

Principles of Management
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Module - 12
Lecture - 59
Reporting- concepts, types, importance and advantages

Welcome to the session on the Principles of Management. Today, we are going to discuss one of the very important aspect of the principles of management which is Reporting. So, we have gone through all the principles of management, but how we have done things and how the report, how to report it back about our performance, how to report about the deviations are very important aspects and principles of management also.

So, we in today's discussion, we are going to focus on the concepts, types, importance and advantages of reporting and reporting is also like who reports to whom is who like gives the feedback to whom these are also important issues in the principles of management, we will be going to discuss about all these things in this lecture today.

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Reporting in Management

Management reporting is that part of Management Control System which provides adequate business information to various levels of Management in the form of Reports and statements at regular Intervals. It is a formal system designed to ensure timely supply of pertinent information to Management.

According to Kohler, Management Reporting refers to:
"A body of information organized for presentation or transmission to others. It often includes interpretations, recommendations and findings with supporting evidence in the form of other reports."

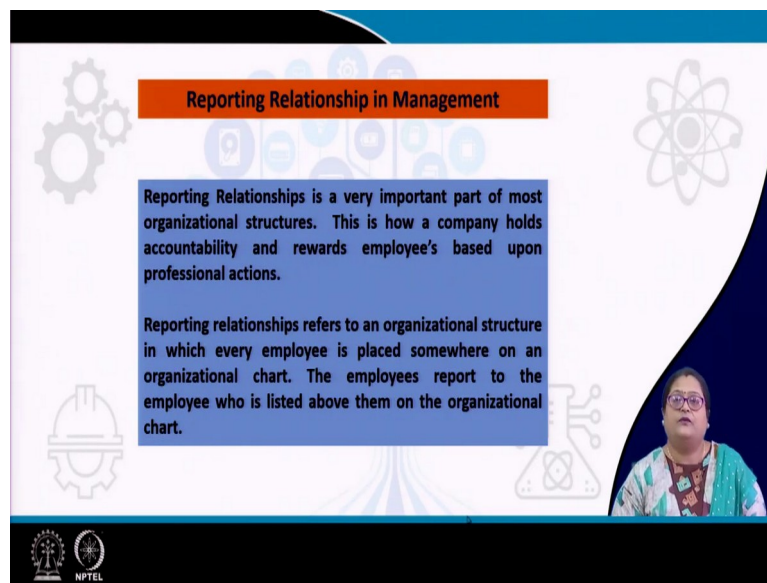
The slide features a blue header, a white background with a dark blue curved bottom-right corner, and various icons including gears, a hard hat, and a molecular structure. A small video inset of the professor is visible in the bottom right corner of the slide area.

So, when you talk of reporting in management, it is that part of management control system which provides adequate business information to the various levels of management in the form of reports and statements at regular intervals. It is a formal system designed to ensure timely supply of pertinent information to management.

According to Kohler, management reporting refers to a body of information organized for presentation or transmission to others. It often includes interpretation, recommendation and findings with supporting evidence in the form of other reports.

So, reporting is a relationship also like when somebody has to report about the functions at one level to the other people who are in control and the if the format in which it is done with the evidences the well suggested interpretations these are called the reports.

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The slide features a blue header with the title "Reporting Relationship in Management". Below the title, there are two text boxes. The first box states: "Reporting Relationships is a very important part of most organizational structures. This is how a company holds accountability and rewards employee's based upon professional actions." The second box states: "Reporting relationships refers to an organizational structure in which every employee is placed somewhere on an organizational chart. The employees report to the employee who is listed above them on the organizational chart." The slide is decorated with various icons including gears, a hard hat, a microscope, and a network diagram. In the bottom right corner, there is a small video inset of a woman with glasses and a patterned top. The NPTEL logo is visible in the bottom left corner.

First, we will be discussing about the reporting relationships in management. Reporting relationship is a very important part of most of the organizational structures. This is how a company holds accountability and rewards employees based upon professional actions. So, in reporting relationships, we are mainly discussing of like who reports to whom about a work done or the targets achieved and it also talks about your accountability for the work that you have done.

