K.T.S.P Mandal's

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Department Of BBA

CLASS - FY.BBA **SEM-I**

Subject-Principles of Management

Unit 2 - Evolution of Management Thoughts.

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Concept of Managerial Thoughts

Management thoughts are the ideas, principles and theories developed to manage people and resources efficiently.

1. Management thoughts originated in prehistoric times when people started living and working in organised groups.
2. Management principles help in planning, organising and carrying out activities efficiently.
3. These principles help managers in the decision-making process.
4. Management principles are flexible and depend on the situation.
5. They continuously evolve because human behaviour and business environments keep changing.

Historical Examples

- **Sumerian Civilisation (3000 B.C.):** Followed an organised tax collection system managed by priests.
- **Egyptian Civilisation:** Demonstrated effective management by constructing pyramids.
- **Roman Empire:** Efficiently managed political, economic and social affairs.
- **Kautilya's Arthashastra:** Explained techniques for managing state affairs.

The Industrial Revolution increased the need for efficient management because of large-scale production, machines and the use of human and physical resources.
Note: Formal management theories developed mainly during the late 19th and early 20th centuries.

Major Schools of Management Thought

Management thoughts are classified into **three major approaches**.

1. Classical Approach

Focuses on efficiency, organisational structure and rules.

- Scientific Management — Frederick W. Taylor
- Administrative Management — Henry Fayol
- Bureaucratic Management — Max Weber

2. Behavioural Approach

Focuses on human behaviour, employee motivation and relationships.

- Human Relations Approach — Elton Mayo

3. Modern Approach

Focuses on scientific methods, systems and decision-making.

- Quantitative Approach
- Systems Approach
- Contingency Approach
- Social Systems Approach
- Decision-Making Approach

Contribution of F.W. Taylor: Scientific Management

Meaning of Scientific Management

- Scientific Management was introduced by **Frederick Winslow Taylor** in the early 1900s.
- He is known as the **Father of Scientific Management**.
- It means using scientific methods to improve workers' efficiency and productivity.
- It focuses on completing work in the **best, easiest and cheapest way**.
- It replaces guesswork (rule of thumb) with scientific methods.

Definition: According to Taylor, scientific management means knowing exactly what you want workers to do and ensuring that they do it in the best and cheapest way.

Elements of Scientific Management

1. **Work Study:** Studying work scientifically to improve efficiency and reduce wastage.
2. **Standardisation:** Setting common standards for tools, machines, equipment and working conditions.
3. **Scientific Selection and Training:** Selecting the right workers and providing proper training.

Features of Scientific Management

1. Separation of Planning and Doing

- Planning and doing are two separate activities.
- Managers plan the work, and workers perform it.
- This helps complete work smoothly and efficiently.

2. Functional Foremanship

- Taylor introduced functional foremanship to improve supervision.
- He divided supervision into **eight specialists**.

Four for planning:

- Route Clerk
- Instruction Card Clerk
- Time and Cost Clerk
- Disciplinarian

Four for production:

- Speed Boss
- Inspector
- Repair Boss (Maintenance Foreman)
- Gang Boss

3. Mental Revolution

- It means changing the attitude of both workers and management.
- Both should cooperate with each other.
- It helps reduce conflicts and increase productivity.

4. Financial Incentives

- Taylor introduced the **Differential Piece Rate System**.
- Efficient workers receive higher wages.

- Inefficient workers receive lower wages.
- It motivates workers to improve their performance.

5. Economy

- The main aim is to reduce production costs and increase profits.
- Proper use of resources helps avoid wastage.
- It supports the growth of the organisation.

6. Mechanism of Management

Taylor introduced various techniques to improve efficiency, such as:

- Time Study
- Functional Foremanship
- Standardisation of Tools
- Planning Room
- Instruction Cards
- Differential Piece Rate System
- Routing System
- Modern Costing System

Principles of Scientific Management – F.W. Taylor

F.W. Taylor is known as the **Father of Scientific Management**. He explained his principles in his book *The Principles of Scientific Management*, published in 1911.

His main aim was to increase workers' efficiency and productivity without putting unnecessary pressure on them.

1. Replacing Rule of Thumb with Science

- Work should be done using scientific methods instead of guesswork.
- The best method of doing a job should be identified scientifically.
- This helps save time and reduce wastage.

Example: Choosing the fastest and safest method to manufacture a product.

2. Harmony in Group Action

- There should be unity and harmony among workers.
- Workers should work together to achieve common goals.
- Conflicts and misunderstandings should be avoided.

Example: All team members helping each other to complete work on time.

3. Cooperation between Management and Workers

- Managers and workers should cooperate with each other.
- Both should work together to achieve organisational goals.
- Mutual trust, confidence and goodwill are important.

Example: Managers listening to workers' problems and helping them solve them.

4. Maximum Output Instead of Restricted Output

- Workers and management should aim to increase production.

- Deliberately reducing the speed of work should be avoided.
- Higher productivity benefits both workers and the organisation.

