteliers. The possible extent of change in the attitude of the tourists is anybody's guess. After all money increases the craze for luxury. Businessman would cash such human nature.

It is but natural that in the case of industries dealing directly with people, there would certainly be complaints by the users as to the quality, range and price of facilities and services rendered. The industry should welcome users' complaints and suggestions and try to do the maximum to eliminate their recurrence.

An attempt was made to ascertain the broad areas of users' (foreign tourists) complaints about hotels in the country. It could be seen that poor maintenance of even available facilities was the major complaint followed by poor sanitation, lack of sufficient physical facilities and the like.

Most of these complaints are real. A day's stay in a hotel would reveal how poorly the installed facilities are maintained. The shortcomings of Hotel. The hoteliers would do well to bestow more attention to the areas of major complaints.

## BETTER QUALITY

The essence of the long run success of any economically based enterprise is its ability to survive and prosper, which ultimately depends upon its net profitability. The main items

provided by a hotel are rooms, food and beverages and services. The most important among this set is the service element, which determines the guest's attitude towards hotel, which ultimately affects the profitability. Hotel industry is very much a "people-industry" which produces intangibles. The service aspect particularly personalised services cannot be mechanised or automated. Quality, care, facilities are very vital than the quantity or numbers. The profitability of hoteliering firms largely impinge on the amenities and quality of its services, which is the crucial determinant of the volume of sales. If a hotel organisation aims to seek out a specific portion of the guest market and to maintain a high occupancy level, then it must pay close attentions to modifying the products and improves the quality of services it offers . In this chapter an attempt has been made to apply the service quality model in order to examine the gaps in services of the hoteliering establishments. It is tried to unravel the mysteries of why some firms are successful and others are not. Hopefully the issues raised here will stimulate the interest of both operators and researcher concerned in this type of tertiary activity.

The technology of most service organisations especially in hotel concerns, is conceived as "knowledge technology", as opposed to manufacturing technology where output quality is physically measured. In this regard service technologies tend to consist of the ideas, goals and rationale for the methods adopted. Furthermore services do not tend themselves to physical controls relating to quality factor and therefore should rely on intangible process of controlling . In addition to produce the hotel services, the customers and the service worker must interact. This interaction process can be seen as a situation where workers not only produce the output but are simultaneously involved in delivering it as well.

The hospitality industry seems to be a relatively successful one, although in many developed countries the boom in tourism and the hotel business is over. Especially in the coming decades

it will be necessary for the industry to emphasise quality not merely quantity. The hotel industry in developing countries should actively market its product. Marketing its product is simply attuning the hospitality offer to the wishes and expectations of the potential demanding consumer of hospitality. This marketing process can only be executed if one knows the needs and expectation of the guests and what can be offered. The principal factor that determines the guest's attitude towards a hotel is the quality of service received. Automation and mechanisation has helped in ruling out the human element in a number of industries but the human element is the determining element of the hotel business.

The architecture of a hotel, the decoration of the lobby the furnishings of a room are examples of hotel attributes that may be the reason behind a benefit, or tangible surrogates for intangible benefits, but they are not the benefits. The benefit is what they do for the consumer e.g. gives a sense of security, a sensation of prestige, or a feeling of comfort. And the credibility of these benefits tends to diminish rapidly if an expectation is not fulfilled. Decor is soon forgotten, if a room service takes an hour or so. A sense of security is not credible if slovenly characters are seen in the lobby or met on the elevator. It is this fulfilments of expectations, or lack of it, that creates the perception of deliverability for the consumer. The competing hotels may be seen as providing the same sense of security, grandeur, prestige and comfort. The tangible surrogates attributes their ability, to differentiate and at the same time, are no longer deterministic in the consumers choice of a hotel.

The definition and measurement of quality is no small matter for the growth and performance of hoteliering firms. These factors have been found to be particularly elusive with regard to services and almost undefinable at least in consistent terms, in regard to hotel services . If quality per se is 'elusive and indistinct' and often mistaken for impressive adjectives and not easily articulated by consumers then added intangibility of services certainly compounds the difficulty of definition and

measurement. Yet as quality measurement and improvement has become so vital to managers and marketeers of the hotel services, and when, as has been pointed out, quality is the single most important consumer trend of the coming decades then it becomes imperative, both theoretically and empirically to analyse the factors and suggest measures to improve the quality of hotel services.

The search for quality trend has prompted some researchers to begin to develop various definitions of service quality models. A basic consistency and consensus seems apparent among these numerous studies. Essentially concerns rests on largely abstract dimensions, such as perception, expectations and satisfaction. This communality leaves apparent need, at least at this stage, to debate over such a framework. Rather it gives an opportunity to test these dimensions and to seek empirical confirmation.

Empirical verification of abstractions, however is no less elusive than the definition of quality itself. It seems, in fact, that the frustrating attempts at definition may be preventing, rather than facilitating, successful efforts towards empirical confirmation. But the difference between the abstractions can be measured. For example if quality is measured vis-a-vis expectations, and perception is the level of satisfaction derived, then it seems only logical that if the difference between the two can be measured then not a definition of quality, but a measurement of its existence or non-existence can be obtained.

This measurement in fact may just, be a more significant marketing tool. It also has the advantage of being somewhat less of an abstraction, although not totally, to deal with, and this considerably eases the task. Many research investigators , have termed these differences between abstractions as gaps. Others have referred to the measurements of these differences as 'disparity analysis'. The analysis presented here is based on the service quality model . After a brief review of the conceptual

foundations of the exercise, the findings from the present study of gap analysis in hotel services are presented.

### UPKEEP OF QUALITY

A concept called "missing service quality" was developed by Gronrops in his model. His model is based largely on the construct "image" which represents perceived service quality which in turn represents the 'gap' between 'expected services' and 'perceived services'. He explores the use of the term quality as if it were a variable itself rather than a function of a range of resources and activities. He argues that this range includes what customers are looking for, what they are evaluating, how service quality is perceived, and in what way service quality is influenced. 'Perceived quality' of service is dependent on two variables—expected service and perceived service. Service quality can have two dimensions:

(i)  Technical quality

(ii)  Functional quality

Technical quality lends itself to somewhat objective measurement by the consumer. It is what the consumer receives as a result of his interactions with a service firm. This could be a hotel, a room, a bed, a restaurant meal, or a doctors prescription. Functional quality on the contrary, represents the service process or the expressive performance of the service. This quality is perceived by the customer in a very subjective manner. Together, the technical quality and functional quality of the service represents a bundle of service dimensions and create an "image", a third quality dimension.

The "image" influence the consumer's expectations. In fact image is a quality dimension overriding substandard technical and functional quality delivery. It is interpreted to mean that the consumers may be satisfied in spite of some deficiency in technical and functional quality in the service. Conversely, the consumers may be satisfied inspite of their presence. It is very

difficult to measure the 'image'. However, 'satisfaction of consumers' can be measured as a surrogate for 'image'. It is a reasonable assumption if there is a disparity between satisfaction and technical and functional delivery of services.

## How to Implement?

Thus it seems that, measuring service quality per se is not the purpose, but rather the quality in the delivery of the service is at least two and very possibly three dimensions described below. It appears at first glance to be a fine distinction but infact it is very important one because it eases the task considerably. The elusive quality now becomes a some what less elusive delivery, perhaps still intangible but less abstract.

Services in the hospitality industry are classified along three different dimensions .

(a)  Person related services

(b)  Product related services

(c)  Information related services.

It is contended that although the hotel industry provides a number of product related services e.g. car parking, laundry etc., and information related services e.g. television and radio, more importantly it provides person-related services such as rooms and meals for individuals. Person-related services are geared towards the main objective of bringing about some change of state in the customer, or to maintain an existing state, which for one reason or other he is unable to do for himself or chooses not to maintain the existing state. Accordingly a hotel provides rest, recreation and refreshment. Consumption of persons related services generally involves four elements:

(i)   direct consumption of physical goods (such as food, drinks etc).

(ii)  use of physical facilities (such as buildings and furnitures etc).

(iii)   interaction with persons providing the services.

(iv)   information about the services.

The main characteristic is that the provider and consumer are inextricably involved in the process of delivering the services. Indeed the process is frequently as much a part of the service as its outcome.

There is a similar way of defining the quality of services. There are two meanings of the term "quality". The first relates to the particular attributes, which serve to define the nature of the service. The second usage refers to a qualifier in measuring such an attribute. The two meanings combined together gives a particular value or level of service characteristic. As an illustration it means that the menu is an attribute of a restaurant meal but the choice of menu is a qualifier, wider choice of menu is a service characteristic.

So service quality per se is so confounded in many cases that it is extremely difficult if not impossible to measure. The consumer of a particular service seeks to satisfy a somewhat hierarchical set of needs and wants partly related to the essential service and partly to subsidiary attributes. An essential purpose might be an overnight stay in a hotel. Subsidiary attributes may include accessibility, convenience of location, availability, timing and flexibility as well as interaction with those providing these service and with other customers. Customers always have the expectations as to now all these needs be met, which are in themselves rather hazy and imprecise.

When presented with the actual offering of these multiple variables, the consumers from an impression which is almost immediately compared with expectations and the resultant level of satisfaction is determined. Each customer regards various service attributes as more or less important and various service characteristics as more or less desirable. All together the consumer obtains a service experienced comprised of multitude of service transactions which he selects from an offering. Each

transaction contributes to the service experience and has characteristics relating to the whole set of transactions which is more than the sum of the individual elements, which creates an 'overall feeling' or 'image' about the firm.

There exists a considerable amount of difference in perceptions between customers and providers, usually which comes as a surprise to the management of the hotel concerned. There are various evidences that management perception of quality of service frequently differs from the perception of customers, colleagues and hotel staff even. This difference in perception is termed as 'service gap'. Here an attempt has been made to undertake an exploratory qualitative study investigate the concept of service quality. Four different categories are investigated to gain an insight into:

(i) What managers perceive to be the key attribute of service quality?

(ii) What customers perceive to be the key attributes?

(iii) Whether discrepancies exist between these two perception?

(iv) Whether these results can be utilised to establish a general model to more efficiently explain service quality from consumers' stand point?

The upper managerial personnel of 18 hoteliering firms, six hotels each from the High spending hotels, medium spending hotel and low spending hotels existing in the cities of Orissa are surveyed as to what they believe their customers expectations in selecting a hotel, their perception of their own hotels service delivery, what customers particularly like and dislike about their hotel and the overall fulfilments of expectations and satisfaction with their hotel in the view of customers who had spent nights there. The same questions are asked at 200 randomly selected customers staying in those hotels over a period of two weeks, during the month of January 1990. Out of 200 customers 93 were foreign tourists.

Both management and customers are asked to evaluate sixteen attributes on a 1-5 scale where 5 represents the highest rating. T - tests are used between each pair of attributes that represented a potential for service quality gaps. Mean score and significance levels are represented in data.

Four types of gaps are found as shown in the data. $I_1 (= a_1a_4)$ represents the gap between management's perception of consumers expectations $(a_1)$ and consumers' expectations $(a_4)$. $I (= a_3a_4)$ represents the gap between consumer's perceived service $(a_3)$ and consumer's expectation $(a_4)$. $I_3 ( = a_2 a_4)$ represents gap between management's perception of hotel service delivery $(a_2)$ and consumer's perceived service $(a_3)$. $I_4 (= a_2a_4)$ represents management's perception of hotel service delivery $(a_2)$ and consumer's expectations $(a_4)$. Lastly $I_5 (a_1a_2)$ represents the gap between management's perception of consumer's expectation $(a_1)$ and management's perception of its service delivery $(a_2)$. A service quality model has been developed here. The gaps levelled in these five propositions have definite impact on the consumers rating of service quality.

It is the gap between management perceptions of guest expectations and the expectation of the guests to determine if management actually knows what its guests expect. The survey reveals that for the most part management believes that guests expect more than the guests themselves expect. In the 10 cases where the gap is significant at $(< 0.10)$, guest expectations are higher than that of management only in 5 cases. Three of these five cases, however is considered extremely critical ones where management does not realise their importance: size of room $(< 0.01)$, eating/drinking options $(< 0.01)$ and shops in hotel $(< 0.05)$. It is to be noted that all the five critical areas are clearly intangible functional qualities. These five areas also show up repeatedly in the survey as high in the list of features that travellers, particularly the foreign tourists look for in a hotel which encourage them to return. It should also be noted that many of the attributes which management perceives as eliciting

higher consumer expectations are tangible technical qualities in character.

It is the gap between consumer expectations and their perceptions of services received effectually, i.e. what they actually get. In this case the respondents expectations exceed on 5 out of 9 attributes at a significance level (<0.10). They are not exceeded, however on attribute 5, 8, and 14, all at (< 0.05) significance. All these are critical attributes which primarily constitute the intangible functional qualities.

It measures the difference between consumers perception of delivery and what management believes they deliver i.e. managements success in carrying out what they perceive to be customer's expectation. It is not too surprising to learn that management perceives their service delivery as being more successful than customers perceive it to be in all cases, 9 out of 16 attributes at (< 0.10) significance level. It implies therefore that the management of the high spending group and medium spending group hotels are very self-assured and complacent and very oblivious of their failings.

A subjective assessment of gap $(X_3)$ is also done. Respondents of both the samples are asked open ended questions such as what do you (people) find particularly satisfying and dissatisfying about the hotel, where they stay. As multiple responses are permitted there is no significance test. However the most frequent responses and their percentages of total responses are shown in data. These findings show that the intangible are not as outstanding at the high spending group hotels as the management believes them to be. They also show that it is the intangibles at the HSG hotels which upset customers more and not the technical qualities which the management believes are upsetting.

It reflects a comparison of managements delivery to consumers expectations. The service gap pattern of $A_3$ prevails here. Management perceives their services delivery as lower

than customers expectation in only three cases. In only two of these, cleanliness and food quality are the difference is significant at (< 0.01) level. This clearly indicates a very high expectation of guests in these areas.

It measures an internal situation: Does management believe they deliver as much as they believe customers expect? In this case they clearly do believe it, with no significant exceptions.

The respondents of both the sample are asked to indicate on a 1-5 scale, whether the hotel experience is satisfying to them. Whether it meets their expectations. Customers, are asked to rate the hotel in terms of its overall 'image' or quality. The data shows that management once again believes that it is doing a better job of meeting customers expectations and satisfaction than the customers actually feel. It clearly indicates a major gap in service quality of sample hotels. The quality rating by the customers is good in case of H.S.G. hotels but in case of M.S.G. Hotels it is worse and it does indicate a real Jack of service quality. There is no reason for complacency from the management's point of view. The customers of HSG hotels are not really dissatisfied with its services they are less vulnerable to competition in the hotel industry of the state especially in the event of new constructions in a nearby location of the same city. On the contrary the customers are not really satisfied with the service quality of both MSG Hotels, LSG and which are highly susceptible to competitive threats of rival firms, operating in the same locality or cluster.

Quality of services itself largely depends upon the good and effective management. Management should not be centralised or departmentalised in the same way as other tertiary activities. It is supposed to be variable and flexible. It should relate to all activities and be undertaken at all levels of the organisation. It is essentially an integrating process. And hotel industry is very much a people-industry with humane elements. Many customers need to have direct access and interaction with the working

staff. Their behaviour and attitude are an essential ingredient of the hospitality functions. They are the part of the finished product that the customer is paying for. An understanding of the pervasive influences, determining the attitude of workers within the establishment, which ultimately determines the quality of services, should therefore, form a central focus of the management. Customers satisfaction which affects the economic return of the hoteliering firm, is likely to be affected as much by the attitudes and behaviour of the staff as by the standard of accommodation and quality of food and other services.

The essential element in any hoteliering organisation's survival and growth is its ability to generate facilities and opportunities. With increased competition, evolving technologies and changing market needs, food service and lodging concepts are becoming gradually outdated or obsolete than ever before. Attempts to adapt to these changes have resulted in a wide variety of trends: menu diversification, fast food service, computerising the front desk, audio-visual entertainments, specialised conference halls, and ceremonial lounges. Unless the firm keeps abreast of the changes in the market place and manages to generate appropriate opportunities that satisfy consumer needs and anticipate their wants, it risks losing any competitive advantage it might have enjoyed or could attain.

There are many reasons why every department of a hotel should implement GO (generating opportunities) system. The reasons why the marketing function could benefit from a GO system are outlined here:

(a) The industry is fiercely competitive. The business that is constantly identifying, assessing and choosing appropriate market opportunities is likely to become a market leader. By GO system it is able to develop a unique selling proposition which results in a competitive advantage.

(b) The markets for hotel services are highly vulnerable to

many factors. The firm has no special protection from competition, moreover shifts in technology, taste, fashion, travel, life-styles and even substitutes products or services can seriously erode a firms' market share.

(c) There is a constant need for novelty and excitement among many customers today. Those that succeed and grow in this business are those that identify what this need means and are able to generate viable opportunities that attracts clienteles.

(d) Market opportunities need not always focus on the new and different but on refinement and improvement of the critical factors. Constant attention on the aspects that ensures improved quality, reliability and care, helps make every guest feel important, welcome, comfortable, secure and safe.

(e) These establishments suffer from irregularities of demand which are difficult to control. By creating new products or services the level of demand of new segment of customers can be brought into a better balance. It raises the frequency of visits of a customer, amount spent per visit and length of his stay.

(f) All products and services offered by a firm, regardless of how novel or unique they once were become obsolete. So there is need to update or replace the concept and facilities when or before their popularity declines and sales fall off.

(g) An attempt to revive a moribund concept, menu or facility through revision, renovation or refurbishment and so forth can help to recycle the demand. It can endure, thrive or grow only if a stream of new products or services replaces those that have been saturated in the market or are of declining importance.

Thus in hotel operations it is necessary to combine the 'production' element of the speedy and efficient provision of

accommodation and food and beverage with the people element of a high standard of service and an appropriate attitude and behaviour from its staff. This suggests the need for consultation and team work and for a participative style of managerial behaviour based on the effective integration of a high concern for production balanced with a high concern for customers. In order to realise the aims of the hoteliering firm, the well-trained manager is an essential asset: the professional who combines an understanding of the interlinking roles of marketing, finance and technology with a finely-tuned creative mind and service attitude. Creativity comes into play with the need for introducing services, which without increasing costs encourage guests to spend more within the hotel. The managers would discuss problems directly with the staff, allow them freedom of action within accepted terms of reference and handle difficulties in working relationships by attempting to find solutions agreed with them. A balance needs to be struck between the more easily identified financial costs and profitability and less obvious but equally important long term benefits which makes a positive contribution to the organisational effectiveness and the achievement of objectives.

# 4

# SIGNIFICANT PRINCIPLES

It is very difficult to have an all encompassing definition of management which covers all its characteristics. Management is a vital function concerned with all aspects of the working of an enterprise. Management has been defined in a number of ways. Prof. Haimann has interpreted the term "management" in three distinct aspects:

(a) Management as a field of study or a subject.

(b) Management as a team or class of people or a noun.

(c) Management as a process.

Management as a field of study or a subject refers to the principles and practices of management. It entails all the principles and practices as a knowledge and its application in its entirety. This approach, however, fails to give the correct nature of management. Management as a team or class of people refers to the group of managerial personnel of an enterprise functioning in their supervisory capacity. However, who are the managers and what are the activities that should be treated as managerial, are hard to identify, unless some

yardsticks are prescribed. This becomes more difficult specially when those performing managerial activities have different titles in one organisation as well as in different organisations.

Management as a process refers to different processes or steps of management—right from planning to organising, staffing, supervising and controlling. Management in this context has been defined as the process of getting things done by and in cooperation with others. There are many definitions of management. They emphasize one or the other important aspect of management activity. According to Koontz, "Management is the art of getting things done with people and through informally organised groups. It is the art of creating an environment in which people can perform as individuals and yet cooperate towards attainment of group goals. It is the art of removing blocks for such a performance, a way of optimising efficiency in reaching goals." According to Dalton E. McFarland, "Management is the fundamental integrating and operating mechanism underlying organised effort."

According to George R. Terry, "Management is a distinct process ... performed to determine and accomplish stated objectives by the use of human beings and other resources."

According to Harold Koontz and Cyrill O'Donnel, "Management is the creation and maintenance of an internal environment in an enterprise where individuals, working together in groups can perform efficiently and effectively towards the attainment of group goals." According to W. Jack Duncan, "Management consists of all organisational activities that involve goal formation and accomplishment, performance, appraisal and the development of an operating philosophy that ensures the organisation's survival within the social system."

According to Kimball and Kimball, "Management may be defined as the art of applying the economic principles that underline the control of men and material in the enterprise under consideration."

According to Brech, "Management may be defined as a social process entailing responsibility for the effective planning and regulation of the operations of an enterprise, such responsibility involves (a) the installation and maintenance of proper procedures to ensure adherence to plans, and (b) the guidance, integration and supervision of the personnel comprising the enterprise and carrying out its operations."

There is no universally acceptable definition of management; so much so that Brech has stated, "Exactly what the term means is not always clear and not always agreed." Common to all above definitions is the connection of management to organisational goals. It evaluates the effectiveness of goals accomplished and devises methods for achieving those tasks which are compatible with the demands of the society within which it operates. The most widely accepted meaning of the term "management" is that management is a process by which responsible persons (e.g., managers or executives) in an organisation get things done through the efforts of other persons in group activities. Before summing it up it is essential to quote the definition of management given by the American Management Association. It reads, "Management is guiding human and physical resources into dynamic organisation units which attain their objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering services."

## DEFINITION AND THEORY

Management is a group activity. Management is to coordinate the actions and reactions of individuals. Management has some defined goals before it to achieve. Goals are set considering the actions and reactions of individuals.

Management also evaluates the effectiveness of goal accomplishments.

Managers are expected to use the resources available to

them as efficiently as possible to guide the survival of an organisation in the competitive world. The ability to forecast and adopt to change are also important components of management for organisational survival.

Action is the creed of management. Policies and programmes are implemented by management.

## PRINCIPAL CHARACTERS

Following are certain features which illustrate the wide breadth of scope of management.

Management is a universal process which is applied in all types of institutions—social, religious, commercial, political, etc. Every organisation and institution whose object is to achieve its objectives and goals through group efforts, needs planning, coordination, direction and control, i.e., management. The essence of management is the integration of human and physical resources in a manner that it leads to effective performance. Managers apply knowledge, experience and principles for getting the results. Management seeks to harmonise the individual goals with organisational goals.

Management is a dynamic function of business organisations. Its functions change from time to time depending upon the circumstances of the business, i.e., changes in economic, social, political, technological and human conditions. Management adjusts itself to the changing atmosphere—making suitable forecasts and changes in the policies.

Management is a social process as it primarily deals with emotional/dynamic and sensitive human beings. The major achievement is to win their confidence and cooperation. Thus, making it difficult to precisely define the principles of management. Management principles are constantly influenced by social traditions, customs and regulations.

Managerial ability is distinctly different from technical ability.

Management is the art of getting things done through people. It implies that under given set of constraints or problem boundaries how positive results can emerge, by taking well defined actions.

Management has to deal with heterogeneous resources. Their performance depends upon the proper knowledge and skill of various disciplines. Management has grown as a body of discipline taking the help of so many social sciences like— Anthropology, Sociology, Psychology' etc. Due to this, management is also known as a "Behavioural Science."

Management is a science because it has an organised body of knowledge which is based on facts and certain universal truths. It is an art because certain skills, essential for good management, are unique to individuals. So many times managers act on instinct. It is also about interactions which cannot be laid down in black and white.

Managerial ability is an intangible force; it is a social skill which cannot be seen with the eyes but it is evidenced by the quality and level of an organisation.

## Various Dimensions

All the managers have to perform certain functions in an organisation to get the things moving. But there is never complete agreement among experts on what functions should be included in the management process. However, Koontz and O'Donnell's classification of management functions is best of all and is widely accepted. According to them, "functions of management are planning, organising, staffing, directing and controlling."

Planning is an indispensable function of management determining the objectives to be achieved and the course of action to be followed to achieve them. It is a mental process requiring the use of intellectual faculties, foresight and sound judgement. Planning virtually pervades the entire gamut of managerial activity. This function is performed by managers at

all levels. The managers at the top level in an organisation devote more time on planning as compared to the managers at the lower levels. Planning includes:

   (i)  determination of objectives,

  (ii)  forecasting,

 (iii)  search of alternative courses of action and their evaluation,

 (iv)  drawing policies and procedures, and

  (v)  budgeting.

Planning is a prerequisite of doing anything. Planning is a pervasive, continuous and never ending activity. It leads to more effective and faster achievements in any organisation and enhances the ability of the organisation to adopt to future eventualities.

Organising involves identification and grouping the activities to be performed and dividing them among the individuals and creating authority and responsibility relationships among them. The process of organising involves the following steps:

   (i)  Determination of objectives;

  (ii)  Division of activities;

 (iii)  Fitting individuals to specific jobs; and

 (iv)  Developing relationship in terms of authorities and responsibilities.

Organising can be viewed as a bridge connecting the conceptual ideas developed in creating and planning to the specific means for accomplishing these ideas. Organising contributes to the efficiency of an organisation.

The staffing function has assumed great importance these days because of rapid advancement of technology, increasing size of organisations and complicated behaviour of human beings. The managerial function of staffing includes manning the organisational structure through proper and effective selection

process, appraisal and the development of personnel to fill the roles designed into the structure.

The staffing function involves:

(i) Proper recruitment and selection of the people;

(ii) Fixing remuneration;

(iii) Training and developing selected people to discharge organisation a function; and

(iv) Appraisal of personnel.

Every manager is continuously engaged in performing the staffing function. Although some elementary functions like keeping inventory, of personnel, advertising for jobs, calling candidates etc. are assigned to Personnel Department. The manage: performs the duties of job analysis, job description, appraisal of performance, etc. In short, the staffing function can be viewed as an all pervasive function of management

Directing is that part of the management process which actuates the organisation members to work efficiently and effectively for the attainment of organisational objectives. Planning, organising and staffing are merely preparations of the work, the work actually starts when managers start performing the direct functions. Direction is the interpersonnel aspect of management which deals directly with influencing, guiding, supervising and motivating the subordinates for the accomplishment of the pre-determined objectives.

According to Joseph Massie, "Directing concerns the total manner in which a manager influences the actions of subordinates. It is the final action of a manager in getting others to act after all the preparations have been completed." It consists of four subfunctions:

It is the process of passing information and understanding from one person to another. A successful manager should develop an effective

system of communication so that he may issue instructions and receive the reactions of the subordinates and motivate them.

It is the process by which a manager guides and influences the work of his subordinates.

Motivation means inspiring the subordinates to zealously work towards accomplishment and achievement of organisational goods and objectives.

Managers have to personally watch, direct and control the performance of subordinates. In doing this they have to plan the work—give them directions and instructions, guide them and exercise leadership.

Controlling is visualising that actual performance is guided towards expected performance. It is the measurement and appraisal of the activities performed by the subordinates in order to make sure that the objectives and the plans devised to attain them are being accomplished. Controlling involves following:

(i) fixing appropriate standards,

(ii) measurement of actual performance,

(iii) comparing actual and planned performance,

(iv) finding variances between the two and reasons for the variance, and

(v) taking corrective actions.

Control keeps a check on other functions for ensuring successful functioning management. The most notable feature is that it is forward-looking. A manager cannot control the past but can avoid mistakes in the future by taking actions in the light of past experiences.

The above functions may give an impression that these sections are independent compartments. Management is a continuous process involving the interaction of all functions and

departments. These functions are being performed simultaneously and repeatedly. The purpose of separating the functions of management is to ensure that sufficient attention will be paid to each of them. The functions of management are universal. A manager has to perform these functions in the organisation, whatever the level of the manager or the objective of the organisation. Some people raise the question which management function is more important than others. The importance of the functions will vary from task to task but they are all important and necessary in accomplishing any organisational goal.

## PHYSICAL ASPECTS

The most dependable view regarding the nature of management is that management is science and art, both. Both art and science are not naturally exclusive fields of endeavour but are complementary to each other.

Science is the systematised body of knowledge pertaining to a particular field of enquiry. Such systematised body of knowledge contains, concepts, theories experimentation and principles which are universal and true. According to Chester L. Bernard, "Science explains the phenomenon, the events, the past situations and that their aim is not to produce specific events effects or situations but explanations that we call knowledge. The various concepts and principles of science are developed on the basis of observation and experiments."

Now, let us see whether management can satisfy the tests which we have listed above for science. Management has a systematised body of knowledge pertaining to its field and the various concepts, principles and techniques have been developed through deductive and inductive reasoning. For example, in the area of designing an effective organisation structure, there are a number of principles which serve as guidelines for delegating authority. The unity of command, the consistency of authority

and responsibility are some of the important principles which help to decide proper delegation of authority. In the field of management, some of the important techniques related to budgeting, cost-accounting, planning and control are part of a management theory. These techniques are there to help the manager to plan and execute the activities and goods effectively.

But management is not so exact a science as other physical sciences like Physics, Chemistry, etc. The main reason is that it deals with the people and it is very difficult to predict their behaviour accurately. Since it is a social process, it falls in the area of Social Sciences.

Management is a behavioural science. Its theories and principles are situation bound because of which their applicability does not necessarily have the same results every time. That is why Ernest Dale has called management a "soft science" which does not have hard and fast rules.

Art is about bringing out the desired results through the application of skill. It is concerned with the application of knowledge and skills.

Management is one of the most creative art forms, as it requires a vast knowledge and certain innovating, initiating, implementing and integrating skills in relation to goals, resources, techniques and results. As an art, management calls for a corpus of abilities, intuition and judgement and a continuous practice of management theories and principles.

Management is an art because:

(i) The process of management does involve the use of know-how and skills.

(ii) The process of management is directed towards the accomplishment of concrete results.

(iii) Like any other art, management is creative in the sense that management creates new situations needed for further improvement.

(iv) Management is personalised—every man in this profession has his individual approach and technique in solving problems. The success of managerial task is related with personality of the men, character and knowledge.

Thus, we can conclude that management is both a science and an art.

## VARIOUS PHASES

Management is a manifold activity. It is carried on at different levels of the organisational structure. The stages in the organisation where a particular type of function starts is called a level of management. Thus, the term "Levels of Management" refers to a line of demarcation between various managerial positions in an organisation. The number of managers depends upon the size of the business and work-force. There is a limit to the number of subordinates a person can supervise. The number of levels of management increases when the size of the business and work-force increases. Levels of management are increased so as to achieve effective supervision.

In most of the organisations, there are generally three levels of management: (i) Top management. (ii) Middle management. (iii) Lower management.

In any organisation top management is the ultimate source of authority. It establishes goals and policies for the enterprise and devotes more time on the planning and coordinating functions. It approves the decisions of the middle level management and includes Board of Directors, Managing Director, General Manager, Secretaries and Treasurers, etc.

It generally consists of heads of functional departments viz., production manager, sales manager, office superintendent, chief cashier, branch managers, etc. They receive orders and instructions from top management and get the things done through lower level management. They are responsible to the

top management for the functioning of their departments. They devote more time on the organisation and motivation functions of management.