So, reporting relationship in an refers to an organizational structure, it is a part of the structure in which every employee is placed somewhere on the organizational chart. The employees report to the employee who is listed above him on the organizational chart.

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Span of Control and Reporting Relationship

Span of Control as related to reporting relationships is a broad category to define. It includes -

- The span of management covers narrow and wide, tall and short.
- A narrow span is where a manager has very few subordinates who answer to him.
- In comparison a wide span is the opposite and can cover a large group of workers in varying departments.
- Tall vs. flat spans of control are very complimentary and similar to wide and narrow formats.
- A tall organization is usually the result of the narrow span, and results in many layers of management.
- A flat organization usually has a very wide scope as managers can cover and are responsible for reporting from many subordinates.

The slide features a blue header with the title, a blue text box with the main content, and a video feed of a presenter in the bottom right corner. The background includes decorative icons of gears and a molecular structure.

There is a clear relationship between the span of control that we have discussed earlier and the reporting relationship. Span of control as related to reporting relationship is a broad category to define. It includes like the span the management covers like the could be narrow and wide span of control, tall and short span of control.

A narrow span is where a manager has very few subordinates who answers to him. In comparison a wide span is the opposite and can cover a large group of workers in varying departments. In tall versus flat span of control, we have already noticed like are very complementary and similar to the wide and narrow formats.

A tall organization is usually the result of the narrow span and the and it results in many layers in the management. A flat organization usually has a very wide scope as managers can cover and are responsible for like many subordinates who report to them from various departments also.

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The slide is titled "Establishing Task and Reporting Relationship" in an orange header. Below the title, a blue box contains the following text:

1. Task and Reporting Relationship includes :

- How activities related to each other in an organization.
- How the basic units of an organization are formed.
- Establishment of job description and job specification
 - Job Specification: Prerequisites of job. Various skills and experiences needed to perform certain job.
 - Job Description: The activities that have to be carried out at certain position in a job. It describes the job.

In the bottom right corner of the slide, there is a small video feed of a woman with glasses, wearing a green and white patterned top, who appears to be the presenter. The slide also features decorative icons of gears, a hard hat, and a molecular structure.

So, there is also a link between the establishing the task and the reporting relationship. So, the task and the reporting relationship includes like how each of the activities are linked to each other in an organization, how the basic units of an organizations are formed and how the like establishment of the job description and the job specification.

Because, we understand there are role responsibilities and everybody has to like talk about the targets achieved to the either to the next higher up or so that based on those feedback that is received, we can collate it, converge it and maybe see how it is mapped towards the organizational goal. So, that is the link with the job description and the specification also with the reporting relationship.

So, in job specification, the prerequisites of the job are defined the various skills and experiences needed to perform a certain job are defined in it and in job description, the activities that have to be carried out at certain position in a job it describes the job.

So, whenever we are talking of the reporting relationship with the job description and specification so, it obviously, is connected because what is the kind of the job that you are will be doing, what are the nature of the qualities, competencies require in your like team members or subordinates to whom you will be delegating your responsibilities are also to be defined in the job specification part.

Because when you choose someone to report to you means you also delegate some of your responsibilities towards that person and it is very important that a right person needs to be chosen to whom you can delegate those responsibilities which we have discussed again at length like whenever we are discussing on leadership in the past few lectures.

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The slide features a blue header with the title "Establishing Task and Reporting Relationship". Below the title, a blue box contains the following text:

2. Establishing Reporting Relationship:

- It is finding out -
 - Chain of command
 - Span of control or span of management

Who reports to whom is varied as per types of tasks.

Also, how many subordinates will a supervisor have depending upon in which structure of organisation he/she is accomplishing the tasks.

The slide is decorated with icons of gears, a hard hat, and a chemical flask. In the bottom right corner, there is a small video inset of a woman with glasses, wearing a green and white patterned top, who is the presenter.

So, whenever we are talking of like establishing the reporting relationship, it is very important to find out about the chain of command and the span of control or the span of management. So, when we understand the chain of command, we have to understand like who reports to whom is varied as per the nature of the task.

So, it is very important to understand the task per se, the job description per se, we have to understand what are the roles who are connected with the specific role that we are discussing on we need inputs from each other roles and the output has to be given to whom. If we are not able to find that thing first, then it is very difficult to understand the reporting relationship.