Example: Workers producing more goods by using better working methods.

5. Development of Workers through Scientific Selection and Training

- The right workers should be selected for the right jobs.
- Workers should receive proper training.
- Jobs should be assigned according to their abilities and skills.
- This improves efficiency and performance.

Example: Giving machine-operating training to workers before assigning them to operate machines.

Techniques of Scientific Management – F.W. Taylor

1. Time Study

- Time study means finding out how much time a worker needs to complete a job.
- A stopwatch is used to measure the time taken.
- It helps fix the standard time for completing a task.
- It reduces wastage of time and improves efficiency.

Example: Finding the standard time required to make one product.

2. Motion Study

- Motion study means studying the movements of workers while doing a job.
- It removes unnecessary movements.
- It finds the easiest and fastest way to do work.
- It helps save time and energy.

Example: Arranging tools near a worker to avoid unnecessary walking.

3. Standardisation

- Standardisation means fixing common standards for tools, machines, equipment and working conditions.
- Workers should follow the same quality standards.
- It improves the quality of products and efficiency.

Example: Using the same size of tools and the same quality standards in production.

4. Functional Foremanship

- Functional foremanship was introduced by F.W. Taylor.
- Workers are supervised by different specialised supervisors.
- Each supervisor is responsible for a particular activity.
- It improves supervision and control.

Example: A speed boss checks the speed of work, while a repair boss looks after machine repairs.

5. Differential Piece Rate Plan

- This is a wage payment system introduced by Taylor.
- Workers are paid according to the number of pieces they produce.

- Efficient workers receive a higher rate per piece.
- Workers who produce below the standard receive a lower rate per piece.
- It motivates workers to increase production.

Example: Workers producing above the standard receive ₹10 per piece, while those below the standard receive ₹8 per piece.

6. Other Techniques

Taylor also suggested other techniques to improve work efficiency, such as:

- **Instruction Cards:** Give workers clear instructions about the job.
- **Routing:** Decide the path and sequence of work.
- **Planning Department:** Plans the work before it starts.
- **Costing System:** Calculates and controls production costs.
- **Fatigue Study:** Provides rest periods to reduce workers' tiredness.

Contribution of Henry Fayol: Administrative Management

Introduction

- **Henry Fayol** was a French industrialist and mining engineer.
- He is known as the **Father of Modern Management**.
- He explained his ideas in the book *General and Industrial Management*.
- His main focus was on improving the efficiency of managers and the organisation.
- Taylor focused mainly on workers, whereas Fayol focused on management.

Six Activities of an Organisation

According to Henry Fayol, the activities of an organisation are divided into six groups:

1. **Technical Activities:** Production and manufacturing of goods.
2. **Commercial Activities:** Buying, selling and exchanging goods.
3. **Financial Activities:** Arranging and managing money.
4. **Security Activities:** Protecting people and property.
5. **Accounting Activities:** Maintaining accounts and financial records.
6. **Managerial Activities:** Planning, organising, commanding, coordinating and controlling work.

Main Contribution of Henry Fayol

- He explained the importance of managerial efficiency.
- He divided organisational activities into six groups.
- He focused on the functions of management.
- He developed **14 principles of management**.
- His ideas can be applied to both small and large organisations.

Fayol's 14 Principles of Management

Henry Fayol gave **14 principles of management** to help organisations work efficiently and achieve their goals.

1. Division of Labour

- Work should be divided among employees according to their skills.
- It increases speed, accuracy and efficiency.

Example: Different workers handle packing, checking and labelling.

2. Parity of Authority and Responsibility

- Authority means the power to give orders.
- Responsibility means the duty to complete work.
- Both should be balanced.

Example: A manager responsible for a project should have enough authority to complete it.

3. Discipline

- Employees should follow the rules and regulations of the organisation.
- Both managers and workers must maintain discipline.

Example: Coming to work on time and following company rules.

4. Unity of Command

- Every employee should receive orders from only **one superior**.
- It avoids confusion and conflicts.

Example: A worker should report to one supervisor.

5. Unity of Direction

- Activities having the same objective should follow one plan under one manager.
- It helps achieve common goals.

Example: All marketing activities should follow one marketing plan.

6. Subordination of Individual Interest to General Interest

- The interest of the organisation should be given priority over personal interest.
- Employees should work for the benefit of the organisation.

Example: An employee completes an urgent team task before focusing on personal preferences at work.

7. Fair Remuneration to Employees

- Employees should receive fair salaries for their work.
- Wages should consider the work performed and the organisation's financial position.
- Fair payment motivates employees.

Example: Paying employees fairly according to their job and skills.

8. Centralisation and Decentralisation

- **Centralisation:** Decision-making power remains with top management.
- **Decentralisation:** Decision-making power is shared with lower-level managers.
- There should be a proper balance between both.

Example: Top management makes major decisions, while department managers handle daily work.