It is the lowest level of management and thus has a direct contact with the workers. It includes supervisors, foreman, accounts officers, sales officers, etc. It is directly concerned with the control and performance of the operative employees. Lower level managers guide and direct the workers under the instructions from middle level managers. They devote more time on the supervision of the workers and are responsible for building high morale among workers. The three levels of management may be put as under:

```
                        Management
        ┌───────────────────┼───────────────────┐
      Top               Middle              Lower
      Management        Management          Management
    • Chairman          • Heads of Departments  • Foremen
    • Managing Director  • Superintendents       • Supervisors
    • Secretaries        • Branch Managers        • Finance Officers
    • Treasurers         • Account Officers
    • Board of Directors
    • General Manager
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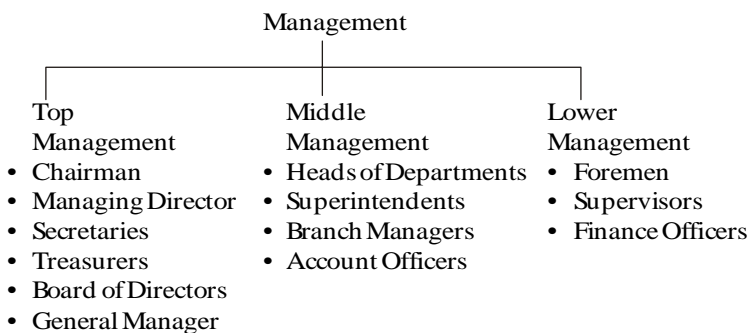
**Common Conditions :** Management and administration are generally taken to mean as one and the same and are often used interchangeably. But there has been a controversy because of these two terms. There are following three views on the subject of distinction between administration and management:

**The Differentiation :** Oliver Sheldon was the first person to make a distinction between management and administration. According to him, "Administration is the function in industry concerned with the determination of the corporate policy, the coordination of finance, production and distribution whereas Management is the function concerned with the execution of policy within the limits setup by administration." Thus, administration is formulation of policies and is a determinative

function while management is execution of policies and is an executive function. Florance and Tead also support this, in their view, "Administration involves the overall setting of major objectives determination of policies, identifying of general purposes laying down broad programmes, major objectives etc. while management is the active direction of human efforts with a view to getting this done."

***Common Items :*** According to Kimball and Kimball "Management is a generic term with wide functions including administration, which is a narrow function." According to Brech, "Management is a social process entailing responsibility for the effective and economical planning and regulation of the operation of an enterprise in fulfilment of a given purpose of task." "Administration is that part of management which is concerned with the installation and carrying out of the procedures by which the programme is laid down and communicated, and the progress of activities is regulated and checked against plans." Thus, first and second viewpoints are exactly opposite to one another.

***Unrecognisable :*** Other authors like Fayol, Newman Williams, do not make any distinction between these two terms. This viewpoint is gaining popularity these days. It is very difficult to clearly democrat managerial and administrative functions, as the same set of persons perform both these functions. We do not have two sets of people to discharge administrative and operative management functions. Therefore, there is no difference between the two.

In order to avoid any controversy, we can classify management into: (a) administrative management, and (b) operative management. Administrative management is primarily concerned with laying down policies and determining goals whereas operative management is concerned with implementation of the policies for the achievement of goals. But both these functions are performed by the same set of people, according to Spriegal and Lansbugh, "At the higher levels, the

managerial authority is concerned more with administrative management and less with operations." As shown in Figure below every manager spends a part of his time in performing administrative management functions and the remaining time on operative management functions.

Thus, administration and management are considered to be one and the same.
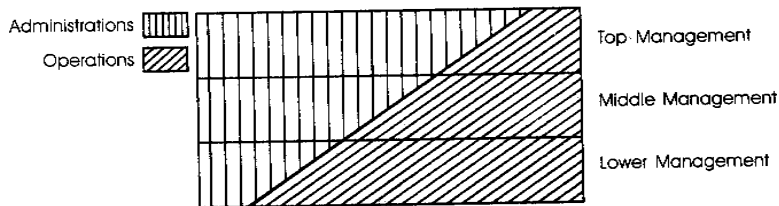


**Resolution of management vs. administration**

The emerging trend of separation of management from ownership and increasing professionalisation of management has led to a debate as to whether management is a profession like doctors, advocates, nurses, accountants, etc. Profession can be defined as an occupation for which specialised skills are required, it is not only meant for self-satisfaction but are used for the larger interests of the society, and the success of these skills is not measured in terms of money alone. According to McFarland, "A profession is a source of livelihood, based on substantial body of knowledge and its formed acquisition the test of success in the service is not the profit earned thereon." A profession has following five characteristics.

There exists a rapid, expanding body of knowledge underlying the management field. For being a successful manager one has to be alert and study this set of knowledge. A systematic body of knowledge that can be used for professional development has evolved during the last six decades. However, the concept of management is still evolving and new principles are being established continuously.

An individual can enter in a profession only after possessing

certain knowledge and skills through formal training. To impart management education there are many formal institutes in the world. In India, there are various institutions and universities running management programmes.

*A* representative body of professional is needed to regulate and develop the professional activities. Many countries have Management Associations. In India too there is an All India Management Association. These associations manage and coordinate researches and interests of management profession in management areas. For every profession, some ethical standards are provided and every professional individual is expected to maintain conformity with these standard. There is a lack of universally accepted formal ethical standards, their duty is to protect the interests of all parties—owners, suppliers, consumers, government, etc. In this respect, they are expected to maintain code of conduct.

Professionals in management require money to satisfy their needs. However, their success is not measured only in terms of money which they receive by way of rendering their services but by the contribution they make for the welfare of the society. The management's contribution by way of integrating various resources into productive units is very important for the stability of society.

From the above discussion, it is clear that management has some professional characteristics fully, while others exist partially. Management is a comparatively new field of knowledge and has been developed as a result of rapid industrialisation. It is increasingly being treated as a profession because of the need for acquiring the management skills to solve the complex problems of the organisations. Professional status for management should not be viewed as a matter of definition. The basic elements of professionalisation are important, irrespective of whether they lead to professional status. So we can conclude that management is a profession.

The professionalism implies that specialised knowledge will come into existence. Institutions will grow to provide the required specialised knowledge and skill. Consultancy institutions will come into limelight to look into the needs of the profession and also to make the profession serviceable. Such organisation try to coordinate the activities of sister organisations in order to derive advantage of the existence of such organisations.

The most important implication of professionalism is the preparation of a code of conduct. This sets morals and ethics for the professionals. It helps in the ethical approach to the problems.

Management, after being professionalised, has become socially responsible. This has helped the management acquire a new role in the business world. Management as a profession plays a role of creator in an economy, particularly when it is in the developing stage.

In old times, scale of production was small and there was no economic life. Hence, the role of management was not well-established. But with the advent of industrial revolution, scale of production became very large and there arose various types of complexities in the field of production, distribution and exchange.

There was an urgent and immediate need for effective coordination of human and non-human resources. It required management. The increasing size of business organisations, complex problems of business and advancement of modern technology has resulted in the recognition of management as an important factor of production. Management has achieved an importance today.

Management has the integrating force in all kinds of organised activity. It is not unique to business organisations but common to all kinds of social organisations. Although, organisations other than business do not speak of management, they all need management. It is a specific organ for all kinds of organisations,

since they all need to utilise their limited resources most efficiently and effectively for the achievement of their purpose. It is the most vital force in the successful performance of all kinds of organised social activities. However, management has been associated more with business and economic activities. Management has made it possible to organise economic activity in giant organisations like the Steel Authority of India, Life Insurance Corporation, Air-India, Indian Railways, etc.

The factors, leading to the increase in the importance of management are listed below:

(i) To ensure effective utilisation of the available resources.

(ii) To solve the increasing complex problems of business.

(iii) To cope with the research and development.

(iv) To handle large-scale operations.

(v) To coordinate between different levels of work performance in enterprise.

(vi) To meet the problems of competition.

(vii) To inter-link traditional and modern technique of work completion.

(viii) To help the nation in social welfare.

All policy decisions are taken by management. Management keeps itself in touch with the current environment and supplies foresight to the enterprise. It helps in forecasting what is going to happen in the future, which will influence the working of the enterprise. The role of management has increased because of the separation of ownership from management regarding corporate (company) enterprise and growth of capital intensive techniques of production. An efficient management can lead a business towards growth and propensity.

It provides leadership to the business and helps in achieving its objectives. Management is concerned with planning, executing and reviewing. In short, management involves scientific thinking,

deciding, thoughtful organisation, direction and control to ensure better results. Efficient management is equally important at the national level. According to Peter Drucker, "Management is the crucial factor in economic and social development." The development of accounting is virtually dependent upon the quality of management. A capital investment and import of technical know-how and equipment will not succeed if these resources are managed properly. Thus, efficient management is a key to the growth of the economy of any country.

In this chapter we have presented various definitions, concepts, functions, component and levels of management. It also highlighted management as a profession. The important functions of management, viz., planning, organising, staffing, directing and controlling were discussed at great length. The view that management is both science and art was expounded. The various levels of management, such as Top, middle and lower were defined. The distinction between administration and management was presented with concluding remarks that management consists of both administrative and operative aspects.

## ADMINISTRATIVE SYSTEM

Taylor and the early systematic management theorists con-fronted a plethora of detail. In the machine tool industry of the 1890s especially, increasing complexity and specialization required more managers, and thus more coordination among them to coordinate the firm as a whole. High-volume production made difficulties still more extreme. The problems were overwhelmingly managerial, rather than technical. What was needed was some systematic procedure for coordinating and monitoring, and, not inconsequentially, for abstracting the task of management from the details of job performance.

Until an appropriate level of abstraction was defined, the problems of coordination were insoluble. In both the performance

and the management of routine jobs, some means of transcending the particular individual was necessary. Until this means was found, industrial complexity was limited to what the individual could comprehend, remember, organize, perform, or control.

The possibilities for organizational synergy were thereby similarly limited. Organizations needed methods of impounding and retaining the insights of individuals. Some means of replicating acceptable procedures persistently, predictably, and independently of the original discoverers, was necessary.

## CONTROLLED ADMINISTRATION

Systematic management techniques, from Taylor's excruciatingly detailed instructions on oiling a machine to Church's accounting systems, were the means to these ends. Taylor sought explicitly to record and codify in order to render the organization less dependent on the memory, good will, or physical presence of any particular employee. Equally, he sought to avoid the necessity of repeated rediscovery of efficient procedures by each worker. Just such a codification of concrete details of task performance is a reasonable description of one sort of "organizational memory." Without resorting to reification, it is apparent that such a mechanism retains the knowledge of how to perform the task.

Perhaps more important still, such a recording makes the knowledge accessible to others beyond the original discoverer, eliminating the need to rediscover. Since the task is specified the recording permits supervision of the task to proceed on a different level, by exceptions. Instructions create expectations and demands: this is the way to do it, not some other way; do this*,* don't spend time experimenting to possibly, fortuitously discover the proper way. Within limits, written instructions create a shared frame of reference and a shared experience—albeit vicarious, for others than the discoverer—of a proper way to accomplish the task.

Once the task itself is specified and can be replicated, managerial attention can shift to a different level of abstraction, treating this particular task and its performance as "given." On one level, this kind of simple replicability is evidence of organizational learning. Successful actions or behaviours can be specified and thus reiterated over time.

This is the lower-level, routine learning that March and Simon or Cyert and March were willing to admit: a stored repertoire of successful sequences of action. By permitting the organization to transcend the particular discoverer of the knowledge, and by making it accessible to others, such programmes allow for the synergy (on a rudimentary level at least) are characteristic of organizations.

The programme or instructions specify required actions and, implicitly, the means of their coordination. Managerial attention can be freed from the need to coordinate here, and can look instead to coordinating among such sets of specified behaviours. These lower-level learning programmes are so commonplace and pervasive that we frequently dismiss them as trivial, or ignore them altogether. However, they are the essential foundation for the development of higher-level systems.

The lower-level programmes create a means of synergy, the shared frame of reference which preserves knowledge. They also create a way of retaining and communicating learning beyond the individual who discovers it, making possible further refinement and more inclusive coordination. And, not incidentally, they substantially improve performance by eliminating the need to rediscover every time what has been learned before. This was Taylor's insight.

Taylor's contributions went beyond the simple recording of procedure, however. In his distinction between planning and performance, he built upon the codification of routine tasks and for the first time made possible the large-scale coordination of

details—planning and policy-level thinking, above and beyond the details of the task itself. The initial steps are critical; without them, the manager and the organization remain in undated in details of the task, and abstraction is impossible for sheer want of information-processing capacity. This would not obscure the qualitative difference between the details of the task, and a focus on coordination of them.

Taylor tended to focus on the coordination of the tasks of a single workman, or on the relationship among tasks in a single work-flow at most. Nevertheless, instructions on how to coordinate such a group of activities is a step higher, a logical level above the elements themselves. To confuse the two is an error in logical typing, equivalent to confusing the map with the territory, the name with the thing, the receipt with the meal. Thus the "specialty" of records clerks who generate instructions is not the task itself, but a body of knowledge about many tasks. The frame of reference of the clerk transcends the frame of reference of any individual worker whose task is specified. Conceptually, this represents a clear shift to a level of logical abstraction superior to that of the task itself—that is, a more inclusive level.

The clerk's perspective includes many tasks, and the technology for codifying them. In generating new sets of instructions, for instance, such questions as, "Does the sequence of actions performed by this worker mesh smoothly with others' actions?" and "Should Worker A notify Worker C when A's task is complete?" illustrate the logical distinction between the level of the task, and thinking about its specification. Another way of drawing the distinction is to note that the clerk's task includes specifying boundary-spanning communications or interfaces which relate self-contained segments; any individual worker need be concerned only with activities within the specification.

The division of labor, specialization, and subdivision of the

task encouraging detailed knowledge of a portion of the task in the individual worker, necessarily splits off coordination from performance. This is differentiation by another name. The reintegration necessary for efficient performance is provided by a higher frame of reference, that is, one inclusive enough to contain all the specialized elements.

Taylor's methodology provided the means of implementing the specialized knowledge he dissevered, of coordinating it, monitoring it, and assuring that performance was adequate. By specifying the details, management could insure replication of the best practices on the shop floor. By setting up roles and standards, management could be abstracted because the knowledge embodied in standards was accessible to the worker. Since the knowledge was accessible, its ordinary application could be delegated and management could concentrate on exceptions.

The procedures and rules for relating various tasks— rudimentary codification of the management task—insured that here too, certain patterns were replicated, independent of their fortuitous rediscovery by each individual. It was no longer necessary to rediscover a right way; one had already been specified.

This left management free to concentrate on exceptions, coordination, and new tasks. The details of management were specified; some were delegated (to functional foremen; although Taylor's system was never fully implemented successfully many of the same tasks are separated into different staff jobs today); and a shared frame of reference was specified, guiding performance, perception and interpretation.

Church's further development of thinking about the manage-ment task generalized the insights that Taylor had applied to technical details. The accounting methods Church developed provided the means for abstracting management by making possible the description and monitoring of performance in diverse

areas or products. The focus is upon how the details of the management task itself fit together; and, on a lower level, how the details of the managed task fit together.

The "five great organic functions" of managerial work that Church identified are abstractions about the task of management, approaches to organizing the performance of tasks.

General Motors and Du Pont offer higher-level analogues to the split Taylor proposed between the performance of a task and its planning and coordination. While there are clearly limits to the usefulness of the distinction, nevertheless it is critical to the management of complex activities, especially when they are combined (as in the modern complex organization of diverse task specialities, products, or areas).

Taylor's schematic systematized task details, focused management on coordination, and, by abstraction, freed up management to undertake the overarching tasks of planning and policy. In an analogous fashion, the extensive and sophisticated control systems of General Motors and Du Pont made feasible decentralized management in a complex organization.

They thereby also made possible for the first time concerted coordination (that is synergy) and true policy for such organizations. So long as management is overwhelmed by the details of task performance, planning and policy will not occur. March and Simon describe this phenomenon, a Gresham's Law of Planning: routine activities drive out long-range, non-routine activities. In this context, the absence of long-range planning "that makes a difference" is comprehensible, and with it the purely reactive stance of organizations Cyert and March found.

That is, until what is routine is systematized and performance replicable without extensive management attention, management attention will necessarily focus on the routine. By the time of Du Pont and General Motors, the specification of task had

moved from codifying workers' routine activities to codifying managers' routine activities.

It is through administrative systems that planning and policy are made possible, because the systems capture knowledge about the task, and, at the General Motors and Du Pont Levels, about the logically more inclusive matter of coordinating tasks.

The return on assets concepts of Donaldson Brown, the forecasting methods, the systematic relation of demand, production, inventories, and appropriations all represent a methodology for managing, a directed way of thinking that translates a level upwards in a hierarchy of logic and inclusiveness from the single-factory, single-firm management concepts of Taylor and Church. Moreover, any manager who has been exposed to these methods has been trained in an administrative mechanism that explicitly guides perceptions and interpretation.

In this, as in Taylor's concrete specifications of a machinist's task, a shared frame of reference is created. The firm is no longer dependent upon the rediscovery of these relations, every time, by each new manager. Instead, the knowledge of Donaldson Brown, Pierre du Pont, John Raskob, or Alfred P. Sloan, Jr., is codified and preserved. It is thereby made accessible to others, for both replication and further development.

These administrative systems create a shared pattern of thought, with focus explicitly shifted to the pattern, rather than the specific content. They thus condition the analyses and decision premises of the actors. Specified kinds of thinking are identified. By creating a shared frame of reference, with explicitly directed perceptions—"The relation of finished goods inventory to customer demand should not exceed thus-and-such a ratio when scheduling production", for instance—such systems generalize knowledge far beyond its original discoverer or discovery situation. It should be emphasized here that the kind of knowledge generalized is qualitatively, logically different from

the kind of knowledge codified in Taylor's machine-oiling instructions. The focus is on paths or patterns of thought and kinds of thinking, rather than on specific actions.

These systems, in generalizing the insights they codify, also make them accessible to change and refinement. It is no longer necessary for the procedures of a firm to be the work of a single mind. The systems, as Sloan's comments make clear, measure results, leaving the details of task performance to others. Because management need pay attention only to these monitors, patterns among them and over time assume more importance. True management by exception, and true policy direction are now possible, solely because management is no longer wholly immersed in the details of the task itself.

Having been guided into replicating the patterns of thought for connecting, say, production and inventory, it is now possible to add the refinements of forecasting demand, and of revising the forecasts or adjusting them in the light of general economic conditions and actual demand.

Thus the original relationship, once comprehended, can be changed and shaped, transcended and surpassed. The development of flexible, rather than rote, responses to changing situations grew out of the new attention to the coordinative task made possible only because abstraction focused attention on anomalies in patterns. The systemic relationship among quantitative measures of performance and environmental indicators—substantially abstracted, be it noted, from details of task performance—is what permits control at this level.

Taylor was concerned primarily with individual tasks, or with a single work flow; Church, with the ongoing business of the firm as a whole, and with the relationships of individuals' tasks within that framework, with the coordination of the factory. Du Pont and General Mortors are still more general, abstract and logically inclusive, in that their methods of management relate diverse products typically produced by many factories. For Du

Pont, applying accounting methods meant adapting the practices of the steel and traction industries to explosives manufacture, and later to chemicals.

For General Motors, the task was adequately systematizing related but distinct products. More importantly for both firms the task was generalizing patterns of thought that would permit decentralization. In both cases, the clear distinction between details of task performance and the coordination of those details, on the one hand, and the overarching coordinative task of relating many tasks (products, divisions, factories) was institutionalized not just in organization structure, but in the administrative systems that controlled information flow and guided critical decision making and analysis.

The administrative systems capture the knowledge of how to think about this diversity, how to relate information about it (clearly an abstraction from the things themselves), how to coordinate and manage effectively. The shared frame of reference that is created is more inclusive, and therefore logically superior, to single-firm, single-factory frames of reference. By focusing attention on the abstractions, the systems encourage both replication of established patterns of thought—as relating inventory and production, for instance—and their refinement, keying in economic conditions or actual demand.

The chief accomplishment at Du Pont and General Motors was in systematizing the ongoing business of the large, complex, multidivisional firm. At Texas Instruments, the main task was (and is) of an altogether different nature. The highly changeful environment of modern electronics requires a new set of administrative systems designed to decentralize not only the performance of a routine task in a somewhat turbulent environment, but the decentralization of innovation itself, and with it the fundamental data-gathering of the policy process.

Texas Instruments provides a capsule history of the

development of management theory repeated in brief compass. The PCC System institutionalized and insisted upon a fundamental balance in the ongoing business.

This might be called the basic task of the firm, systematized in ways that Church would find familiar. Coordinated management of the task required adequate controls, proper attention to the essential elements of product and customer and to the fit between them. With the number of different products and markets, this brought TI to the level of General Motors and Du Pont in the evolution of its management systems.

The OST System is qualitatively different, and constitutes a further distinct logical shift. It is concerned with a higher logical level. Rather than coordinating multiple routine tasks, the OST is focused on generating new tasks which may eventually themselves become routing. Equally as important, it is concerned with generalizing a shared frame of reference, a means of acquiring new knowledge. As a system, the OST generalizes a procedure for acquiring the requisite new knowledge, creating a shared pattern of thought *regarding innovation* in much the same way that Du Pont or General Motors created shared frames of reference about ongoing business.

The OST specifies how to proceed, monitor, and evaluate. In so doing, the OST makes it possible for Texas Instruments to acquire not only new products, but new paradigms or identities. Thus TI is not just a geophysical exploration company, but also a military instruments supplier; not just a geophysics and military instruments company, but also an electronics firm, and so on. Recent forays into consumer goods (calculators and watches) are indicative of a major capacity for change.

***Hierarchical Learning :*** In *Steps to an Ecology of Mind,* Gregory Bateson notes that learning, as a communication process, must be subject to the laws of cybernetics. He proceeds to make use of Russell's Theory of Logical Types in a behavioural science context. Thus the concepts of hierarchy, distinctions

between logical classes or types, and their importance in guiding analysis suggest new ways of looking at learning phenomena. In particular, accurate class distinctions are essential for a meaningful discussion of learning.

Bateson suggests that there are different types of learning, which may be arranged in a developmental hierarchy of progressively more inclusive frames of reference with systematic relationships between levels. Such a hierarchy highlights important distinctions among the administrative systems described above, retaining awareness of their similarities as shared frames of reference accessible to others. Such a hierarchy illuminates these administrative systems as varieties of codified learning.

Taking Bateson a step closer to organizations, Fenwick defines a hierarchy of learning activities in an organization without, however, defining what "knowledge" or "learning" might be in an extra-individual context. Recasting these concepts in the light of the kinds of distinctions necessary to define organizational learning, we can take into account accessibility to others, preservation of knowledge, and a shared frame of reference. Thus we can:

1. Record the specifics of basic tasks;
2. Record the specifics of new tasks, and routinize them when they recur;
3. Generate approaches to analyzing and recording new tasks;
4. Extract the general principles of tasks, going beyond simple replication to efficiency, and possibly to generalized application of the new principles and efficiencies;
5. Develop programmes for approaching new task areas, different from what has been routinized;
6. Evolve training programmes to teach new approaches;

7. Shape or change the organization's mission or paradigm; and

8. Develop approaches for repeated or ongoing paradigm change.

What is the utility of defining so exhaustive a hierarchy? The distinctions facilitate a more precise discussion of organizational learning (as opposed to individual learning), and of organizational learning (as opposed to "mere adaptation"). Each level distinguishes a more far-reaching and thoroughgoing kind of change, with wider impact and longer-range consequences. Finally, this is a developmental sequence. Later levels rest upon the conceptual foundation of earlier levels, as the historical context provided by early chapters emphasizes. Until the managerial technology of Taylor and Church had been developed, the coordination sought by Du Pont and General Motors was impossible.

As Bateson points out, the Theory of Logical Types implies that in such a hierarchy each level constitutes a "meta- communication," that is, a communication "about" the next lower level and inclusive of all elements in it. This is particularly important in the organizational context, where the epistemology of moving from "subjective knowledge" to "objective knowledge"— the hinge between individual and organizational knowledge— turns upon just such a communication phenomenon.

A shared frame of reference, relating lower-level elements and guiding their interpretation in order that similar stimuli result in similar results, is dependent in the organizational setting, upon some objective or shared knowledge. That is, it is dependent upon true communication, the sharing of a common frame of reference. This obviously goes beyond simple exchange of noise to shared understanding.

The meta-communication, in other words, provides a common frame of reference within which a common understanding can be expected. This may, particularly in the

complex organization, be complicated by diversity of interest or speciality, or by organization size or geographic dispersion, for instance. Organizational learning, despite these complications, must be a communication phenomenon. Only through communication does individual insight become accessible to others, and thereby transcend its discoverer, making possible synergy.

A hierarchy of types such as the one suggested provides a means of focusing attention on distinctions between levels, or, in the case of organizations, between systems. What matters is not that there are eight levels here, rather than the three individual-learning levels Bateson defines : "What is important is the developmental nature of the sequence, and the assistance that these distinctions provide, helping to distinguish definitively between rote response in an organizational setting (even a complex rote response) and something more sophisticated.

More important still, in delineating the distinction, the hierarchy suggests implicitly the criteria by which "learning" in organizations might be judged, the vocabulary with which such phenomena might be discussed, and the likely direction for systems evolution". On this basis, the already-established data base (Taylor, Church, Du Pont and General Motors, and Texas Instruments) shall be used to make the concept of organizational learning more clear.

***Hierarchical Applicability :*** The lower reaches of the hierarchy set out here concern the areas of Taylor's work. While learning to perform any task is learning to perform a "new" task for the first time, the distinction gains importance in an organizational setting. Thus a basic task may be defined as one for which a programme already exists. This is the kind of "knowledge" of "learning" that Cyert and March are willing to countenance in organizations.

Taylor's contributions include both specification of particular

knowledge (how to oil a machine) and ways to learn new tasks (ways for the organization to record and thereby retain new knowledge, fitting it into is system). The ideas of time and motion study, of noting elemental movements and aggregating them, of adequate description constitute a frame of reference, accessible to others, which specifies how to acquire and preserve new knowledge and expedite its transmission to others.

It is important to underline again the difference between individual and organizational learning. Clearly an individual can approach a task in a variety of ways. What Taylor has outlined is a way to record and transmit organized individual perceptions, making them both accessible to others and independent of the original observer. It is via the specified, shared frame of reference Taylor designates that these perceptions are removed from the subjective to the objective world.

Knowledge so recorded and codified is no longer the preserve of the individual. And anyone following Taylor's procedures has gone through a series of guided observations whose recorded output is just such an "objective" record, comprehensible to others trained in the method. Hence the organization is no longer dependent wholly on serendipity or individual talent to create an approach to acquiring new knowledge; one has been specified. These rules provided a limited example of rules for learning. Taylor's metal-cutting experiments and Church's "organic functions" as well are logically superior, because they are more inclusive than the simple recording of observations.

The overarching framework is a set of guides for interpretation and for relating many specific tasks. Their focus is extracting general principles and attaining efficiencies. General Motors and Du Pont are to be considered here too, as specifying general principles (abstractions) and noting efficient relationships among elements. Only through abstraction is more general coordination possible. Only through a shared frame of reference, generalized beyond the original discoverer, is such coordination

feasible; and with it, something that can meaningfully be described as "organizational" learning.

The upper reaches of this hierarchy, beyond level three, concern just the types of "learning rules" that Cyert and March exclude from their consideration. Bateson's much less detailed hierarchy was intended for discussions of individual learning; but the same distinctions—with some adaptation to take into account the need for communication and extra-individual accessibility—are useful for a discussion of organizational learning.

By considering the hierarchy in its logical sense, the problem of "structure" versus "process" becomes clearer, for example. For any level, the given level is "process," subject to change according to the fixed rules specified by levels above. The levels above are, therefore, "structure," and are the "learning rules" that Cyert and March exclude.

The advantage of such a hierarchy is that it permits and encourages a richer view of the learning phenomena, and thus provides a more powerful model for considering them. The levels provide ranges of inclusiveness within which to assess the impact or pervasiveness of change. We can choose temporarily to see a certain level as structure, without wholly ignoring the possibility of change there, or in higher levels still, over a longer time frame.

Similarly, higher levels correspond to corporate goals; shared frames of reference of far-reaching consequence, changeable only with major effort and over extensive time-horizons. Indeed, such flexibility would seem critical in dealing with learning, which must be a change phenomenon, longitudinal in its development.

Thus, while the "learning rules" may change only slowly over time, they are, nonetheless, only relatively fixed. The matter of organization or patterning or arrangement is critical here in specifying rules and their application. The higher levels of the

hierarchy are changeable, given the proper focus and time span. They are not excluded nor seen as wholly fixed. It is this distinction that allows a meaningful discussion of morphogenesis, for "change of shape" or re-structuring must also be a long-term developmental phenomenon.

Similarly too, in the largest sense, change of mission or paradigm is change of "shape," and can be explicitly included here. Such changes as these require an even longer time horizon and an even more inclusive frame of reference. Buckley's question recurs: "The basic problem is the same: how do interacting personalities and groups define, assess, interpret, and act on the situation?" In light of the foregoing discussion, the question can now be answered, in part at least, by means of the shared frames of reference created by administrative systems and the 'learning rules' they impound. It matters little that the initial insight was an individual's; the codification and communication of that insight, and its translation into a shared frame of reference transcend this origin by communicating the knowledge and preserving it.

Taylor and Church, in providing methods for systematizing or routinizing ongoing business, illustrate level two: routinizing already-learned procedures so that success in what was once a "new" task can be replicated. Replicability, predictability, and thus increased control over the myriad details of concrete task performance were central to one aspect of the work of the systematic management thinkers.

Another aspect, that of efficiency and general principles (clearly visible in the writings of both Taylor and Church) is of a higher logical level. The distinction is important, because it determines the criteria on which the procedure is to be judged. Simple replication might well be fortuitous; it certainly smacks of the Black Box with wired-in connections. It is not evidence of "learning" in any meaningful sense. Generating approaches to new tasks is different. A format for approaching new tasks

by making possible the continued acquisition of new knowledge repeats a process, rather than its content.

It generalizes principles or relationships among elements, guiding thinking. This goes well beyond replication of content. Extracting general principles and generalizing efficiency methods would seem clear evidence of learning, rather than mere iteration. Built into a system in Taylor's work-simplification methods, or Church's management systems, they would be evidence of organizational learning, because they would be accessible far beyond the discoverer. Similarly, the Du Pont and General Motors management information systems and the controls upon which they rest generalize and communicate principles and relationships which are applied to the business of the corporation as a whole (including to new products) to gain efficiencies. Thus, for instance, reducing the cash tied up in divisional bank accounts by arranging for the speedy transfer of funds was a general application of the principle of increasing return by increasing turnover of inventories—including "inventories" of cash.

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# FOCUS OF MANAGEMENT

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Leadership is one of the essential functions that must be performed by all the managers. The success of all the managers largely depends on the capacity to lead their subordinates. However, it is not easier to master the art of leadership.

## DEFINITION AND THEORY

Leadership has different meanings to different persons. But in terms of managing, leadership is the art of leading others towards a goal. More specifically, leadership is the process of influencing others to work enthusiastically to achieve predetermined goals. According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals." According to Stoner *et al.,* "Managerial leadership is the process of directing and influencing the task-related activities of group of members."

In the words of Keys and Case, "Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives." In the opinion of Weihrich and

Koontz, "Leadership is the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals." Thus, leadership is the process and the art influencing the behaviour, attitudes, activities of people to work willingly and enthusiastically towards the accomplishment of group goals.

Following characteristics highlight the nature of leadership:

> Leadership is a personal quality of a person. It is a behavioural quality and ability to influence others towards accomplishing a goal. Barnard has very rightly stated that "Leadership is the quality of behaviour of individuals whereby they guide people or their activities."

Leadership is a kind of personal quality. But effectiveness of leadership depends on its application or on performance. Peter Drucker has very aptly remarked, "Leadership has little to do with leadership qualities and even less to do with 'charisma'. It is mundane, unromantic and boring. It is work. Its essence is performance." Leadership presupposes existence of followers. There cannot be leadership without followers. In the words of Koontz and O'Donnell, "The essence of a leadership is followership. It is the willingness of people to follow that makes a person a leader." Thus, effective leader makes his followers to act willingly to achieve the goal. Leadership is a process of influencing and inspiring others to work towards objectives. Influencing means regulating and changing behaviour, attitudes and feelings of others. The means of influencing others include reward, coercion, expertise, reference and tradition. Leaders can also influence with rational faith, participation and persuasion.

Leadership is a continuous process. A leader continuously makes efforts to influence behaviour of his group members. He carries on this process by maintaining free flow of two-way communication with the entire group of his followers. Leadership involves interpersonal relations between the leader and his

group members. A leader influences his group members and at the same time group members also influence the leader. Thus, a leader does not dominate the will of others but tries to relate the wills of many people to get them work as a team.

Leadership is the ability of influencing behaviour of people to work willingly to achieve some common goal. Terry and Franklin state that "It is the activity of influencing people to strive willingly for mutual objectives." Thus, leadership involves of community of interests between the leader and his followers. Leadership is a shared function. A good leader shares everything with his followers. He shares ideas, opinions, experience, credits, blames and so on with his followers. Leading is the function that pervades all the levels and functions of management. Planning, organising, motivating and controlling cannot be performed effectively without effective leadership.

Leadership is a dynamic art. No particular style of leadership is effective in all situations. The effectiveness of leadership depends heavily on the situational variables. Therefore, art of leadership is exercised and applied in accordance with the demands of the situations. Leadership is based on power. A person holding power over others is a leader. By virtue of power, a person is in a position to influence the behaviour of his group members. A leader may derive power from (i) superior knowledge, information experience or performance, (ii) formal authority, (iii) charisma, and (iv) distinct personality characteristics.

Leadership may be formal and informal.

Managing and leadership are not one an the same. But it is not always possible to distinguish between them in practice.

Leadership may be positive or negative.

## LEADERSHIP IN MANAGEMENT

Although some people treat leadership and management as synonymous but the two should be distinguished. The major points of distinction between the two are outlined as follows :

| Basis of Distinction | Leadership | Management |
|---|---|---|
| Meaning | Leadership is the process or art of influencing people to work willingly for achieving a goal. | Management is the process of getting things done through others. |
| Formal and informal organisation | Leadership exists in both formal and informal organisations. | Management operates only in formal organisations. |
| Power and Authority | Leadership is based on power. The power may be derived from formal authority or from any other source. | Management is based on authority which is delegated to a managerial position by a person in superior position. |
| Scope | The scope of leadership is narrower than that of the management. It is only a function of management. | The scope of management is wider than leadership. Management is the process of certain functions including the leading or leadership. |
| Relationship | There need not be a formal relationship between the leader and his followers. | There is a formal relationship between a manager and his subordinates. |

*Contd...*

| Basis of Distinction | Leadership | Management |
|---|---|---|
| Structures | Leadership structures are more flexible, open, informal and dynamic than management. | Management is bound by organised formal structures. |
| Achievement of goal | Leaders achieve goals by influencing and inspiring others. | Managers achieve goals by directing and controlling activities of others. |
| Guidance | A leader guides his followers through a special kind of behaviour. | Manager guides his subordinates through policies, plans, rules, procedures etc. |
| Education and Training | There is almost negligible arrangement for formal education and training for leadership. | There are many programmes for formal education and training of management. |

*Contd...*

| Basis of Distinction | Leadership | Management |
|---|---|---|
| Dependence | Leadership does not depend on managership. Hence, all leaders need not be good managers. | Managership includes leadership. Hence, all managers need to be good leaders. |
| Accountable | Leaders are not accountable for the actions and behaviour of their followers. | Managers are accountable for the actions and behaviour of their subordinates as well as for their own behaviour. |
| Following | People follow the leader willingly. | Subordinates follow the manager by the force of authority, rules and regulations. |
| Organisational environment | Leaders try to influence and change the organisational environment. | Managers try to adapt itself according to the organisational |
| Existence of position | Existence of a leader's position depends on the pleasure of his followers., | Existence of manager's position is independent of the will of his subordinates. It depends on the terms and conditions of his service. |

## THE PROCESS

Leadership is a dynamic and constructive force in any organisation. It plays a crucial role in the success and survival of an organisation. It is the crucial factor that helps individuals to identify their goals. Newstorm and Keith Davis have very rightly stated, "Without leadership, an organisation would be only a confusion of people and machines, just as an orchestra without a conductor would be only musicians and instruments. The orchestra and all other organisations require leaders to develop their precious assets to the fullest." Briefly the importance and functions of leadership are as follows:

> A leader plays a crucial role in laying down goals and policies of his group or the institution. He acts as a guide in setting organisational goals and policies.

According to Terry and Franklin, "leaders trigger a person's 'will to do', show the way and guide group members towards group accomplishment." Thus, an effective leader guides and inspires or motivates his group members to work willingly for achieving the goals. He makes every effort to direct and channelise all energies of his followers to the goal-oriented behaviour. He creates enthusiasm for higher performance among his followers.

Morale refers to the attitude of employees towards organisation and management and will to offer voluntary cooperation to the organisation. Morale is an internal feeling of a person. A good leader can arouse will to cooperate among the employees. According to Terry, "Leadership triggers a person's 'will to do' and transforms lukewarm desires for achievements into burning passions for successful accomplishments."

A good leader creates confidence among his group members. He does so by providing guidance, help and support in their day-to day work. He even provides psychological support and infuse the spirit of enthusiasm among them.

A good leader constantly tries to develop team-spirit among his group members/followers. He inculcates a sense of community of interests. He provides a satisfying work climate by harmonising individual and group goals. Thus, a leader reconciles conflicting goals and creates team-spirit among his followers.

It has been rightly said, where there is no vision, people perish. Leader give vision to their followers which, in turn, create initiative and enthusiasm among them. The followers use this vision and initiative to take up challenging tasks.

According to Newstorm and Keith Davis, "Leadership is the catalyst that transforms potential into reality." In fact, effective leadership can transform potential or dream into reality. Leaders can identify, develop, channelise and enrich the potentials existing in an organisation and its people.

A leader represents his group members. He is the connecting link between his group members and the top-management. He carries the views and problems of his group members to the concerned authorities and tries to convince them. Thus, he is in real sense an ambassador and guardian of his group feelings and interests. He also protects the interests of his group members against any outside challenge and threat.

An effective leader can develop and utilise human resource in a most effective way. A leader can influence the activities and behaviour of his followers to contribute their best. In fact, leadership can lift man's vision to higher sights, raise man's standard to higher performance and build man's personality beyond his normal limitations.                    *[Peter F. Drucker]*

According to Gordon, "In a world of change and uncertainty, business leader becomes a vital element in the very process of change itself." Thus, leaders can induce and introduce change. They are the instrumental in conceiving and managing change. They introduce change by convincing their followers about the positive effects of the change.

According to McFarland, "Administrative leadership is vital to the survival and effectiveness of organisation." No doubt that leadership plays a vital role in the survival and success of an enterprise. The quality of leadership goes a long way in the success and survival of an enterprise. Without effective leadership, many well established enterprises have miserably failed. Glover has also stated that "most failure of business concerns are attributable to poor leadership than to any other cause."

Leadership is an essential and integral part of management. Effectiveness and efficiency of management largely depends on its leadership qualities. A strong leader can transform a lack lustre organisation into a successful one. Without leadership an organisation is but a muddle of men or machines .... Management activities such as planning, organising etc. are dormant cocoons until leader triggers the power of motivation in people and guides them towards goals.                    *[Keith Davis]*

Effective leadership can create work environment in which group members can work with pleasure. For this, the leader creates and maintains interpersonal relations of trust and confidence among the group members. Albanese has stated that "leadership is necessary in organisations in order to create work environments that are productive and satisfying for human beings." An effective leader has qualities to maintain order and discipline in the organisation. He lays down standards of behaviour and sees that his followers follow the same in their behaviour. He shows exemplary behaviour and maintains self-disciple in order to maintain discipline among his followers.

Leaders play crucial role in resolving the conflicts arising in the group. He does it by harmonising the diverse intense interests of group members and the organisation.

It has been widely accepted that a leader should have certain special qualities or traits. A large number of experts have opined about the qualities of an effective leader.

According to Ordway Tead, a leader should have the following qualities :

  (i)   physical and nervous energy,

  (ii)  enthusiasm,

  (iii) sense of purpose and direction,

  (iv)  technical mastery,

  (v)   integrity,

  (vi)  technical skills,

  (vii) friendliness and affection,

  (viii) decisiveness,

  (ix)  intelligence, and

  (x)   faith.

Terry and Franklin have identified the following qualities necessary for a leader :

  (i)   energy,

  (ii)  emotional stability,

  (iii) knowledge of human relations,

  (iv)  personal motivation,

  (v)   communication skills,

  (vi)  teaching ability,

  (vii) social skills, and

  (viii) technical competence.

Prof. Robert L. Katz has found that managerial leaders need three kinds of skills :

  (i)   technical skills,

  (ii)  human skills, and

  (iii) conceptual skills.

Prof. Ivancevich *et al.* have suggested the following skills as important for managerial leader :

   (i)   technical skills,

  (ii)   analytical skills,

 (iii)   decision-making skills,

 (iv)   computer skills,

  (v)   human relations skills.

The skills or qualities of a managerial leader suggested by Katz and Ivancevich *et al.* have already been discussed. A general description of qualities of successful leader is given under the following sub-heads :

> It is rightly said that sound mind resides in sound body. Hence, a leader should have sound health and good stamina to work hard. He should be handsome with charming personality. Such a leader has a lasting impact on the minds of his followers.

A leader should be intelligent. He should have above average level of intelligence. He should be capable of thinking scientifically.

A leader should have self-confidence. He should be fully confident of his actions and decisions.

A leader is, required to have sharp vision and foresight. He should be able to foresee the future trend of events. This quality prepares him for future challenges.

An effective leader is one who has ability to inspire. Hence, he should be capable of influencing people by his ideas, actions and behaviour.

A leader should have ability to communicate effectively. He should be efficient in verbal, written, gestural communication skills.

A leader should be sincere and honest. His integrity should be above doubts. Sincerity and integrity makes a man truthful, high minded and gives him aspirations and high ideals.

*[F. W. Taylor]*

It has been rightly said "without courage there are no virtues." No faith, hope, aspiration etc. can be transformed into realities without courage and will power. Hence, a leader should be courageous.

A leader should be with flexible and dynamic mind-set. He should be capable of adapting ideas and views in accordance with the needs of the changing situations.

A leader should be capable of keeping his emotions under control. Emotional stability and cool temperament are necessary for a matured leader. Hence, he should remain cool, patient and undisturbed by the happening of unusual and unanticipated events.

A leader should have sound judgement power. He should be a shrewd judge of behaviour, actions and events. He should be able to judge the things judiciously.

A leader should be tactful in dealing with people and situations. He should have a sense of humour. These qualities help a leader to get the things done pleasantly without stress and strain.

A leader should have proper education and knowledge. Particularly, the business leaders should have education at least in the field of accountancy, management, economics. It would be better if he has specialised knowledge in the field of management. Moreover, he should have up to-date knowledge of economic laws, policies and events.

A leader should have and acquire conceptual skills. Conceptual skill is the ability to see the organisation as a whole and the relationships among its sub-units. It also includes the ability to visualise how the organisation fits into its external environment. Such ability helps a leader to understand problems and identify opportunities of the organisation and plan accordingly.

A manager-leader essentially needs to have administrative

skills. He should be able to implement the plans and policies, to organise and to mobilise resources of the organisation in a pragmatic manner.

A leader should possess and develop analytical skills. These include the abilities to understand the things, situations, and problems in a systematic manner. Such skills are needed in evaluating performance, making decisions and handling complex situations.

A leader should have human relations skills. Human relations skills refer to the ability to work well with others. It includes the ability to understand people and their problems and feelings.

A leader should also possess technical skills. Technical skills relate to job knowledge and expertise. These include the ability to apply methods and techniques in performing the job and the ability to provide guidance and instructions to the followers.

## Various Sorts

Leadership style is the general way or pattern of behaviour of a leader towards his followers in order to influence their behaviour to attain a goal. Every leader usually develops his own style of leadership. Hence, style of every leader differs from the other. However, a particular leadership style is affected by the degree of delegation of authority, types of power employed, degree of concern for human relations etc. Thus, there exists different leadership styles. The main styles of leadership are as follows :

1. Autocratic or authoritarian style,

2. Participative or democratic style,

3. Free-rein or *laissez-faire* style,

4. Patternalistic style.

An autocratic leader is one who centralises power and

makes all the decisions himself. He tells his followers what to do and expects to be obeyed without question. Thus, such a leader imposes his will on his followers. This style is typically of a person who accepts McGregor's Theory X assumptions. The characteristics features of such a leader are as follows:

   (i)  He centralises power.

  (ii)  He makes all the decisions himself.

 (iii)  He structures the work of his group members, as far as possible.

 (iv)  He exercises close supervision and control over his group members.

  (v)  He expects to be obeyed by his subordinates without question.

 (vi)  He gets the things done through fear or threats of punishment, penalties and so on.

(vii)  He motivates his subordinates by satisfying their basic needs, through threats of punishment and penalties.

(viii)  He believes in maintaining one-way communication *i.e.* from him to the subordinates.

Autocratic leaders may be of two types :

   (i)  Pure autocrat or negative leader-He is a dictator and makes all decisions himself. He superimposes his decisions on his subordinates. He carries out his decision by coercive or negative power. He uses fear of punishment or penalty to carry out his decisions. Thus, it is a negative leadership.

  (ii)  Benevolent autocrat or positive leader-When an autocrat leader avoids negative coercive power and uses reward power to influence his subordinates, he is called a benevolent autocrat leader. Such a leader shows active concern for the feelings and welfare of his subordinates. He may even encourage their participation in planning but he retains his power to make and execute decisions.

Autocratic leadership has the following advantages :

(i) It provides strong motivation and reward for the leader.

(ii) It permits quick decisions.

(iii) It provides structured work for employees.

(iv) It allows managers to hire less competent subordinates because their principal job is to carry out orders.

(v) It ensures compliance and execution of orders with certainty.

(vi) It permits close supervision and control of subordinates.

(vii) It helps manages to get things done with certainty.

But this style of leadership suffers from the following drawbacks/disadvantages :

(i) It overburdens managers because of centralisation of authority.

(ii) It creates fear and frustration among subordinates.

(iii) It hampers creativity of subordinates.

(iv) It blocks the free flow of two-way communication.

(v) In the absence of consultation and feedback from subordinates, decisions may cost heavily.

(vi) It is disliked by the subordinates specially when it is negative.

In spite of these limitations, autocratic leadership is suitable in the following situations:

(i) Where subordinates are not educated or untrained or incompetent.

(ii) Where subordinates are submissive and do not want to take responsibility.

(iii) Where leaders do not want *to* delegate authority.

(iv) When the organisation endorses fear and punishment as accepted disciplinary techniques.

   (v) When achievement of target of performance is urgently required in time.

It is just opposite to autocratic leadership. Participative leaders decentralise authority. Such leaders involve subordinates in decision-making process. Thus, decisions are not unilateral. The leaders and their group members work at a social unit.

They freely exchange their views and express opinions and suggestions. Such leaders exercise control through forces within the group. The main features of democratic leadership are as follows :

   (i) Leader decentralises authority.

   (ii) He involves subordinates in decision-making process. Hence, decisions are not unilateral.

   (iii) He believes in free-flow of two-way communication.

   (iv) He leads by mutual consent.

   (v) He explains the reasons for his actions.

   (vi) He and his, group members work as a social unit.

   (vii) He motivates his subordinates through positive means *i.e.* rewards.

   Participative leadership offers the following advantages :

   (i) It helps avoid hasty decisions. Hence, it improves quality of decisions.

   (ii) It encourages cooperation between the leader and his subordinates.

   (iii) It motivates subordinates to perform better.

   (iv) It contributes to higher productivity of resources.

   (v) It tends to reduce employee grievances, dissatisfaction and turnover.

   (vi) It facilitates introduction of change.

   (vii) It helps create congenial work environment.

(viii) It helps develop future leaders and, thus, promotes organisational stability.

Participative leadership also suffers from the following disadvantages/limitations :

(i) It tends to slow the decision-making process.

(ii) It tends to dilute responsibility for decisions. It may develop a tendency of buck-passing.

(iii) It tends to reduce the role of the leader at the top.

In spite of these limitations/disadvantages, this leadership style is suitable in the following cases:

(i) Where the organisational goals are well set and understood by the subordinates.

(ii) Where leaders really intend to consider the views and opinions of the subordinates.

(iii) Where the workers are reasonably well educated and trained.

(iv) Where the leaders really desire active involvement of subordinates in decision-making process,.

(v) Where sufficient time is available for attaining the objectives.

Free-rein leadership style is one under which leader uses his power very little. The leader gives high degree of freedom to his subordinates in their operations. He depends largely on his subordinates to set their own goals and make their decision regarding their jobs. Thus, such a leader completely delegates his authority to his subordinates and allows them to make their own plans, procedures and decisions. He simply aids his subordinates in performing their job. He exists as a Contact person with the subordinates' external environment.

Free-rein leadership style is permissive and leader least intervenes his subordinates. The leader remains passive observer but intervenes only during the crisis.

Free-rein leadership is suitable where subordinates are highly competent and duty-conscious. It is successful where subordinates are able to train and motivate themselves. However, chaotic conditions may prevail all over the organisation under such leadership.

Free-rein leadership helps subordinates train and develop themselves independently.

A paternalistic leadership is authoritarian by nature. It is heavily work-centered but has consideration for subordinates. Such a leader tends to look after his subordinates the way farther looks after his children. Such a leader helps, guides and encourages his subordinates to work together as members of a family.

This is a personalised leadership. The leader exercises his authority personally. He maintains direct personal contacts with his subordinates. He treats affectionately them like elderly member of a family. The subordinates, in turn, tend to remain submissive and faithful.

Under paternalistic leadership style, subordinates feel force to meet their leader. They also feel job security. Their problems and grievances are sympathetically considered and solved. The issues affecting subordinates' interests are sympathetically addressed. But this leadership style is usually resented and resisted in modern times.

## CHOOSING A MANNER

These are the four basic leadership styles identified by the experts. But, in practice, no particular leader's style strictly falls under any of these categories. Moreover, no expert can suggest one best leadership style because leadership style is influenced by several forces/factors. A leader should, therefore, consider the following factors/ forces while choosing a leadership style :

> The forces operating in leader include the (leader's personality) characteristics, qualities and job skills, value system, interaction skills, self- confidence, confidence in subordinates, feeling of security 'and so on.

There are the forces that operate in the group which affect leadership. These include perceptions and attitude of group members towards the leader, toward their tasks and towards organisational goals, characteristics, skills, knowledge, needs and expectations of group members, size and nature of the group and so on.

These are the other impersonal forces in the work environment of leader and his group members. Nature of the job and its technology, organisation structure and authority-relationships, organisational goals, policies, control system, trade unions and their influence, political, economic, cultural and ethical conditions of society.

One leadership theory was developed by Robert Tannenbaum and Warren H. Schmidt in 1958. They modified and refined it in 1973.

Tannenbaum and Schmidt developed a leadership continuum. This continuum depicts a range of leader behaviours. It can be seen from the continuum that they identified, variety of leadership styles (seven styles shown) ranging from highly boss centered to highly subordinate centered.

On the extreme left of the continuum, leader behaviour is characterised by exercise of high degree of authority over subordinates. Such leadership style is regarded as boss-centered or authoritarian style. On the extreme right side of the continuum, leadership is subordinate-centered or democratic style. There are many other styles in between these two extremes. These styles vary with the degree of freedom a leader grants to his subordinates.

Tannenbaum and Schmidt instead of suggesting a choice between the authoritarian and democratic styles of leadership offered a range of styles. They emphasised that no one particular style is always right or no other is always wrong.

The two extreme ends of the continuum have been referred as manager power influence and non-manager power influence. In moving from left to right, less and less authority is used by the leader (manager) and more and more freedom is allowed to subordinates in decision-making. In between the two extremes, five more leadership styles have been shown. All the seven styles of leader behaviour are as follows :

> It is the extreme form of autocratic leadership where by the leader/manager is able to take decisions and subordinates are bound to accept and implement the decisions without any modification.

In this kind of leadership, the leader (manager) takes decisions and persuades the subordinates to accept them.

Under this style, the leader/manager arrives at the decision and asks his subordinates to express their views on it. The leader responds to the questions of his subordinates.

In this case leader (manager) takes a tentative decision and review it in the light of the suggestions/views expressed by subordinates.

In this kind of leadership, leader (manager) presents problems and takes decision after hearing the views/suggestions from the subordinates.

Under this style, the decision is taken by the group subject to the limits set by the boss.

In this kind of leadership, leader/manager and subordinates jointly make decisions within the limits defined by superior.

Tannenbaum and Schmidt believed that there is one best style of leadership for all situations. Hence, selection of leadership

style depends on the demands or forces of the situation. These forces include the following :

   (i) The forces operating in the Leader's/Manager's personality, such as his education, knowledge, experience, value system, confidence in subordinates etc.

  (ii) The forces in subordinates such as their background, education, experience, values, willingness to assume responsibility.

 (iii) The forces in the situation such as size, complexity, goals, structure, climate, values, traditions of the organisation, nature of work, technology used.

Tannenbaum and Schmidt revised the model in 1973 and emphasised that organisational environment and societal environment greatly influence the leadership style. According to them trade union movement, consumer civil rights movement etc. are the important organisational and societal forces which influence leadership style. These forces challenge the rights of managers/leaders to make decisions or deal with their subordinates. They cannot make effective decisions without considering the interests of the groups outside the organisation.

**Main Systems :** Prof. Rensis Likert and his associates at the University of Michigan have studied the patterns or styles of leaders. In the course of this research, Likert has developed four systems/styles of leadership that exemplify different behavioural aspects of leaders. They are as follows : System 1: Exploitative-authoritative leadership System 2 : Benevolent- authoritative leadership System 3 : Consultative leadership System 4 : Participative group leadership.

**System 1 :** Exploitative-authoritative-System leadership is described as "exploitative-autocratic or authoritative." In this kind of leadership system, leaders/ managers are highly autocratic. They have little confidence and trust in subordinates.

They motivate subordinates mainly through fear and punishment. They rarely or occasionally reward them. They make all decisions. They mostly use downward communication and have little interaction with subordinates. Likert found that productivity under this system is mediocre.

**System 2 :** Benevolent-authoritative-Under this system style of leadership, leaders have patronising confidence and trust in subordinates. Leaders take a very paternalistic attitude. Managers make decisions but subordinates have some degree of freedom in doing their job. Leaders motivate subordinates with rewards and also through some fear and punishment. They permit some upward communication and solicit some suggestions and ideas from subordinates. Under this system, productivity ranges from fair to good.

**System 3 :** Consultative leadership-In this style of leadership, leaders/managers have substantial but not complete confidence and trust in subordinates. Leaders consult their subordinate managers before setting goals and making policy decisions. However, operating decisions are made at lower levels in the organisation. Subordinates have considerable degree of freedom in making decisions about their job. Leaders usually try to make use of subordinates ideas and suggestions. They tend to use rewards for motivation with occasional punishments. Leaders usually tend to rely on two-way communication.

**System 4 :** Participative group leadership-Participative group leadership style is the Likert's reco-mmended style of leadership/management. Likert considered it as the optimal style of leadership in our educated and dynamic society.

In this style of leadership, leaders/managers have complete trust and confidence in subordinates. They extensively interact with subordinates. They always try to get and use ideas and suggestions from subordinates.

Thus under this leadership style, the whole group participates in the process of establishing goals and making job related decisions. Leaders tend to give economic rewards on the basis of group participation in goal-setting and decision-making and evaluation of performance on jobs. They tend to engage in free flow of down-ward, up-ward and horizontal communication. They encourage decision-making across the organisation. Likert's 4 system management leadership is shown in the table given here.

Likert found that managers who applied the system 4 style to their operations had the greatest success as leaders. Likert, therefore, stressed that all leaders should strive towards a system 4 style if they want to maximise the quantity and quality of performance from subordinates.

**Theories and Practices :** Several theories of leadership have been developed by management theoreticians. These theories may be classified into three categories :

   I.   Personality theories

   II.  Behavioural theories

   III. Situational or contingency theories

Personality theories are theories that focus on the personal qualities or traits of leaders. Such theories include the following: (A) Great man theory, and (B) Trait theory

***Great Man Theory of Leadership :*** Great man theory of leadership claims that "leaders are born, not made". This theory asserts that great leaders are born with necessary qualities. Leadership qualities are inherited or carried in genes. Leadership qualities cannot be acquired or developed through formal education and training. Supports of this theory usually prove its validity by drawing examples from the great leader such as Mahatma Gandhi, Pt. Nehru, Abraham Lincoln, Napoleon and others. They were born as leaders, it is asserted. Thus, the great man theory emphasises and implies the following things :

 (i) Leaders are born and not made. Leaders are gifts of God to mankind.

 (ii) Hence, every person cannot aspire to become a leader.

 (iii) Qualities of leadership are inherited or carried in genes from generation to generation.

 (iv) The inborn leadership qualities alone are necessary and sufficient for an effective leader.

 (v) Leadership qualities cannot be acquired or developed through formal education and training.

 (vi) Leadership qualities and effectiveness are independent factors. Hence, situational factors like the nature of followers, demands of the job, and the environmental factors have little or no effect on leaders effectiveness.

The theory has some credibility to the extent that leaders have certain mystic and their followers can realise them. Hence, qualities and actions of such leaders influence and inspire their followers at least to a limited extent. But this theory has been criticized and rejected by many experts for the following reasons:

 (i) This theory does not have scientific basis and has no empirical validity. It does not provide a logical explanation of why, how and when an effective leader is born. It is more of a matter of chance that some great leaders were born with leadership qualities.

(ii) This theory does not prescribe the set of essential qualities of a great leader.

(iii) There is nothing inborn leadership qualities. Inborn leaders are imaginary characters.

(iv) This theory is also based on absurd belief that leadership is not affected by the situational/ environmental variables.

(v) Leadership qualities can now be acquired and developed through education and training.

(vi) Leadership qualities alone are not necessary to become a successful leader. Competence to deal with situational variables is considered a most essential leadership quality.

It is a matter of fact that Great man theory is totally rejected by most of the modern theorists.

**Trait Theory of Leadership :** Trait theory of leadership is a modified version of the Great man theory. According to this theory leadership is largely a function of certain traits or qualities. This theory states that there are certain unique traits or qualities essentials for a successful leader. Any person who wants to be a successful leader must possess those traits. This theory also emphasises that these traits need not necessarily be inborn but may be acquired through education, training and practice. The trait theorists have identified a long list of traits related to leadership qualities. Stogdill found the following traits :

1. Five physical traits such as energy appearance and height.

2. Four intelligent and ability traits.

3. Sixteen personality traits such as adaptability, aggressiveness, enthusiasm and self-confidence.

4. Six task related traits such as achievement drive and initiative.

5. Nine social traits such as cooperativeness, interpersonal skills and administrative ability.

Edwin Ghiselli has identified thirteen traits which included eight personality traits and five motivational traits. The personality traits include :

  (i)   intelligence,

 (ii)   initiative

(iii)   supervisory ability,

(iv)   self-assurance,

 (v)   affinity for working class,

(vi)   decisiveness,

(vii)   masculinity-feminity, and

(viii)   maturity.

The motivational traits include :

  (i)   need for occupational achievement,

 (ii)   self-actualisation,

(iii)   power,

(iv)   high financial reward, and

 (v)   job security.

Of these 13 traits, Ghiselli found the following six to be very important leadership traits :

  (i)   supervisory ability,

 (ii)   need for occupational achievement,

(iii)   intelligent,

(iv)   decisiveness,

 (v)   self-assurance, and

(vi)   initiative.

Thus, trait theory is a simple theory. It simply describes the qualities which a person must possess in order to become a successful leader. It, therefore, helps persons to develop such leadership qualities. It is also useful for those who train and

develop leaders. But this theory is criticised for its following limitations :

(i) Trait theory is not based on scientific or systematic research. It is only a descriptive theory which states how some persons emerge as leaders. It does not offer any explanation why leaders emerge.

(ii) It offers a painfully long list of traits. Moreover, there is no universally acceptable list of traits for a successful leader.

(iii) It fails to state which set of traits are more important for leaders than others.

(iv) It does not highlight the traits which are necessary for acquiring leadership and which are necessary for nurturing and maintaining leadership.

(v) It fails to highlight the traits which may clearly distinguish leaders from followers.

(vi) This theory does not provide a method of measuring traits in a person.

(vii) It does not consider the whole leadership environment which determines the success of a leader. In other words, it fails to consider situational and environmental factors which determine the success of a leader.

(viii) It does not consider the fact that different roles and positions require different traits. Leaders at higher level more require conceptual skills where as the leaders at lower level more require technical skills. Similarly, leaders at middle level more require human relations skills.

The personality theories focus on who the leaders are (Great man theory) or what the leaders are (Trait theory). Behavioural theory, on the other hand, focuses on what the leaders do *i.e.* on the actual behaviour of the leader.

Thus, behavioural approach of leadership attempts to emphasise actual behaviour or dimensions of behaviour in order

to identify leadership. It is based on the premise that effective leadership is the result of effective behaviour of the leader. Hence, success of leadership depends on the behaviour of the leader and not on his traits.

A particular behaviour pattern of a leader (functional behaviour) makes him a successful leader and its opposite (dysfunctional) would reject him as a leader. The functional dimension of leader's behaviour include setting goals, motivating employees towards achievement of goals, making effective communication and interaction, building team-spirit etc. The dysfunctional dimensions of leader's behaviour include inability to accept subordinates' ideas, poor communication and ineffective interaction with employees, poor human relations and so on.

This approach asserts that favourable or functional dimensions of behaviour of leader provides greater satisfaction to his subordinates and hence, they recognise him as their leader. However, this approach recognises the fact that a particular behaviour of a leader may be effective only at a particular point of time and may be ineffective at other times.

Behavioural approach to leadership assumes that a leader uses conceptual, human and technical skills to influence and lead his subordinates. Several attempts have been made to identify the basic dimensions of leadership behaviour. The most systematic and comprehensive research studies include the studies by Lickert, Blake and Mouton, and studies at Ohio State University and University of Michigan.

Behavioural approach to leadership is an improvement over the personality approach. It identifies the behavioural dimensions of leadership that may contribute to the success of a leader.

But this approach does not use scientific tests. It uses questionnaire, observation and interviews to identify dimensions of behaviour. Hence, behaviour dimensions cannot be measured objectively.

Personality theories hold that a leader can be successful if he has certain traits. Behavioural theories, on the other hand, hold that a leader can be successful if he behaves in a particular manner. Thus, both the personality and behaviour theories ignore the effects of situational factors on leadership. The situational approach of leadership emphasises that emergence and success of a leader is largely determined by situational factors apart from the traits and behaviour of the leader himself.

The focus of the situational approach is on the behaviour of a leader in a particular situation and not on the traits or qualities of the leader. This approach stresses that a leadership behaviour which is effective under one particular situation may be ineffective under the other. If a leader behaves in the same manner under all situations, he may fail.

Thus, situational leadership approach states that leadership is strongly affected by the situations under which a leader works. These situations are created by the following forces :

(i)  Forces in the leader.

(ii)  Forces in the subordinates.

(iii)  Forces in the situation.

There are several different situational models of leadership have been developed. Fildler's contingency model, Path-goal model, Blanchard's model etc. are some of the well-known situational leadership models.

## PROMOTING FACTORS

William F. Glueck has rightly stated that "motivation is concerned with why people work hard and well or poorly." In fact, motivation is said to be the cause of behaviour. It is the cause what makes people to do things. It is the main spring of action in people. A manager has to find out and understand the cause of particular type of behaviour of his subordinates in order to get the things in the best possible manner.

## DEFINITION AND PERCEPTION

The term motivation is derived from 'motive'. The term 'motive', implies action to satisfy a need. The need, desire, drive, want, motive are often used interchangeably by the psychologists. Any motive, need, drive, desire or want prompts a person to do something. It is, therefore, said to be the mainspring of action in people. Thus, motivation simply means the need or reason that makes people to do some work or to take some work. For instance, a person needs respect from others. It makes him to do outstanding work. Consequently, he gets praise, recognition, higher pay, promotion and so on. Ultimately he gets respect from others in the family as well as in society. According to Dale S. Beach, "Motivation can be defined as a willingness to expend energy to achieve a goal or a reward."

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

In the opinion of M.J. Jucius, "Motivation is the act of stimulating some one or oneself to get a desired course of action."

According to McFarland, "Motivation refers to the way in which urges; drives, desires, aspirations, strivings, needs direct control or explain the behaviour of human beings."

According to Terry and Franklin, "Motivation is the need or drive within an individual that drives him or her towards goal-oriented action."

In the words of Mondy *et al.,* "Motivation may be defined as the willingness to put forth effort in the pursuit of organisational goals."

In the words of Mescon *et al.,* "Motivating is the process of moving oneself and others to work towards attainment of individual and organisational objectives."

According to Kreitner, "The term motivation refers to the

psychological process that gives behaviour, purpose and direction."

In the words of Robbins and Coulter, "Motivation is the willingness to exert high levels of effort to reach organisational goals, conditioned by the effort's ability to satisfy some individual needs."

In the words of Fred Luthans, "Motivation is a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or an incentive."

Thus, motivation is the need or reason that makes people to work or to take action. It includes the processes and forces in an individual that influence or encourage him to act or not to act in particular ways. It arouses or energises the willingness to put in effort in a particular direction.

Following characteristics of motivation highlight the nature of motivation :

> Motivation is internal feeling of an individual. It points out the energising forces within an individual that direct or influence him to behave in a particular way.

Motivation is a continuous or never ending process. It is so because human needs, desires, wants or wishes are endless. All of them can never be satisfied simultaneously. Satisfaction of one need gives size to another need. Therefore, motivation process goes on forever.

Motivation is a dynamic and complex process. It is so because it relates to human behaviour which is never static but dynamic. It keeps on changing continuously.

The concept of motivation is mainly psychological. It relates to those forces operating within the individual employee which impel him to act or not to act in certain ways.   *[McFarland]*

Motivation refers to the way in which urges, drives, desires,

inspirations or needs direct, and explain the behaviour of human beings.                                                                          *[McFarland]*

It is the psychological process that gives behaviour, purpose and direction.

Motivation is the willingness of an individual to exert effort in the pursuit of organisational goals and to satisfy some individual needs.

Motivation is system-oriented. It is the system that contains three main factors : (a) factors operating within an individual *i.e.* his needs, aspirations, wants, wishes, values etc.; (b) factors operating within the organisation such as organisation structure, technology, physical facilities, work environment etc.; (c) factors operating in the external environment such as customs, norms of society, culture etc. Motivation is the result of interaction among these factors.

Motivation is a need-satisfying process. An unsatisfied need creates tension that stimulates drives within an individual. These drives, generate a search behaviour to find particular goals that (if attained) will satisfy the need and reduce tension.

*[Robbins and Coulter]*

Motivation is the process that energises or encourages individuals to put in effort to achieve organisational goals and to satisfy their needs.

Motivation can be positive or negative. Positive-motivation implies use of incentives such as increase in pay, reward, promotion, and so on for better work. Negative motivation, on the other hand, means punishment and penalties such as reprimands, threats of demotion, fear of loss of job etc.

Every individual is an integrated whole in himself. Therefore, whole individual can and should be motivated. A part of the individual cannot be motivated. It is so because motivation is a psychological concept that is concerned with the whole individual.

A frustrated individual cannot be satisfied and motivated. In other words, an individual who is unable to satisfy his basic needs becomes frustrated. Such an individual cannot be motivated until his such needs are satisfied.

It is true that both motivation and morale relate to individual and group psychology. But distinction is made between the two terms. Firstly, motivation is the reason what makes an individual to do work. It consists of forces and procedures that direct or influence an individual's behaviour. On the other hand, morale is individual's or group's attitude and feelings about his work and work situation. It is a resultant state encompassing the willingness to cooperate. Secondly, motivation is an individualistic concept whereas morale is a group concept. Thirdly, motivation is the result of satisfaction of needs, desires, aspirations etc. whereas morale is the result of good motivation.

Motivation is different from job satisfaction. Job satisfaction is the positive emotional attitude of an individual towards his job resulting from his job performance and job situation. It is a psychological contentment which an individual experiences from the factors associated with the job. Motivation, on the other hand, is the result of job satisfaction as well as individual's needs satisfaction.

## NECESSITY AND ENFORCEMENT

Motivation is regarded as one of the most important functions of management. Importance of motivation can hardly be over-emphasised. Highly motivated people can make things happen in organisations. On the other hand, poorly motivated people can nullify the sounded organisations.                    *[Allen]*

The importance of motivation is summarised in the following points :

> In the words of Clarence Francis, "You can buy a man's time and physical presence but you cannot buy enthusiasm, initiative and loyalty. You have to

earn these things." These can be earned through the process of motivation. Effective motivation system inspires employees to do work or to take action. It prepares them to do their work with full devotion. It creates willingness among the employees to perform their work with great enthusiasm, zeal and loyalty.

Highly motivated employees perform better and higher as compared to the employees with low level of motivation. Motivation is the mainspring of performance. Without motivation, the other contributors to performance become rather irrelevant.

*[Gray and Smeltzer]*

Motivated employees can use their skills and organisational resources more efficiently and effectively. This ultimately results in higher productivity of all the resources of the organisation. David Holt has rightly remarked that "productivity is achieved through excellence and excellence is achieved by having an organisation of highly motivated individuals."

A proper motivation system is key to the effectiveness of all managerial functions. Effectiveness of all managerial functions will go for naught if employees cannot be motivated to fulfill their responsibilities. Planning and organising cannot be successful if the employees are not properly motivated.

Motivation is core of management. Through motivation, managers encourage employees to direct their energies for achieving organisational goals. Thus, motivation helps achieve organisational objectives. Brech has rightly stated that "the problem of motivation is the key to management in action; and in its executive form, it is among the chief tasks of the general manager. We may safely lay it down that the tone of an organisation is a reflection of the motivation from the top."

Motivation help develop human resource in an organisation. Through motivation, employees can be directed to enlarge their job skills. In order to maintain a continual reservoir of well trained and highly motivated employees, a sound motivation

system should be in place. A sound motivation system ensures proper supply of motivated human resource. Such a system in an organisation can also ensure the satisfaction of needs and aspirations of individuals. Thus, it can attract and retain satisfied human resource in the organisation.

Morale refers to the attitude and feelings of employees about their work and work situation. Through motivation, employee attitudes and feelings towards work can be improved. This in turn boosts employee morale. A proper motivation system promotes close ties between the enterprise and its employees. Employees begin to feel that enterprise belongs to them. Hence, employees become more concerned about the well being of the enterprise.

Satisfied employees tend to stay longer and remain regular in the organisation. This, in turn, reduces employee turnover and absenteeism.

It is a research based fact that properly motivated employees are more receptive to new things and ready to accept change. This attitude facilitates introduce change and keep the organisation on the path of progress.

Motivated employees concentrate on finding new and more effective ways of doing a job and utilising resources. Poorly motivated employees usually avoid work and misuse resources. Thus, effective utilisation of resources largely depends on the level of employee motivation.

A good motivation system creates congenial work environment and job satisfaction. Employees tend to work with cooperative spirit and in a disciplined manner. Management also offers them better wages and incentives. Hence, chances of conflict are greatly reduced. All this leads to better industrial relations. An organisation with motivated staff commands reputation in the business world and the society. Such organisations can easily obtain talented persons whenever the need arises.

Motivated employees can innovate and develop new technology and products for the organisation. There are many organisations where talented employees carry on research regularly and innovate.

They develop new technology and products which are essential for the well-being of the organisation and the society as a whole.

There are several theories of motivation. A few important theories are as follows :

   I.   Maslow's need hierarchy theory.

  II.   McGregor's theory X and theory Y.

 III.   Herzberg's two-factor theory.

 IV.   William Ouchi's theory Z.

  V.   McClelland's achievement theory.

 VI.   Vroom's expectancy theory.

VII.   Adam's equity theory.

First four theories have been described in this chapter.

A.H. Maslow, a noted psychologist, propounded the need hierarchy theory of motivation. It is one of the best known theories of human motivation. According to Maslow, within every human being there is a hierarchy of five needs which are as follows:

1. Physiological needs.
2. Safety needs.
3. Social needs.
4. Esteem needs.
5. Self-actualisation needs.

Physiological needs are concerned with the basic biological functions of the human body. These needs relate to the essentials for survival. These include the needs for food, water, clothing,

shelter, rest, sexual satisfaction, recreation etc. These needs are inherent in the nature of a human body.

Physiological needs are the most powerful motivators as no human being can survive without them. These needs are at the lowest level in the hierarchy of needs. Hence, these needs have to be satisfied before higher level needs can be pursued. Therefore, an extremely hungry person can never think for things other than food. He dreams food, remembers food, perceives only about food and wants only food. Freedom, love, and respect are useless since they fail to fill his stomach.

*[A.H. Maslow]*

Safety needs are concerned with protecting the person from physical and psychological harm as well as the assurance that physiological needs will continue to be met. These include the needs of job security, economic and social security, *e.g.* pension, insurance etc. There needs can be satisfied by making provisions for pension, group insurance, provident fund, gratuity, safe working conditions, job security and so on. Safety needs begin to doormat when the physiological needs of a person are fairly met.

Social needs relate to the desire to have social interaction, friendship, affiliation belongingness with groups, acceptance, affection, support from others and so on. Such needs become motivators when physiological and safety needs have been fairly satisfied.

Self-esteem needs constitute the fourth level in the hierarchy of needs. These needs arise when physiological, safety and social needs have been fairly satisfied.

According to Maslow these needs are of two types :

(i) Need of self-respect or self-esteem, and

(ii) Needs for esteem from others or public esteem.

Self-respect means the respect in the eyes of oneself. Self respect needs include the needs for self-confidence for

competence, for independence and freedom, for achievement, and personal strength. Esteem from other means the respect or image in the eyes of others. The needs of esteem from others includes the needs for prestige, recognition, acceptance, attention status, reputation and appreciation from others.