So, who reports to whom is dependent on the types of task. Also, how many subordinates will a supervisor have will be depending upon the which structure of the organization he is the accomplishing the task. So, whatever we see is very task specific; first you have to understand the task at hand and then we have to understand how many people does the task require, what should be the relationship amongst these people which will help for the task to perform.

One basic idea over here is that the reporting relationship should be as such that it should facilitate the task at hand, the reporting relationship should not be such like it is going to act as barrier or hindrances to in the performance of the task at hand. So, that is one of the basic ideas that we need to remember when we are trying to design an organization and the reporting relationships in it.

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Reporting Relationship: The Structure Leads the Way

- Horizontal reporting relationships in flat organizations establish peer relationships with multiple employees holding decision making powers.
- Hierarchal/Vertical Structures – Reporting directly to a Manager
- Dotted Line- Reporting to more than one person
- Advisory & Functional Authority- Reporting directly to CEO
- Virtual and Network Structures - top-down chain and command style of reporting within the organizational structure

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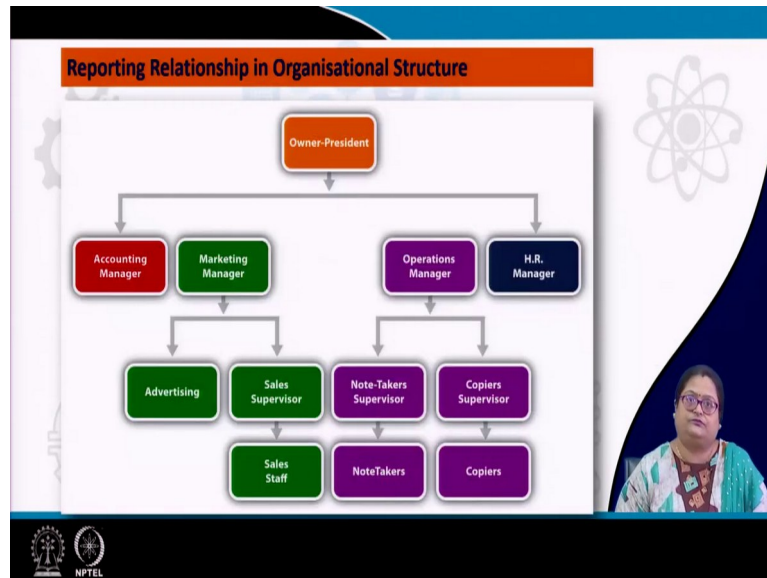
So, the when you talk of the reporting relationship so, n number of times we are talking of the organizational structure per se, but we have to understand the proper understanding of the task, helping the facilitating the tasks to get performed, what will be the interrelationships among the us other roles to perform the task in a better way should be the main focus and the reporting relationship should be a facilitator in that process.

So, in that way, then that will determine what will be the nature of the organization, structure, design which is going to overall help in this process of getting the work done. So, whenever we are talking of horizontal reporting relationship in flat organizations, it establishes peer relationships with multiple employees holding decision making powers.

And hierarchical or vertical structures reporting directly to a manager whenever we are talking of dotted line, it means reporting to more than one person and whenever we are talking of advisory and functional authority, it is reporting directly to the CEO. And in virtual and network structures, top-down chain and command style of reporting within the

organizational structure is generally you know followed where everywhere there is a network of relationships and reporting structures.