9. Order

- Everything and everyone should be in the right place.
- The right person should be assigned to the right job.

Example: Keeping tools in their proper places and assigning skilled workers to suitable jobs.

10. Scalar Chain

- Scalar chain means the formal line of authority from top management to lower-level employees.
- Communication should generally follow this chain.
- A **gang plank** allows faster direct communication in emergencies, with proper authorisation.

Example: Worker → Supervisor → Department Manager → General Manager.

11. Equity

- Managers should treat all employees fairly and without discrimination.
- There should be fairness in decisions and behaviour.

Example: Giving equal treatment to employees performing similar jobs.

12. Stability of Tenure

- Employees should get sufficient time to learn and perform their jobs.
- Frequent transfers and employee turnover should be avoided where possible.

Example: Allowing a new employee enough time to learn the work before changing their position.

13. Initiative

- Employees should be encouraged to share ideas and take action within their responsibilities.
- It increases confidence and creativity.

Example: An employee suggests a new method to save time.

14. Esprit de Corps

- It means **team spirit and unity**.
- Managers should encourage cooperation and teamwork.
- It builds trust among employees.

Example: Team members helping one another to complete a project.

Contribution of Elton Mayo's: Hawthorne Studies

Introduction

- **George Elton Mayo** is known as the **Father of the Human Relations Movement**.
- He studied the behaviour of workers and its effect on productivity.
- Hawthorne experiments were conducted at the Western Electric Company's Hawthorne Works in Chicago, USA.
- These experiments showed that **social and psychological factors affect workers' performance**.
- They changed the way managers treated employees.

Elton Mayo's Hawthorne studies highlighted the importance of human relations in management. They showed that employees are not motivated by money alone; **social relationships, recognition, group behaviour and good communication also affect productivity.**

Four Hawthorne Experiments

1. Illumination Experiments

- The aim was to study the effect of lighting on workers' productivity.
- Two groups of workers were selected.
- One group worked under constant lighting, while the lighting of the other group was changed.
- Productivity increased in both groups.

Conclusion: Lighting alone could not explain the increase in productivity.

2. Relay Room Experiments

- Six female workers were selected for the experiment.
- Their working hours, rest periods, wages and working conditions were changed.
- Researchers observed their performance.

Conclusion: Attention from researchers, group relationships and other social factors influenced workers' productivity.

3. Bank Wiring Observation Room Experiment

- Fourteen male workers were observed while doing their work.
- Researchers studied their behaviour and group relationships.
- Workers formed informal groups and followed their own group standards.
- They sometimes restricted their output to follow group expectations.

Conclusion: Informal groups strongly influence workers' behaviour and productivity.

4. Interview Programme

- Researchers conducted thousands of interviews with employees.
- Workers were encouraged to express their feelings, opinions and problems.
- Researchers studied employees' attitudes towards their work and management.

Conclusion: Listening to workers helps managers understand their problems and improve workplace relationships.

Findings of Hawthorne Experiments

1. **Social Factors:** Workers need respect, recognition and a sense of belonging.
2. **Group Influence:** Workers' behaviour is affected by the groups they belong to.
3. **Psychological Factors:** Job satisfaction, security and appreciation influence performance.
4. **Non-financial Incentives:** Praise, recognition and respect can motivate workers.
5. **Informal Groups:** Informal groups influence employees' work habits and behaviour.
6. **Participative Management:** Employees should be involved in decision-making.
7. **Cooperation:** Good relationships between workers and managers improve teamwork.

Implications of Hawthorne Experiments

1. Social Factors in Output

- An organisation is not only a place of work but also a social system.
- Relationships between employees affect productivity.

2. Group Influence

- Workers form informal groups.

- Group rules and expectations influence individual performance.

3. Conflicts

- Differences may arise between management and informal groups.
- Managers should solve conflicts through discussion and cooperation.

4. Leadership

- Good leadership motivates workers and improves teamwork.
- Informal leaders can also influence the behaviour of employees.

5. Supervision

- Supervisors should treat workers fairly and respectfully.
- Friendly supervision improves employee morale.

6. Communication

- Managers should communicate clearly with workers.
- Workers should be allowed to share their opinions and problems.

Contribution of Peter F. Drucker: Management by Objectives (MBO)

Introduction

- **Peter F. Drucker** is known as the **Father of Modern Management Thought**.
- He contributed to management through his ideas on innovation, creativity, planning and problem-solving.
- His famous book *The Practice of Management* was published in 1954.
- His most important contribution is **Management by Objectives (MBO)**.

Meaning of MBO

- MBO means setting goals jointly by managers and employees.
- Both work together to achieve the objectives of the organisation.
- Every employee knows what work they have to do and what targets they must achieve.
- It helps improve performance and productivity.

Example: A sales manager and an employee jointly set a target of selling 100 products in one month.

Features of MBO (Management by Objectives)

Management by Objectives (MBO) is a management technique in which managers and employees jointly set goals and work together to achieve them.