The four needs described above motivate people by their absence. In other words, when people feel lack of food, clothing, shelter, security, social relationships, self-respect and respect from others, they are motivated to do something or take action. But self- actualisation needs are the needs and aspirations for growth. Such needs motivate people by their presence.

Self-actualisation needs concern the needs for maximising the use one's skills, abilities, potential to become everything that one is capable of becoming. Such needs relate to realisation of one's full potential for development growth arid fulfilment. This category of needs is placed at the apex of the 'need hierarchy' and hence are the highest level of needs.

It is pertinent to note that self-actualisation need is a distinct one. Each person's journey towards self-actualisation is distinct and unique. Therefore, every person finds his own ways for satisfying such needs.

Maslow's need hierarchy theory is based on the following propositions or assumptions:

1. A man is perpetually wanting animal. As soon as one of his wants or needs is satisfied, another appears in its place. This process goes on in every one's life.

2. An unsatisfied or fresh need motivates influences behaviour. Satisfied needs are...........................

3. Needs can be arranged in an order or a hierarchy.

    In this hierarchy, physiological needs are at the lowest and most basic. These needs are followed in ascending order by the safety needs, social needs, esteem needs and self-actualisation needs.

4. There is always a sequence of emergence of needs. Higher level needs do not emerge or motivate unless all lower level needs have been fairly or minimally satisfied.

5. Higher level needs can be satisfied in more than one ways. But the ways to satisfy lower level needs are very limited.

6. Maslow separated the five needs into higher-level needs and lower-level needs. According to him physiological and safely needs are lower-level or lower-order needs whereas social, esteem and self- actualisation needs are higher level needs. Maslow believed that lower-level needs are mainly satisfied externally whereas the higher-level needs are satisfied internally.

7. The first four needs (physiological, safety, social and esteem needs) motivate people by their absence. In other words, when people feel a lack of food, clothing, sex, security, social relationships, respect etc., they are motivated to work. But self-actualisation needs motivate people by their presence.

8. Maslow believed that no need is ever fully satisfied. Needs can be largely or substantially satisfied.

For motivating someone, a manager should understand that person's level of need in the hierarchy and focus on satisfying needs at or above that level. It is the job of the manager to lift employees from lower-level needs to higher level needs. Maslow's need-hierarchy theory is best-known theory of motivation. It has received a wide recognition. It has been highly appreciated on the following grounds :

1. It is a logical theory because it recognises that an individual do something to fulfil his diverse needs.

2. It clearly states that satisfied needs are not motivators. Therefore, managers can easily concentrate on unsatisfied needs of their subordinates.

3. It clearly states that a person advances *to* the next level of the need hierarchy only when the lower level need is minimally or fairly satisfied.

4. It offers useful ideas for understanding human needs and ways for satisfying them.

5. It helps to find out the reasons that influence behaviour of a person. Thus, it explains the reasons why people behave differently even in the similar situations.

6. It is a dynamic model because it presents motivation as a constantly changing force. It considers that every individual strives for fulfilment of fresh and higher-level needs.

7. It is a positive theory. It assumes that man is a healthy, good and creative being, capable of working out his own destiny.

8. It is a simple and humanistic theory.

9. It is based on reasonable assumption and has been substantiated by several research studies.

Maslow's theory suffers from the following limitations :

1. It is a simplistic theory and cannot be tested and validated in practice. It lacks empirical testing. It is difficult to interpret and analyse its concepts.

2. Maslow's theory is based on a small sample of subjects. It is a clinically derived theory which may not be accurate in real life.

3. Some criticise on the ground that hierarchy of needs does not exist. Individuals unlikely to behave in such a neat, step-by-step manner while perceiving and satisfying their needs. Moreover, all the needs are present at a given time. For instance, an individual motivated by self-actualisation needs also has the physiological needs. Hence, the need hierarchy is artificial and arbitrary.

4. Need hierarchy may not be the same among all the

employees. Generally, socially, culturally and economically advantaged employees have higher-level needs whereas the socially and economically disadvantaged employees have lower-level needs.

5. There are some who argue that there is no evidence that a satisfied need is not a motivator.

6. Similarly, there is no evidence that satisfaction of one need automatically activates the next need in the hierarchy.

7. Human beings are not motivated by their needs alone but also by many other things. Therefore, it is doubtful weather deprivation of a need motivate an individual.

In spite of these limitations, the need hierarchy theory of motivation is important because of its rich and comprehensive view of the needs. The theory is relevant because need hierarchy helps managers to understand the behaviour of people. In the words of Fred Luthans, "The theory does make a significant contribution in terms of making management aware of the diverse needs of humans at work. The number or names of the levels are not important, nor is the hierarchical concept. What is important, is the fact that humans in the work-place have diverse motives."

## CONCEPT OF TWO FACTORS

During the late 1950s Fredrick Herzberg, a US behavioural scientist (psychologist), and his associates developed two factor theory of motivation. This is also known as the 'Motivation-Hygiene theory'. This theory is based an empirical research on job attitudes of 200 engineers and accountants of a company. The researchers asked two questions from those two hundred employees:

(i) "Can you describe, in detail, when you felt exceptionally good about your job ?"

(ii) "Can you describe, in detail, when you felt exceptionally bad about your job ?"

They were all asked to describe the conditions that had led to those feelings.

Herzberg analysed the responses and revealed that factors which made respondents feel good were totally different from those which made them feel bad. Herzberg grouped those responses in two categories :

 (i)  Hygiene factors or maintenance factors,

(ii)  Motivators or satisfiers.

These are described in the table given below :

### *Herzberg's Hygiene Factor and Motivators*

| *Hygiene Factors* | *Motivators* |
|---|---|
| * Company policy and administration | * Achievement |
| * Working conditions | * Recognition |
| * Job security | * Advancement |
| * Salary | * Responsibility |
| * Quality of supervision | * Personal growth |
| * Interpersonal relations with superiors, co-workers and subordinates. | * Opportunities |
| | * Work itself |

Hygiene factors or maintenance factors are related to the job environment. There are eight factors : working conditions, job security, salary, quality of supervision, company policy and administration, interpersonal relation and fringe benefits. Presence of these factors in job environment is essential if a reasonable level of satisfaction in employees is to be maintained.

The absence or deficiency in these factors can cause dissatisfaction. The presence of these factors is necessary to avoid dissatisfaction and pain in the work environment. These factors do not motivate employees.

According to Herzberg, there are six motivators or motivation factors : achievement, recognition, responsibility, advancement, personal growth and the nature of the job itself. Adequacy of these factors make employees satisfied with their job and consequently motivate them. Their absence, however, rarely dissatisfies or demotivate the employees.

According to Herzbergs job satisfaction and job dissatisfaction are not opposites of each other. Absence of job dissatisfaction does not mean presence of job satisfaction. Satisfaction is achieved through motivators and dissatisfaction results from absence of adequate hygiene factors.

Therefore, managers should maintain adequate amount of hygiene factors in order to avoid dissatisfaction among employees. On the other hand, managers must ensure adequacy of motivating factors in order to motivate employees. However, presence of hygiene factors is essential for creating favourable frame of mind for motivation. The merits or contributions of Herzberg's theory are summarised as follows :

1. It clearly distinguishes between the factors that motivate employees on the job and the factors that maintain employees on the job. In other words, it clearly states that the presence of hygiene factors is necessary in order to avoid dissatisfaction in employees. On the other hand, the presence of motivation factors is essential to motivate employees. Thus, both the groups of factors have different roles to play.

2. It recommends specific measures (*i.e.* motivators) to improve motivation levels.

3. It helps in understanding the effect of job content on motivation of employees.

4. It explains the significance of job enrichment on the job redesign and motivation.

5. It is a rational approach to motivation.

It clearly explains that the factors which cause job dissatisfaction are different from the factors which cause job satisfaction. In other words, absence of job dissatisfaction is not the presence of job satisfaction.

Hence, presence of maintenance of hygiene factors avoid dissatisfaction in employees but does not cause satisfaction. Similarly, presence of motivators cause satisfaction and motivation.

Though Herzberg's theory of motivation has gained wide-spread popularity among managers and management educators, it suffers from the following limitations :

1. It is alleged that research base was very narrow and was not representative enough to make justified generalisations.

2. It is difficult to distinguish job-context factors from the job-content factors. In many cases, job context factors have elements of job-content factors. Moreover, for some individual job content factors, *i.e.,* motivators have no significance because their job-related aspirations are very limited.

3. Sometimes in real life situations, there is no direct cause and effect relationship between satisfaction and performance. Many employees are satisfied with their job but their performance is not high.

4. The methodology used by Herzberg is sometimes questioned. Since raters have to make interpretations, different raters may have interpreted the responses in different ways.

5. It explains the reasons of job satisfaction and dissatis-faction. Thus it is, in fact, not a theory of motivation.

6. Not all the measures of satisfaction have been explored and utilised.

7. It ignores the impact of situational variables on motivation.

8.  Herzberg assumes that there is a relationship between satisfaction and high performance. But in his research work he looked only at satisfaction and not at performance or productivity, *[Robbins]*

9.  As a matter of fact, two factors are not distinct. Both hygiene factors and motivators may cause satisfaction and dissatisfaction.

10. The theory lays much emphasis on motivators and ignores the impact of hygiene factors on motivation.

Despite these limitations/criticism Herzberg's theory has made significant contribution to the manager's understanding of employee motivation. This is a valuable insight into employee motivation.

A careful study and analysis of these two models would suggest that they are not very much different from each other. Rather there are marked similarities between the two. The similarities between the two are as follows :

1.  Both the models are content model. They focus on identifying needs that motivate people to do something.

2.  Both the models assume that needs are the driving force that cause a person to do something.

3.  Both the models fail to explain individual differences in motivation.

4.  Both the models consider the similar needs. Herzberg's hygiene factors correspond to the Maslow's lower-level needs *i.e.* physiological safety and security needs.

5.  Both tend to over simplify the motivation process.

6.  Both emphasize the same set of relationships.

7.  Both deal with the same problem.

Distinction Between Maslow's And Herzberg's Models

In spite of many similarities, the two models differ on the following counts :

| Basis of Distinction | Maslow's Model | Herzberg's Model |
| --- | --- | --- |
| 1 | 2 | 3 |
| 1. Basis based on hierarchy of needs. | Maslow's model is based on factors that avoid dissatisfaction and pain and the factors that satisfy and motivate employees. | Herzberg's theory |
| 2. Order of needs in the order they emerge. | Maslow arranged the of needs in this model. | There is no such order |
| 3. Nature of model | It is descriptive model. | It is prescriptive model. |
| 4. Essence of theory model is that the unsatisfied needs motivate individual to work. | The essence of this gratified or satisfied needs motivate individuals for higher performance. | The essence of model is that the |
| 5. Effect of factors hygiene factors as motivators of behaviour. If a manager offers opportunity to satisfy one of them, employee would exert increased effort. | This model considers factors come into play only when employee perceives them as inadequate. | This model considers that hygiene |

*Contd...*

| Basis of Distinction | Maslow's Model | Herzberg's Model |
|---|---|---|
| 6. Motivators or drive serve as motivator. | Any unsatisfied need serve as motivators. | Only higher order needs |
| 7. Applicability the human beings working anywhere in the society irrespective of their need level. | It is applicable to all people whose lower-level needs have been satisfied. | It is more applicable to those |
| 8. Division of needs are divided into primary (lower-level) and secondary (higher-level) and arranged in a hierarchy of five levels. | In this model, needs into hygiene factors and motivators. | In this model needs are divided |
| 9. Motivators lowest unsatisfied need on the hierarchy motivates employees. | According to this model, corres-pond roughly to Maslow's higher-level needs, motivate employees or influence their behaviour. | Only motivators, which |
| 10. Effect of satisfaction of needs | According to this model, once a need is satisfied, it no longer motivates. | According to this model, managers must concern themselves with the satisfaction of employees in order to motivate them. |

Prof. Douglas McGregor was a psychologist, management consultant and author. He wrote a book entitled *Human Side of Enterprise.*

In this book he described two distinct set of assumptions about people at work. McGregor labelled these set of assumptions as Theory X and Theory Y. He believed that these assumptions influence the thinking and attitude of most managers about the people at work.

Theory X presents a pessimistic or negative view of human nature whereas Theory Y reflects an optimistic or positive view of human behaviour. Both the theories and their assumptions are described in the ensuing paragraphs.

Theory X lists a set of assumptions which presents a pessimistic view of human nature. The assumptions of Theory X are as follows :

1.  The average human being inherently dislike work and will avoid work, if possible.

2.  Since human beings dislike work, they must be coerced, controlled or threatened with punishment to make efforts to achieve objectives.

3.  The average human being prefers *to* be directed.

4.  The average human being wishes to avoid responsibility.

5.  The average human being has relatively little ambition.

6.  The average human being wants security above all other factors associated with the work.

7.  The average human being is inherently self-centered and indifferent to organisational objectives.

8.  The average human being by nature, resists change.

9.  The average human being is gullible, not very bright. He may be duped by charlatans.

Theory Y views human beings in optimistic or positive terms. The assumptions of this theory are as follows :

1. The average human being does not inherently dislike work. Employees find that work is as natural as play or rest if organisational conditions are appropriate.

2. Employees will exercise self-direction and self-control if they are committed to objectives. External control and the threat of punishment are not the only means to make employees to work towards objectives.

3. Commitment to objectives, is a function of the rewards associated with their achievement.

4. The average human being can be motivated by higher-level needs *i.e.* esteem and self-actualisation needs.

5. The average human being learns not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally not inherent human characteristics.

6. The average human being seeks responsibility because it allows him to satisfy higher-level needs.

7. The capacity to exercise imagination and creativity in the solution of problems is widely spreaded throughout the population. It is not the sole province of the managers.

8. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised.

Theory Y suggests or contributes the following thoughts :

(i) Management is responsible for organising the resources of the enterprise for achieving organisational objectives.

(ii) Employees are not lazy or passive or resistant to organisational objectives.

(iii) Work is natural to employees if managers can release and channelise the employees' potential.

(iv) Employees can exercise self-direction and self-control if they are committed to objectives.

(v) Employees commitment to objectives can be ensured if the rewards are associated with the achievement of objectives.

McGregor believed that a manager's view about the employees affect the behaviour or motivation of the employees. If a manager treats employees lazy and irresponsible, the employees will behave accordingly.

Conversely, if a manager treats his employees as mature and responsible, they would respond accordingly. Thus, if employees are treated in a Theory X manner, they will become lazy. If they are treated in accordance with Theory Y, they will be motivated and committed to the organisational objectives.

Theory X assumes that lower-order needs dominate individuals. Theory Y assumes that higher-order needs dominate individuals. McGregor believed that Theory Y assumptions were more valid than Theory X. Therefore, he proposed such ideas as participation in decision-making, responsible and challenging jobs and good group relations for maximising employee job motivation.

Though McGregor's motivation theory has its significance, but it is criticised on the following grounds :

1. It tends to over-generalise or over-simplify behaviour of human beings. It is not easy and possible to classify people in two extreme categories.

2. Almost all the employees do not become good or bad because of the views that a manager has about them.

3. McGregor suggests that the job itself is a motivator but it is not so in all the cases. Jobs alone cannot motivate equally to all the persons.

The distinctions between Theory X and Theory Y are as follows :

| *Basis of Distinction* | *Theory X* | *Theory Y* |
|---|---|---|
| 1 | 2 | 3 |
| 1. Views about the human behaviour | It represents a negative or pessimistic view of human behaviour. | It represents a positive or optimistic view of human behaviour. |
| 2. Liking for work | This theory assumes that people dislike work and will try to avoid work, if possible. | This theory assumes that people regard work as natural as play or rest. |
| 3. Direction | It also assumes that people seek direction from superior. | It assumes that people will exercise self-direction and self-control if they are committed to the objectives. |
| 4. Responsibility | It assumes that people avoid responsibility. | It assumes that people seek and accept responsibility. |
| 5. Creativity and change | It assumes that people lack creativity and resist change. | It assumes that people are creative by nature and ready to accept change. |

*Contd...*

| Basis of Distinction | Theory X | Theory Y |
|---|---|---|
| 1 | 2 | 3 |
| 6. Focus on needs | It focuses on lower-level needs *i.e.* physiological and safety needs. | It focuses on higher-level needs *i.e.* social esteem and self-actualisation needs. |
| 7. Style of leadership | It represents autocratic leadership. | It represents democratic leadership. |
| 8. Role of incentives | It emphasises the role of financial incentive in motivation. | It emphasises the role of non-financial incentives in motivation. |
| 9. Role of job factors or job | It assumes key role of job factors in motivation. | It assumes key role of job itself in motivation. |
| 10. Nature | It is a traditional theory of motivation. | It is a modern theory of motivation. |
| 11. Applicability | It is more applicable to illiterate or unskilled and lower-level employees. | It is more applicable to skilled employees occupying higher positions. |

William Ouchi wrote a book entitled, *"Theory Z : How American Business can Meet the Japanese Challenge".* In this book, he described management practices in a number of U.S. Companies that are similar to those that successful Japanese companies have been utilising for years. Ouchi identified IBM, Hewlett-Packard, Intel, P & G, Eastman Kodak as Theory Z organisations.

According to Mondy *et al,* "Theory Z is the belief that a high degree of mutual responsibility, loyalty and consideration between companies and their employees will result in higher productivity and improved employee welfare."

According to Weihrich and Koontz, "Theory Z refers to selected Japanese managerial practices adapted to the environment of the United States as suggested by William Ouchi. For example, one of the characteristics of Type Z organisations is the emphasis on interpersonal skills needed for group decision-making."

Theory Z is a hybrid management system which incorporates the strengths of Japanese and American management. It describes characteristics common to certain successful Japanese and American Companies. The distinguishing features of Theory Z are as follows :

> Theory Z suggests strong bond between organisation and its employees. Ouchi has suggested certain ways for this, including the life-time employment and avoiding retrenchment and lay-off. Moreover, financial and non-financial incentives should be offered to motivate employees. Theory Z also emphasises that as against vertical promotions of employees, more emphasis should be placed on horizontal promotions. Such promotions/movements will reduce stagnation. A career plan for each employee should be prepared so that every one reaches to the right position in the organisation.

Theory Z suggests that employee participation should be ensured in decision-making. Employees should be consulted and their suggestions should be considered while making decisions. However, the decisions affecting employees' interest directly should be made jointly. This will increase their commitment to the implementation of the decisions.

Theory Z suggests no formal organisation structure. There should not be charts, divisions, or any visible structure. It emphasises on perfect team-work with cooperation along with sharing of information, resources and plans. Members of organisation should work as a team and solve all the problems with no formal reporting relationships. There should be minimum of specialisation of positions and of tasks.

Theory Z recommends that managers should develop new skills among the employees. Managers should, therefore, recognise the potentials of their subordinates. They develop their potentials through proper career planning, training and incentives. Managers can also use job enrichment and job enlargement techniques for developing their subordinates.

Theory Z also suggests that managers should pay more attention to informal control procedures. Managers should lay more emphasis on mutual trust and cooperation rather than on formal authority in ensuring control. In other words, managers should control through informal mechanisms.

Theory Z requires that there must be climate of mutual trust and confidence between the employees, the managers and the unions. According to Ouchi, trust, integrity and openness are closely related. All these are the prerequisites of a sound organisation. Trust grows where the openness of minds and relationships exists.

Theory Z suggests that more emphasis should be given to evaluation and training than to promotion. The employees should be evaluated over a fairly long period using both quantitative

and qualitative measures. This will increase commitment of employees to the organisation.

Theory Z requires that responsibility should be assigned on an individual basis. Individuals should assume responsibility for decisions. However, employees should be allowed to share or participate in decision-making.

Theory Z suggests that there should be non-specialised career paths. The career paths should involve multiple function experience. For this emphasis should be laid on job rotation and broad-based training. This, in turn, gives an employee a better feel for the entire organisation.

Theory Z suggests that there should be holistic concern for people. Such holistic concern should extend beyond the work-place and reflect genuine concern for the total employee personality including the employee's family, hobbies, personal ambition and so on.

Thus, theory Z provides a new dimension of motivation of employees. It is not merely a motivational technique but it provides a complete theory of management. It calls for mutual trust and cooperation between managers and workers.

Theory Z has been successfully employed by the Japanese companies operating in U.S.A. The process of implementing Theory Z in India has already been started.

Maruti Udyog Ltd., a company with Japanese collaboration, is one such company where theory Z is being applied. For this purpose, work-place has been designed on the Japanese pattern. A common canteen has been provided for all the employees irrespective of their position in the company. Similar uniform has been introduced for all. All this has been done to avoid class or group feelings among the employees and to remove status difference among the employees.

Theory Z is considered a comprehensive theory or philosophy of management. It involves a complex amalgamation of

management principles and practices for obtaining cooperation of the employees. It provides a complete transformation of motivational aspect of employees. But it suffers from the following limitations of drawbacks.

The provision for life-time employment seems to be difficult for *two* reasons : (i) No employer would like to retain an employee who is less productive. (ii) No employee will hesitate to an organisation if there is a better chance of employment.

Theory Z emphasises on common culture in organisations which is very difficult. People come from different backgrounds and environments and with different religion, habits, languages etc. All these create barriers in developing common culture.

Participation in decision-making process is also very difficult. Some managers dislike the idea because it hurts their ego and freedom. In some cases, employees are also reluctant to participate actively in decision-making process because of the fear of criticism. Sometimes, employees are not capable to participate in decision-making. Consequently, participation of employees in decision-making becomes difficult.

There may be operational problems to managers in implementing theory Z. For instance, theory Z emphasises organisation without formal structure. But it is difficult to run an organisation without a formal structure. In the absence of formal structure, there may chaos in the organisation because no one knows who is accountable to whom.

Theory Z is based on the Japanese management practices which are influenced by the Japanese culture. But each country differs in its culture. Therefore, the same management practices cannot be applied to each country.

This theory does not suggest the total solution to motivational problems. It provides a complete philosophy of management.

In spite of all these criticisms, theory Z is becoming popular among many managers and organisations.

Motivation may be classified in the following categories :

Positive motivation is the process of influencing others to do work or to behave in accordance with the desire of the leader through the use of reward. Thus, positive motivation is based on reward or gain either monetary or non-monetary.' The methods of positive motivation include pay, fringe benefits, praise, responsibility, participation in decision-making, social recognition and so on. Positive motivation creates congenial and optimistic work environment in the organisation. It inculcates sense of belongingness among the employees.

Negative motivation is the process of controlling negative behaviour/efforts of employees through fear and punishment. Thus, negative motivation is based on fear of force or threats. When employees fail to perform desired work or fail to behave in the desired manner, they are threatened or forced not to do so. Such threats or forces include wage cuts, retrenchment, demotion, transfer, reprimands and so on. Experts are of the opinion that as far as possible, negative motivation techniques should not be used. It is due to the reason that in the long-run, negative motivation may result in lower productivity. It creates frustration and hostility among the employees.

Extrinsic or external motivation is one which arises from external factors. It is related to job environment. It is the incentive or reward that a person receives after finishing his work. It includes higher wages, profit-sharing, fringe benefits and so on.

Intrinsic or internal motivation is that which comes from the satisfaction that arises while performing a job. It is an internal reward *i.e.* satisfaction that comes while a person is performing his job. Thus, it is a motivation that arises out of a job itself. It is an internal stimulus resulting from job content and not from job environment.

Herzberg suggested for job enrichment in order to provide

intrinsic motivation. Higher responsibility, opportunity for achievement and individual growth, praise social recognition, are the basic sources of intrinsic motivation.

Intrinsic motivators motivate some people more than extrinsic motivators. But in reality both are necessary. If wages, job security, fringe benefits are inadequate, it would be difficult to recruit and retain good personnel. Turnover, absenteeism and grievances will tend to be higher where management ignores extrinsic motivators. Therefore, a sound motivation system should provide both extrinsic and intrinsic; motivators. Financial motivation is the pecuniary motivation and occurs from direct or indirect monetary benefits. Wages, fringe benefits etc. are the direct monetary benefits. Bonus, profit-sharing plans, pension plans, health insurance plans etc. are the indirect financial benefits.

Non-financial motivation is one which is not associated with monetary rewards. In fact, non-financial motivation is psychic in nature. It comes from the satisfaction of higher-level needs *i.e.* social, esteem and self-actualisation needs. Work environment, praise, recognition, promotions, more authority and responsibility etc. are the non-financial motivators. Financial and non-financial incentives are being discussed in detail in the ensuing paragraphs.

Managers use variety of techniques for motivating employees. Such techniques may be broadly classified under the following two heads :

  I.  Financial or monetary techniques.

  II.  Non-financial or non-monetary techniques.

Financial techniques of motivation are those which involve financial expenditure for an organisation and increase money income of its employees.. These include (a) pay, (b) dearness and other allowances, (c) bonus, (d) profit-sharing, and (e) fringe benefits and so on.

Fringe benefits are the benefits over and above regular pay and variable payment related to performance. Fringe benefits is, thus, a wider term includes housing, transport, recreation facilities, lunch, clothing and washing allowance or facilities, payment for holidays and leave-travel benefits, free medical services or mediclaim insurance, disability benefits, retirement benefits including pension and gratuity and so on. Thus, financial techniques are the financial incentives that provide pecuniary or monetary benefits or rewards to employees.

Monetary techniques are, thus, pecuniary benefits or rewards to the employees. These are tangible and visible incentives. These incentives can satisfy the physiological and safety and security needs of employees. These also play crucial role in satisfying the social and esteem needs of the employees. Money recognised a symbol of social status and source of power in the modern times. William F. Whyte has, therefore, very candidly stated that "man has not born loving money. He has *to* learn to love it. This learning takes place in varying degrees in various parts of the world." Thus, financial techniques beyond doubt serve most powerful role in motivating employees.

Non-financial techniques of motivation are those which are not associated with financial rewards. Such techniques are mainly psychic in nature. These are associated with the work and work environment. Such techniques contribute to the satisfaction of higher-level needs such as social, esteem and self-actualisation needs. Some of the non-financial techniques of motivation are as follows:

> Job enlargement is one of the modern techniques of motivation. Job enlargement means enlarging or adding more and different but simple tasks to a specialised job. Thus, it increases the number and variety of tasks a worker should do. Consequently, employees are encouraged to learn new skills or take new responsibility. This presumably reduces

monotony and boredom and increases satisfaction and motivation of employees. This technique is also called the horizontal job loading.

Job enrichment is another technique of motivation. It is a technique of vertical job loading. It is a technique which focuses on job depth. Job enrichment refers to the basic changes in the content and level of authority and responsibility of a job so as to provide greater challenge to the employees. It is the process of adding several positive inducement and attractions in a job with a view to make the job more interesting, meaningful and challenging. The job-holder is vested with more authority and autonomy for making decisions on operational matters of his job. Thus, it permits self-direction and self-control which, in turn, motivates employees.

According to Herzberg job enrichment is a process of building motivators into jobs. He believed that motivators lead to job satisfaction which, in turn, leads to higher performance. Therefore, Herzberg strongly advocated job enrichment as the most important technique to improve motivation and performance of employees. It may be pointed out that both job enlargement and job enrichment are the job redesign techniques. But job enlargement is the horizontal job-loading whereas job enrichment is vertical job-loading. Former technique assigns new and more tasks to employees whereas latter grants additional authority, autonomy and control to the employees.

Job rotation is also regarded as a motivation technique. It is a technique in which employees are provided an opportunity to perform different jobs or functions by rotation. The purpose of job rotation is to broaden the scope of job and to increase the knowledge and skill of the employees about the job. This, in turn, relieves employees from boredom and monotony and improves their motivation level.

Praise appreciation and recognition are the most effective and direct means of motivation. These techniques acknowledge

the performances of employees to the society. These satisfy the social and esteem needs of the employees. For instance, a pat on the back of an efficient employee brings more happiness to him than the increase in the pay. Managers, therefore, give away prizes, certificates, plaques, letter of appreciation, etc. to the employees performing the best.

Employee participation in management is yet another technique of motivation. Employee participation means involvement of non- managerial personnel in the organisational and managerial activities, such a practice can ensure commitment of employees towards accomplishment of organisational goals. Consequently, employees feel involved in the organisation and their level of motivation improves. Employee participation may brought about by information sharing, suggestion system, consultation, representation on committees, board of directors and so on.

Competition or contests are means of motivation among employees. People usually like to compete with others and win over them. Therefore, managers may arrange competitions or contests for the employees. Managers fix certain goals or standards of performance for employees and challenge them to achieve them ahead of others. The winners are awarded prizes, given certificates of performance or appreciation letters with or without financial rewards. The winner gains recognition for his performance and social status and prestige. This all satisfies his social and esteem needs.

Promotion to a higher post or increase in the status of a person improves his motivation level. Promotion may not always result in more pay or financial rewards but increases social status of the employees. This satisfies his social and esteem or ego needs. Therefore, managers take various measures to increase status of their subordinates. These include, bigger air conditioned chamber with superior furniture and fixtures, personal assistant, cellular phone, computer, lap-top computer, air travel facility and so on.

Delegation of authority to execute a given task often proves to be a strong motivating force. This enables subordinates to have effective control over the work and its environment. Job enrichment also involves delegation of authority. Employees are motivated to work better if they have a feeling of accomplishment. This feeling can be inculcated by providing more authority, autonomy, applying the MBO technique, better career planning and development and so on.

Security of job in the modern age, there are threats of loss of job from technological change. By providing security of job, employees may be motivated to work hard.

Employees may also be motivated by creating congenial social environment. For this, managers can carefully plan and execute induction programmes, provide means to socialise employees through rest pauses and recreation programmes, promote the informal relations among the employees. These measures can go a long way in satisfying social and ego needs of employees. Opportunity for advancement can serve as a strong motivating force. This helps to develop their personality and talent. Such opportunity satisfies social ego and self-actualisation needs.

A quality circle is a group of employees of a work unit who meet frequently with their superior to identify and solve work related problems of their unit. This circle provides an opportunity to express opinions or suggestions in a frank, free and informal setting about the matters relating to product quality, cost and productivity of resources. Such circles, therefore, serve as a means to satisfy employees needs for interaction and self-expression. Hence, such circles are regarded as a means of motivation to employees.

Work climate refers to the physical environment of the work-place. It is the basis of employee motivation. Creation and maintenance of sound work climate is a prerequisite for sound motivation system. Therefore, the factory layout, surroundings,

facilities such toilets, canteen, rest-rooms etc. should be properly planned and maintained in order to motivate employees. There is not exhaustive list of non-financial techniques of motivation. There are many more techniques. A manager should use any or all the techniques keeping in view the needs of the employees and the prevailing circumstances.

According to Koontz and O'Donnel, "A sound motivation system must be productive, competitive, comprehensive and flexible." In fact, a sound motivation system should have the following essentials:

> A motivation system should be purposive. Therefore, motivation system should clearly state its objectives. It must reflect the objectives and philosophy of the organisation.

A motivation system should aim at increasing productivity of the organisational resources. It should be able to increase efficiency and effectiveness of all employees and other resources as well. As far as possible, a motivation system should be positive. It should adopt a positive approach towards employees. It must aim influencing behaviour and actions of employees through rewards and satisfaction of needs. Motivation system should be simple to understand by employees. Moreover, it should be simple to implement for the managers. A complex system can never produce the desired results.

A motivation system should be challenging. It should set challenging but attainable goals before the employees.

A motivation system should be competitive for the employees as well as for the organisation. It should be able to create competitive spirit among the employees. Moreover, it must be able to compete with other organisations. In other words, it should be better and more attractive to the employees than that of the competitive organisations. It must be capable of attracting employees of competitive organisations.

A motivation system should consider all the needs of all the employees in the organisation. It should recognise and consider individual nature, perceptions, values, needs and abilities. It should be capable of motivating efficient as well as inefficient employees.

A motivation system should be flexible and dynamic. It should be capable of being adapted to changing needs of the employees and environmental situations as well.

Motivation system should be reasonably stable and permanent. It should be a permanent feature of an organisation. *Ad hoc* motivation system cannot motivate employees on a continuing basis.

A motivation system should be equitable to all the employees. It Should be free from biases to any individual or group of individuals. There should be direct and positive linkages between performance and reward in the motivation system. The linkages between the two should be clearly made known to the employees.

A motivation system should always integrate organisational goals with individual goals. It should contribute to the achievement of organisational goals along with the individual goals.

There should be a perfect blending or combination of financial and non-financial incentives. This will help in satisfying the lower-level as well as higher-level needs of the employees.

A sound motivation system should be positive but it must contain a provision for punishment too. It must provide for penalty for persistent unacceptable performance and behaviour of the employees.

There should be adequate and effective mechanism for feedback on the application of motivation system. Employees should be periodically informed about their performance and rewards.

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# HOTEL ORGANISATION

The Front Office in a hotel is the department responsible for the sale of hotel rooms through systematic methods of reservation, followed by registration and assigning rooms to customers. The term 'sale of rooms' may appear misleading to those unfamiliar with the industry. 'Sale' here means the use of hotel rooms at a price. A room is termed 'sold' for the day when a guest leases the room for stay in the hotel. "Room tariff" i.e. rate charged per room is computed for a "revenue day" which begins at noon of a particular day and ends at 12.00 hrs. the next day. In other words room charges are levied for a revenue day which is between noon and noon. Of course, a room may be sold for half-a-day as well, for which special rates are applicable. Such rates are referred to as "half-day" rates.

The front office in a hotel holds prime importance in view of the basic nature of business of a hotel, i.e. to sell rooms. Revenue collected from the sale of rooms contributes to more than 50 per cent of total hotel sales. The profit percentage from sales of rooms is very high. It has a complementary role of image-building, which is the first and last point of contact of

every guest. If one looks at each component of a front office role, one could have a better perception of this department. While the title Front Office is a generic term to include a number of activities, smaller hotels are satisfied to call it simply Hotel Reception. Thus the role of the front office is thus to reserve, receive, register, assign rooms to guests and act as a continuous source of information to guests during their stay at the hotel.

A section of the front office is called the Reservation. This section is the hub of the department. Requests for reservation of rooms from various sources are received and the information is processed, properly documented, stored and retrieved at the appropriate time to ensure a guest his room upon arrival. Room, the chief product of a hotel, being a highly perishable commodity (as its sale is linked with a time element) the reservation department ensures that rooms are not allowed to "perish".

This activity is handled by the section called Reception. The personnel in this section actually welcome and receive the guests and assign them a room after a few registration formalities.

## MEANS OF KNOWLEDGE

The Information section is vital to front office operation. It controls the room keys, mail and messages. It is also equipped with all the information of the Hotel facilities and the city. Though the major functions of the Front Office may seem simple, the actual mechanics to execute them successfully is complicated. The various systems and procedures on which the front office hinges shall be explained in detail later.

## TRAITS OF WORKERS

As the front office is a critical department in a hotel in view of its revenue generating capacity and influence in image-building, the staff working in it assume a special importance.

Great care is taken in the selection of front office staff as they play a key role as:

> They motivate the guest to spend more on the various hotel facilities.

Guests invariably approach the front office for help in case they have a problem or complaint. The staff have to be diplomatic and resourceful to solve the problem at the shortest possible time.

Guests who want information or want to pass on information use them for this purpose.

Since they are a reference point, the front office staff are required to coordinate with other departments, airlines, travel agencies and city tour offices to give the guest personalised service.

As an extension to their salesman's role, front office staff can certainly generate a good image for the establishment in their manner of dress, communication, personal conduct and efficiency.

In view of the important role they play, the front office staff must have the following essential attributes:

> Uniforms must be clean and neatly pressed. Hair should be groomed well. It is preferable for ladies to tie their hair up in a bun. Nails should be manicured. A soft cologne is preferable instead of heavy perfumes. Jewellery should be restricted to one ring and a necklace for ladies. In short, the front office staff must be seem at their best at all times.

This is imperative to front office personnel. As they are constantly exposed to hotel guests, a clean appearance helps to project a good image not only of themselves but of the establishment as well.

This is necessary as front office personnel meet guests of different countries, statuses and cultures. They should be comfortable and feel at ease in dealing with these people.

It is preferable that front office staff know more than one language. It helps in communicating with guests who cannot speak English or the local language.

Very often there are situations when a guest is irate over something; a diplomatic dealing helps in diffusing the explosive moment. It is quite common for a busy hotel to have no room to offer a guest who has come with a confirmed booking. A diplomatic approach is the only way by which the guest can be pacified.

Being the nerve centre of the hotel, the front office is constantly in touch with guests and therefore invariably comes under tremendous pressure. The guests always expect personalised, priority treatment and the pressure of demand never ceases. Coupled with this are difficult guests who can unnerve a person. The front office staff should thus have a high degree of tolerance for pressure of work and be calm and composed at all times.

This single attribute distinguishes the good from the average amongst the front office staff. Every individual has an ego and his/ her name is most precious and personal to him. If the front office staff can call most guests by their names, this immediately flatters them and personalises the guest experience. The guest begins to feel he is welcome as people recognise him by name.

As the hotel is a meeting place of social elites all the grace and etiquette associated with good society comes into play. Guests of all statuses come to stay in the hotel and they are used to good manners and politeness. Wishing a guest the time of the day and saying "Thank you" are basic etiquettes shown.

This is very becoming to front office operation. Guests like to be handled by a cheerful staff at the desk. Their smile exudes cheer to the guests and puts them at ease.

Front office operations require the staff to stand for long hours at a stretch. The staff must be sturdy, agile and active.

Guests often approach the Front Desk with problems and requests. Front office staff must be able to decide quickly a course of action that satisfies the guest, at the same time keeping the interests of the organisation alive.

Possessed with the attributes mentioned above, the front office staff could make a fine team that is an asset to the hotel. Figure below suggests an organisational hierarchy for a typical large metropolitan hotel.

**Front Office Organisational Hierarchy of a Large Hotel**