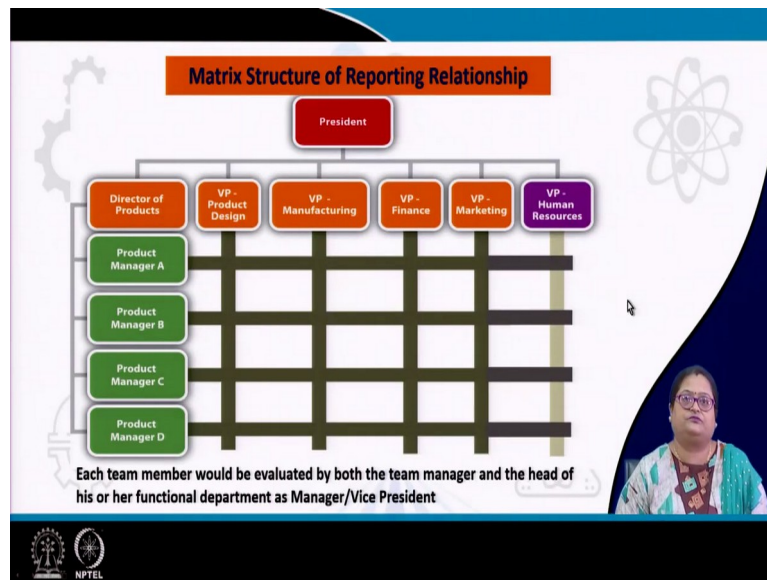
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So, if we see the it is one of the formats of reporting relationships where we see the owner and president, then we find accounting manager, marketing manager, here we can see operations manager and HR manager and under each hierarchy, then you find there are sub layers who are like the thin layer is reporting to this layer and this layer is reporting to this and ultimately, they are reporting over here.

So, this is one of the ways of showing the reporting relationships, there are other ways also this is just one of the examples of a hierarchical system of reporting relationships in the organization.

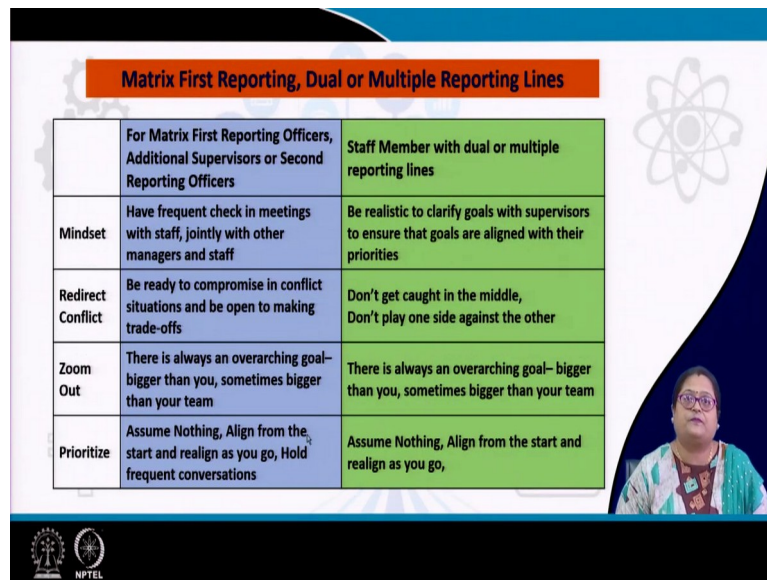
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So, this is another reporting structure in the relationships in the organization where you find president is there, then you find like director of products is there under which there are people who are belonging to different product managers of A, B, C, D but there is also you find like they are reporting equally to the VP of the product design, manufacturing, finance, marketing and human resources.

So, here we find each of the team member will be evaluated by both the team manager and the head of the his or her functional department as manager or the vice president. So, this is a dual reporting structure. So, we have to see like whether it like facilitates the process of the organization and ultimately leads to achieve its goal.

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The slide features a title bar in orange with the text "Matrix First Reporting, Dual or Multiple Reporting Lines". Below the title is a table with two columns: "For Matrix First Reporting Officers, Additional Supervisors or Second Reporting Officers" and "Staff Member with dual or multiple reporting lines". The table contains five rows of advice. To the right of the table is a video inset showing a woman with glasses and a green top. The slide also includes a logo of a stylized atom in the top right and NPTEL logos in the bottom left.

	For Matrix First Reporting Officers, Additional Supervisors or Second Reporting Officers	Staff Member with dual or multiple reporting lines
Mindset	Have frequent check in meetings with staff, jointly with other managers and staff	Be realistic to clarify goals with supervisors to ensure that goals are aligned with their priorities
Redirect Conflict	Be ready to compromise in conflict situations and be open to making trade-offs	Don't get caught in the middle, Don't play one side against the other
Zoom Out	There is always an overarching goal— bigger than you, sometimes bigger than your team	There is always an overarching goal— bigger than you, sometimes bigger than your team
Prioritize	Assume Nothing, Align from the start and realign as you go, Hold frequent conversations	Assume Nothing, Align from the start and realign as you go,

In the matrix, we find the first reporting and the dual reporting and the multiple reporting lines. So, in the matrix, we find there are like in here we are representing about that discussing about two side by side.