1. Common Objectives

- In MBO, the objectives of the organisation and employees are connected with each other.
- All employees work together to achieve the common goals of the organisation.
- Every employee knows what work they have to do.
- It helps the organisation achieve its goals successfully.

Example: If a company's objective is to increase sales, employees work hard to sell more products.

2. Short-term and Long-term Goals

- MBO focuses on both short-term and long-term goals.
- Short-term goals are achieved within a short period.
- Long-term goals take more time to achieve.
- It helps the organisation achieve present as well as future objectives.

Example: Selling 100 products in one month is a short-term goal, while doubling sales within one year is a long-term goal.

3. Performance Focus

- MBO gives importance to achieving the targets decided by management.
- Managers compare the actual performance of employees with their planned targets.
- It helps identify mistakes and improve work performance.
- It increases the efficiency and productivity of employees.

Example: If an employee has a target of selling 50 products in a month, the manager checks how many products the employee has sold.

4. Continuous Review

- In MBO, the performance of employees is checked regularly.
- Managers review whether employees are working according to their targets.
- If any problems arise, managers suggest suitable solutions.
- Regular reviews help employees complete their work on time.

Example: A sales manager checks the sales report every week and guides employees if sales are low.

5. Employee Participation

- MBO encourages employees to participate in setting their own goals.
- Managers and employees discuss and decide suitable targets together.
- Employees can share their ideas, opinions and problems.
- It increases employees' interest and sense of responsibility towards their work.

Example: A sales manager discusses monthly sales targets with employees before finalising them.

6. Motivation

- MBO motivates employees by giving them clear goals and targets.
- Employees understand what is expected from them.
- Managers can appreciate and reward employees for good performance.
- It increases employees' confidence and willingness to work better.

Example: An employee who achieves the sales target may receive a bonus or appreciation from the manager.

7. Two-way Communication

- MBO encourages communication between managers and employees.
- Managers explain the goals and give necessary instructions.
- Employees can share their problems, opinions and suggestions.
- It reduces misunderstandings and helps solve problems quickly.

Example: If an employee faces difficulty in achieving a target, they discuss the problem with the manager and find a solution together.

8. Trust and Cooperation

- MBO develops trust between managers and employees.
- Both work together to achieve organisational objectives.
- Employees help one another whenever necessary.
- It creates a positive working environment and improves teamwork.

Example: If one employee has too much work, other team members help them to complete the team's target on time.

Process of MBO

1. Set Organisational Goals

- First, the organisation decides its main goals.
- These goals guide all employees.

2. Joint Goal Setting

- Managers and employees decide their individual targets together.
- The targets are written clearly.

3. Performance Review

- Employees' performance is measured against the targets.
- Managers check how much work has been completed.

4. Set Checkpoints

- Performance is checked at regular intervals.
- Problems and delays are identified.

5. Feedback

- Managers give feedback to employees.
- Employees learn about their performance and areas for improvement.

Guidelines for Effective MBO

1. **Support of Top Management:** Top managers should support MBO.
2. **Education about MBO:** Employees should understand the process.
3. **Active Participation:** Managers and employees should participate in goal setting.
4. **Decentralisation of Authority:** Employees should receive sufficient authority to achieve their targets.
5. **Training of Managers:** Managers should be trained to implement MBO properly.
6. **Integration:** MBO should be connected with other organisational activities, such as production, finance and human resources.

Advantages of MBO

1. Motivates Employees

- MBO gives clear goals and targets to employees.
- Employees understand what they have to achieve.
- It encourages them to work harder and improve their performance.

Example: An employee works harder to achieve the monthly sales target.

2. Reduces Conflicts

- MBO encourages managers to work towards common objectives.
- It reduces unnecessary competition and misunderstandings among managers.

- It promotes teamwork and cooperation.
  Example: Two department managers cooperate to achieve the company's sales target.

3. Clear Objectives

- MBO clearly defines the goals and responsibilities of employees.
- Employees know what work they have to do and what results are expected.
- It reduces confusion and improves work efficiency.
  Example: An employee knows that they must sell 100 products in one month.

4. Easy Performance Evaluation

- MBO helps managers evaluate employees' performance.
- Actual performance is compared with the targets set earlier.
- It becomes easier to identify good performance and areas that need improvement.
  Example: If the target is 100 products and an employee sells 90, the manager can measure the performance against the target.

5. Better Planning

- MBO helps managers set clear objectives and prepare plans.
- It helps in deciding the activities and resources needed to achieve goals.
- It improves future planning and decision-making.
  Example: A manager prepares a monthly production plan to achieve the company's target.

6. Early Identification of Problems

- MBO includes regular performance reviews.
- Managers can identify mistakes and difficulties at an early stage.
- Corrective action can be taken before the problems become serious.
  Example: A manager notices falling sales early and introduces a new marketing strategy.