```
                        ┌──────────────┐
                        │ Front office │
                        │ Manager      │
                        └──────────────┘
                               │
                   ┌────────────────────┐
                   │ Assistant Manager  │
                   │ Front Office       │
                   └────────────────────┘
                               │
                                      ┌─────────────┐
                                      │ Steno Typist │
                                      └─────────────┘

         ┌──────────────┐                          ┌──────────┐
         │ Front Office │                          │ Night    │
         │ Suppervisor  │                          │ Auditor  │
         └──────────────┘                          └──────────┘

 ┌────────┐ ┌────────────┐ ┌────────────┐ ┌─────────────┐ ┌────────┐
 │ Telex  │ │ Reservation│ │ Information│ │ Registration│ │ F.O    │
 │Operator│ │ Assistant  │ │ Assistant  │ │ Assistant   │ │ Cashier│
 └────────┘ └────────────┘ └────────────┘ │or Receptionist│└────────┘
                                          └─────────────┘
```
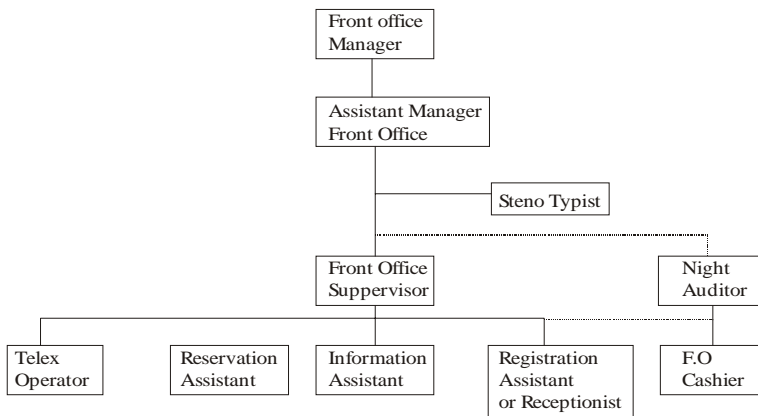
**Note:** Dotted line indicates operational control relationship as opposed to administrative control relationship.

The figure below suggests hierarchy of a small hotel.

**Front Office Organisational Hierarchy of a Small Hotel**