So, for matrix, there is a first reporting officers, additional supervisors or second reporting officers and there are staff members with dual or multiple reporting lines and what we will be discussing over here is the what are the expectations from the reporting officers and also from the staff members who are reporting to this reporting officers.

As per mindset, we find like for the reporting officers, they should have frequent checks in meetings with staff jointly with other managers and staff. The staff members should be realistic to clarify goals with supervisors to ensure that the goals are aligned with their priorities.

Redirect the conflict because there is a dual reporting relationship, there could be conflict also. So, redirecting the conflict for the supervisors be ready to compromise in conflict situations and be open to making trade-offs. For the reporter's, do not get caught in the middle, do not play one side against the other.

Zoom out; there is always an overarching goal bigger than yours, sometimes bigger than your team also. So, everybody has to see that super ordinate goal. So, for the staff members also you have to see the super ordinate goals, you have to come out of your particular restrictions

of your department and then see like how you can get well with the expectations of the other cell like additional supervisors or second reporting officers in order to reach the overarching goal.

Prioritize it is like assume nothing, align from the start and realign as you go, hold frequent conversations with the second like reporting officer. So, the two reporting officers should be like communicating very frequently with each other to exchange about the ideas as a team to reach the superordinate goal and for the staff members also like assume nothing, align from the start and realign as you go ahead.

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	For Matrix First Reporting Officers, Additional Supervisors or Second Reporting Officers	Staff Member with dual or multiple reporting lines
Mindset	Learn to share, Build the partnership: Get roles clear, Go slow to go fast	Anticipate conflicts, Watch your bias, Go slow to go fast
Redirect Conflict	Don't put the employee in the middle, Be tentative, assume best intent and be ready for trade-offs	Don't play one side against the other, Do not get caught in the middle
Zoom Out	Get out of your silo and up on the balcony	Get out of your silo and up on the balcony
Prioritize	Pick your battles, Use your "Elevate" card wisely	Don't try to do it all, Use your "Escalate" card wisely

So, it is very important that there is a good communication between the reporting officers amongst themselves and also the with the of the staff member with the reporting officers. So, here we will be discussing about the ground rules for the communication.

The mindset over here which is for the reporting officers learn to share, build the partnership: get roles clear, go slow to go fast. For the staff members, anticipate conflicts, watch your bias and go slow to go fast.

For the reporting officers, for the redirection of the conflict is do not put the employee in the middle, be tentative, assume best intent and be ready for the trade-offs. So, and for the staff officers like definitely it is not to play one side against the other and do not get to like you should not be caught in the middle.

Zoom out is get out of your silo and up on the balcony similarly is for the staffs that we have already discussed, we have to see the bigger picture. And in prioritization, whenever we are talking for the supervisors, it is using your elevator card wisely so, pick up, pick your battles and for the staff, it is like do not try to do it all. So, what you want to like do first, do second you need to prioritize in order that you can answer to all the like expectations in a proper way, you cannot do all at a time rather you need to prioritize about it.

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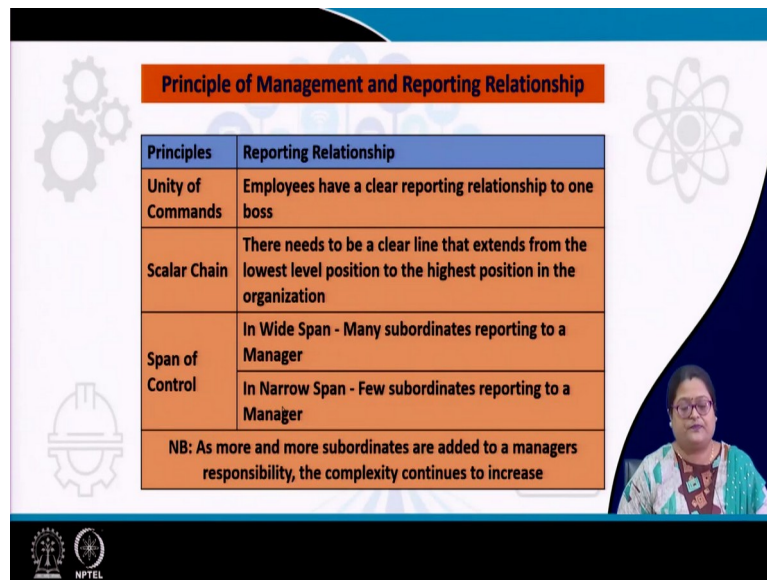
Structure Shows the Reporting Relationships and Communications Channels