7. Improves Performance

- MBO helps employees understand their weaknesses.
- Managers provide guidance and feedback to improve their work.
- It increases productivity and helps achieve organisational goals.
  Example: An employee receives training to improve their communication and sales skills.

8. Leadership Development

- MBO encourages managers to guide and support employees.
- Managers improve their communication, decision-making and problem-solving skills.
- It helps develop future leaders in the organisation.
  Example: A manager learns to guide a team while working towards a common target.

Disadvantages of MBO

1. Time-consuming

- Setting objectives requires discussions between managers and employees.
- Regular performance reviews also take time.
- This may affect other important activities of the organisation.
  Example: Managers spend too much time in meetings to decide targets.

2. More Paperwork

- MBO requires maintaining reports, performance records and documents.
- Preparing and updating these records increases administrative work.
- It may create an extra burden for managers and employees.

Example: A manager has to prepare weekly and monthly performance reports.

3. Pressure on Employees

- Employees may feel stressed when they have to achieve fixed targets.
- They may focus too much on meeting targets.
- Excessive pressure can reduce job satisfaction and affect work quality.

Example: An employee feels stressed because they must achieve a high sales target every month.

4. Goal-setting Problems

- Setting realistic and measurable goals can be difficult.
- Sometimes, targets may be too high or too low.
- Unrealistic targets can reduce employee motivation and affect performance.

Example: Setting a target of selling 500 products when the normal monthly sales are only 100.

5. Short-term Focus

- Employees may give more importance to short-term targets.
- They may ignore long-term development and organisational growth.
- This can affect the future success of the organisation.

Example: A company focuses on increasing this month's sales but ignores product quality and customer satisfaction.

6. Needs Proper Training

- Managers and employees must understand the MBO process.
- Without proper training and guidance, they may set unsuitable goals or evaluate performance incorrectly.
- This can lead to failure of the MBO programme.

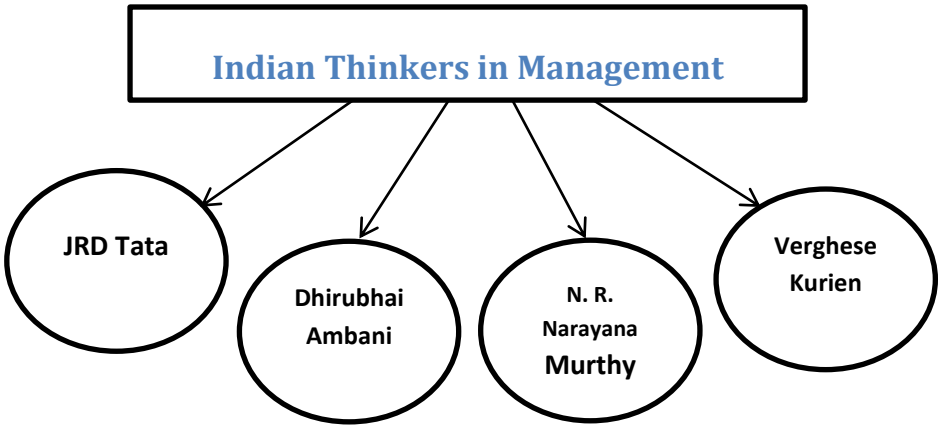
Example: Employees fail to achieve their targets because they do not understand how to follow the MBO system.

DIFFERENT STYLES OF INDIAN THINKERS IN MANAGEMENT

Introduction

- Early Indian philosophy believed that **life is full of pain and suffering**.
- The main aim of life was to **become free from suffering and pain**.
- Modern Indian thinkers also understood human **problems, difficulties, anxiety and suffering**.
- However, they suggested **different ways to face and deal with these problems**.
- They believed that difficulties and suffering can give **meaning and purpose to life**.
- Suffering can also help in the **spiritual development of a person**.
- Modern Indian philosophers believed that **human life has dignity and importance**, even during difficult situations.

- They studied the real-life conditions of human beings, such as **worry, anxiety, pain and difficulties**.
- They stressed that people should **live positively even in difficult situations**.
- Their ultimate aim was the **development and improvement of both the individual and society**.



1. JRD Tata

- **J.R.D. Tata** stands for **Jehangir Ratanji Dadabhoy Tata**.
- He was a **fearless aviator and visionary leader**.
- He was born in **France** to an Indian father and a French mother.
- He started his career as an **unpaid apprentice** in Tata & Sons.
- Within a few years, he became the **Chairman of the company**.
- He was highly interested in **airplanes and flying**.
- He became the **first person to receive a pilot licence in India**.
- He established **Tata Airlines**, India's first commercial airline, which later became **Air India**.
- Under his leadership, the **Tata Group expanded** and became one of India's most trusted business groups.
- J.R.D. Tata **cared greatly for his workers**.
- In **1956**, he started a programme for **closer employee association**, giving workers a stronger voice in company affairs.
- In **1979**, Tata Steel introduced a practice where a worker was considered **"at work" from the time he left home until he returned home**.
- The company was financially responsible if a worker met with an accident while travelling to or from work.
- Tata Steel Township was recognised for its **good quality of life, sanitation, roads and welfare facilities**.
- His efforts to improve the lives of people earned him **several awards**.