```
              ┌──────────────┐
              │ Front Office │
              └──────────────┘
                     │
      ┌──────────────┐      ┌──────────────┐
      │ Front Office │      │ Front Office │
      │ Cashier      │      │ Assistants   │
      └──────────────┘      └──────────────┘
```
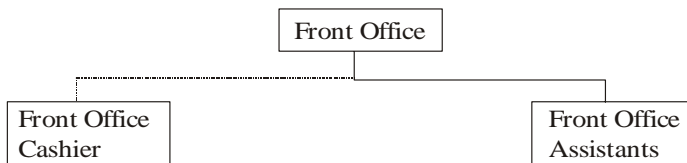
**The Assistant :** A Job Description, by its very nomenclature is a written description of the job to be performed in a job

position. It specifies the parameters within which a job is done. It is thus a realistic guide to any employee recruited for a particular job. These parameters not only include the duties and responsibilities of the job position but also the working hours, reporting relationships, authority, equipment handled, coordinational specifications with other departments and job positions, status within the departmental hierarchy, etc. Professional organisations would normally hand over a job description to all new recruits. This offers several advantages:

1. The new recruit knows exactly what his job entails. This in itself is a vital part of induction.

2. A job description acts as a basic foundation to set standards of performance. This induces and informs the employees of what exactly is expected of them.

3. The job description ensures that both the superior and subordinate view the job required to be performed in commonality, otherwise this could lead to misperception of the job and thus friction.

4. It acts as a legal document for any disputes arising out of lack of role clarification.

5. It protects an employee from an unreasonable superior who may like to over-burden an employee through unnecessary role deviations.

To enable readers of this book to appreciate the full significance of subsequent chapters, the following pages elucidate typical job descriptions of front office personnel. In order to comprehensively cover the front office operations the job descriptions of the Front Office Cashier and Night Auditor, have been included. These two positions would normally be under the Accounts Department but their roles would take us a step further to complete the cycle of front office actions. It is prudent for hotels to train their front office staff to acquire multiple skills thereby enabling them to handle the reception, reservation and information. Multiplicity of skills gives the

management the flexibility while scheduling staff so that all positions are manned in spite of absenteeism, leave, staff turnover, etc. the front office employee reciprocally views his job as enriched and is saved from the monotony of doing one job only. The job description offered for front office basic staff is common, with subsections provided for the unique activity offered in various job positions in the departments. We have found it important to give the front office cashier and night auditor separate job descriptions in view of their specialised tasks though front office staff in smaller hotels are adept at these roles also.

### *Job Description of Front Office Assistants*

*Job Position :* Front Office Assistants

*Category :* Non-Supervisory

*Reports to :* 1. Front Office Supervisor

2. Front Office Manager

Reserve, register and assign rooms to guests and be a continuous source of information during their stay in the hotel.

Room racks, Arrival-departure register, Guest racks, Reservation racks, Guest room keys, Guest mail.

Front Office: Information, Reception and Reservation Desks.

One shift in 24 hours for 8 hours or as per policy of the Management.

Refuse reservations; give discounts as per policy; assign rooms and deal with guests as found fit; can refuse divulging guest informations to others.

### *Work Performed : Reservation*

1. Promptly and courteously handle all reservation requests.
2. Update regularly the reservation chart and rack.

3.  Keep all reservations correspondence up-to-date.

4.  Keep room availability status board up-to-date.

5.  Handle amendments and cancellations of reservations.

### Reception

1.  Promptly and courteously register guests and assign them rooms.

2.  Update the room rack continuously.

3.  Calculate room availability position and advise reservation.

4.  Issue VIP amenities voucher.

5.  Complete pre-registration formalities for VIPs, invalids, old people, groups and airline crews.

6.  Execute government formalities regarding foreigners.

7.  Coordinate closely with Housekeeping for clearance of rooms to sell.

8.  Prepare room-reports and occupancy statistics.

### Information

1.  Maintain guest-room keys safely and accurately.

2.  Provide up-to-date information on the hotel and city to guests.

3.  Receive and disburse guest mail.

4.  Continuously update the guest rack.

5.  Receive messages of guests and forward them correctly and promptly.

6.  Liase with lobby to page guests.

### Bell Captain

**Job Title :** Bell Captain

**Category:** Supervisory

### Reports to

1. Sr. Bell Captain

2. Lobby Manager

To supervise and provide all porter services with efficiency and politeness.

### Bell-boys

Principally the lobby area but is authorised to work in any part of the hotel depending upon the errand demanded. One shift of 8 hours in 24 hours, or as per policy of the management.

To check bell boys in their daily operations.

To appraise their performance.

### Work Performed

1. Brief all bell boys at the beginning of a shift.

2. Ensure that bell boys in their shifts are well groomed and uniformed.

3. Control the movement of all bell boys.

4. Assign errands to bell boys.

5. Ensure that the bell desk is well stocked with postage.

6. Initiate action again "scanty baggage" guests.

7. Organise paging services in the lobby.

8. Execute formalities regarding "left luggage".

9. Assist in security vigilance functions.

10. Assist in crew and group wake call procedure.

11. Perform any other duties that are required by management front time to time.

### Bell Boy

*Job Title :* Bell Boy

*Category :* Non-Supervisory

**Reports to**

1. Bell Captain
2. Sr. Bell Captain
3. Lobby Manager

***Job Definition :*** To handle guest baggage at the time of arrival and departure and to do errands as required.

***Directly Controls :*** Guest baggage during transit in the hotel.

***Assigned Area of Activity :*** Principally the lobby area boy is authorised to work in any part of the hotel depending upon the errand demanded.

***Hours of Operation :*** One shift of 8 hours in 24 hours, or as per the policy of the management.

***Authority :*** None

**Work Performed**

1. Carry guest baggage at the time of guest arrival.
2. Carry guest baggage into the guest room and explain all controls in the room to the guest.
3. Issue postage against cash to guests.
4. Deliver guest baggage to "left luggage" room if required.
5. Check the guest room at the time of guest departure.
6. Carry baggage at the time of guest departure.
7. Check guest rooms to validate the Discrepancy Report.
8. Page guests in the lobby area if required.
9. Report "scanty baggage" guests to Bell Captain.
10. Perform any errands as required by guests and management.

***Front office:*** for the arrival and departure of guests to validate Room Discrepancy Report.

**Security:** for reporting and assisting in dealing with undesirable elements in the lobby.

As is evident from the job description of the Bell Captain, one of his primary functions is to control bell boys. This control is necessary as bell boys are subject to many errands that take them to all corners of the hotel and even outside. To be able to optimise the productivity of the team within a given shift the Lobby Control Sheet is constituted. The purpose of this sheet is to keep a record of and check on the movement of bell boys.

### HOTEL XYZ LTD.

### LOBBY CONTROL SHEET

Captain........................................           Sheet No..........................

Date ..................198...................        Shift- from ............................................ To ..................................

| Room No. | Attendant No. | Arr | Dep. | Room | Service Change To | Call | Time | | Comments |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | From | To | |
| | | | | | | | | | |

The control sheet above is sell-explanatory. The bell boys are given code numbers to easily record their activities. Alternatively, the bell boys names may be also used. For an arrival, the room number is filled in after the front office has intimated the same. The "room changed to" column would indicate the number of the new room a guest has been allotted. His old room number is mentioned in the first column.

Through this sheet the work-load per bell boy is ascertained and the bell captain is able to distribute work-load uniformly. He gets a chance to find out who the lethargic members of the team are through the time control. Of course, the bell boy should know in advance a reasonable time that an errand would take to fill his remarks in the last column.

**The Salesmanship :** The difference between a successful hotel and an unsuccessful one is the ability of the staff to get a guest to spend an extra rupee and get the value for it. Very often a guest may enter a hotel without an exact idea of how he is going to utilise his free time. A gentle suggestion by an employee at the right time can stimulate a guest to utilise a service and pay for it. The front office staff have a key role to play in hotel selling.

This is one of the most important factors for salesmanship. Here is a checklist of things that front office personnel should be knowledgeable about:

Location, view it commands, size, type, room rate, decor, guest facilities in the room such as hot/cold water, channel music, telephone, refrigerator, television, weather controls, etc.

Number of outlets, locations, types of cuisine, entertainment, timings, buffet or a'la carte, menu, table reservation procedures.

Service offered by travel agency, bank, post and telegraph office, health club, swimming pool, barber shop, pastry shop, shoe-shine, beauty saloon, drugstore and shopping.

Telephones, party arrangements, baby sitter services, valet and laundry service, reservations for other hotels of the chain, telex, typist facility, doctor service.

City tour facilities, church timings, theatre timings, maps and locations of shopping centres, historical, business and cultural places of interest, railway timings, airline schedule, inter-state bus terminals, nearest location of a 24-hour chemist shop and nearest hospital.

There are many more items of information that front office staff are equipped with to make them living encyclopaedias. The important point to remember is that only with a knowledge of the product can one actually sell it.

Front office staff must be aware that the guest attaches value to the service sold and will be prepared to spend for it. For example, if a room has a maximum, moderate and minimum rate attached to it, the maximum must be quoted but the value of this rate must be sold. The room may be overlooking the swimming pool, or be away from the noisy elevator foyer, or have soft decor to please a guest on a hot day. Whatever it be, each proposition must be given a value.

After the room is allotted the front office assistant may recommend a suana bath and massage at the health club especially after the guest has returned from a long journey. The assistant may volunteer to reserve his table at one of the restaurants and bars.

The good front office assistant must always give the guest a choice so that he feels that the final decision was his. While offering a room two locations should be given. When recommending a restaurant two are offered to choose from (provided the establishment has more than one dining place).

As individuals have varying needs, a guest may stay in a hotel for comfort, address value, entertainment, convenience of location, standards of facilities offered, etc. It is important to identify the needs of each guest and try to appeal to those needs. Another important aspect of a guest is that he has left his home and would like a home away from home.

It is a question of emotional adjustments to unfamiliar surroundings. An employee should try and make him feel at home and anticipate his needs for home comforts through personalised service. By appealing to a guests' needs one can stimulate sales.

This trait could be the cornerstone to successful salesmanship in the hospitability industry—it is essential to be genuine in all communications with guests. The more genuine the front office staff are in their approach, the greater is the desire to be helpful. A guest is sensitive and can see through a "put on" act as against sincerity in words and deeds. Unless an employee enjoys being hospitable, genuine concern becomes act. A simple way of bringing out this genuine concern is to display empathy. Empathy is energised by asking oneself, "what would I expect of the hotel if I were a guest".

How one speaks is important to all sales efforts. Brusque language is bound to put guests on the defensive and a sale can never be energised. Here are some typical phrases to use:

"May I help you".

"May I suggest (or recommend).........."

"I beg your pardon"

"May I request you to.........."

"One moment please..........."

"Would you kindly............."

It is highly recommended that one should avoid the use of slang or abbreviation. Always refer to male guests as gentlemen and female guests as ladies or young ladies. Normally the establishment would select those candidates for the post of front office assistant who have a clear, mellow and proper mode of speech.

## BUSINESS HELP

*Lobby :* The bell boy escorts guests from the main door with their luggage to the front office. After the guest has been registered the front office informs the bell boy of the room number so that the guest may be escorted to his room and his luggage placed in the room.

In most hotels, a guest wishing to check out of the hotel calls the bell desk for a porter to carry his luggage down. The bell desk informs the front office of the intentions of the guest so that the cashier can prepare his bill. It is only after the front office is satisfied regarding the payment of bills and retrieval of room key will they allow the bell boy to remove the luggage outside the premise of the hotel.

Often, a guest requests the front office for a change of room. The front office intimates the bell desk to send bell boys to help in the shifting of luggage.

"Skippers" are those guests who leave the hotel without paying their bills. This is made possible because the "skipper" comes with little luggage to avoid bringing the attention of the bell boys to his "secret" check out. Alternatively, if he has just a briefcase, he may leave the hotel under the pretext of a business call. The bell boys have to be alert to notify the front office about guests with scanty baggage so that a necessary advance is taken from them and a close watch is kept on them.

The information section of front office alerts the bell boys to deliver messages received by them for guests in the hotel.

"Paging" is the system of displaying the name of a guest on a small board with a long handle. The board is held above the head of the bell boy and has small bells which are rung to draw the attention of customers to the board.

When a phone call is received for a guest in a specified location, this paging system is used to contact guests. The bell boy does the paging in most public areas especially the lobby.

To keep a tight control on rooms, the housekeeping and front office have to closely coordinate. One way is through the room report whereby the housekeeping staff checks each room on every floor and advises their status through a report.

**HOTEL XYZ LTD**

**Discrepancy Report**

| Room | Per Room Asstt. | | Per House Keeper | | Investigation Remarks |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | Asstt. Manager |

A discrepancy report is prepared by the front desk on receiving the Room Report from the Housekeeping. The front office compares it with the Room Rack for reconciliation of room status. Discrepancies noticed between room rack and housekeeping room report are noted down on a separate report called the "discrepancy report" which is then handed over to a bell boy for physical check and reporting back of the room under discrepancy. After a physical check of the room the bell boy notes down the correct status which is accepted by the front office and room rack and reconciled accordingly.

When a guest checks out, the front office has to immediately inform the housekeeping desk (which is the central point of information for housekeeping) or the floors, to clean the room so that it is ready for sale again. This information is controlled on a Departure Intimation control sheet. Housekeeping in return would have to inform the front office immediately after a room

has been cleaned and prepared for sale to a guest. In technical parlance when the front desk informs the housekeeping desk about a check out room, it is referred to as giving a "departure room" to housekeeping and when housekeeping informs the front office about rooms which are ready for sale, it is known as "cleared rooms".

## *HOTEL XYZ LTD.*

### DEPARTURE INTIMATION CONTROL SHEET

Date _____                                        RECEPTION

| ROOM NO. | NAME OF GUEST | NAME OF PERSON INFORMED AT | | | TIME | BY |
|---|---|---|---|---|---|---|
| | | House keeping | Telephone Dept. | Room Service | | |
| | | | | | | |

### NIGHT ROOM REPORT

| FIRST FLOOR | | | | SECOND FLOOR | | | | THIRD FLOOR | | | | FOURTH FLOOR | | | | AUDITOR'S ADJUSTMENTS | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Room No. | Code | Guests | Rate | Room No. | Code | Guests | Rate | Room No. | Code | Guests | Rate | Room No. | Code | Guests | Rate | | | |
| 102 | | | | 202 | | | | 302 | | | | 402 | | | | | | |
| 103 | | | | 203 | | | | 303 | | | | 403 | | | | | | |
| 104 | | | | 204 | | | | 304 | | | | 404 | | | | | | |
| 105 | | | | 205 | | | | 305 | | | | 405 | | | | CODE | | |
| | | | | | | | | 306 | | | | 406 | | | | Travel Agents :— | | |
| | | | | 207 | | | | 307 | | | | 407 | | | | Airlines — | | |
| | | | | 209 | | | | 309 | | | | | | | | Walk ins — | | |
| | | | | 210 | | | | 310 | | | | 410 | | | | | | |
| 211 | | | | 211 | | | | 311 | | | | 411 | | | | | | |
| 212 | | | | 212 | | | | 312 | | | | 412 | | | | | | |
| 215 | | | | 213 | | | | 315 | | | | 415 | | | | | | |
| 220 | | | | 220 | | | | 320 | | | | 420 | | | | TOTAL | | |
| | | | | | | | | GROUPS | | | | | | | | | | |
| | | | | | | | | Name | | Rate | | | | | | | | |
| | | | | | | | | | | | | | | | | Recapitulation | | |
| | | | | | | | | | | | | | | | | Floor No. | Guests | Amount |
| | | | | | | | | | | | | | | | | 1st | | |
| | | | | | | | | | | | | | | | | 2nd | | |
| | | | | | | | | | | | | | | | | 3rd | | |
| | | | | | | | | | | | | | | | | 4th | | |
| TOTAL | | | | TOTAL | | | | TOTAL | | | | TOTAL | | | | GRAND TOTAL | | |

After reconciling the "Room Rack" with the Housekeeping Room Report, the Front Office Reception compile data on the "occupancy" position of the hotel for the day in the form of a report for the purpose of management information. This compilation and analysis of occupancy data is referred to as "night room report" and is invariably prepared by the night receptionist.

The front office informs housekeeping to be alert to attend to rooms occupied by groups or VIPs. Service has to be quicker and efficient. Housekeeping provides "flowers" for VIPs in the room on receipt of the Amenities Voucher issued by the Front Desk.

Day                                                          Date

---

- Please Send Complimentary
- Flowers
- Full—Single ( )—Double ( )—Special ( )
- ................................................................

To ............................... Arriving .......................................

Room No. ........................................................................

........................................................................

Authorised by ...................................................................

Copy of Auditor MAURYA—FO—021

---

***Accounts :*** The front office cashier receives payments for a guest's stay in the hotel. This is the point where all the charge vouchers (bills) generated by the guest are received, to be included in the overall bill. Close liaison between the lobby staff and cashier is imperative. The Bell Captain must inform the cashier about the intended check out of a guest so that the guest's bills are updated and kept ready for presentation. Also, the cashier is informed of a new arrival by the Reception by

opening and forwarding a new folio in the guest's name giving room number and time of check in, with defined billing instructions which the cashier places in the bill tray against the appropriate room.

The Night Auditor audits all guest bills received by the front office cashier and prepares and proves for the calendar day.

This is the credit section which receives bills from front office that has extended credit as per previous arrangement between the hotel and the guest. This department follows up with the individual or company for the payment of the bills.

The Room Service is kept closely intimated on arrivals and departures of guests. It is this department that provides food and beverage services to the room and must be informed as to the occupant in order to raise bills accordingly.

The front office informs room service through the Amenities Voucher and a List of the VIPs' expected to arrive in the hotel so that special service is extended. Also the room service provides a complimentary basket of fruit, liquor, cakes and pastries or whatever gesture the establishment wishes to extend to a VIP as per the policy.

*Telephones :* This is another department that is informed immediately of the arrival and departure of a guest so that when calls come for a particular guest it is fully knowledgeable about his/her presence in the hotel so that calls may be connected to him/her. Also calls made by the guest are recorded or metered.

The engineering department is responsible for any maintenance of furniture, fixtures and equipment and for rectifying faults in the services provided, like air conditioning, plumbing, etc. Sometimes when guest keys are lost, the workshop of the engineering department makes duplicate keys from key blanks, besides changing the location of the lever by altering the lock and key plan of the hotel. The stores are responsible for supplies of relevant forms, formats and stationery.

There is very close coordination between the front office and sales especially in soliciting their help in improving room sales on lean occupancy days. The front office also informs sales whenever an important guest, who influences the business of the hotel 'checks in', so that special attention can be given to him/her. Sales keeps the front office updated with the new agreements made with travel agents and airline crews and viable accounts.

## METHOD OF DEPARTURE

***Step 1 :*** When a guest arrives, the doorman buzzes the Bell Captain Desk for a bell Boy.

***Step 2 :*** The bell boy should wish the guest and collect his baggage and bring it into the lobby via the baggage entrance and place baggage at the bell desk which is located normally opposite the Reception counter. The bell boy should wait for the guest to register at the front office. If the hotel has tags to identify baggage these should be attached to the baggage. Inform scanty baggage to the lobby manager or front office.

***Step 3 :*** The Information counter at the front office will indicate that the guest has been allotted a room by handing over the errand card which mentions the room number. The room key is also handed over with the errand card. Bring to the guest's attention any baggage damaged to protect the hotel from blame.

### *Guest Arrival Errand Card*

| Bell Boy No. | | | Date | |
|---|---|---|---|---|
| Room No. | | Name | | |
| Suit Case | Brief Case | Hand Bag | Packets | Others |
| | | | | |
| Remarks | | | | |

Bell Boy Sig.                                    Capt's Sig.

*Step 4 :* Lead the guest to his room along with his baggage. Some hotels have separate baggage elevators.

*Step 5 :* The bell boy should open the door of the guest-room and let the guest enter first. After positioning the baggage at the allotted rack in the room, the guest must be told where the floor-lights are located, channel music, air-conditioning/central heating thermostat control, internal locking system, etc. are located.

*Step 6 :* Offer any other help and if not required, wish the guest a pleasant stay. Do not solicit for tips.

*Step 7 :* Report back to the bell desk.

*Note:* A hotel may have different coloured errand cards for arrival and departure of guests.

### Departure Procedure

*Step 1 :* The bell desk will receive a phone call from the guest about his intention to check out. Write the room number carefully on the errand card, a stack of which is kept at the bell desk itself. Inform the Bell Captain and proceed to the room.

*Step 2 :* Knock on the guest's door and announce yourself. Look around the room for any guest articles left, any damaged hotel property and switch off the air-conditioning/ heating, lights, etc. Collect the room key and depart from the room letting the guest lead the way. Ensure that the guest room is locked. If the guest wants to carry the room key himself, permit him to do so.

*Step 3 :* Place the baggage at the bell desk. Stick on any hotel stickers or publicity tags. Hand over the room key to the Information counter and errand card to the Front Office Cashier. Wait for the guest to pay the bill.

*Step 4 :* The bell boy will receive an authorisation to take the baggage out of the hotel only after the Front Office cashier has signed that the guest has paid his bills, and the Receptionist that the room key has been received.

***Step 5 :*** Take the baggage to the car porch and load it to the transport.

***Step 6 :*** Report back to the bell desk and hand over the errand card with the authorisation signatures.

## METHOD AND EXECUTION

***Making of Schedules :*** Briefing is that process at the beginning of a work shift which is provided by management to facilitate a two-way communication between management and staff. It is the one time during a shift that all housekeeping staff are together to share information and feelings before they disperse to their work areas.

Briefing is normally undertaken where all employees have to report on duty at the beginning of the shift. This is after the employees have formally clocked into the hotel at the time office and have already received their fresh uniforms which they change into in their respective locker rooms. All employees must report for briefing properly attired and at the scheduled commencement of the shift or earlier.

In Housekeeping briefing is conducted at a prescribed common Housekeeping Lounge or at the Housekeeping Control Room. Ideally, the Executive Housekeeper must conduct the briefing; however, due to odd shift timings she may delegate this responsibility to her deputy. Here are some issues that should normally be covered in a briefing that should last no longer than 15 minutes.

Housekeeping staff are mostly in guest visibility and contact areas. It is thus important that they are well-groomed and clean. While grooming projects the image and quality of the hotel, a guest also likes to feel that the people who clean his room are themselves very clean.

It is thus important for the Housekeeper to ensure the following:

1. Personal cleanliness—fingernails should be clean and cut short; men should have shaved and should emit no body odour.

2. Hair should be clean and neatly combed/arranged. Hair nets are suggested but not essential.

3. Little or no make-up.

4. Careful use of lipsticks for maids.

5. No necklaces or bracelets—earrings, if worn, must be small and unobtrusive.

6. Uniforms must be clean and well pressed. They must be of the proper size and well fastened.

7. Stockings (if required) should be clean, of a permitted colour and free of holes.

8. Shoes should be dark in colour, low-heeled and clean.

Any new policies and procedures introduced by management must be made out and explained to the staff.

The names, room numbers and the importance of each VIP staying in the hotel must be communicated to all staff, especially those assigned to their floors.

At a briefing the duties of each staff member and the areas of accountability are explained. This would mean that maids are assigned a floor and allotted their number of rooms. The housemen, likewise, are told which floors or public areas they are assigned to for cleaning. They are also told which supervisor would be in charge.

The Executive Housekeeper must receive any professional or personal grievances of staff. It would help productivity if problems are resolved or at least heard with the intention of resolving them. This can also be an opportunity to test out whether policies and procedures already explained have been understood and implemented.

Briefing is a time which can be used as a training opportunity.

Simple tasks may be demonstrated so that they can be practiced under supervision at their work place.

An Executive Housekeeper must constantly remind housekeeping staff of the standards expected by management. Standards could be the number of rooms to be completed by a maid in her shift or the time taken to complete a departure room etc. At a briefing, the housekeeping staff should get a first hand feedback on whether they are maintaining the required standards.

Since all housekeeping staff on a given shift assemble for a briefing, it is the ideal time to give a word of praise or recognition to deserving candidates.

It is important to give information of a general nature, especially of the going-on in the hotel to staff. One normally shrugs off general information as it does not concern staff— but all information is knowledge and brings in a feeling of pride and a team spirit to the totality of hotel operations. Information like the gala functions in the hotel, the re-assignment of people in the hotel, promotions, increments, etc. must be shared.

The sale of rooms constitute approximately 50 per cent or more of the total hotel revenue. A 'sale' of room would mean the leasing of the room for occupation for 24 hours at a predetermined cost. A room not sold on a particular day has lost its opportunity to earn revenue for that day. Hence rooms are referred to as highly perishable commodities. The loss of an opportunity to sell a room can also be due to inefficiency of housekeeping in having a room ready when required. What does a room mean to a guest?

Hence, hotels spend efforts in ensuring the quality of beds, mattresses; weather, control, channel music, hot and cold water, attached baths, etc. The comforts must be regularly maintained and functioning. It is Housekeeping's responsibility to ensure this.

The primary security devise that hotels provide is to restrict entrance to the room/suite through only one door; a double locking system from inside; strict control on room keys and master keys; chain locking the door from within to further augment the door locking system; precautions in the room to ensure all electrical wiring is concealed and no equipment in the room is faulty; fire exit layout in the room, etc.

Room windows are provided with curtains. Superior hotels would have daylight curtains and heavy night curtains. Windows would normally overlook good scenic views, away from the prying eyes of others in the hotel or the outside public.

The entrance into a room procedure is well defined to ensure guest privacy. Attached baths are also a measure towards privacy.

A guest is provided entertainment, food and beverage services, telephone services, etc. in his or her room. The guest is thus free to spend all the time towards fulfilling the purpose of his visit—be it a holiday or business. The House keeping Department should ensure such literature in the room as to enable a guest to know how to reach such conveniences and avail of them.

The Housekeeping Department has a pivotal role to play in this aspect.

Hence he demands the highest standards in everything that the room stands for.

In addition to the above, it is important for all housekeeping personnel to know the different types of rooms that hotels provide.

| | |
|---|---|
| Single Room | Meant for a single occupancy. The room has one normal sized bed. |
| Double Room | Meant for double occupancy and has one large bed meant for two. |

| | |
|---|---|
| Twin Room | Meant for double occupancy. The room provides two single beds. |
| | Hotels may reserve the flexibility to sell it on single occupancy as well. |
| Studio Room | Meant for single or double occupancy. It has one normal bed and a sofa-cum-bed which acts as a sofa during the day and can be pulled out into a bed for the night. |
| Single Suite | Meant for single occupancy. A suite is a two-room set—one room furnished with drawing-cum-dining facilities and the other as a bedroom with a normal bed. |
| Double Suite | It is the same as a single suite in concept, except that the bedroom has a large double bed, or two normal sized beds to facilitate double occupancy. |
| Cabana | Rooms attached to the pool-side for changing or resting. The room has one sofa-cum-bed. |
| Duplex Suite | Room built on two floors with an inter-connecting staircase. |
| | Such suites normally have two bedrooms. |
| Triple Room | Provided mostly for families. It has twin beds with an extra cot. |

All the above rooms may be furnished with extra roll-away cots on the demand of the guest at an extra charge. All rooms normally have attached bathrooms. Exceptions would be in hostel where common bathrooms per floor is more economical for the guest and management for the low charges they levy on rooms.

Prior to commencing work, all housekeeping staff, especially room attendants, must follow some floor rules that lend an air of efficiency and least inconvenience to guests.

The floor and rooms are most private and personal to guests who are concerned by the people who frequent them. They lay a large trust in the management of the hotel through the room attendants who are privy to their rooms and belongings. To uphold this trust the following rules must be strictly observed:

1.  Speech amongst the floor staff must be restricted to a minimum. In case communication is necessary, this must be done in low tones even when guests are not in sight.

2.  Unnecessary movements like running or jumping must be avoided.

3.  The passageway must be kept free of equipment, trays or trollies.

4.  The floor telephones must be attended to promptly.

5.  Room attendants must greet all guests according to the time of the day.

6.  Staff must be helpful and readily give required information. Misleading a guest through misinformation must be avoided.

7.  Alertness to guest movements is necessary so as to report anything suspicious.

8.  Remember the guest is always right. Arguing with a guest is prohibited. If a guest is being unreasonable refer him/her to the next superior.

9.  It is prohibited to enter rooms which display a "Do not disturb" sign outside. If a DND sign is on for a long time, this may be reported to the floor supervisor.

10. The door of the room in which the attendant is cleaning should always be kept wide open.

11. If the guest returns when the room is being cleaned the room attendant may ask the guest if she can continue or come later.

12. In spite of following the procedure for entering a room, if the guest is inside either sleeping or awake, quickly withdraw, apologising if required and shut the door softly.

13. Always follow the procedure of entering a room even if the room is seemingly vacant.

The maids cart is a trolley meant to stock a given number of linen item, supplies and equipment to service an allotted number of rooms. Each maid, after receiving her room assignment, should check her supplies against a standard list to avoid needless trips. The maid is responsible for the condition, cleanliness and appearance of her cart.

The lower shelf of the cart is used to carry heavier items like mattresses, protectors and bed sheets and night spreads. The middle and top shelf stock pillow slips and bath linen. Linen will include:

| | |
|---|---|
| Night spreads | 1 for each bed |
| Sheets | 2 for each bed |
| Pillow cases | 2 for each bed |
| Bath towels | 1 for each guest |
| Face towels | 1 for each guest |
| Hand towels | 1 for/each guest |
| Bath mats | 1 for each bathroom |
| Mattress protectors | few to replace as necessary |

These terms should be arranged in neat stacks, the heavier items below and the lighter ones on top.

The top tray should be neatly arranged with the following guest room supplies and cleaning agents:

| *Room* | *Bathroom* |
|--------|-----------|
| Water tumblers | Gargle tumblers |
| Service directory | Shoe mitts |
| 'Do not disturb' cards | Soaps/soap dish |
| Guest stationery | Toilet rolls |
| Ball point pens | Toilet tissues |
| Telegraph forms | Blade dispensers |
| Bibles/Gita | Shower caps |
| Ash trays | Soap suds |
| Match boxes | Shampoo bottles |
| Laundry forms | Disposal bags |
| Laundry bags | |
| Clothes hangers | |
| Candle stands | |
| Scribbling pads | |
| Guest house rules | |
| Guest comment forms | |
| Sewing kits | |
| Breakfast knob cards | |
| Plastic shirt bags | |
| "Polish my shoe" card | |

In addition, there should be supplies of such promotional material as the management of the hotel may from time to time prescribe. In any event, this material should include:

Room service menu.

Room service beverage list.

Tent cards for special promotion.

In addition, the cart may carry cleaning equipment such as feather brush, dustpan, mops, sponges, dusters, carpet brush or vacuum cleaner, clean scrub bucket, scrub brush on the same end of the maids cart as the trash bag. The exact location is below the trash bag.

The cleaning material will include:

Disinfectants: dettol, deodorizer.

Cleaning agents: Vim, sanitizer (sanifresh), liquid soap (teenopol), naphthealene balls, room freshner and anol.

Polishing material: Brasso, wax polish.

After securing all the supplies and equipment outlined above, each maid should proceed to her duty station and begin the cleaning procedure on the assigned number of rooms with room checklists.

Maid carts are to be placed along the corridor wall on the same side of the corridor where rooms are being serviced. The cart should be so positioned as to service a minimum of two rooms without much movement of the room attendant to minimise trips to the cart and thereby reduce the fatigue factor.

When designing maid carts consideration must be given to the fact that the cart should be lightweight to ensure easy mobility by the maid. Heavy carts also pucker corridor carpets. The wheels of the cart must be of a good standard and well oiled periodically to ensure smooth movement.

| Room No. | Name of Article | Room No. | Name of Article | Remarks |
|---|---|---|---|---|
| 1. | Room number | 2. | Door | |
| 3. | Lock Operation | 4. | Threshold | |
| 5. | Peephole | 6. | DND-Make my room card | |
| 7. | Lights -md switches | 8. | Wardrobe door | |
| 9. | Micro light | 10. | Hangers | |
| 11. | Extra Pillows | 12. | Laundry bags | |

*Contd...*

| Room No. | Name of Article | Room No. | Name of Article | Remarks |
|---|---|---|---|---|
| 13. | A.C. Operation | 14. | Luggage chest | |
| 15. | Lining paper | 16. | Shoe shine card | |
| 17. | Wall paper | 18. | Vestibule ceiling | |
| 19. | Dresser and stool | 20. | Ash tray | |
| 21. | Matches | 22. | Candle and candle stand | |
| 23. | Tent card | 24. | Portfolio | |
| 25. | Guest house rule | 26. | Writing material | |
| 27. | Telegraph form | 28. | Guest comment form | |
| 29. | Room service menu | 30. | Breakfast knobs | |
| 31. | Laundry and Valet list | 32. | Sewing kit | |
| 33. | Plastic bags | 34. | Waste paper basket | |
| 35. | TV and TV programme | 36. | TV Comments form | |
| 37. | Mirrors | 38. | Chairs and tables | |
| 39. | Heavy curtain | 40. | Sheer curtain | |
| 41. | Window operation | 42. | Window Cleaning | |
| 43. | Safety | 44. | Safety bar | |
| 45. | Headrest | 46. | Bed and mattress | |
| 47. | Bed cover | 48. | Studio bed | |
| 49. | Wall plaques | 50. | Bedside table | |
| 51. | Bedside lamp | 52. | Lamp shade | |
| 53. | Telephone | 54. | Message pad | |
| 55. | Service directory | 56. | Pen | |
| 57. | Thermos flask | 58. | High ball glasses | |
| 59. | Telephone | 60. | Gita | |
| 61. | Bible | 62. | Light switch | |
| 63. | A.C. switch | 64. | Message light | |
| 65. | Music operation | 66. | Carpet | |
| 67. | Skirting | 68. | Walls & Ceiling | |
| 69. | Cobweb chicking | 70. | Toilet door | |
| 71. | Toilet door latch | 72. | Bolt | |
| 73. | Robe hook | 74. | Bottle opener | |
| 75. | Washbasin and counter | 76. | Mirror | |

*Contd...*

| Room No. | Name of Article | Room No. | Name of Article | Remarks |
|---|---|---|---|---|
| 77. | Mirror screw caps | 78. | Tissue & blade box | |
| 79. | Soap & soap dish | 80. | Ash tray | |
| 81. | Toilet tumblers | 82. | Shower cap | |
| 83. | Shoe shine strip | 84. | Soap suds | |
| 85. | Toilet rolls | 86. | Spindle | |
| 87. | Tissue | 88. | Waste paper basket | |
| 89. | Disposal bag | 90. | WC | |
| 91. | WC Band | 92. | Flush | |
| 93. | Drain & C.P. grating | 94. | Bath tub/Bath tub stopper | |
| 95. | Bath tub nuts, bolts & caps | 96. | Tap & shower operation | |
| 97. | Shower curtain | 98. | Clothes line | |
| 99. | Bath mug | 100. | Towel rack-Towels-Bath mat | |
| 101. | Chrome fittings | 102. | Tiles & Ceiling | |
| 103. | Toilet marble | 104. | Light fixture | |
| 105. | Prismatic cover | 106. | Tidy Guest clothes & belongings | |

Code G : Good 1 : Needs Improvement P : Poor  N : not done

### *Fig. Room Checklist*

Prior to reporting on a floor the room attendant already knows the status of a room in her given lot of rooms. The room attendant can prioritise rooms to be attended to first on the basis of immediate needs; however, the normal practice is to attend to vacant rooms first, then departure rooms, "Clean my rooms," and finally occupied rooms.

For occupied rooms look whether the room has a "Do not disturb" card on the door knob. If it does, then go to a room which does not. Knock at the door firmly with the index finger knuckle announcing clearly "Housekeeping." When there is no answer, repeat the knock after 10 seconds announcing yourself as before. If there is still no answer open the door with the floor master-key. Push the door again, knock announcing inside

the room "Housekeeping." When there is no reply and one is relatively sure that there is no one in, open the door wide and keep it that way till the entire cleaning cycle in the room is complete.

1. Switch off the room air-conditioner or heating. Draw all curtains and open the windows for airing the room.

2. Remove soiled linen from beds and bath. Shake out the linen to ensure that no guest articles are lost in the folds of linen. Put the soiled linen in the linen hamper provided in the maids cart.

3. Check for maintenance requirements and report the same to the control desk and enter in room check-list.

4. Check for lost and found in departure rooms and report to supervisor desk.

5. Contact Room Service to remove used trays.

6. Turn the mattress side-to-side on succeeding days followed by end-to-end turning. Smooth out mattress to air it.

7. If a vacuum cleaner is not available, brush the carpet first to enable the dust to settle while doing the next task.

8. Clean bathroom.

9. Empty all ash trays into the waste paper basket in the room. Collect other loose trash on tables and floors and throw them in the waste paper basket.

10. Pick up guest clothes and hang in closet or place in dresser.

11. Collect all loose papers or magazines and stack them neatly on the desk.

12. Clean all the surfaces in single circular motions with a dry cloth. Use a hand dust pan to collect any unwanted matter on the surfaces without lifting dust in the air.

Ensure that all surfaces are spotlessly clean. Pay special attention to nooks and corners especially those points that may not obviously be visible to the guest eye.

13. Use a stiff upholstery brush or vacuum cleaner (with the appropriate attachment) on upholstered furniture arms, backs and seats.

14. Replace, if necessary, stationery as prescribed by management. The number of items must exactly be as per standard.

15. Dust and replace each item on dressers, bureaus and desks. Special attention must be given to the display of publicity material as prescribed by the management.

16. Clean lamp shades with a clean dry duster. Lift lamps and clean under the base. Replace lamp and adjust the shade.

17. Disinfect telephone mouthpiece with dettol. Wipe balance of the telephone with a damp cloth. Check phone for the dial tone.

18. Clean mirror with a dry cloth first and then with a damp newspaper to make it sparkling.

19. Dust closet, shelves, hangers and rods. Brush the closet floor. Supply new laundry bags and replace missing hangers and drawers/shelf with plastic or paper liners.

20. Dust both sides of all room doors, baseboards, window sills, inside and out, bottom and centre sashes or windows, sash rails and tops of radiators and air-conditioning units.

21. Close windows.

22. If a vacuum cleaner is available then vacuuming of carpet should be done at this stage as against brushing the carpet.

23. Arrange furniture if necessary.

24. Switch on the air-conditioning or heating on the minimum temperature for a departure room and at the same temperature the guest has left it for an occupied room.

25. Have a last look at the room referring to the checklist for completion of work.

### *Making a Bed*

1. Remove soiled sheets and pillow cases and shake out individually.

2. Turn out mattress as previously described.

3. Shake out mattress protector and relay it on the mattress. Change the protector if soiled or smelling.

4. Open out fresh lower sheet evenly and tuck it securely at the head, foot and sides.

5. Open out fresh top sheet and distribute it evenly over the lower bedsheet. Ensure that the laundry crease is in the same line as the inner sheet for even distribution. The sheet hem should be evenly pulled up to the headboard. Tuck this sheet at the foot.

6. Open out blanket and distribute it evenly on the top sheet using the crease as described earlier for even distribution. Ensure that the blanket labels are at the foot. Pull the blanket four inches from the headboard.

7. Fold top sheet, at the head of the bed, over the blanket and fold the sheet and blanket once again.

8. The blanket and top sheet are together tucked uniformly on both sides while the corners at the foot of the old are mitred.