- a. Work Breakdown Structure.
- b. Organisational Breakdown Structure.
- c. Product Breakdown Structure.
- d. Responsibility assignment structure

The slide includes a blue header, a blue text box, and an illustration of five colorful figures holding hands under a rainbow arch. The NPTEL logo is visible in the bottom left corner.

So, what we understand like it is very important to first think about the task, the requirements of the task to see what type of structure will fit the task properly, facilitate the task properly and then move ahead with it. So, the structure which shows the reporting relationships and the work breakdown, structure the organizational breakdown structure, product breakdown structure and responsibility assignment structure.

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The slide features a title bar at the top with the text "Principle of Management and Reporting Relationship". Below the title is a table with two columns: "Principles" and "Reporting Relationship". The table contains three rows of data. A note at the bottom of the table states: "NB: As more and more subordinates are added to a managers responsibility, the complexity continues to increase". The slide also includes decorative icons of gears, a hard hat, and an atom, and a small video inset of a presenter in the bottom right corner.

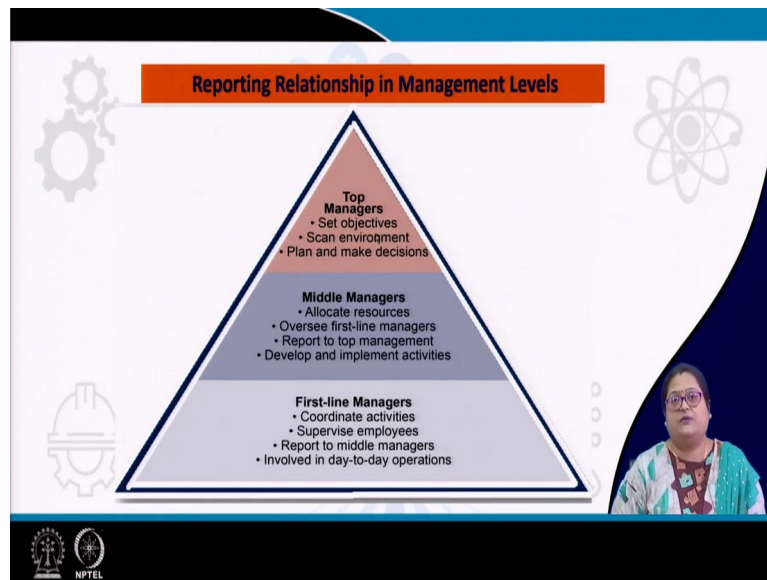
Principles	Reporting Relationship
Unity of Commands	Employees have a clear reporting relationship to one boss
Scalar Chain	There needs to be a clear line that extends from the lowest level position to the highest position in the organization
Span of Control	In Wide Span - Many subordinates reporting to a Manager
	In Narrow Span - Few subordinates reporting to a Manager

NB: As more and more subordinates are added to a managers responsibility, the complexity continues to increase

So, some of the reporting relationships along with the principles of management we will be discussing now like for the unity of commands. So, in that the reporting relationship is employees have a clear reporting relationship to one boss.

In a scalar chain, there needs to be a clear line that extends from the lowest level position to the highest-level position in the organization. And in span of control, we are discussing in wide span many subordinates reporting to a manager and in narrow span, few subordinates reporting to a manager. So, as more and more subordinates are added to a manager responsibility managers responsibility, the complexity of the continues to increase.

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So, here you find the reporting relationships in management levels. For the first level managers, it is for the coordinate activities, there is supervised employees, report to middle managers and involved in day-to-day operations. For the middle managers, you find the responsibilities or allocate resources, oversee first line managers, report to top management, development and implement the activities and in top managers, set objectives, scan the environment, plan and make decisions.