Achievements of J.R.D. Tata

1. He had the honour of being **India's first pilot**.
2. He was the **Chairman of Tata & Sons for 50 years**.
3. He launched **Air India International**, India's first international airline.
4. He received the **Bharat Ratna in 1992**.

5. He received the **Padma Vibhushan in 1957**.
6. He received the **Guggenheim Medal for Aviation in 1988**.

Contribution to the Field of Management

1) Entrepreneurship

J.R.D. Tata started with **14 enterprises**.After 50 years, when he left, **Tata & Sons had grown to 95 enterprises**.**Tata Motors, TCS, Titan, Voltas, Tata Tea and Tata Communications** are some of the major companies started under his leadership.

2) Social Responsibility

He was a trustee of **Sir Dorabji Tata Trust** from its inception.He founded the **Tata Institute of Social Sciences (TISS)** in **1936**.He established the **Tata Institute of Fundamental Research** in **1945**.He established the **National Centre for the Performing Arts**.He established **Asia's first cancer hospital**, the **Tata Memorial Centre for Cancer Research and Treatment, Bombay**, in **1941**.

3) Employee Welfare

J.R.D. Tata started a programme of closer **"employee association with management."**
He strongly believed in **employee welfare**.
He introduced:

- **Eight-hour working day**
- **Free medical aid**
- **Workers' provident scheme**
- **Workmen's accident compensation scheme**

Tata Steel Township was selected as a **UN Global Compact City** because of its quality of life, sanitation, roads and welfare facilities.

4) Group Concept

At the end of his **50 years of chairmanship**, Tata Group had grown to **95 companies**.
He merged **10 rival cement companies** to form the **Associated Cement Companies (ACC)**, run by the Tatas.

2. Dhirubhai Ambani

Introduction

Dhirubhai Ambani was a famous Indian businessman. He started **Reliance Industries** with his cousin. He started his business journey from a **small level** and became a very successful businessman. He is known for his **new ideas, hard work and business skills**.
He helped to make Reliance a **large business group**.

Early Life-He was born on **28 December 1932** in Gujarat. His father's name was **Hirachand Ambani** and mother's name was **Jamunaben**. His father was a **school teacher** and his mother was a **housewife**. He had **two brothers and two sisters**. From childhood, he was interested in **business and earning money**. He used to sell **potato and onion fries** at village fairs.

Career-After completing matriculation, he went to **Aden** and worked in an oil company. His starting salary was **₹300 per month**. Later, he became a **manager**.In **1958**, he returned to

India and started his own business with his cousin.They started by **exporting spices and importing polyester yarn**.Their first office was a **small room with one telephone**.

Growth of Reliance-In **1977**, he started a textile mill at **Naroda, Ahmedabad**.He started the textile brand **"Vimal"**. He encouraged **small investors** to invest in his company.Around **58,000 investors** invested in Reliance's IPO in 1977.He helped popularise the **shareholder culture in India**.
Reliance later expanded into many areas such as:

- Textiles
- Petrochemicals
- Petroleum and gas
- Telecom
- Power
- Insurance
- Internet business

Awards and Recognition-

- He was recognised as a **successful Indian entrepreneur**.
- FICCI honoured him as the **Indian Entrepreneur of the 20th Century**.
- He was also recognised for creating great **business wealth**.

Death

- Dhirubhai Ambani died on **6 July 2002**.
- His sons **Mukesh Ambani and Anil Ambani** continued his business.
- His life is an example of **hard work, determination and success**.

Achievements of Dhirubhai Ambani

- **2016-"Padma Vibhushan"**
- **2011- "ABLF Global Asian Award"** by the **Asian Business Leadership Forum**.
- **2001- "Economic Times Award for Corporate Excellence – Lifetime Achievement"**.
- **2000- "Man of the Century Award"** from **Chemtech Foundation and Chemical Engineering World.**
- **2000- "Greatest Creator of Wealth in the Centuries."** by **The Times of India.**
- **2000-"Man of the 20th Century."** By **FICCI**
- **1998- "Dean's Medal"** by **The Wharton School, University of Pennsylvania**.

Management Practices of Dhirubhai Ambani

1) Stock Market Adventure

Dhirubhai Ambani developed **equity culture in India**. He gave importance to **small investors**. Reliance went public in **1977**.About **58,000 investors** invested in Reliance. He encouraged **middle-class people** to invest in the company.

2) Revolutionary Ideas

Dhirubhai believed in **big but practical ideas**. He had a **long-term vision** for India. He wanted to make India **economically stronger**. He promoted the idea of making **mobile communication easy and accessible** to everyone. His ideas helped in the **development of India**.