9. Cover pillows with fresh pillow slips. Fluff the pillow and even out pillow slips to look neat and tidy. Since pillow slips are larger than the pillow the excess slip should be neatly folded downward. The side of the pillow which has the fold should be away from guest view.

10. Cover completed bed with the bed spread ensuring it is right side up and falling evenly all around the bed. Keep extra bed spread towards the head board to crease in between the pillows so as to make the bed look appealing. The bed spread corners should be aesthetically done.

11. Put spare blankets in plastic bags in the uppermost or lowermost shelf in the guest closet. Blankets are folded in such a manner that the hotel insignia appears on the top.

Certain areas in the room or bathroom elude the maid's attention and tend to accumulate dust. Such areas are normally hidden from a guest's eye. However, its cleanliness reflects the standard of cleaning of the hotel. Experience shows that the following areas are overlooked and appropriately called the "dirty dozen."

1. Top of door edges and ceiling.
2. Air-conditioning ducts and diffuser grills.
3. Under bathroom counters.
4. Beneath the grab-bar and dresser table.
5. Behind the WC bowl—the Strap.
6. In the toilet roll niche.
7. Faucet nozzle filter.
8. Toilet vents.
9. Top of picture frames.
10. Area above pillow racks.
11. Rear surface of doors.
12. Interior surfaces of drawers.

***Cleaning a Bathroom :*** Basic principles:

(a) Cleaning activity starts from the ceiling downwards to the floor.

(b) Floors are cleaned from the wall farthest to the door to the exit.

1. Open all windows and exhaust vents.

2. Shake out all soiled bathroom linen, e.g. towels, bathroom mats. etc. and deposit in the linen hamper of the maids cart.

3. Collect all trash in bathroom waste basket and deposit in trash hamper of the maids cart.

4. Clean the ceiling and air-conditioning vents for cobwebs.

5. Wipe off light bulbs and shades with a dry cloth. Check that all bulbs are working.

6. Wipe down the walls using a sponge or damp cloth. Follow with a dry cloth ensuring that tiles are free of water marks.

7. Clean mirror first with dry cloth, then with damp newspaper and finally with dry cloth. Ensure that the mirror is smudge and scar-free. Clean the medicine cabinet.

8. Wipe dry the shower curtain with a sponge.

9. Scrub dry the area next to the wash basin.

10. Scrub and clean dry the bath tub ensuring that the water faucets and shower are sparkling and in working condition.

11. Scrub the toilet bowl and bidet using the special brush or mop and the prescribed sanitizer. The inner rim should be cleaned. Ensure it is dry and spotless inside. Clean the WC from the outside with a sponge till it is sparkling and dry. Clean the lid and toilet seat of the toilet bowl dry and close them by placing the disinfectant label.

12. Replenish fresh bath linen and guest supplies as per the number of persons in the room at the following number per person.

| *Linen* | *Supplies* |
| --- | --- |
| One bath towel | 2 toilet rolls |
| One face towel | 1 bathroom tumbler per person |
| One hand towel | 1 soap dish |
| One bath mat | 2 soaps per guest (25 g each) |
|  | 1 candle stand with candle |
|  | 1 ash tray with a match box |
|  | 1 shoe mit |
|  | 1 soap sud satchel per person |
|  | 1 shower cap per person |
|  | 2 disposal bags |
|  | 1 blade dispenser |
|  | 1 face tissue box |
|  | 1 waste basket |

Place advertising material as prescribed.

13. Scrub the floor with the prescribed mop and ensure it is dry.

14. Finally close the windows, shut all lights and close the bathroom doors.

**Note:** In occupied rooms, when cleaning the counter around the wash basin, collect all guest belongings onto one side and clean the other. Shift the belongings to the other side to clean the surface they were occupying. Finally replace all belongings as the guest had left them.

As Housekeeping has contact with all rooms and public areas practically in every shift, it is they who detect, report and ensure the completion of all maintenance work. This requires close coordination with the Engineering Department. It is important for housekeeping personnel to know the exact discipline

under Engineering that various maintenances come. Given below are some suggestions.

Air-conditioning or heating, fused bulbs, lights and lamps not working, defective plugs and plug points, short circuiting of any kind, faulty geysers and refrigerators.

For supply of hot water to guest bathrooms.

Faulty equipment of any kind would come under this category, e.g. vacuum cleaners, ice cube machines.

Faulty taps, showers, drainage systems, water closets, etc.

Any masonry work.

Broken or shaky furniture, mirrors, woodwork, cupboards, etc.

In addition to the above the locksmith is a specialist who attends to locks and keys of any kind.

The moment a housekeeping member detects a maintenance requirement he or she must call the Housekeeping Desk and lodge the complaint, clearly stating the nature of complaint, the kind of assistance required and the exact location of the complaint. The attendant at the Housekeeping Desk will then prepare a "Maintenance Order" which is handed over to the Engineering Control Room. The Engineering Control Room, classifies the complaints and gives "work orders" to the concerned mechanic, carpenter, plumber, etc. who would go on his round of attending to such complaints.

The room attendants role is to open the guest room where maintenance is required and under his/her supervision ensure that the maintenance work is complete in all respects. Only when housekeeping is satisfied will they sign the "work order" slip in acknowledgement that the work is complete.

From : Housekeeping Dept.      To : Engineering Dept.

Please do the Following.

Room ...................    Date ....................    Time ..............

## Electrical

| Dresser Lamp | Passage Light W.robe Light | Bath room Light | Long mirror Light | Shaver Socket | Switch Plates | Fan coil | Room Status Light socket | Fire alarm sensor |
|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |

## Plumbing

| Shower rose | Tub stopper | Tub mixer | Hot water tap | Basin waster | Cold water tap | Flush valve | Floor drain c.p. gr. |  |
|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |

### Carpentry/Misc.                                    Others (Specify)

| Curt: railing | Ward robe |  |
|---|---|---|
|  |  |  |

| Music/ T.V./ Locks/ Mirrors/ Shade |
|---|
|  |

### Fig. Maintenance Order

Job completed by................ date............... time...............

## HOTEL ABC
## Work Order

From : Housekeeping Dept.      To : Engineering Dept.

Please do the Following.

Room ..................   Date ....................   Time .............

## Electrical

| Dresser Lamp | Passage Light W.robe Light | Bath room Light N    E | Long mirror Light | Shaver Socket | Switch Plates | Fan coil | Room Status Light socket | Fire alarm sensor |
|---|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |  |

**Plumbing**

| Shower rose | Tub stopper | Tub mixer | Hot water tap | Basin waster | Cold water tap | Flush valve | Floor drain c.p. gr. | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

**Carpentry/Misc.**                    **Others (Specify)**

| Curt: railing | Ward robe | | Music/ T.V./ Locks/ Mirrors/ Shade |
|---|---|---|---|
| | | | |

Job completed by....................... date..........time..............

**Work Order**

In hotels, normally the bulk of room cleaning should have been done in the morning shift. The exception would be rooms with the "Do not disturb" sign. Such rooms are normally occupied by late night/early morning arrivals by international flights. All rooms, however, require an evening service mostly to prepare the room for the night. This service should be done prior to the guest retiring for the night. Following is the procedure:

1. Knock at the door and enter the room as per the procedure mentioned earlier.

2. Put floor lights switch on mainly to ensure that all lamp bulbs are functioning.

3. Draw the heavy curtains.

4. Hang guest clothes if lying around.

5. Take off bed cover, fold neatly and store in the room cupboard, either in the topmost or lowermost shelf.

6. Fold one corner of the blanket to enable a guest to slide into bed.

7. Place the breakfast knob order card along with posette/chocolate/sweet as prescribed on the pillow.

8.  Remove soiled glasses and bottles if any. Replenish fresh glasses and fill the water flask with drinking water.

9.  Empty and clean ash trays and waste basket.

10. Replace soiled towels.

11. Replenish missing toiletries and other supplies.

12. Set climate control as directed.

13. Turn out all lights except the passage lamp/night lamp as prescribed.

14. Lock the door properly.

This is a service provided on the specific request of a guest. This normally happens when a guest has/had a party or meeting in his room and would like his room to be put in order as a consequence. The following matters would normally be attended to:

1.  Remove soiled dishes, bottles and glasses.

2.  Remove room service trays, if any.

3.  Wash the room where necessary.

4.  Replace used guest supplies.

5.  Empty and clean ash trays and waste basket.

6.  Arrange the bed properly.

7.  Replace soiled bathroom linen.

8.  Flush the toilet bowl and dry the area around the sink.

9.  Use air-refresher if necessary.

10. Replace water-tumblers and fill water flasks with fresh water.

One of the important qualities of a room attendant is an eye for detail. The management reinforces this quality through training as well as providing a room checklist to ensure that all matters in a room cleaning are covered. Such matters can be handled by the room attendant directly. However, there are certain other matters that a room attendant must report as per rules and

regulations of the department in most cases. This lesson attempts to aid the room attendant in reviewing matters that are required to be reported.

This refers to occupied rooms without luggage. While the housekeeping report would reflect this it is important to immediately report this matter to the Floor Supervisor. A room with this status would either mean an unauthorised occupancy or a person who could slip out of the hotel without paying his bill. The luggage of a guest is normally the only security the hotel has in the event of a guest not being able to- pay his bill. A guest without luggage is therefore of concern to the hotel management.

This is a room which has small light luggage that could be carried by hand without indicating an obvious departure should a guest walk out with it. Scanty baggage is of the same concern to management as no baggage.

An alert room attendant would know her allotted rooms very well. It is thus easy to detect any damage by guests to hotel property or property missing in a room. Reporting this immediately especially in the case of "departure rooms" could enable the hotel management to levy a charge on the guest or take any security actions.

A room attendant would know the status of how many people are occupying a room. An obvious way is by the number of beds used in a twin or double room or by clothes and bath linen used. It is quite possible that a room sold as single occupancy shows double occupancy. This must be reported as routine. The guest may legitimately have someone join him or her and is paying for it. But the management is concerned if the guest is paying for single occupancy and the room shows double occupancy.

Hotels as a policy normally do not permit guests to keep pets in the rooms as they disturb other guests. For this hotels have arrangement for kennels for housepets. There are some

guests who may smuggle a pet into the room. The room attendant should report this immediately.

Room attendants would recognise by and large the occupants of rooms in their charge and should be able to decipher who a genuine visitor is as against someone suspicious. The room attendant must alert the Floor Super visor even if she has the slightest suspicion. The same would go for guests misbehaving with staff or other guests or creating noise that disturbs other guests.

It is obvious that guests who are unwell require immediate medical attention.

The room attendant must report a DND sign outside a room for an unusually long time. It is possible that a guest is seriously ill or up to something not permitted by the hotel.

A guest may request for a change of room. This must be reported immediately so that the occupancy status can be rectified both by Housekeeping and the Front Office.

There are guests who will offer praise or criticism on the standard of his room or stay. This must be reported so as to recognise the person or department or rectify a mistake where applicable.

This is important as it could effect the sanitation standards of the hotel. An immediate effort towards pest control could redeem a lost situation.

These could be a potential hazard.

In addition to the above, the room attendant should report as part of her duties, lost and found articles, maintenance requirements and room service trays left in the room to the appropriate department to ensure a clean, safe and efficient room.

In addition to her daily cleaning routine, a room attendant normally has some cleaning chores that are of a time-consuming

nature. Such items may sometimes be beyond her physical capacity and need the assistance of the Houseman. Such tasks are:

1. Polishing brassware.
2. Scrubbing of bathroom tiles.
3. Pest control.
4. Laundering of lace curtains.
5. Scrubbing of shower curtains.
6. Cleaning of window panes.
7. Scrubbing of balconies/terraces.
8. Vacuuming of carpets under heavy furniture.
9. Changing paper underliners in guest closets, and drawers.
10. Cycling potted plants with the nursery.

The weekly schedule is set out by the Floor Supervisor who controls this activity through a register in a format as shown in Fig. below.

### Week Beginning

| Room No. | Brasso | Bathroom Tiles | Window Panes | Balcony | Pest Central |
|----------|--------|----------------|--------------|---------|--------------|
| 101<br>102<br>103 | Date done | Date done | | | |

### Weekly Cleaning Register

The management may stipulate a preventive maintenance cycle for all rooms or a room may be taken over by the Maintenance Department for a major maintenance job like painting or masonry work. In such cases there is a procedure to be followed:

1. Inform the Housekeeping Desk and/or Front Office that the room has been taken for repair and should not be sold.

2. Call the tailor and have the curtains removed and sent to the linen room.

3. Send lamp shades, bed covers, skirtings, linen, guest supplies, etc. to the floor pantry or linen room.

4. Cover the telephone with polythene or disconnect it.

5. Seal taps of sinks and water closet.

6. Disconnect the radio/music system and cover them with polythene bags if not portable. Otherwise remove to the floor pantry or music room.

7. Furniture that has upholstery is sent to the upholstery yard for shampooing or mending. Other furniture is sent to the floor linen room and covered with discarded linen.

8. All carpets are rolled up by Housemen and sent for shampooing.

9. Potted plants are given back to the nursery.

10. All drawers should be removed and stored.

*Note:* All articles should be labelled so as to indicate which room they have been withdrawn from.

*Room Report :* Room Report (Fig.) is prepared in triplicate by the Housekeeping Department, each shift as an independent check on occupancy. This report is prepared by the Floor Supervisor or a designated room attendant and is sent to the Housekeeping Desk who make a consolidated report of all floors or directly to the Front Office who tally the report with their room rack as a check on unauthorised occupancies or inadvertent mistakes in recording a room occupancy. In case of discrepancies the Front Office should make a physical check of the room to establish the correct occupancy status. Of the three copies, the original is sent to Front Office, the first copy to Accounts and the second copy is kept by Housekeeping as a record.

The Room Report is basically a list of room numbers against which the Housekeeping Supervisor indicates, by a prescribed

code, the status of a particular room. The codes may vary from hotel to hotel but the basic information and intention is the same. Typical codes are:

| Floor Room No. | No. of Guests | Code | Room No. | No. of Guests | Code |
|---|---|---|---|---|---|
| 01 | | | 26 | | |
| 02 | | | 27 | | |
| 03 | | | 28 | | |
| 04 | | | 29 | | |
| 05 | | | 30 | | |
| 06 | | | 31 | | |
| 07 | | | 32 | | |
| 08 | | | 33 | | |
| 09 | | | 34 | | |
| 10 | | | 35 | | |
| 11 | | | 36 | | |
| 12 | | | 37 | | |
| 13 | | | 38 | | |
| 14 | | | 39 | | |
| 15 | | | 40 | | |
| 16 | | | 41 | | |
| 17 | | | 42 | | |
| 18 | | | 43 | | |
| 19 | | | 44 | | |
| 20 | | | 45 | | |
| 22 | | | 46 | | |
| 23 | | | 47 | | |
| 24 | | | 48 | | |
| 25 | | | 50 | | |

O—Occupied     L—Luggage     Bed Unused
V—Vacant     N—Occupied     No-Luggage
        R—Repairs

| Day | Month | | Hour | AM PM |
|---|---|---|---|---|

Room Assistant .........................

**Room Report**

| Code | Status |
|---|---|
| O | Occupied |
| V | Vacant |
| DND | "Do not Disturb" sign on |

*Contd...*

| Code | Status |
|------|--------|
| L | Luggage in Room but Bed Unused |
| UR | Under Repair |
| N | Occupied but no Luggage |
| SB | Scanty Baggage |
| OOO | Out of Order |
| DL | Double Lock |
| NC | Not Cleared Though Departure has Taken Place |

***Linen and Uniform Room :*** The Linen Room usually serves as the base of operations for most housekeeping departments and is usually under the control of a supervisor who has the responsibility for issues and control of all linen. Usually affiliated with the Linen Room are sub-departments for uniforms and linen repair.

Linen rooms are of two types depending upon the size and complexity of the individual hotel. Type "A" represents centralised distribution in which all issues are made from the Linen Room and complete control is vested in the Linen Room Supervisor who may issue on a par basis for the number of rooms assigned to each maid or who may issue on an exchange basis holding the maid responsible for returning to the Linen Room the exact number of pieces both clean and soiled as the original issue of clean linen. This system is highly satisfactory and should be used where potential pilferage presents a problem. Type "B" linen rooms are decentralised. The main Linen Room in this kind of situation stocks clean linen for replenishing floor pantries or for handling unusual occupancy situations or laundry break-downs. Floor linen pantries carry par stocks and linen sufficient to serve a number of rooms which the closet is designed for. Floor linen closets are replenished up to par by the Linen Supervisor.

Figures below give typical layouts of a Linen and Uniform Room respectively. Smaller hotels who find the volume of linen and Uniforms manageable may have a single room. In all cases there are storage conditions to be fulfilled.
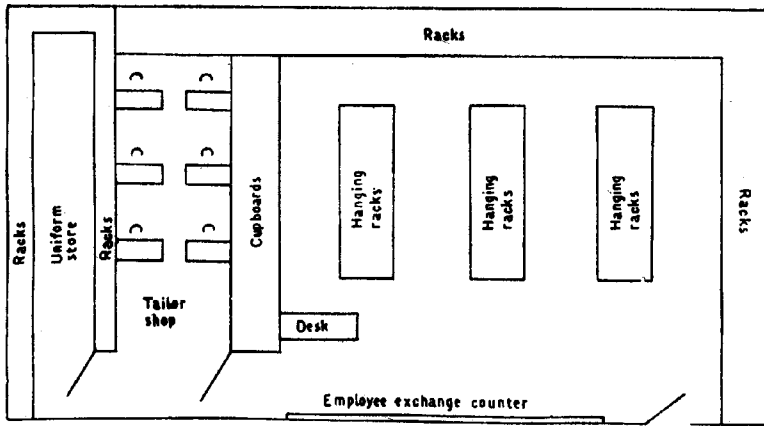


**Fig.**
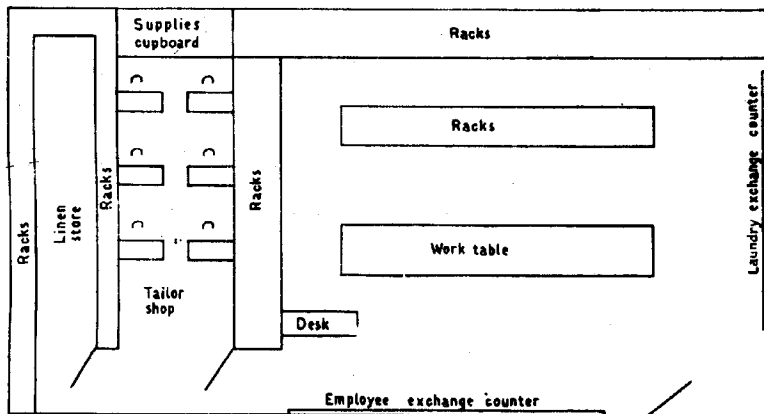


**Fig.**

### Storage Conditions

1.  The rooms must be so constructed as to eliminate the possibility of damage by insects:

2.  The room must be well-ventilated, cool and dry.

3. Hot water or steam pipes should not run through the linen and uniform rooms. The rooms should also be protected against dampness, sunlight and chemical fumes.

4. Properly designed racks should be used so that rust and white ants do not get to the materials. The last shelf of the rack should be at least six inches above the floor.

5. The room should have only one entry/exit for security purposes.

6. The room should be so located as to be easily accessible to all employees as well as the laundry.

7. The room should have a counter for the exchange of linen/uniforms.

8. The rooms should be periodically subject to pest control schedules.

## *Some Storage Tips and Practices*

1. Uniforms of better quality materials should preferably be hung in cupboards.

2. Uniforms made of cheaper materials (used by back of the house personnel) should be separated size-wise and stacked in racks.

3. Restaurant and room linen should be arranged by size and neatly stacked in shelves—heavier items in lower shelves.

4. Small items like gloves, caps, ties, bows, etc. should be kept in closed cupboards.

5. Soiled uniforms and linen should always be dumped into a hamper.

6. Cotton items like sheets, pillow cases, table cloths, etc. should not be stored for a long time unless they are washed to remove starch. Starch or finishing chemicals attract insects and make fabric dry and brittle which may have a tendency to turn pink.

7. Coloured bonnaza embroidery or indelible inks should be laundered before storing to avoid discolouration.

8. For long-term storage, wrap items in plastic foils or pack in paperlined cartons after washing. Dark paper is preferred to preserve colour. Wrap loosely to permit air to circulate in fabric.

9. Woollen items must be washed before storage. They should be wrapped and sealed in air-tight plastic foil.

### *Equipment and Accessories for Linen and Uniform Rooms*

| | | |
|---|---|---|
| 1. | Trollies | For transporting linen/uniforms to and from the laundry. |
| 2. | Ladders | For reaching higher shelves of racks and cupboards. |
| 3. | Cupboards | For storing high quality linen/uniforms. |
| 4. | Racks | For storing common linen and uniforms. |
| 5. | Mobile Uniform Stand | For transporting uniforms that are hung on hangers. |
| 6. | Sewing Machines | For mending of linen and uniforms. |
| 7. | Hanging Racks | To hand uniforms that cannot be folded and stored. |
| 8. | Hangers | For hanging uniforms. |
| 9. | Coat Brushes | Used for brushing dust off uniforms. |
| 10. | Hampers | For dumping soiled uniforms and linen till the time they are sent to the laundry. |
| 11. | Linen Bags | For separating linen/uniform item-wise till they are given to the laundry. |
| 12. | Plastic and Paper Bags | For packing unused linen and uniforms. |
| 13. | Folding Tables | For folding uniforms and linen. |

### *Types of Uniforms Used*

| | |
|---|---|
| Aprons | For cooks and utility workers |
| Blouses | For Housekeeping, Front Office, lady staff and Hostesses. |
| Belt | For parking attendant, doorman and lady captain. |
| Bell Bottoms | For room attendant, Health club and lady staff. |
| Bush Shirts | For health Club, laundry and pool area staff. |
| Bows | For managers—black. |
| Dungarees | For engineering technicians and housemen. |
| Caps | For parking attendants, drivers, utility workers and cooks. |
| Coats | For stewards, cooks, utility workers, captains, receptionists, gardeners and housemen. |
| Churidars | For doormen. |
| Gloves | For stewards. |
| Gumboots | For Kitchen stewarding, Laundry, Horticulture and Engineering staff. |
| Jackets | For bell captains and restaurant captains. |
| Rubber Slippers | For the silver polisher. |
| Kameez/Kurta | For room attendants and health club masseusers. |
| Ladies Shoes | For room attendants. |
| Long Coats | For the cashier, laundry supervisor, house doctor and kitchen stewards. |

| | |
|---|---|
| Woollen Overcoat | For security personnel. |
| Pullover | For security and horticulture personnel. |
| Raincoat | For doormen, parking attendants and security personnel. |
| Scarf | For cooks. |
| Saree | For hostess, housekeeping supervisors and front office staff. |
| Salwaars | For room attendants. |
| Shoes—Leather | For doormen and parking attendants. |
| —Loafers | For markers, housemen, security guards, kitchen personnel, engineering technicians. |
| Trousers | For cooks, utility workers, stewards, captains, receptionists lobby staff. |
| Turbans | For the doorman. |
| Turras | For the doorman. |
| Ties | For managers and front of the house personnel. |
| Umbrellas | For security personnel, parking attendants and doormen. |

### Types of Linen Used

| | |
|---|---|
| Bath Rug | 24" x 42" |
| Bath Towels | 25" x 45" |
| Blanket | 72'x108' |
| Bed Spread | 72'x 108" |
| Dusters | 22' x 22' |
| Hand Towels | 6" x 74' |
| Face Cloth | 9½"x 10½" |

| Moultan | 72" x 104' |
| Mattress Protector | 64" x 96" (single) |
| Table Napkins | 21" x 21", Tea, 12" x 12" |
| Pillow Slips | 24" x 32" |
| Pool Towel | 36" x 80" |
| Staff Towel | 36" x 62" |
| Bed Sheets | 72" x 108" |
| Table Cloths | 90" x 90", 45"x45", 54"x54", 58"x62" |
| | 64"x64", 72"x78", 72" x 104", 72" x 240" |
| | 45" x 45" |
| Tray Cloth | 16" x 27" |
| Tea Cosy Cover | As per size of the cosy |
| Waiter's Cloth | 18" x 27" |

Par stock is the minimum linen and uniforms required to meet the daily demands so as to ensure smooth operations.

### Importance of Par Stock

1. To make correct and efficient investment of capital.
2. To prevent overstocking and thereby avoid chances of spoilage during storage, storage space problems, etc.
3. To ensure proper supply at all times.
4. To help in effective budgeting.
5. To simplify inventory taking.
6. To bring about manageable control.

### How to Establish Par Stock

| Linen | Determine the requirement of each guest room and restaurant per shift. This is multiplied four times as per cycle mentioned below: |

One change in circulation.

One change in the housekeeping stores.

One change in the laundry.

One change in the linen room.

Uniforms    The par stock of uniforms is decided on the basis of :

(a) cloth material;

(b) job position and the nature of jobs.

Four changes are kept for uniforms changed daily such as steward's coats, utility workers' uniforms, etc. on the following basis;

One change in circulation.

One change in the laundry.

One change in the Uniform Room.

One change in the Housekeeping Store.

Three changes are kept for uniforms changed on every alternate day. Terry cotton and woollen uniforms have two changes kept as par stocks.

Since uniforms and linen are heavy investments it is necessary to keep a close control on this very important asset. Effective control is possible through the following practices:

(a) Control on misuse, shortages and mix-ups.

(b) Proper storage.

(c) Regular stock-taking.

(d) Spot checks.

(e) Proper supervision.

To prevent damage of linen and uniforms the following tips need to be kept in mind.

1. Check for faulty linen chutes, carts, baskets, washers, etc. which might tear linen and uniforms.

2. Losses of small pieces of linen can be avoided by keeping mesh bags at strategic points for passing employees.

3. Put restrictions on the misuse of linen by employees by inspecting employee locker rooms or fining them for misuse.

4. Laundry should be careful not to put excessive amount of bleach powder. The usual amount is 1% bleach per 100 lb of linen. Also bleach powder could be damaging at washing temperatures higher than 150°F.

5. Linen should be exchanged strictly on a one to one basis.

6. Damp white linen/uniforms should not lie on concrete or iron. Concrete stains are almost impossible to remove. Iron rust may cause holes at the point of contact after washing.

7. Employees must not wipe spilled medicines or other spillage with white linen. They should use dusters specifically provided for the purpose.

8. Laundry should load washing machines properly. Underloading could 'beat up' the linen. Hydro-extractors on high speed operation could tear fabrics. Laundry tumblers should be checked regularly for pins, paper clips, etc. that could prick holes into fabric. Proper pressure and heat must be kept on all irons as it could cause burn stains.

Stock-taking is the physical verification by counting of stocks of all items in the cycle at periodic intervals or at the time of closing of books for valuation purposes or for the accuracy of recording entries in books, so that the overages or shortages can be found out by a variance in physical balances and the accounts inventory ledger balance.

1. Physical counting is done after every three months and is also known as quarterly inventory.

2. All items are segregated and grouped (including discards).

3. Counting of items in circulation and in store is separately done and added together.

4. Discards are stamped "condemned" kept aside.

5. Counted total should tally with last inventory figures plus issues received after that.

6. Inventory must be conducted in the presence of the Housekeeper, Accounts Kardex Clerk and the auditor.

7. Stock-taking is taken as per three groupings each on a separate day: (i) Uniforms (ii) Room linen (iii) Restaurant linen

Figure gives the Room Linen Inventory Form in which stock figures are taken.

| Floor No ............... | | | | | | Floor Supervisor ................... | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Room Nos | Sheets | Pillow Slips | Night Bed Spreads | Mattress Protectors | Bath Towels | Wash/ Face Cloth | Hand Towels | Bath Mats | Bath Rugs | Blankets |
| 101 | | | | | | | | | | |
| 102 | | | | | | | | | | |
| 103 | | | | | | | | | | |
| 104 | | | | | | | | | | |
| 105 | | | | | | | | | | |
| 106 | | | | | | | | | | |
| 107 | | | | | | | | | | |
| 108 | | | | | | | | | | |
| 109 | | | | | | | | | | |
| 110 | | | | | | | | | | |

*Room Linen Inventory Form*

This is a critical function of Linen/Uniform Room. To make the exchange more orderly specific timings are given to each department. Also linen/uniform are exchanged strictly on a one to one basis. Following is the procedure for exchange:

### Procedure of Exchange

1. Room linen is either directly received by the laundry or by the linen room.

2. In either case, the Floor Supervisor physically counts

each soiled item on the floor and enters the figures into the Room Linen contract sheet.

3.  Two copies of the room linen control sheet are sent with the hamper of soiled linen to the laundry or Linen Room.

4.  The Laundry Supervisor or Linen Supervisor, whoever is responsible, recounts the soiled linen brought down and verifies with the Room Linen Control Sheet. The concerned supervisor then stamps "Received" after the tally and returns one copy while the third copy is retained by him/her. If the Laundry Supervisor is directly receiving the laundry he/she then sends the second copy to the Linen Supervisor while retaining the third copy himself.

5.  Against the Room Linen Control Sheet the Linen Supervisor issues fresh linen on a one-to-one basis. In case the Linen Room is short of fresh linen at the point of time then he/she enters the balance due on the Room Linen Control Sheet and issues the shortfall in the next lot.

| Floor No................... Time ............................ Date................. | | | | |
|---|---|---|---|---|
| Articles | Sent by Floor | Received by Laundry | Sent to Floor | Balance |
| Sheets<br>Pillow Slips<br>Bath Towels<br>Face Towels<br>Bath Mats<br>Face Cloths<br>Night Spreads<br>Mattress Protectors<br>Bed Spreads<br>Sofa Covers<br>Shower Curtains<br>Blankets<br>Bath Rugs<br>Dusters | Signature | Signature | Signature | Signature |

**Room Linen Control Form**

1. In the case of a new employee, uniforms are issued against a specific authorisation letter received from the Personnel Department.
2. For regular employees ensure that they have arrived at the stipulated time.
3. Check uniforms for damages.
4. Issue fresh uniforms strictly on a one to one basis ensuring the uniform is of the correct size and name if the uniform is specially tailored for a person.

*Note:* If the soiled uniform received is damaged and can be mended warn the employee. If the uniform cannot be mended report the matter to the supervisor. If the employee is a chronic offender the amount can be charged to his personal account.

| | Date ................................. | | | |
|---|---|---|---|---|
| ........ | Par Stock | Soiled Linen | Fresh Linen | Difference to be Rectified |
| | | | | |

**Food and Beverage Linen Exchange Form**

1. Make sure that the person exchanging linen has come in the stipulated time.

2. Check soiled linen received for damages.

3. Count every item, verify with the Food and Beverage Linen Exchange Form.

4. Enter the figures into a Linen Exchange Register especially kept for food and beverage outlets.

5. Give the same number of fresh items in exchange and enter the figures in the Linen Exchange Register.

6. Forward the soiled linen to Laundry for washing by physically counting each item in front of the Laundry Supervisor.

The uniforms/linen are sorted/separated as per size, department, quality, kind and physically counted in the presence of the Laundry Supervisor and handed over. Uniforms for dry cleaning are submitted against a Daily Delivery of Uniforms Form; room linen against the Linen Control Sheet and restaurant linen against the Soiled Linen Exchange Register. In all cases the Laundry Supervisor's signature is taken.

1. Room linen is received from the laundry on the basis of figures shown in the copy of the Room Linen Control Sheet received and stamped by the Laundry Supervisor.

2. Restaurant linen is received on the basis of figures in the Linen Exchange Register earlier filled in when exchanging with the restaurant staff.

3. Uniforms for dry cleaning are received with the help of figures shown in the Daily Delivery of Uniforms Form filled in earlier when giving uniforms for dry cleaning.

4. Linen is received from the Laundry in lots as and when it is ready. Each type of linen is totalled and filled in the Inventory of Room Linen Form. The difference in items due from the Laundry is established by comparing the totals of the above form with the totals in the second

copy of the Linen Control Sheet (for room linen) and the Linen Exchange Register (for restaurant linen). These two figures (i.e. soiled/delivered to the laundry and fresh/received) are noted down in a register for every item every day. On the closing day of the month the total shortage from the laundry is worked out. The linen and uniforms are segregated and stored in their respective places.

| Items | `Total Balance B.F. | To Laundry | From Laundry | Balance | To Laundry | From Laundry | Balance | To Laundry | From Laundry | Balance | Total Balance C..F. | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Housekeeping** | | | | | | | | | | | | |
| Ladies Shirts | | | | | | | | | | | | |
| Ladies Trousers | | | | | | | | | | | | |
| Blouses | | | | | | | | | | | | |
| Saris | | | | | | | | | | | | |
| Dungarees | | | | | | | | | | | | |
| **Food and Beverage** | | | | | | | | | | | | |
| Cook Coats | | | | | | | | | | | | |
| Cook Trousers | | | | | | | | | | | | |
| Cook Caps | | | | | | | | | | | | |
| Cook Aprons | | | | | | | | | | | | |
| Cook Scarf | | | | | | | | | | | | |
| Utility Worker Coats | | | | | | | | | | | | |
| Utility Worker Trousers | | | | | | | | | | | | |
| Utility Worker Caps | | | | | | | | | | | | |

This room should be under the direct supervision of the Executive Housekeeper and should be used to store all power cleaning equipment such as scrubbing and polishing machines and vacuum cleaners and their accessories. The room should also be used to contain one week's supply of cleaning materials such as soaps, detergents, and polishers and one week's supply of small cleaning tools such as mop handles, mop heads, sponges, chamois, brooms, brushes, carpet sweepers, buckets, etc. This room should also carry a week's supply of guest room standard supplies including soaps, matches, stationery, toilet paper, face tissue, laundry bags, etc. All of these items should be neatly arranged on labelled shelving so that replacements are always kept in the same location. This room should be stocked weekly from the General Store by written requisition. If the Housekeeper retains a copy of the requisition or requests

that the store room return the duplicate requisition with each item properly priced, she will be in a better position to control her departmental costs and to assist in the formulation of forecasts for supplies consumption.

*Floor Linen Room :* The floor linen room is a store that stocks linen and supplies for rooms on a given floor. It is normally situated away from guest view such as the service elevator landing or the end of a floor. The room should be a cool, dry place away from the steam pipes and dust. The floor linen room normally has the following equipments.

1. Cupboards for guest and cleaning supplies, blankets, pillows and mattress protectors.

2. Shelves for Linen Room and bath, used newspapers and magazines, used bottles and vacuum cleaners.

3. Janitors closet for cleaning equipments with long handles, e.g. mops and also waste baskets, buckets, etc.

4. Wooden linen hampers for coiled linen received from various maids carts on the floor, before sending the linen to the laundry.

5. Spaces for maids carts, baby cots and roll-away beds.

6. Sink for flower arrangements and disinfecting tumblers.

The floor linen room should be kept locked at all times as expensive assets like linen, guest supplies, etc. are stored here. The room should be clean at all times especially when the staff go off-duty.

1. Soiled linen is sorted according to types, counted and recorded in the room linen Control Sheet in triplicate. It is signed by the Floor Supervisor.

2. The Houseman takes two copies with the soiled linen to the laundry directly.

3. The Laundry Supervisor re-counts the items, and tallies with the Room Linen Control Sheet.

4. The Laundry Supervisor retains one copy after signing the Control Sheet and the Houseman takes the third copy to the Linen Supervisor for fresh supplies.

5. The Floor Supervisor replenishes fresh linen against figures indicated in the Room Linen Control Sheet. If there is a shortage of supply at that point of time, this is recorded in the "Balance" column of the Linen Control Sheet to be recovered whenever the Linen Supervisor has adequate stock.

## Basic Principles

(a) Requisitioning should be done strictly against consumption.

(b) Weekly Stores List must be prepared and presented on the day in the week specially designated for the purpose.

### Room Linen Control

| Floor No ................................<br>Bag No ................................ | | | Date ................................<br>Time ................................ | |
|---|---|---|---|---|
| Articles | Sent by Floor | Received by Laundry | Sent to Floor | Balance |
| 1. Bed Sheets<br>2. L. Bed Sheets<br>3. Night Spreads<br>4. Large Night Bed Spreads<br>5. Pillow Slips<br>6. Bath Towels<br>7. Hand Towels<br>8. Face Cloth<br>9. Bath Mats<br>10. Mattress Protectors (S)<br>11. Mattress Protectors (D)<br>12. Bed Spreads<br>13. Shower Curtains<br>14. Blankets<br>15. Dusters | Signature | Signature | Signature | Signature |

**Room Linen Control**

**Notes:**

1. Requisitioning is done on a weekly basis.
2. Each floor linen room is given a par-stock for each item of supplies.

**Food and Beverages Linen Exchange**

Restaurant ........................................................................

Time ..........................                    Date .......................

| Items | Consumed | Date | |
| | | Reqd. | Recd. |
|---|---|---|---|
| Portfolio | | | |
| Guest Writing Paper | | | |
| Guest Envelopes | | | |
| Telegram Forms | | | |
| House Rules | | | |
| Picture Postcards | | | |
| Guest Comment Form | | | |
| Pen | | | |
| Pen Refill | | | |
| Beverage List/ Room Service menu | | | |
| Breakfast Knobs | | | |
| DND Cards | | | |
| TV Guest Comment Form | | | |
| Laundry List Pink | | | |
| Laundry List White | | | |
| Laundry Bags | | | |
| Scribbling Pads | | | |
| Service Directory | | | |
| Directory | | | |
| Gita | | | |
| Bible | | | |
| Hangers | | | |
| Hanger Hooks | | | |
| Ash trays | | | |
| Plastic Matches | | | |
| Matches | | | |
| Candle Stand | | | |
| Candles | | | |
| Sewing Kit | | | |
| Sewing Kit Covers | | | |
| Plastic Bags | | | |
| Soap | | | |
| Soap Dish | | | |
| Mugs | | | |
| Soap Suds | | | |
| Shampoo Sachets | | | |
| Tissues Large | | | |
| Tissues Small | | | |
| Hygienic Bags | | | |
| Shower Caps | | | |
| Shower Cap Covers | | | |
| Toilet Roll | | | |
| WC Band | | | |
| Shoe Shine Card | | | |
| Shoe Shine Strip | | | |
| Shower Curtain Hooks | | | |
| Paper Roll | | | |
| Occupancy List | | | |
| Linen Control Book | | | |
| Waste Paper Basket | | | |
| Plastic Bucket Small | | | |
| Plastic Bucket Large | | | |
| Trash Can | | | |
| Highball Glasses | | | |

| Items | Consumed | Reqd. | Recd. |
|-------|----------|-------|-------|
| Bathroom Tumbler | | | |
| Glass Cover (high ball) | | | |
| Glass Cover (bathroom tumbler) | | | |
| Rubber Gloves | | | |
| Air Freshener | | | |
| Naphthalene Balls | | | |
| Rubbing Compound | | | |
| Mansion Polish | | | |
| Boot Polish (black) | | | |
| Boot Polish (brown) | | | |
| Vim | | | |
| Sanifresh | | | |
| Brasso | | | |
| Dettol | | | |
| Anol | | | |
| Teepol | | | |
| Thinner | | | |
| Solvent Oil | | | |
| Feather Brush | | | |
| Shoe Polish Brush | | | |
| Upholstery Brush | | | |
| Scrubbing Brush | | | |
| Carpet Brush | | | |
| Long Brush Soft | | | |
| Long Brush Hard | | | |
| Fan Bottle Brush | | | |
| Bamboo | | | |
| Squeezer | | | |
| Compound Jharoo | | | |
| Phul Jharoo | | | |
| Coconut Jharoo | | | |
| Supils | | | |
| Mops Small | | | |
| Mops Large | | | |
| Coaster | | | |
| Flask | | | |
| Flask Refill | | | |
| Kaya Kalpa Tent Cards | | | |
| Bindya Tent Cards | | | |
| Weekly Store List | | | |
| Room Checklist | | | |
| Floor Public Area Checklist | | | |
| Late Duty Checklist | | | |
| Lobby Checklist | | | |
| Guest Lift Checklist | | | |
| Guest Outside Area Checklist | | | |
| Rear Entrance Checklist | | | |
| Amrapali Checklist | | | |
| Bukhara Checklist | | | |
| Mayur Checklist | | | |
| Shatranj Checklist | | | |
| Bali Hi Checklist | | | |
| Takshila Checklist | | | |
| Ghungroo Checklist | | | |
| Madira Checklist | | | |

**Weekly Stores List**

3. The moment supplies in the floor linen room go below the par-stock the Floor Supervisor prepares a Weekly Stores List. The columns marked "consumed" and "required" are a control measure to ensure that what is requisitioned is not more than what is consumed.

   The column "received" gives quantities actually issued by the stores. This is particularly useful when what is issued is less due to shortage of stock so that future claims can take this into account.

4. This list is presented to the Executive Housekeeper for her approval which she indicates with her signature.

5. The designated person for stores requisitioning then fills a Stores Requisition Form in duplicate. The original goes to the store and the copy is kept in the Requisition Forms Book. For control the Executive. Housekeeper must sign all requisitions.

6. The supplies are drawn from the Housekeeping Store and the Storekeeper signs on both copies to acknowledge that items have been issued.

7. The supplies are brought to the floor linen room and checked against the Weekly Stores List.

8. Weekly Stores Lists are presented for at least a month. These lists also give an indication of consumption for future budgeting and planning.

| Stores Requisition | | | | | | |
|---|---|---|---|---|---|---|
| Date: | | | | | Department. | |
| S. No. | Item | Unit Reqd. | Units | Cost | Bin Card No. | Remarks |
| | | | | | | |
| Authorised by:............... Received by:................ Issued by:.................. | | | | | | |

*Stores Requisition Form*

### Storage Tips

1. Brushes must not rest on bristles.

2. Cleaning sprays must be away from hot areas.

3. Dusters must be dried before storing. Buckets must be emptied of all water and dried before storage.

4. Polishes must be properly sealed to prevent drying.

5. At the end of the shift all used magazines, newspapers and empty bottles are taken to the garbage disposal area for resale.

6. Used soaps and candles are deposited at the Housekeeping Control Desk for reuse in offices, staff locker rooms, etc.

7. Garbage is examined by the Floor Supervisor for any "lost and found" items and then sent to the garbage disposal area.

### Records Kept in Floor Linen Room

1. *Spring Cleaning Records* : for preventive cleaning cycle of rooms in the month.

2. *Floor Log Book* : which records:

   (i)  duty roster for the floor;

   (ii)  list of outstanding maintenances to be covered in the next shift;

   (iii)  record of night cleared rooms and departure rooms;

   (iv)  important messages for the Second Shift Supervisor.

3. *Guest Supplies Control Register* : to keep a control of guest supplies used in rooms. The consumption pattern helps the Housekeeper with future budgeting.

4. *Linen Control Book* : records movement of linen on a daily basis to and from floors.

5. *Weekly Stores List File* : for record of consumption and requisitioning of cleaning guest supplies from stores.

| Item \ Floor | Pens | Shower Caps | Soap Suds | Soaps | Others |
|---|---|---|---|---|---|
| First Floor | | | | | |
| Second Floor | | | | | |
| Third Floor | | | | | |
| Nos. Issued | | | | | |
| No. of Departures | | | | | |
| Consumption-morn. | | | | | |
| Balance | | | | | |
| Consumption-eve. | | | | | |
| Balance | | | | | |
| Floor Supervisor's Signature | | | | | |

### *Guest Supplies Control Register*

**Method for Left Luggage :** The term "left luggage" is attributed to luggage left by a guest who checks out of the hotel but wishes to collect his luggage later. Guests who want to visit other cities in a country on a short tour may find it inconvenient to carry all their baggage with them or may find it uneconomical to retain a room in the hotel where they can keep their luggage. Hotels provide the left luggage facility to guests who are likely to check into the hotel after their return from a tour though this is not strictly necessary. There might be guests who check out but intend to eventually depart much later in the day and occupy their time sight-seeing; they would find it inconvenient to cart their luggage with them. They leave their luggage in the hotel premises (normally a strongroom specially provided for this facility) under the guarantee by the management that the luggage would be safe. Some hotels may charge a fee for this facility, but most hotels do not. Given below is the step-by-step procedure for handling left luggage and the eventual delivery of the same to the guest on his return.

### *Receipt*

**Step 1 :** Ascertain if the guest wishing to leave his luggage has paid his hotel bill.

**Step 2 :** String the baggage ticket on each piece of luggage

separately. The baggage ticket has a number which is also printed on the counterfoil of the ticket .

**Step 3 :** Enter details in the left luggage register.

**Step 4 :** Tear off the counterfoil of each ticket and hand it over to the guest.

**Step 5 :** Keep the luggage in the left luggage area.

**Delivery**

**Step 1 :** Take the counterfoil of the luggage ticket from the guest.

**Step 2 :** Tally the same with the ticket attached to the luggage in the left luggage area.

**Step 3 :** Enter the date of delivery in the Left Luggage Register.

**Step 4 :** Retain counterfoils and tags of luggage.

### HOTEL XYZ LTD.