3) Change for Development

Innovation and change were important parts of his management style. He continuously tried to **expand and improve** the business. His desire for growth helped Reliance grow rapidly. **Excellent service and trust** became important strengths of Reliance. He believed that **constructive change brings positive development**.

4) Transformational Leadership

Dhirubhai Ambani was a **transformational leader**. His innovative idea of converting **debentures into equity shares** brought major changes this helped Reliance convert its **liabilities into assets**.

The company's **share prices increased**, benefiting investors. This innovation later influenced changes in **government rules**. As a result, Reliance's **business and share capital grew rapidly**.

5) Human Resource Development

Dhirubhai considered **employees as the most important assets** of the company. He selected **talented professionals** from a wide range of candidates. Employees were continuously **trained and motivated** to achieve higher goals. He created a strong **Reliance family** culture. He **empowered managers** by giving them authority to work independently. He trusted the **abilities and capabilities of his employees**. This became an important part of Reliance's **HR policy**.

3. N. R. Narayana Murthy

Introduction

- **N. R. Narayana Murthy** is one of the founders of **Infosys Technologies**.
- He is known for his **ethical, employee-oriented and customer-focused leadership**.
- He was the **CEO of Infosys from 1981 to 2002**.
- He later served as **Chairman and Chief Mentor** of Infosys.

Education and Early Career

- Born on **20 August 1946** in Mysore.
- Completed **Electrical Engineering** from the University of Mysore in **1967**.
- Completed **M.Tech from IIT Kanpur in 1969**.
- Started his career with **Patni Computer Systems, Pune**.

Founder of Infosys

- In **1981**, he founded Infosys along with **six other software professionals**.
- Infosys opened its first international office in the **USA in 1987**.
- It expanded internationally and became a leading **IT services and consulting company**.

Management and Leadership Practices

- He followed **ethical and transparent management**.
- He gave importance to **employees and customers**.
- He promoted **teamwork and professional management**.
- He believed in **innovation and continuous improvement**.
- He introduced the **Global Delivery Model**, which became an important foundation for IT services outsourcing.
- He encouraged **globalisation of Indian IT services**.

Achievements

- Infosys was ranked among the **best employers in India**.

- Murthy was named **World Entrepreneur of the Year in 2003** by Ernst & Young.
- He was named **India's Most Powerful CEO** for three consecutive years – **2004, 2005 and 2006**.
- He was chosen as **Business Process Innovator in 2007**.
- He received the **Ernst Weber Engineering Leadership Medal in 2007**.

Other Contributions

- Served on the boards of several **international companies and institutions**.
- Worked as an advisor to **Asian countries** on IT.
- Served on various **educational and business boards**.
- His lectures were published as the book **"A Better India: A Better World" in 2009**.

Achievements of N. R. Narayana Murthy – Short & Simple Notes

1. **2013-Sayaji Ratna Award** by **Baroda Management Association, Vadodara**.
2. **2011- NDTV Indian of the Year-** Received the **"Icon of India"** award from NDTV.
3. **2008- Padma Vibhushan** by the **Government of India**. Also received **Légion d'honneur from France**.
4. **2000-Padma Shri** by the **Government of India**.
5. **2003-World Entrepreneur of the Year** by **Ernst & Young**.
6. **Max Schmidheiny Liberty Award – 2001** Received the award in **Switzerland**.
7. **1998, 1999 & 2000 -Business "Stars of Asia"** Recognised as one of the **nine entrepreneurs of the year** for three consecutive years.
8. **1996–97-J. R. D. Tata Corporate Leadership Award** Received for his **corporate leadership**.
9. **Dean's Medal** Awarded by the **Wharton School**.

Management Practices of N. R. Narayana Murthy

1) Underlying Practice

Murthy believes in **confidence and trust in people's capabilities**.
He believes it is better to have a **small part of a large, growing business** than a large part of a small, shrinking business.
He focuses on **healthy relationships and long-term growth**.

2) Simple Living, High Thinking

Murthy believes in **"Simple Living and High Thinking."**
He remains **modest and simple** despite his wealth.
His simple lifestyle reflects his **humble nature**.

3) Under-Promise and Over-Deliver

Murthy follows the principle of **"Under-Promise and Over-Deliver."**
He has great **respect for people**.
This approach helps build **long-term relationships** with employees, colleagues, customers and business associates.
It creates **trust and goodwill**.

4) Pioneer in HRM

Murthy considers software a **knowledge-based business**.
Therefore, he gave importance to **employees and their knowledge (brainware)**.
He introduced **ESOPs (Employee Stock Ownership Plans)** at Infosys.
ESOPs helped in **sharing wealth with employees**.
It also motivated employees to contribute to the company's growth.

5) Performance Measurement

Murthy measures **employee performance against value**.
He believes that employees' performance in the **knowledge industry is very valuable**.
ESOPs motivated employees to **work smart and hard**.