```
Date ................... Room No. ....................

              Baggage Check

                  No. 1234

              Not responsible for
            goods left over 30 days

Suit Case          Brief Case
Suit Box           Golf Bags
Umbrella           Overcoat
Package
Others


                  No. 1234

              Not responsible for
            Goods left over 30 days
                   (over)

Date ................... Room No. ....................
```

## Left Baggage Register

| Date | Room No. | Name of Guest | Bell Boy Name | Luggage Tag No. | Description of Luggage | Dt. of Delivery | Remarks |
|------|----------|---------------|---------------|-----------------|------------------------|-----------------|---------|

*Scanty Baggage Procedure :* A Guest with scanty baggage would have hand baggage or no baggage at all. Such guests are a hazard as they can slip out of the hotel without paying their bill. There is no way of determining whether a "scanty baggage" guest is walking out of the hotel with intentions of returning or not. Most managements stipulate a policy that "scanty baggage" guests are required to pay a deposit in advance as a safeguard against skipping out of the hotel. Guests who manage to check out of the hotel without intentions of paying the bill are called "skippers". There is a definite procedure to keep a control on guests with scanty baggage.

*Step 1 :* Notify the lobby manager and the front office as soon as a guest arrives with scanty baggage.

*Step 2 :* Stamp "scanty baggage" on the arrival errand card.

*Step 3 :* Stamp "scanty baggage" on the registration card.

*Step 4 :* Enter particulars in the "scanty baggage" register. The type of information filled is appended below.

*Step 5 :* Get the registration card signed by the lobby manager who has the discretion to ask for a deposit from the guest.

*Step 6 :* Get the Scanty Baggage Register signed by the lobby manager.

## Scanty Baggage Register

| Date | Name of Guest | Room Number | Name of Bell Boy | |
|------|---------------|-------------|------------------|---|
| Time | Description of Luggage | Remarks | Signature of Lobby Manager | Signature of Bell Boy |

***Awakening-call Procedure :*** A wake-call is a telephone call made by the telephone operator to a guest at a specific time, predetermined by the guest. By its very nomenclature a wake-call is a telephone alarm to wake a sleeping guest. Normally, the telephone department are fully concerned with wake-calls, but the lobby personnel are involved when wake-calls have to be made for airline crews and groups. All information regarding wake-calls is received by the lobby desk which in turn disseminates it to the telephone department. In the case of airline crews, the city airline operations office normally calls the lobby desk and conveys the time of pick up of the crew from the hotel. The wake-call time is thus 45 minutes to one hour before the pick up time. When airline operations give a pick up time, care must be taken to call back operations and re-confirm the pick up time, noting down the name of the person on the other end. It is customary for the lobby member receiving the pick up time to give his name to the airline operations officer.

In the case of groups, the group leader or travel agency would convey wake-up call timings to the lobby. The lobby would then prepare a wake-call list and forward the same to the telephone operator.

### Crew/Group Wake-call List

| Serial Number | Name of Guest | Room No. | Call time |
|---|---|---|---|
| Scheduled Call Time: | | | |
| Pick Up Time | | | |
| Amendments | | Reference | |
| Call Time | | | |
| Pick Up Time | | | |

***Other Duties of Lobby Staff :*** The bell boys are officially appointed to carry out any errands desired by the guest or

management in addition to baggage handling. They have additional responsibilities as well that are nevertheless important to hotel operations. Some of these are:

The bell desk is often the source for postage and handing over mail for posting. The bell captain would thus, have to ensure that he has adequate supply of postage of all denominations at all times.

The bell boys are often responsible for the distribution of daily newspapers to all guest rooms. The bell desk should keep a stock for resident guests should they require another copy.

While all hotels have their security department, the lobby staff have to keep a keen eye for unruly elements as they are stationed at a vantage position in the lobby. They may be called upon to physically tackle unruly guests.

Paging refers to a system whereby a guest identifies himself in such cases where hotel staff cannot identify him physically. Often callers on phone may like to speak to a guest who may be in the lobby. The bell desk has a mini-black board with a long handle and bells to attract the attention to the board. The bell boy would then write the name of the guest or his room number on the board which is held aloft. The bell boy then moves about the lobby ringing the bells to call attention. The concerned guest would then contact the bell-boy.

***Processing Housekeeping Discrepancy :*** Thrice in 24 hours the housekeeping staff make a physical check of all rooms in the hotel to ascertain their status in terms of whether they are occupied or not. This status is entered into the Housekeeping List which is forwarded to the front office who tally the status with their racks. The morning housekeeping list may be tallyed with the night clerk's report. If there is a discrepancy the lobby staff are called to make a physical check of those rooms not tallying in status. The lobby member's finding is entered into a Room Discrepancy Report. To reduce verbage in all reports certain codes have been developed.

O Occupied (can be further categorised as SO= Single Occupancy, DO= Double Occupancy)

UR Under Repair another term used is OOO=Out of Order)

DND Do Not Disturb Housekeeping staff cannot enter to ascertain status. It normally indicates occupied but would have to be checked in the next shift.

DL Double Lock

L Luggage but bed not slept in

LB No luggage but bed slept in

SB Scanty Baggage

## SELF-GROWTH SYSTEM

The PSD programme is different from other programmes inasmuch as it works on the assumption that any individual when provided with a basic framework is intelligent and capable of training himself. Whereas all the cognitive inputs with some paper skills have been provided in the book earlier, learning is crystalised on-the-job, or practical training is given where a participant is made to come to actual grips with the situation, systems and methods. Large chain operations may have full-fledged training departments to guide a new recruit in the job. The PSD system is primarily meant for those who have to, or want to, develop themselves with their own individual efforts when the basic framework is provided.

The WTO lists all the tasks that exist in various job positions of the front office. From this list a participant can decide what he knows and more important what he does not know.

After ascertaining what he does not know, the participant prepares his own training schedule. The participant decides how much time he would like to spend on learning a task. He may also decide to have meetings with concerned staff to sharpen his learning experience. These meetings may be fixed

in advance and recorded in the Work Schedule. The schedule also has a column, Proposed Schedule of the task number as listed in the WTO and the title. The Actual Schedule column is the deviation from the proposed schedule. This is a personal record that indicates that proposed schedule must be covered later in the week.

The weekly training schedule has the signature of a counsellor. A counsellor is someone who is knowledgeable about a task and has authority in the work environment. He may be approached to give guidance and endorse the participant's level of learning. The counsellor provides the much needed feedback and recognition of a participant's attempt at training himself. Though having a counsellor makes the PSD Programme most effective, it is not absolutely essential.

**Note:** A participant may work on several tasks simultaneously or may work on a single task over a period of days.

**Weekly Training Schedule**

Name and Hotel........................ Week of.......................

Number of Tasks Approved................ This Week............

.........................................To Date  Counsellor's Signature

| *Monday* | *Tuesday* | *Wednesday* | *Thursday* | *Friday* | *Saturday* | *Sunday* |
|---|---|---|---|---|---|---|
| Hours | | | | | | |
| Proposed Schedule Task No & Title | | | | | | |
| Actual Schedule | | | | | | |
| Other Tasks Approved | | | | | | |

## AD-HOC PROCEDURE

This is a term used in hotel parlance to refer to any item temporarily misplaced or lost by a guest but traced later by hotel staff. Such articles are handed over to the house-keeping department who maintain a special locker for the same. If the item belongs to a guest who has checked out, then a letter is sent to the forwarding address left by the guest at the reception or to the address furnished on the registration card.

If no reply is received within a specified time period stipulated by the management, the articles may be given away to the staff members who found the article, or auctioned to hotel employees. If "lost" guest belongings are found in public areas and the guest is still residing in the hotel, then the housekeeping keeps such articles till such time specific enquiry is made at the front office or lobby, in which case the guest would be required to give a description of the article before it is shown to him.

By asking the guest to establish the identity of the article in the above manner, it is possible to accurately relate the lost article to him.

As soon as a fire is detected and intimated to the Front Desk, the first thing to do is to inform the telephone department. In most hotels the telephone department plays the pivotal role of alarming the hotel. In, smaller hotels which have the telephone function merged with the front office operations the procedure would be to call the fire department in the city for help.

The front office should alert all guests and inform them to use the staircase and not the elevator.

The telephone exchange should always be manned during the fire to facilitate communications from one point to another. If the front office staff have to get actively involved in the fire procedures then they should search each room thoroughly,

especially under beds or in closets or bathrooms to ensure that no guests are left behind.

They must guide the guest through the staircase, and help in extinguishing the fire by the use of appropriate fire extinguishers (foam for electrical fires and oil fires, water for general fires, and so on).

The front office should inform the General Manager, the Security Officer and call for the hotel doctor or coroner of the locality. An alarm is not raised or any guests informed of the fact. The General Manager may decide to call the police. The body must be removed by the staff entrance and the room sealed till all police formalities are over. People known to the deceased are contacted through addresses entered on the registration card.

The house doctor should be called immediately on phone and informed of the nature of the accident and the condition of the guest. The doctor's instructions must be followed immediately. Bleeding must be stopped by swabbing wounds with cotton wool and applying a coagulant such as iodine, alcohol, spirit or just plain after-shave lotion.

If a fracture is suspected the guest is not moved till the doctor arrives. Burns are to be treated with creams meant for the purpose. Water is never poured on burns as this will surely lead to blisters. Hotels train their staff in First Aid for emergencies.

The front office staff must call the Hotel Security and order the main door to be locked. If things get out of hand the police must be called.

The front office cashier is instructed to raise a charge for the value of damages to property. A responsible guest will never argue but it should informed immediately to the General Manager.

It is prudent to never argue with a drunk guest. He must be politely led away from the public areas either into an office

or his room. If he is boisterous or behaves unruly the Hotel Security must be called.

If a guest has stolen an item from the room then the value of the item is placed on the bill at the front office. This is a polite way of informing a guest of his misdeed. This must, however, be done only if one is absolutely sure that the guest is responsible. If a theft has taken place and the culprit is not known, the hotel security is informed giving all details.

Hotels often about certain precautions to avoid thefts: These are:

1.  Self-locking room doors.

2.  Safety deposit boxes for guests' valuables.

3.  Watching guests with light baggage who could become potential skippers.

4.  Watching a walk-in who is a potential thief against a guest who goes through the tedious process of making a reservation.

5.  Avoiding giving room numbers to visitors or guest names to telephone callers unless they give the name of the guest.

6.  Training to associate names, physical features of guests to their room numbers in order to avoid giving the wrong key to the wrong guest.

7.  Strictly controlling the master key. Housekeeping staff are forbidden to open guest rooms for them. Guests are directed to the front office who give a written authorisation to the guest to have the room opened by the guest.

8.  Posting security personnel on floors.

9.  Keeping all entrances, corridors and staircases well illuminated.

10. Reporting immediately any suspicious characters.

**Room Key Record**

Date :......................

To : Housekeeping

Time :....................

Please Open for the Bearer

Mrs. Mr./Miss ....................................................................

Room No. ...................................... Thank you...................

Retain this Slip for the Record. Reception .......................

## Cashier in Front Office

**Job Description :** Front Office Cashier

**Category :** Non-Supervisory

**Reports to :**

1. Income Accountant

2. Chief Accountant

3. Front Office Manager (Operationally)

**Job Definition :** Post all guest charges and credits on guest folios accurately and in time so as to properly settle guest accounts or receive payment upon guest departure.

**Directly Controls/ Supervises :** None, except when made shift-in-charge.

**Assigned Area of Activity :** Front Office Cashier's cage.

**Hours of Operation :** One shift in 24 hours for 8 hours, or as per the policy of the management.

Refuse credit cards, currency notes or personal cheques as offered by guests. Give discounts as per policy. Hold back "credit cards" listed in the cancellation bulletin.

1. Post all guest charges and credit into their respective folios.

2. Settle all guest bills upon departure.

3. Encash foreign exchange as per regulations.

4. Disburse petty cash to hotel staff and authorised paid outs.

5. Control Safety Deposit lockers.

6. Operate the accounting machine and be responsible for all postings in it.

7. Receive and hold in safe custody all cash payments made by guests till the account is rendered.

8. Render account through cash envelop at the end of the shift.

9. Maintain and turn in control records and reports specified by the management.

10. Note telephone meter reading on folios.

***Coordinates with Front Office :*** Regarding arrivals and departures.

***Coordinates with Lobby :*** Regarding arrivals and departures.

All other revenue producing departments such as restaurants, bars, telephones, etc. to collect charges to post into guest folios.

# 7

# MANAGEMENT DIMENSIONS

Louis A. Allen has defined authority, "As the sum of the powers and rights entrusted to make possible the performance of the work delegated". He has classified authority into three categories, namely: (i) Authority of knowledge, (ii) Authority of position, and (iii) Legal authority.

According to him, authority of knowledge is possessed generally by the staff specialists appointed by the company. They often influence the actions of persons in line by virtue of their knowledge. Some persons have authority by virtue of their position in the organisation.

Legal authority is the authority which is entrusted to a person by the law of the land. For instance, a company is a legal person and has a right to sue others according to the provisions of the Companies Act.

## DIVERSE DIMENSIONS

There are three different schools of thought about the sources of authority which are discussed below:

According to this theory, all authority originates in the formal structure of an organisation. The ultimate authority in a joint stock company lies with the shareholders. Shareholders entrust the management of the company to the Board of Directors and delegate to it most of their authority. The Board of Directors delegates authority to the chief executive and chief executive in turn to the departmental managers and so on. Every manager or executive possesses authority because of his organisational position and this authority is known as formal authority. Authority conferred by law is also regarded as formal authority. Subordinates accept the formal authority of a manager because of his position in the organisation. The subordinates are aware of the fact that if they disregard the formal authority they will be punished according to the rules and regulations of the company. The formal authority theory further states that the superiors have the right to delegate their authority. Thus, formal authority always flows from top to bottom.

This theory states that authority is the power that is accepted by others. Formal authority is reduced to nominal authority if it is not accepted by the subordinates. The subordinates accept the authority if the advantages to be derived by its acceptance exceed the disadvantages resulting from its refusal. The subordinates give obedience to the managers because they visualise the following advantages:

(a)   Receipt of financial incentives.

(b)   Contribution in attaining the objectives of the enterprise.

(c)   Fulfilment of responsibilities.

(d)   Appreciation from colleagues.

(e)   Setting of an example for others.

(f)   Responsibility to leadership of superior.

(g) Moral obligation because of regard for old age, experience, competence, etc.

According to acceptance theory, authority flows from bottom to top. A manager has authority if he gets obedience from the subordinates. Subordinates obey the manager because of the fear of losing financial rewards. This theory emphasises sanctions that a manager can use and overlooks the influence of social institutions like trade unions.

The supporters of this view assert that an individual derives authority because of his personal qualities and technical competence. Many persons derive informal authority because of their competence. For instance a person possesses expert knowledge in a particular subject people will go to him for guidance in that matter even though he has got no formal authority.

Decentralisation of authority means dispersal of decision-making power to the lower levels of the organisation. According to Allen, decentralisation refers to the systematic effort to delegate to the lowest levels all authority except that which can only be exercised at central points. Thus, decentralisation means reservation of some authority (power to plan, organise, direct and control) at the top level and delegation of authority to make decision at points as near as possible to where action takes place.

Decentralisation is not the same thing as delegation. Delegation means entrustment of responsibility and authority from one individual to another. But decentralisation means scattering of authority throughout the organisation. It is the diffusion of authority within the entire enterprise. Delegation can take place from one person to another and be a complete process. But decentralisation is completed only when the fullest possible delegation is made to all or most of the people.

Decentralisation is distinct from dispersion. Dispersion occurs when plants and offices are located at different places with

physical distance between them. Performance of work in dispersed plants and offices does not necessarily lead to decentralisation. A company may be highly centralised although its physical facilities and employees are widely dispersed and company may be highly decentralised even though all physical facilities and employees are located in a single building.

The points of distinction between delegation and decentralisation are given below:

  (i)  Delegation is a process of devolution of authority whereas decentralisation is the end-result which is achieved when delegation of authority is exercised at more than one level.

  (ii)  Delegation takes place between a superior and a subordinate and is a complete process. It may consist of certain tasks alone. But decentralisation involves spreading out the total decision-making power.

  (iii)  In delegation, control rests entirely with the superior or delegator but in decentralisation, the top management may exercise control only in a general manner and delegate the authority for control to the departmental managers.

  (iv)  Delegation is a must for management. Subordinates must be given sufficient authority to perform their assignments otherwise they will come to the superior time and again even for minor decisions. However, decentralisation is optional in the sense that the top management may or may not decide to disperse authority.

The question of the extent of decentralisation desirable, is not simple as choice between decentralisation and centralisation is very difficult, being both extremes. The following are therefore, the important factors which determine the extent of decentralisation of authority which is considered desirable for a particular organisation.

As the size of the organisation increases, more decisions have to be made at different levels and coordination becomes difficult among the large numbers of departments and the levels involved. Besides, after attaining a certain size, diseconomies of large size sets in, the decisions become slower, the extent of the paperwork increases and there is a reduction in the quality of the decisions made. Thus, as the size increases it becomes necessary to divide the large organisation into a number of semi-autonomous units.

The more expensive or costly the action to be decided upon, decisions will be taken at the higher levels of management. Thus, the decision of whether to have another factory or not would be taken at the top levels, whilst the question of purchasing of stationery would be taken at an extremely low level.

The product lines in a company are very different. The extreme case being of industrial and consumer products both existing in the same company—decentralisation or divisionalisation becomes very important.

Decentralisation of the authority requires the availability of competent managers. The organisation must provide adequate training and development facilities for managers, and decentralisation is one of the good methods of encouraging such development. A large firm can even decentralise with the objective of developing managers.

A subordinate generally complies his boss's orders. Thus, the whole organisation is often moulded around the character of the top management. The management philosophy of the top management determines to a large extent how much authority the managers in the organisation are willing to retain or delegate down the line.

The contingency theory of organisation stresses that an organisation's structure and functioning are dependent on its interface with the external environment.

Under dynamic or competitive market conditions and centralisation under stable non-competitive market conditions make decentralisation more important to organisation effectiveness than do stable non-competitive conditions. This is not surprising as in a seller's market an enterprise must experience little difficulty in being effective. It is only in a competitive situation that decentralisation can play a more important role, for example, in satisfying consumers (i.e., the economic effectiveness criterion) as well as organisation members (i.e., the behavioural effectiveness criterion). Again the government regulations also control the extent of decentralisation.

The historical nature of expansion may also determine the extent of decentralisation. For example, if the company has been growing through mergers or taking over of other companies, the chances are that it will be more divisionalised, each merger constituting a separate division. Thus, the nature of the growth itself of such a company dictates greater decentralisation.

The advantages of decentralisation are discussed hereunder:

> When there is centralisation of authority in an enterprise the chief executive has to bear the entire burden of decision-making. This diminishes the time at his disposal to concentrate on important managerial functions. Decentralisation of authority reduces his burden as he delegates a part of his authority to the subordinates and thus enabling to devote more time to important functions.

With the addition of new activities or product lines, an organisation tends to grow complex and may pose a challenge to the top executives, which can be met by decentralisation under the overall coordinating purview of the top management.

Decentralisation avoids red-tapism in making decisions as it places responsibility for decision-making as near as possible to the place where action takes place. Those close to the work

situation can make reasonably quick and accurate decisions because they are well aware of the realities of the situation.

When authority is decentralised, the subordinates get opportunity of taking initiative to develop their talents, to enable themselves to develop qualities for managerial positions. They learn how to decide and depend on their own judgement and how to manage.

Decentralisation promotes the improvement of morale and motivation of subordinates which is reflected in better work performance. With greater opportunities of communication and leadership, the local executive can foster team spirit and group cohesion among his subordinates.

The greater the degree of decentralisation, the more effective becomes the span of control. It leads to effective supervision as the managers at the lower levels have complete authority to make changes in work assignment, to change production schedules, to recommend promotions and to take disciplinary actions.

In addition to the above advantages, decentralisation also achieves several internal and external economies. Internal economies include speedier communication, better utilisation of lower level and middle level executives, greater incentive to work and greater opportunities for training. These make it possible for the management to reduce the cost of production and meet competition effectively.

Decentralisation may bring about inconsistencies in the organisation. For instance, uniform procedures may not be followed for the same type of work in various divisions.

Decentralisation increases the administrative expenses because it requires the employment of trained personnel to accept authority. The services of such highly paid personnel may not be fully utilised particularly in small organisations.

Decentralisation requires the product lines of the concern

to be broad enough to allow creation of autonomous units which is not possible in small concerns.

Decentralisation of authority may create problems in coordination among the various units.

Decentralisation may not be possible because of external factors. If a company is subject to uncertainties, it will not be able to meet these under decentralisation of authority.

Decentralisation is a special technique by which it can be effectively accomplished. The main steps in the establishment of this technique are given below:

> As a first step in decentralisation, a centralised headquarters is necessary which will act as the nerve centre of the enterprise. Here plans will be formulated and communicated for the guidance of each part of the country. It will also plan an adequate organisation structure within which individual operating components can be permitted considerable latitude of action. Without such an administrative harness companies may find the individual members of the team going in different directions at the same time, which will be detrimental for the enterprise.

In decentralised concerns, critical decisions have to be made at a large number of centres. This needs people who have mastered the technique of management and not simply of supervision. This poses the problem of how to develop affective managers.

Another thing to be kept in mind is that management is an art made up of identifiable skills. Hence, it is essential to reinforce training in classes by coaching them on jobs, by allowing them to make decisions and to learn through committing mistakes.

Decentralisation has a tendency for independence. This poses the problem of preserving the integrated character of the enterprise as a whole. In this way, provision ought to be made

for communication and cooperation through coordinating executives and committees. Autonomous managers can given free rein only so far as it will not jeopardize the purpose and integrity of the enterprise as a whole. A major problem in decentralisation, hence, is that of establishing effective control.

## CHIEF CONCEPTS

The key aspects of the organisation, after division into different departments, are shown through organisation charts, which are graphic representation of a firm's structure. According to Leffingwell and Robinson, "An organisation chart is a plan of working relationships. It shows who is to do the work that is to be done and who is to direct and supervise the efforts of those who are to do the work." Charts reflect the organisational game plan for division of work, they give a complete and intelligent guide to company organisation, they indicate the flow of work and the responsibility for its achievement. Important aspects of the organisation for example (a) chain of command, (b) unity of command, (c) communication channels, (d) departmentation, (e) levels of hierarchy, (f) span of management, (g) division of work are shown. In a formal chart only functions and the designations of the individuals appear, visualising the organisation structure.

### The Characteristics

(i)   depicts the organisation's formal structure and shows only formal relationships.

(ii)  does not insure good organisation or good management; merely because a chart is in existence it is no guarantee for good organisation.

(iii) essentially illustrates who reports to whom.

(iv)  merely shows the designations of the individuals, thus no names appear, only functions, e.g., Sales Manager, Financial Advisor, etc.

(v) reflects a simplified and abstract model of the organisation's structure; they do not show human relationships; it is said that an organisation chart is like a snap shot; it is a static model of a dynamic, living process.

The following principles relating to the design of an organisation chart should be kept in view:

> The executives and those at the top of the administrative pyramid should never bypass the lines of authority mentioned in the organisation chart. They should not try to go over the heads of immediate subordinates when bypassed, naturally they are humiliated. Moreover, executives who do this, cannot expect to hold subordinates responsible for the work of those under them.

Likewise, the subordinates should, also follow the established lines of authority. Just as the orders, under normal conditions are transmitted stepwise from superior to subordinates to the supervisors. Failure to obey the rule amounts to disloyalty and it may lead to suspicion, jealousy and non-cooperation.

There should be no overlapping, nor should two persons be placed at the same position, specially when their authorities and responsibility are different. The same duty should not be assigned twice. Again, none be compelled to serve two masters.

All persons should be acquainted with their duties and their administrative relations to others with whom they come into contact.

Balance of organisation is more important than individuals. No position should be assigned to an individual, only because executive orders say so.

It should not have any complication or ambiguity. It should be so formed as to allow periodic changes that may be needed with the increase in size and nature of the concern.

Charts define organisational relationships clearly. They instruct employees regarding jobs assigned and show how the jobs are related to others in the organisation.

Formal charting helps executives think about organisational arrangements in an objective way. Structural deficiencies, communication gaps, fuzzy authority lines, inappropriate spans of control, overlapping positions, etc. are all brought into the limelight. If charts are not available, many of these structural defects defy identification and may prove to be costly at a later stage.

Charts are useful training devices. The specific requirements of each position in the organisation are spelt out in detail and the incumbents know in advance as to what is expected of them and prepare themselves accordingly.

Charts provide useful information to outsiders interested in contacting the 'right person' in the organisation.

Charts show organisational relationships at a point of time and quickly become obsolete and outdated unless revised frequently.

Charts fail to show human relationships in the organisation. They only show the surface of the structure, not the inner workings.

Charts make people overly conscious of being superiors or inferiors, tend to destroy team feeling and give persons occupying a box on the chart too great a feeling of ownership.

Formal charting introduces rigidity in relationships. Moreover, by laying the boundaries for each position, charts promote empire building tendencies. Each position holder would be interested in guarding his territories carefully and if possible, enhance by overstepping his authority. Formal charting promotes inflexible attitudes leading to conflicts between position holders. The costs of preparing, disseminating, storing, updating and studying charts are prohibitive.

This chapter highlighted the concept of authority. Authority being the sum of the powers and rights entrusted to make possible the performance of the work delegated. It also presented the concepts of delegation and decentralisation along with their merits and demerits. Decentralisation of authority means dispersal of decision-making power to the lower levels of the organisation, whereas delegation is a process of devolution of authority. It also highlighted the role of organisation charts and its principles along with pitfalls and benefits. The advantages of organisation charts being (a) Clear organisational relationships (b) Better understanding of objectives (c) Helpful in training and (d) helps in providing useful information.

No organisation can be conceived without authority. Authority is attached with every position in the organisation. It is the binding force or the glue that holds the organisation together. It helps in coordinating actions in an organisation. It is, therefore, necessary for organisations everywhere and at all times.

## ADMINISTRATIVE ANGLE

There are numerous concepts of authority. Any person having superior knowledge in a particular field is called an authority in that field. But in the context of organisation and management, term authority has special meaning. In this context, authority is the right of superior to command and to ensure obedience of the orders from his subordinates.

According to Henri Fayol, authority is "the right to give orders and power to exact obedience."

In the words of Weihrich and Koontz, "Authority in organisation is the right in a position (and, through it, the right of the person occupying the position) to exercise discretion in making decisions affecting others."

According to Albanese, "Authority is the right of a person to issue orders and direct the behaviour of those over whom authority is exercised."

According to Robbins and Coulter, "Authority refers to the rights inherent in a managerial position to give orders and expect the orders to be followed."

In the broadest sense, authority is the formal right vested in a managerial position, to decide, to direct and to influence the behaviour of subordinates with a view to achieve organisational goals.

The main characteristics of authority are as follows :

Authority is a right. This right is a type of power.

It is a positional right. It is vested in a position and not in an individual. When a person assumes charge of a position, he can exercise the authority. When he leaves the position, he no longer has any authority. Thus, authority remains with the position and its new holder. *[Robbins and Coulter]*

Authority in organisation is formal and legitimate.

Formal authority flows from the top to the bottom of the managerial hierarchy. It flows through the process of decentralisation or delegation. Thus, every manager gets authority from his immediate superior.

Formal authority establishes a right-duty relationship between two individuals. Those individuals are known as superior and subordinate. Superior can exercise his authority over his subordinates.

Exercising authority involves making decisions, issuing orders, taking actions, performing duties, mobilising and utilising resources etc.

Authority implies the capacity to ensure compliance of orders and directions issued.

Authority-holder can guide and influence the behaviour against whom authority is exercised.

Authority is the binding force or the glue that holds an

organisation together. It is essential to unite actions of organisation members. It is necessary to organisations everywhere and at all times.                          *[Albanese]*

Authority is granted and exercised with a view to achieve organisational goals.

Authority is never absolute. It is always subject to certain rules, regulations, conditions or responsibilities.

Authority is always limited. The limit on authority is specified by the duties, responsibilities, rules, regulations, policies, procedures, budgets etc.

Authority in itself is objective by nature but its exercise may be subjective. Exercise of authority may be influenced by many factors and hence subjectivity creeps into it.

Authority is basic to every managerial/job/position. Without authority, no manager can get the things done through others.

Authority and responsibility. Authority must always commensurate with responsibility. Granting authority without responsibility can create problems. Moreover, no one should be held responsible for something over which he has no authority.

Authority can be abused, under used and misused.

Authority is sometimes accepted uncritically and at other times, rejected indiscriminately.                     *[Albanese]*

## THEORY OF POWER

Some people regard the terms 'authority' and 'power' synonymous and do not make any distinction between the two. But, in fact, both of these are two distinct terms.

Authority is the formal right to command subordinates and ensure compliance. Power, on the other hand, is the ability of a person to influence the behaviour of others or the capacity to affect a situation. Power is neither completely formal nor informal. One can have power even without possessing power.

Power is a wider concept than authority and includes authority. Authority is, in fact, a type of power *i.e.* legitimate power. Authority is positional power whereas power is personal or individual. The main points of distinction between the two are as follows:

> Authority is a formal right vested in a managerial position to decide, to direct and to expect obedience. Power, on the other hand, is the ability to influence others or the capacity to affect situations.

Authority is impersonal and objective but power is personal and subjective.

Authority is formal in nature but power is neither completely formal nor informal.

There is only one source of authority *i.e.* the formal position in an organisation. But there are several different sources of power including legitimate power, reward power, coercive power, expert power, referent power.

Authority vests only in organisational positions. Power is all pervasive. It vests in individuals. Even an operational level employee may possess power.

Authority flows from the top to the bottom of the managerial hierarchy. It flows through the process of delegation and redelegation from superiors to subordinates. Power can flow in any direction from top to the bottom or bottom to the top.

Authority is always delegated whereas only formal power can be delegated. Other types of power cannot be delegated.

Authority must commensurate with responsibility. Thus, there must a balance or parity between the two. However, no such principle applies to power. A person enjoying power may have no specific amount of responsibility.

Acceptance of authority is mandatory. The person exercising authority has a right to ensure compliance and obedience to

his orders. However, the acceptance of power is not mandatory but at the free will of the individuals.

Authority establishes right-duty relationship between the superior and his subordinates. Power need not establish such relationship.

Authority is a type of power. Hence, authority is part of the concept of power. Power is a wider concept includes authority.

"Responsibility is the obligation of a subordinate to perform the duty as required by his superior."

"Responsibility is an obligation to perform tasks and to account for their satisfactory compliance."

"Responsibility is the duties and activities assigned to a position or to an executive."

Thus, responsibility is an obligation of a person to perform tasks, functions and activities assigned to him.

Accountability is often used as a synonymous to responsibility. However, some experts distinguish between the two.

"Accountability is any means of ensuring that the person who is supposed to do a task actually performs it and do so correctly."

"Accountability is the obligation to account for and report upon the discharge of responsibility or use of authority."

In fact, accountability is the obligation of a person to report to his superior for the actions and decisions taken or for the results achieved by him. Thus, accountability arises when a person assumes responsibility.

Accountability grows out of responsibility and goes hand-in-hand with it.                    *[McFarland]*

When responsibility is assigned, accountability arises. The person responsible for performing certain things is under an

obligation to account for it. Thus, a person liable to give account of his performance is accountable or answerable. Therefore, accountability is the obligation of a person to give account for the acts done, decisions made or results achieved by him to his superior.

It may be stated that responsibility is a personal obligation felt by a subordinate whereas accountability is the demand of a manager on his subordinates.

It is often quoted that authority is delegated, responsibility is assumed and accountability is imposed. This quotation means that authority is delegated by a superior to his subordinates. When a subordinate exercises authority it brings responsibility for him. Thus, he assumes responsibility as soon as he exercises the authority. When he assumes responsibility, accountability compulsorily imposed upon. He automatically becomes accountable or answerable to his superior for the acts done, decisions taken or results achieved by him in order to fulfil the responsibility. Thus, accountability grows out of responsibility and goes hand-in-hand with it.

## Various Means

There are three theories to explain the three different sources of authority. These theories are explained in the ensuing sub-heads :

According to formal theory of authority, authority originates at the top of the organisational hierarchy. Then it flows downward through the process of delegation and redelegation. Laws of the land and rules of the organisation indirectly give authority to the top executive. In a corporate entity, shareholders hold the ultimate authority given to them by the laws of the land. The shareholders entrust the management of the company to the Board of directors and delegate most of their powers to the

Board. The Board delegates authority to the chief executive who, in turn, delegates it to departmental heads and so on. Every manager, departmental-head in the organisation, has only so much authority as are delegated to him by his immediate superior and is accountable to him alone. In this way, authority is concentrated at the top which flows downward along with the scalar chain in the organisation. It diminishes at each successive level.

Everybody holds authority by virtue of his position in the formal organisation. According to this theory every subordinate is aware of the fact that if he disregards the formal authority, he will be punished according to the rules and regulations of the organisation or laws of the land. Therefore, this authority is known as formal authority or legitimate authority. It is also known as top-down authority because formal authority flows from top to the bottom of the organisational level.

The acceptance theory of authority states that authority is effective only when it is accepted by others. If authority is not accepted by the subordinates, it is meaningless. Thus, the degree of effectiveness of authority is measured by the willingness of subordinates to accept it. Right to command depends upon whether or not the subordinates obey their superior. The superior can exert his authority by imposing penalty but the subordinates, if they do not accept the authority, may quit the organisation.

Thus, according to this theory, authority flows upward from subordinates to the superior. A superior is said to have authority if subordinates comply with his orders. It is, therefore, called the bottom up authority. Acceptance of orders depends upon its positive and negative consequences. Some orders may be fully acceptable while some other may be partially acceptable and still others may be totally unacceptable. But a subordinate will generally accept an order if the following conditions are satisfied:

(i)  If he understands the order well.

(ii)  If he believes it is consistent with the organisational objectives.

(iii)  If he believes it is compatible with his own interests.

(iv)  If he is mentally and physically able to comply with the order. *[Chester I. Barnard]*

The acceptance theory of authority is subject to the following limitations :

(i)  This theory maintains that superior has authority if he gets acceptance from his subordinates. But a manager is unable to know in advance whether his order will be complied with or not by the subordinates. Therefore, it is said to be unreal theory.

(ii)  There is always an implied understanding that a subordinate must comply with the order of his superior and if it is so, what is meant by acceptance of authority by the subordinates.

(iii)  When a subordinate enjoys the right to confer the authority, he must also have the right to levy penalties.

(iv)  This theory totally disregards the powerful sanction and effect of social institution on the authority. Nobody can deny the impact of legal and social institution on the authority.

(v)  Authority is fundamental to the job of a manager. If it is left to the liking or the acceptance of subordinates, chaos will follow.

According to this theory of authority, an individual derives authority because of his personal competence, charisma or qualities. The competence or qualities may be in certain specific fields. Such people enjoy prestige and popularity in the society or public. The opinion or advice of such persons carries weight for the public and people readily accept their authority. Thus, these theories explain the varied sources of authority.

The authority enjoyed by a manager is neither absolute nor unlimited. It is always subject to certain limitations.

In an organisation, scope and extent of authority is maximum at the top level and minimum at the lowest level of the organisational hierarchy. It goes on decreasing at the successive lower levels of organisational hierarchy. Figure shows the scope and extent of authority at different levels in the organisation.

The limitations or restrictions on authority are as follows:

> The amount of authority goes on decreasing at the successive lower levels of the organisational hierarchy. Thus, top executives enjoy greater authority than the middle and first-line managers.

Organisational policies, rules, regulations, procedures, budgets, articles of association etc. impose certain restrictions on the authority of managers. Managers cannot go against and beyond them.

A manager cannot go beyond the legal framework regulating his authority. Companies Act, Income-tax Act, Sales-tax Act, FEMA are some of the laws that regulate and restrict the authority of managers.

Managers run their business in social system. They, therefore, are liable to run the business while keeping in view the fundamental beliefs, usage or customs of the society.

Physical laws, climate, geographical factors etc. restrict managerial authority to a great extent. These cannot be violated by anybody.

Biological limits relate to physical and mental abilities of a human being. A manager cannot ask his subordinates to do something which is beyond his physical and mental capacity.

Economic forces like market conditions, price situation, elasticity of demand, level of competition, supply of finance and so on limit the authority of a manager.

A manager's authority is limited to the number of persons he supervises. A manager cannot order a person who is not under his supervision.

Thus there are some of the basic limitations to the authority of managers.

Delegation is one of the fundamental steps in the organising process. It is essential for the existence and efficient functioning of an organisation. It is a key to effective managerial performance.

In simple terms, delegation means dispersing or assigning authority from one manager to another. It is a means of sharing authority with another.

According to Weihrich and Koontz, "Delegation means vesting of decision-making discretion in a subordinate."

"Delegation of authority merely means the granting of authority to subordinates to operate within prescribed limits."

"Delegation means conferring authority from one manager or organisational unit to another in order to accomplish particular assignments."

Thus, delegation is the process by which a manager assigns his authority to his subordinates to perform certain tasks or activities assigned to them. It involves shifting of decision-making authority from one organisational level *to* another lower level.

Following are the special characteristics of delegation :

1.  *Process of Assigning Authority :* Delegation is a process of assigning authority to subordinates to perform certain tasks assigned to them.

2.  *Shifting Decision-making Authority :* It involves the shifting or pushing of decision-making authority from one organisational level to another lower level. Thus, it allows subordinates to make decisions.

3.  *Creates Link :* Delegation of authority creates link between two organisational levels.

4. *Authorises Subordinates :* It authorises subordinates to act in a certain way within the specified limits. Delegation does not allow subordinates to act in an arbitrary manner.

5. *Creates Responsibility :* It also creates responsibility of subordinates to perform the assigned tasks correctly.

6. *Delegation of Authority not of Responsibility :* Manager can delegate authority and cannot delegate responsibility because it is a personal obligation. He, therefore, himself remains accountable to his boss. However, the process of delegation creates additional authority and responsibility of subordinates.          *[Robert Albanese]*

7. *No Reduction of Authority :* It does not imply reduction in the authority of superior. Both superior and subordinate can exercise the same authority because delegating superior always retains all original authority. It is something like imparting knowledge. You share with others who then possess the knowledge but you still retain the knowledge.                    *[Terry and Franklin]*

8. *Does not Discharge Superior's Responsibility :* Delegation of authority does not imply discharge of superior's responsibility. The superior is ultimately responsible for the success or failure of delegation. It has been rightly stated that one cannot relieve oneself of any part of the original responsibility. Delegation allows only for someone else to do the work. *[Mondy et al.]*

9. *Delegation out of One's Authority :* A manager can delegate authority out of his own authority. No manager can delegate authority which he himself does not possess.

10. *Only to Positions :* Delegation of authority is possible only to any position in the organisation. It is never delegated to an individual.

11. *Specific or General :* Delegation may be specific or general. When course of action is specified, it is specific

delegation. It is general delegation, when goal of delegation is specified but not the course of action.

12. *Express or Implied :* Delegation may be expressed or implied. It may be written or oral.

13. *Enhanced or Withdrawn :* Delegated authority may be enhanced, reduced or withdrawn at the sweet will of the delegating superior.

14. *Depends on Many Factors :* Delegation of authority depends upon several factors such as philosophy of management, abilities of subordinates, confidence of superior in his subordinates and so on.

Delegation is regarded as a fundamental step in the process of organising. It is essential for the existence and efficient working of an organisation. Weihrich and Koontz have rightly stated that "delegation is necessary for an organisation to exist. Just as no person in an organisation can do all the tasks necessary for accomplishing a group purpose, so it is impossible for one person to exercise all the authority for making decisions in a growing organisation." Briefly, delegation of authority is essential because of the following advantages :

> Key to managing-Mary Parker Follett has rightly observed that "management is getting things done through others." But no manager can get things done without delegating authority. Delegation is a prerequisite for managing things. It is a key to effective managerial performance.
>
> *[Gray and Smeltzer]*

Basis for organising process-Delegation is the basis of the organising process. Without delegation, organisation structure cannot be created. Existence and effective working of an organisation largely depends on delegation of authority. In the words of Robert Albanese, "Delegation is the process that establishes hierarchy by creating authority, responsibility, and accountability relationships between organisation members."

Quicker decisions and faster action-When matters are decided at a level higher than necessary, decisions are delayed. But through delegation of authority valuable time may be saved in making decisions. It permits to make on-the- spot decisions. Thus, delegation ensures quicker decisions which, in turn, lead to faster action.

Delegation facilitates decision-making by the person who is closer to the point of implementation of the decision. Such person knows better how to do it best. Therefore, decisions made are the best possible.

Delegation promotes specialisation. Tasks requiring special skills can be assigned to specialists through the process of delegation.

Delegation relieves managers from day-to-day operative functions. They, therefore, can devote more time to other important functions of long-range planning, policy formulation and control.

Delegation may lead to higher level of motivation. Persons who are given authority and responsibility by their superiors often feel motivated. Douglas Basil has observed that "delegation can be one of the management's best techniques for satisfying needs and for motivating subordinates to better performance."

Delegation tends to improve employee attitude and morale. Employees with positive attitude and high morale are easier to manage and more cooperative.

Delegation helps in training and developing subordinates in the organisation. Subordinates cannot learn to perform certain things or make certain decisions unless given an opportunity. Delegating authority is, therefore, the cardinal step in developing subordinates. All the benefits of executive training programmes, seminars etc. go for naught if authority delegation is ignored.

*[Terry and Franklin]*

Through delegation managers face and deal with wide variety

of challenging situations. This, in turn, causes growth of their managerial capabilities. Ray A. Killian has rightly stated, "Art of delegation is essential to the growth of both the individual executive and the company."

Delegation skill permits managers to extend their sphere of responsibility beyond the limits of their knowledge and energy. They can get things done better through the skill of delegation which extends their share of responsibility. Ray A. Killian has, therefore, rightly stated that "delegation is one of the most important skills of a manager to continue up the ladder of management."

Maintaining depth and continuity in organisation-Managers are taken out of an organisation through promotion, illness, resignation and business trips. Others must be able to carry on the business if the need arises. Delegation ensures this depth and continuity in organisation and can provide successors in the case of need. *[Terry and Franklin]*

Delegation process consists of certain essential and interrelated steps. Weihrich and Koontz have stated that this process involves the following four steps :

1. Determining the results expected from a position.
2. Assigning tasks to the position.
3. Delegating authority for accomplishing these tasks.
4. Holding the person in that position responsible for the accomplishment of the tasks.

First step in the process of delegation involves the determination of results expected from a position or subordinate. Assignment of task will be meaningful only when the subordinate clearly knows what results he has to achieve. Moreover, determination of expected results will also help in deciding the adequate amount of authority to be delegated to a subordinate. Therefore, results expected from a position must be clearly determined to make the delegation effective.

The next step in the delegation process consists of assigning duties or functions to the position or subordinate. Duties must be clearly and precisely defined. Duties to be assigned can be described at least in two ways :

(i)   In terms of activities to be performed by the subordinate.

(ii)  In terms of results expected from the subordinates.

Experts are of the opinion that it is better to describe duties in terms of results expected. It is so because subordinate can know in advance in what terms his performance will be evaluated. Generally, job descriptions form the basis for assigning the duties. They establish the general categories of tasks and set the limit of a subordinate's duties. However, managers can assign the duties that are outside the subordinate's job description.

The next step in the process of delegation is delegating authority for accomplishing the tasks assigned. No subordinate can carry out tasks or duties without appropriate amount of authority. Therefore, subordinates must be given the authority necessary to carry them out. Authority consists of rights and permissions including the rights to take decisions, give directions, to take actions and to do certain things. For instance issuing orders, buying materials, selling products, hiring, firing and rewarding or penalising employees etc. are some of the rights and permissions granted to subordinates.

Final step in the process of delegation of authority relates to creation of responsibility. Responsibility means the obligation to carry out the duties assigned by exercising the delegated authority properly.

When authority is delegated to a subordinate, he must also be held liable to carry out the tasks and use the authority properly. Manager must, therefore, make adequate arrangements for holding the subordinate responsible and accountable for the accomplishment of tasks.

These are the four essential steps in the process of delegation. Out of these tasks, authority and responsibilities are basic to the process of delegation. These attributes or elements of delegation are like three legs of a three-legged stool, each depends on the others for support and no two can stand alone.

*[Newman, Warren and McGill]*

## SIGNIFICANT NORMS

Some of the basic principles of delegation of authority are as follows :

> This principle states that authority should be delegated in terms of the results expected from the subordinates. The amount of delegated authority should be adequate enough to achieve the results expected. Therefore, before delegating authority, the goals and plans of expected results must be set. Moreover, these should be clearly made known and understood by the subordinates.

This principle states that functions and activities of every position or subordinate should be clearly and precisely defined. This will reduce overlapping of activities. Moreover, relationship of every position with other positions should also be clearly established. A clear and precise definition of every function and relationship of every subordinate with others will greatly facilitate delegation of authority. Moreover, these functions, activities and relationships should be made known and understood by the subordinates.

This principle states that authority should flow vertically from the top to the bottom of the organisation. This will establish the hierarchy of authority and responsibility relationship. This, in turn, will facilitate organisation members to understand who can delegate to whom and whom they are accountable.

This principle states that for any given activity, a subordinate should be made accountable to only one superior. Therefore,

a subordinate should receive delegation only from one superior. If he receives delegations from two or more superiors, he shall be accountable to both. This will lead to a situation of confusion and conflict because no one can serve two bosses at the same time.

This principle requires that there should be parity between delegated authority and delegated responsibility. In other words, delegated authority should commensurate with delegated responsibility. Responsibility without sufficient authority will make the subordinate ineffective. At the same time, authority without responsibility will make the subordinate irresponsible. However, it is very difficult to know when authority is exactly equal to responsibility. But an experienced manager will find a reasonable balance between the two.

This principle states that responsibility of superior is absolute and ultimate. Ultimate responsibility cannot be delegated by a superior. The process of delegation does not relieve the managers of any of their authority, responsibility and accountability. Therefore, it is sometimes said that authority can be delegated but not responsibility, because responsibility is a personal obligation that a subordinate owes to his boss.

*[Robert Albanese]*

This principle states that all the responsibilities cannot be delegated. Only general responsibilities can be delegated but personal responsibilities cannot be delegated. For instance, policy formulation, coordination of activities are the personal responsibilities of a manager. The manager himself is accountable to his boss for these responsibilities. If these responsibilities are allowed to be delegated, there would be no need of that manager.

*[Robert Albanese]*

The exception principle states that managers should delegate their routine matters and retain with themselves the exceptions to the routine and overall policy matters. Thus, this principle suggests managers to develop policies and procedures to help

the subordinates to carry out the routine matters. Managers should not interfere in these routine matters. However, managers should interfere in such matters only in exceptional circumstances or in the cases significant deviations from the goals and plans.

This principle states that whole task must be delegated but not the pieces of tasks. No one can function effectively on a task if it is an integral part of someone else's total task. Assigning of unity of command. Hence, whole task must be delegated for effectiveness of delegation of authority.

The limits of delegation must be clearly set and made known to the subordinates. To ensure clarity, the delegation should be written and specific. Clarity of limits will enable subordinates to know their area of operation and to take initiative. This will also allow freedom of action to subordinates.

This principle states that there should be free flow of communication between the superior and his subordinates. They should discuss and exchange the ideas. Superior should give clear and precise instructions. Subordinates should also be-allowed to seek necessary clarifications from the superior. Subordinates should regularly keep informed the superior about the progress of his work.

Many managers are found reluctant to delegate authority. Similarly, many subordinates are found unwilling to accept authority. It is because of the fact that there are many obstacles in the way of effective delegation. Those obstacles or difficulties may be discussed under the following heads :

  I.  Obstacles on the part of superior or delegator.

  II.  Obstacles on the part of subordinates or delegant.

  III.  Obstacles on the part of the organisation.

Following are the obstacles or difficulties on the part of superior or manager that makes him reluctant to delegate authority :

Some managers do not delegate their authority because they are unwilling to delegate. Such managers are of the view that if they delegate their authority, their influence will be reduced. Moreover, they want to make their, presence felt everywhere. They even desire that subordinates should regularly come to them and get their decisions approved. In fact, such managers have excessive love or passion for authority. They even feel fear of loss of authority. Consequently, they are unwilling to delegate authority:

> Some managers have inflated sense of their own worth. They suffer from the fallacy, "I can do it better myself." They are overconfident of their own competence. Such managers, therefore, want to do the work themselves instead of the subordinates.

Some managers lack confidence in their subordinates. Such managers feel that their subordinates are not trustworthy. They doubt their abilities and feel that they are incompetent to exercise authority and assume responsibility. Hence, they hesitate in delegating authority.

Sometimes, some managers are unable to distinguish between the tasks which can be delegated and those which cannot be delegated. In such a situation, they feel that everything is important and should be done personally. They, therefore, do not delegate and do the tasks themselves.

Some managers are not competent enough to direct, guide, train, motivate, and supervise subordinates effectively. Hence, they hesitate to delegate authority.

Managers are ultimately accountable to their subordinates' work. Thus, managers run the risk of subordinates' failure to perform the work as required. Therefore, some managers find no point in delegating authority. They consider it better to avoid risk by avoiding delegation of authority.

In some organisation, there is no proper control system

which may facilitate delegation of authority. There may not be effective communication and feedback system. There may not be clear set of policies, procedures, rules etc. In the absence of proper and effective control system, managers usually hesitate to delegate authority.

Some managers are afraid that their subordinates may outperform them and consequently may become their superiors. Hence, such managers hesitate to delegate their authority.

Some managers are autocratic by style whereas some others are democratic. Autocratic managers do not want to delegate.

Some managers are unwilling to forebear the mistakes of their subordinates. Subordinates of such managers are always reluctant to accept delegation.

Sometimes, subordinates are reluctant to accept delegation of authority. In some other cases, they block the delegation process. Such situations arise due to the following reasons :

> Some subordinates do not dare to accept authority and responsibility due to the lack of self-confidence in them. Such subordinates do not have faith in their capabilities. They, therefore, refuse to take responsibility.

Some subordinates find it easier and better to depend on the boss for all decisions. Such managers believe that it is easier to ask the boss what to do rather than solve the problem. Such a tendency on the part of subordinates blocks the delegation process.

Some subordinates fear criticism for their mistakes. Such subordinates believe that greater the responsibility more the chances of making mistakes. They, therefore, like to avoid accepting authority and assuming responsibility.

Sometimes, adequate information and resources needed to

do the job are not available to the subordinates. In such cases, subordinates are reluctant to assume new responsibility.

Some subordinates are overburdened with work. They have more work than can do. Such subordinates are reluctant to accept further assignments. Sometimes, subordinates are not offered any positive incentives for assuming added responsibility. In such a situation, they might be unwilling to assume extra responsibility. They may even block the process of delegation.

Sometimes, managers decide to delegate a little. This little is not enough to enable the subordinates to get the job done. Hence, they do not want to accept delegation.

Sometimes, managers are willing to delegate authority and subordinates are willing to accept authority but delegation process is blocked by organisational obstacles. Such obstacles may arise due to the following reasons :

1. Inadequate planning.
2. Lack of sound policy, procedures, rules, regulation's etc.
3. Lack of sound organisation structure, particularly lack of unity of command, lack of unity of direction, lack of clear authority relationships.
4. Absence of adequate communication system.
5. Absence of proper control system.
6. Non-availability of competent managers.
7. Lack of necessary physical and human resources.
8. Lack of effective incentive system.

Delegation is often ineffective even though everyone admits its importance. In order to secure effective delegation of authority, following steps should be taken :

> First of all managers should clarify what is to be delegated. Managers should clearly and precisely decide the degree of delegation of authority.

For effective delegation, it is necessary to delegate to right persons. Therefore, managers should identify the subordinates who are most capable of performing the task. Managers should also ensure that such subordinates have enough time and motivation to perform the task.

Effectiveness of delegation will be judged from the results achieved. Therefore, managers should also clarify the results expected. Clear information of the results expected should also be given to the subordinates. Moreover, managers must try to get agreement of subordinates on the results expected.

Limits of authority delegated should be clearly stated. These limits should be well understood by the subordinates. Subordinates should precisely understand what is not being delegated and what is the range of their discretion. They must know from where to begin and where to stop or what is their jurisdiction.

Managers should also inform all the concerned about the authority delegated. It should be informed that what has been delegated and how much authority has been delegated to whom.

Subordinates should also know the standards for performance of the delegated task. Standard should be specific. They should be able to encourage individual initiative, creativity and organisational loyalty.

Delegation requires competence on the part of both superior and subordinate. Therefore, both should be trained for better results of delegation of authority. Moreover, superior should be capable of developing skills of his subordinates.

There should be mutual trust and confidence among all individuals involved in the process of delegation. Superior should have faith and confidence in the abilities and judgement of his subordinates. Mutual trust and confidence promote the free exchange of ideas which, in turn, lays the foundation for continuing delegation.

Once authority is delegated, the superiors should allow freedom of action to their subordinates. In other words, superiors should not interfere the routine work of the subordinates. Of course; superiors should be ready to provide advice and support to the subordinates.

There should be free flow of communication between superior and his subordinates. Superiors should also give clear, precise and unambiguous directions in time. Subordinate should also feel free to contact with their superior to get guidance and necessary clarifications regarding the work problems.

Adequate incentives should be offered to subordinates for assuming added responsibility. Monetary as well as non-monetary incentives should be provided to lure the subordinates to assume increased responsibility. Moreover, top management should create an incentive system that rewards managers for delegating their authority successfully.

To ensure success of delegation of authority, effective control system is a prerequisite. Superior should set reasonable standard of performance and evaluate performance against them regularly. If the delegation is more than anticipated, superior should take necessary steps to correct it.

'To err is human.' Subordinates are human beings and will make some mistakes. Hence, subordinates should be allowed to make some mistakes for the success of delegation. Managers should be willing to forebear the cost of their mistakes. They must consider the cost of mistakes as an investment in human development.

For effective delegation, managers need to develop habit of receptiveness. Managers must be able not only to welcome the ideas of others but also to help others. They must be ready to complement others on their ingenuity. *[Weihrich and Koontz]*

A manager can effectively delegate authority if he is willing to release significant amount of authority. Therefore, managers

must be willing and ready to give their authority to others without any fear of loss of power.

## FOCUS OF ADMINISTRATION

Centralisation of authority refers to the situation in which the authority to make decisions is retained by the top management.

According to Allen, "Centralisation is the systematic and consistent reservation of authority at central point in an organisation."

According to Weihrich and Koontz, "Centralisation (as an aspect of management) is the tendency to restrict delegation of decision-making. A high degree of authority is held at or near the top by managers in the organisational hierarchy."

"Everything which goes to reduce the role of a subordinate is centralisation."

"Centralisation is the degree to which authority is retained by higher-level managers within an organisation rather than being delegated."

Thus, Centralisation refers to the extent to which authority to make decisions is retained by the top managers in the organisation. It is a situation which goes to decrease the role of subordinates.

### *Characteristics*

1. Centralisation is the extent to which authority retained by higher-level managers.
2. It reserves the right to make decisions in the hands of top managers.
3. In centralised organisations, the actions and operations are regulated by the top managers.
4. In such organisations, operating authority vests with the middle managers.

5.  It reduces the role of subordinates.

6.  Centralisation belongs to the natural order. It is always present to greater or lesser extent. In practice, no organisation is either purely centralised or purely decentralised.

7.  It undertakes close supervision and control over every aspect of the organisational working.

8.  Centralisation of management authority should be distinguished from centralisation of performance and departmental centralisation. Centralisation of performance means geographic concentration in which a firm operates in a single location. Departmental centralisation refers to concentration of specialised activities, generally in one department.

*[Weihrich and Koontz]*

Advantages of centralisation of authority are briefly discussed as follows :

Centralisation permits uniformity in decisions and actions because all decisions are taken at one point.

Centralisation facilitates uniformity in organisational working. It is so because (i) all policies, procedures, rules are framed at one point and (ii) all decisions and actions originate from one point.

Centralisation facilitates personal leadership. This, in turn facilitates quick decisions and actions which are essential for the success of every organisation.

In a centralised organisation (i) lines of authority are clear, and (ii) policies, decisions and directions are uniform. There is little chance of confusion among organisation members. Such situations facilitate integration and coordination of activities in the organisation.

Centralisation tends to make top managers more powerful and strong. Such powerful managers can provide effective

leadership to the organisation in a dynamic and complex business environment.

Subordinates tend to make less mistakes because all the important decisions and actions are taken by top managers.

Centralised organisations can easily and economically avail expert services of the specialised personnel.

Centralised organisation facilitate close control of operations performed by the lower level subordinates.

Centralisation of authority helps to avoid overlapping and duplication of activities and efforts. Top managers can utilise the resources in a most efficient way. They can hire managers with simple skills at lower levels, at lower rates of remuneration. All this leads to considerable efficiency and economy in the operation of the enterprise.

Quick decisions, actions and the mobilisation of resources are the prerequisite for handling crisis and emergency situations effectively. Centralisation facilitates all these things. This, in turn, facilitates crisis and emergency management in an effective way.

Following disadvantages are associated with centralisation of authority :

Centralisation of authority means all decisions and actions by top managers. This increases burden of top managers.

Centralisation may cause delay in decisions and actions.

Centralisation of authority may weaken the organisation structure because of disparities in distribution of authority.

It has been rightly said that 'power corrupts simply and absolute power corrupts absolutely.' Centralisation of authority may lead to abuse of power and corrupt the managers enjoying absolute power.

Over centralisation of authority fosters bureaucratic and autocratic atmosphere in the organisation. It tends to discourage initiative, enthusiasm and dynamism among the organisation members.

In a centralised organisation, system of communication tends to be weak. Free flow of communication among organisation members is generally absent. Top managers usually remain ignorant of the views, and problems of the organisation members.

Centralisation may cause frustration in subordinates. It is because of the fact that they are unable to use their discretion but are forced to operate in accordance with the decisions of top managers.

Centralisation may hamper organisational growth and development. It hampers growth of middle and lower level managers. Moreover, top managers remain ignorant of real opportunities for growth. In view of these facts, absolute centralisation should he avoided.

## DECENTRALISED ADMINISTRATION

Decentralisation is the opposite of centralisation. It refers to a situation in which authority to make decisions is assigned at the point where operations take place.

According to McFarland, "Decentralisation is the degree to which an organisation places authority and responsibility for decisions as far down in the organisation as efficient management permits,"

According to Henri Fayol, "Everything that goes to increase the importance of the subordinates role is decentralisation."

In the words of Allen, "Decentralisation implies consistent and systematic effort to delegate to the lowest levels of all authority except that which can only be exercised at central points."

In the words of Gray and Smeltzer, "Decentralisation refers to the extent to which managerial authority is delegated or pushed downward in an organisation."

Thus, decentralisation of authority refers to the extent to which decision-making authority is widely dispersed within the organisation. In a decentralised organisation, top management retains authority to make certain important decisions such as setting overall objectives, strategic planning, policy formulation etc. and delegates the authority to make operating decisions at the points as near as possible where actions take place.

### *Characteristics*

1. Decentralisation authority refers to the extent to which dispersal of decision-making authority within an organisation is made.

2. In decentralisation, authority to make operating and routine decisions is delegated at the points Where operations or actions take place.

3. In a decentralised organisation, decision-making power relating *to* functional areas are delegated to middle and lower-level managers whereas top managers retain authority to make decisions relating to setting corporate objectives, formulating policies etc.

4. In a decentralised organisation, managers at middle and lower levels have discretion in specific operational areas.

5. Decentralisation is more than mere delegation of authority. Delegation of authority means assigning authority from one person to another. On the other hand, decentralisation means dispersal of authority throughout the organisation. Under decentralisation, top managers exercise minimum control whereas under delegation control remains with top managers.

6. Decentralisation of authority differs from decentralisation

or dispersal of physical facilities. Decentralisation of physical facilities means dispersal of geographical location of factories or offices. On the other hand, decentralisation of authority means dispersal of decision-making authority within the organisation.

7. It is impossible to achieve absolute decentralisation of authority.

## DISTINGUISHING FEATURES

Delegation is a process of assigning authority from a superior to his subordinates. On the other hand, decentralisation is an organisational process by which dispersal of authority takes place throughout the organisation.

Delegation is a process of devolution of authority whereas decentralisation is the end-result of the process of delegation.

In delegation, immediate superior has control over the subordinates whereas in decentralisation, top managers have overall control and operating control vests with the subordinates.

Delegation is a must for management and key to organisation. Without delegation managers cannot get the things done effectively. On the other hand, decentralisation is optional. Top managers may or may not decentralise their authority.

In the case of delegation of authority, both the superior and the subordinate can exercise the same authority. But in the case of decentralisation, superior cannot exercise the decentralised authority.

In the case of delegation, the superior continues to be responsible for the decisions and actions of his subordinates. But in the case of decentralisation, subordinates become liable for their decisions and actions to the top managers.

Delegation is not dependent on decentralisation. It can take place even without decentralisation. But decentralisation cannot take place without delegation.

In delegation, degree of autonomy to subordinates is regulated by the superior. But in the case of decentralisation, the organisational departments are granted a semi-autonomous status.

Delegation is regarded as a technique whereas decentralisation is considered to be a philosophy of management and organisation.

Delegation is simply the process of assigning authority to subordinates in order to get things done through them. On the other hand, decentralisation is more than assigning authority to subordinates. It is both dispersal and concentration of authority within the organisation.

Delegation establishes superior and subordinate relationship. On the other hand, decentralisation establishes relationships between organisational departments or levels.

Delegation is a task specific and ceases as soon the task is over. Thus, it has a shorter life span. Decentralisation is an ongoing process in the organisation.

The main advantages of decentralisation of authority are as follows :

> Decentralisation of authority reduces the workload of top mangers as they are free from the routine operational decision-making work. They can devote their time on more important work of strategic planning, policy formulation and so on.

It facilitates quick decisions as the decisions can be made on the spot without consulting higher level managers.

Decisions are likely to be better because they are made by the persons closest to situation. Moreover, decisions are likely to be adapted to local conditions.

Decentralisation improves organisation's communication system. It is due to the fewer levels of authority and lesser

distance between the points of information generation and the points of action.

It facilitates training and development of managers at middle and lower levels in the organisation. It is because managers at these levels are allowed to make decisions and take actions independently. In this process they develop many skills and talent.

Decentralisation pro motes democratic atmosphere in the organisation because of dispersal of authority throughout the organisation.

Decentralisation enables subordinates to exercise their own judgement and initiative which promote job satisfaction. This ultimately improves motivation and morale of subordinates.

The greater the degree of decentralisation, the more effective is the supervision and control. Under decentralisation, lower level managers have full authority as regards operation of activities. They can change work assignment or production schedules, or can recommend promotion of the subordinates and can take disciplinary action wherever necessary. It facilitates effective supervision. Control can also be made effective by evaluating the performance of each unit in the light of predetermined standards.

Decentralisation provides flexibility to meet changing needs at local levels.

Decentralisation contributes to survival and growth of organisation. It is so because it creates multiple managerial centres to cope with diverse and unique situations of the organisational environment.

Following are some of the disadvantages associated with decentralisation of authority:

> Decentralisation creates semi-autonomous departments in the organisation. In such an

organisation structure, there is a damage that top management may lose its control over the functioning of different departments.

Decentralisation may create problems in bringing coordination among the different departments of the organisation.

Uniformity of decisions and actions may be lacking in decentralised organisation. It is because of lack of uniform policies and procedures of different departments.

Decentralisation of authority is likely to increase cost of administration and operation. It is mostly due to the duplication of activities, highly paid middle and lower level managers etc.

Sometimes, decentralisation may not be advantageous for external limitations. Growing competition, increasing complexities and uncertainties, rising cost of materials and services and so on are some of the external limitations that hampers the tendency of decentralisation.

It is very difficult to strike a balance between the degrees of centralisation and decentralisation. Operating functional departments demands more autonomy whereas top managers want to retain control more and more. This situation may lead conflicts between the two levels of managers.

Decentralisation may lead to unnecessary unfair competition among the decentralised departments. They may compete with each other in the market. They may even compete for a higher share of resources and facilities in the organisation.

Following are the important factors that determine the degree of decentralisation of authority in an organisation.

The size and complexity of an organisation is the strongest single factor determining the degree of decentralisation. Usually, the larger the organisation, more authority needs to be decentralised. Similarly, multi-product organisation having varying kinds of customers and varied marketing channels is likely to be highly decentralised.

An organisation which has grown gradually under the leadership of a particular person, is likely to be more centralised. On the other hand, organisation which has grown by acquisitions and mergers, is likely to be more decentralised. Thus, the history of organisation growth also decides the degree of decentralisation.

Where the top management believes in democratic values and participative management, there will be higher degree of decentralisation. Conversely the opposite *i.e.* centralisation.

Where the competent managers are available at middle and lower levels in the organisation, there tends to be decentralisation of authority. But the shortage of competent managers would limit decentralisation.

Not only the abilities but willingness of subordinates also have a bearing on the degree of decentralisation. Where subordinates are willing to assume responsibility, the organisation is likely to be more decentralised.

In a geographically dispersed organisation, operations are carried out at different locations. More the geographical dispersion, more the degree of decentralisation is beneficial. But every function should not be decentralised. Control of operational functions may be pushed down to lower levels in the organisation but control of financing function should be centralised.

As a general rule, the more the significant decision is to be made, it is likely to be made at the upper levels of the organisation. Therefore, the decisions which are vital to the survival and success of the organisation are centralised. For instance, the decisions involving huge investments and high risk, affecting long-term standing and good will of the organisation are made by the upper level managers. But routine decisions involving very low cost and risk are decentralised.

The decisions that have inter-departmental or inter-divisional

implications must be centralised. Authority to make decisions must be retained by upper level managers whose authority extends over more than one department.

Managers who want, uniformity of policy, decisions and actions favour centralisation. Where uniformity of policy is not needed, managers tend to decentralise the authority.

Where the individual or groups desire high degree of independence from the bosses, authority needs to be decentralised. Conversely the opposite.

Adequate and effective communication system is favourable for centralisation of authority. It is because of the reason that top managers can get the information in time and can easily exercise centralised control. Where it is inadequate and ineffective, decentralisation of authority becomes essential.

The control system in an" organisation may also decide the degree of decentralisation. Where the available system of control is far from satisfaction, managers are unwilling to decentralise their authority. Conversely, where it is effective, degree of decentralisation tends to be greater.

Where environmental factors are comparatively static and controllable, centralisation is suitable. But if these factors are ever changing, unstable and beyond the control of managers, the organisation needs to be decentralised.

'Span of Control' is also known as 'span of management', 'span of supervision', and 'span of responsibility'.

The concept of span of control refers to the number of subordinates who are directly reporting to a superior. It also refers to the number of subordinates who can be effectively and efficiently supervised directly by a manager or superior.

The principle of span of control is founded upon the premise that a manager cannot directly supervise unlimited number of subordinates. His ability to supervise a large number of

subordinates is constrained by many factors including the time, knowledge, energy etc. Thus, the principle of span of control states that no manager should have more subordinates under his direct supervision than he can effective and efficiently supervise and control.

There is no consensus on a specified ideal or appropriate span of control. Management thinkers and practitioners have found that four to eight subordinates for the managers at the upper level of the organisation and eight to fifteen or more for the managers at the lower levels is the appropriate number for ideal span of, control. Urwick, for instance, has suggested that ideal number of subordinates for all upper level managers to be four while for managers at lower levels (where performance of tasks takes place) the number may be eight to twelve. Ernest Dale found that the number may range between 8 and 20.

But modern theorists believe that many factors influence the appropriate span of control. Therefore, no ideal span of control exists for all kinds of managerial situations.

Although it is not possible to specify the correct span of control for every situation, but number of relationships of a managerial position goes a long way in deciding the span of control. V. A. Graicunas, a French management consultant worked on this premise and derived a formula to determine possible number relationships of a manager having a given number of subordinates.

Graicunas has identified three types of superior-subordinate relationships as follows:

　　　Relationships that arise from direct interaction by a manager with each subordinate. This is one-on-one relation of manager with each subordinate.

Relationships that arise between a manager and groups of subordinates.

Relationships that arise among subordinates themselves

working under a manager. Graicunas formulae to calculate these relationships are as follows :

1.  Direct relationships = Number of subordinates.

2.  Direct group relationships $= n(2^{n-1} - 1) \text{ or } n\left(\dfrac{2^n}{2} - n\right)$

3.  Cross relationships = n(n-1)

4.  Total relationships

    Where R represents the total number of relationships.

    n represents the number of subordinates reporting to

    the manager *i.e.* direct relationships.

    According to Graicunas formula, a manager with two subordinates would create six relationships. For example, if Anta has two subordinates, Banta and Santa, the six possible relationships would arise as follows :

### Direct Relationships

| | |
|---|---|
| Anta meets and talks with Banta | 1 Relationship |
| Anta meets and talks with Santa | 1 Relationship |

### Group Relationships

| | |
|---|---|
| Anta meets and talks with Banta when Santa is present. | 2 Relationships |

### Gross Relationships

| | |
|---|---|
| Banta meets Santa when Anta is not present | 1 Relationship |
| Santa meets Banta when Anta is not present | 1 Relationship |

Total 6 Relationships

As per Graicunas theory, the number of subordinates increases mathematically but the number of relationships increases geometrically. Table given below shows the number of possible relationships with different number of subordinates:

Criticism of Graicunas theory-Graicunas theory has been criticised on the following counts :

1. It is based on the false assumption that all relationships arise with equal frequency. It is not so in real life situations.

2. It is based on yet another false assumption that all relationships occur with equal intensity.

3. It does not determine the exact number of relationships that exists but indicates the possible number of relationships.

4. It does not indicate the relationships that arise due to the sideways interactions such as with service departments.

Following are the factors that affect the span of control:

Ability of manager is the most important factor determining the span of control. A manager who is able, competent and well trained can effectively supervise more subordinates than ope who is not.

Able, competent and well trained subordinates require less supervision and less contacts with their managers. Hence, managers can go for wider span of control if the subordinates are skilled, trained and experienced.

If the tasks are interlocked, interdependent, complex and varied, narrow span of control is essential. But simple, routine and repetitive tasks may allow for wider span of control.

Span of control shall be broader if the manager is supervising subordinates performing similar jobs. Conversely the opposite.

When a manager has clearly delegated authority to his

subordinates, the subordinates require minimum of the manager's time and attention. In such a situation, a wider span of control may be opted for. Conversely the opposite.

Where the plans are well defined and workable, little supervision is needed in their implementation. In such a situation, managers can operate with wider span of control. On the other hand, if plans, policies, and procedures are ambiguous, subordinates may require considerable guidance. Hence, span of control has to be narrow.

When the degree of decentralisation is high, subordinates can make decisions at the points of action. Hence, a superior can have larger span of control. But in the case of centralisation, a superior is required to make many decisions. Hence, he will have to have a limited span of control. Newman and Summer states, an executive who personally makes many decisions is able to supervise fewer subordinates than one who merely provides occasional advice and encouragement.

Quality of standards (control system) used for performance evaluation also determine the span of control. If the standards used are objective, wider span of control may be effective. On the other hand, if the standards are subjective and non-quantitative, narrow span of control becomes necessary.

Some managers operate in more unstable environment than the others. The managers operating in more unstable environment need to have narrow span of control. Conversely the opposite.

Where communication system is more effective, span of control may be wider. Conversely the opposite.

Sometimes, personal contacts with subordinates are essential for getting things done effectively. Where face-to-face contacts are frequently required, narrow span of control is suggested. If face-to- face contacts are occasionally required, manager can operate with wider span of control.

Level of managers in organisation is one of the most important determinant of span of control. Usually higher the level of managers in organisation, the smaller the span of control. Therefore, upper level managers, who deal with complex problems, have smaller span of control than the middle level managers. Similarly, middle level managers will require a smaller span of control than the first-line managers.

Where the staff assistance is available, manager can operate with wider span of control. It is due to the reason that manager can supervise larger number of subordinates.

Thus, it is clear that appropriate span of control for any managerial position depends on all these factors. A manager should consider these factors simultaneously while deciding the appropriate span of control.