6) Customer Strategy – "Customer is the King"

Murthy believes in being **unique in the marketplace**.
He focuses on understanding **customer needs**.
He believes in giving customers **more than they expect**.
He gives importance to **quality, fairness and transparency**.
According to him, **trust and quality create long-term customer relationships**.

7) Social Responsibility

Murthy believes in putting **public good ahead of personal interest**.
Infosys contributes to society through **social responsibility activities**.
Examples include:

- **Rehabilitation**
- **Literacy programmes**
- **Donations**

He believes business should contribute to the **development of society**.

8) Visionary

Murthy had a **long-term and future-oriented vision**.
Infosys did not blindly enter the **dot-com business**.
His vision helped Infosys avoid major losses during the **dot-com downfall**.
He founded Infosys with **six professionals** with the vision of creating a company **for professionals and by professionals**.

4. Verghese Kurien

Introduction

1. Early Life

Dr. Verghese Kurien was born on **26 November 1921** in **Calicut, Kerala**.
He belonged to an **affluent Syrian Christian family**.
He completed his **B.Sc. in Physics** from **Loyola College, Madras**.
He went to the **USA** on a government scholarship and completed **M.Sc. in Mechanical Engineering** with distinction.

2. Amul and Milk Cooperative Movement

In **1949**, Dr. Kurien went to **Anand, Gujarat** to work in the Dairy Division.
He joined hands with **Tribhuvandas Patel and farmers** to start the milk cooperative movement.
The cooperative was named **Amul**.
Amul became a successful milk cooperative brand.
H. M. Dalaya, a friend of Kurien, developed a process to make **skimmed milk powder and condensed milk from buffalo milk**.

3. White Revolution

Dr. Kurien played a major role in bringing the **White Revolution in India**.
He successfully implemented **Operation Flood**.
It helped India become one of the world's leading milk-producing countries.
4. Contribution to Oil Industry
In **1979**, he launched the **Dhara Oilseeds Growers' Cooperative Project**.
It directly connected **oil producers and consumers**.

Its main objectives were:

- To stabilise oil prices.
- To encourage oilseed production.
- To reduce India's dependence on oil imports.

5. Institution Building

He founded **IRMA (Institute of Rural Management Anand)** in **1979**.
He helped strengthen cooperative organisations in India.
He supported **Anandalaya Education Society** for quality education.
In **1994**, he helped establish **Vidya Dairy** for practical training in dairy management.
He served as Chairman of the **Gujarat Co-operative Milk Marketing Federation** from **1973 to 2006**.

6. Management Philosophy

Dr. Kurien believed that **people are the greatest assets of the country**.
He believed people can develop when they are given the **right instruments and opportunities**.
His main focus was on **people's development through cooperative institutions**.

7. Death

Dr. Verghese Kurien died on **9 September 2012** in **Nadiad, Gujarat**.
He was **90 years old**.

Achievements of Dr.Verghese Kurien

- **Life-long Learner**
  Kurien believed that **education is a never-ending process**. He received honorary degrees from reputed institutions such as **Michigan State University** and **Swedish University of Agricultural Sciences**.
- **Prestigious Awards-**

1. **Ramon Magsaysay Award – 1963**
2. **Padma Shri – 1965**
3. **Padma Bhushan – 1966**
4. **Wateler Peace Prize – 1986**
5. **Krishi Ratna Award – 1986**
6. **World Food Prize – 1989**
7. **International Person of the Year – 1993**
8. **Padma Vibhushan – 1999**

Management Practices of Dr. Verghese Kurien

1) Democratic Model

- Amul's entire process from **milk collection to marketing** is controlled by the **farmer cooperative**.
- There are **no middlemen**; milk is collected directly from farmers.
- **Elections are held every three years** to elect management committees and the chairman.
- This ensures **farmer participation, transparency and democratic management**.
- Membership is open to people who own at least **one cow** and supply at least **700 litres of milk per year**.
- The price of Amul products is decided by considering **milk, labour, processing, packaging, advertising, transportation and taxes**.

2) Using Multiple Methods and Perspectives

- Amul did not always follow **expert advice**.
- Farmers and professionals worked together and tried **new methods**.
- Amul successfully produced **milk powder from buffalo milk**.
- It installed more than **4,000 Automatic Milk Collection System Units (AMCUS)**.
- This showed that **different methods and ideas can lead to success**.

3) Conducting Collaborative Implementation

- Dr. Kurien believed in **working together with farmers and communities**.
- From **1970 to 1996**, he implemented **Operation Flood**.
- It helped dairy farmers improve their **income and financial condition**.
- It also improved **rural infrastructure**.
- The cooperative model was later used for **fruits and vegetables** also.

4) Being a Flexible Change Agent

- Dr. Kurien believed that **community development takes time**.
- He was flexible and changed methods according to the situation.
- During winter, milk production became very high, creating **excess milk**.
- To solve this problem, he took help from **CFTRI, Mysore**.
- They developed **baby food and cheese from buffalo milk**.
- His ability to handle challenges showed his **flexible and dynamic leadership**.