So, what you find over here as we move up the hierarchy, there is a reporting relationship which moves up like the lower level first line reports to the middle line, middle line reports to the top line. But what you see the top management can set objective, scan environment and plan and make decisions only when like they delegate some of the responsibilities to the middle level managers in terms of develop and implement the activities, allocate the resources.

And, only when those are done by the middle level managers in a proper way, the first line managers can get involved in the day-to-day operations and they coordinate various activities and the supervise the employees. And how they have done it? If they report to the middle level manager, then they can report it back to the first level manager or the top managers who can again set an objective and as such again the chain moves down.

So, it is in like however, good you report about your work done and the objectives reached will help the top managers to find out how well you have aligned with the expectations and

how the organization is progressing, what is the gap which is there how the gap could be controlled the reduced so, we are discussing so, it also helps in the process of controlling.

We are discussing this whole reporting relationships under the process of controlling, we have to understand like for the top manager, it does not always be possible to go to the lowest level of employees and find out exactly what they are doing for that they have to delegate these responsibilities and there needs to be a reporting relationship.

And, also side by side the management information system also needs to be very strong in the case like the lowest level employees also try to communicate about some of his ideas or some of his like how he is feeling in the organization, maybe some of his grievances also. So, all these channels of communication really help the work flow to be maintained in a proper way.

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Reporting Relationship at Manager's Capacity

Graicunas (Griffin, R. 2013) developed a mathematical formula to explain the complexity of span of control if more subordinates are added to the executive.

He noted that a manager must deal with three kinds of interactions with and among subordinates:

1. Direct Single Relationships (the manager's one-to-one relationship with each subordinate)
2. Direct Group Relationships (between groups of subordinates)
3. Cross Relationships (among the subordinates themselves)

The slide features a blue header with the title, a central blue text box, and a small video inset of a woman in the bottom right corner. The background includes faint icons of gears and a network diagram.

So, the reporting relationship, we can understand like which is that the managers capacity is like how many if we are discussing over here like how many people can you really like to be able to supervise and how many peoples report you are able to deal with properly. So, to help you in understanding that Graicunas developed a mathematical formula to explain the complexity of the span of control if more subordinates are added to a particular executive.

He noted that a manager must deal with three kinds of interactions with and among the subordinates: direct single relationship where the managers are one to one relationship with

each subordinate, direct group relationships which is between groups of subordinates and cross relationships which is among the subordinates themselves.

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Reporting Relationship at Manager's Capacity

According to Graicunas,

- A top-level manager can effectively manage only 222 relationships.
- Therefore, a top-level manager should not have more than 6 subordinates.
- Similarly, a lower-level manager should not have more than 20 subordinates.

The diagram shows a hierarchical structure for the Roman Catholic Church, starting with a single top-level figure (the Pope) and branching down into multiple levels of subordinates, illustrating the concept of reporting relationships.

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According to Graicunas, a top-level manager can effectively manage only 222 relationships. Therefore, a top-level manager should not have more than 6 subordinates. Similarly, a lower-level manager should not have more than 20 subordinates.

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Factors Influencing Span of Control and Reporting Relationship

1. Competence of supervisor and subordinates (the greater the competence, the wider the potential span).
2. Physical dispersion of subordinates (the greater the dispersion, the narrower the potential span).
3. Extent of nonsupervisory work in manager's job (the more nonsupervisory work, the narrower the potential span).
4. Degree of required interaction (the less required interaction, the wider the potential span).

NPTEL

The factors affecting the span of control and reporting relationships are definitely the competence of the supervisor and the subordinates, the greater the competence, the wider the potential span.

Physical dispersion of subordinates, the greater the dispersion, the narrower is the potential span. Extent of non-supervisory work in the manager's job, the more non-supervisory work, the narrower the potential span. Degree of required interaction, the less required interaction, the wider the potential span.

So, what we find over here, what will be the span of control and what will be the reporting relationship depends on many factors of course, the competency of the people, then the how you are geographically placed and what is the nature of your work and whether it requires direct interaction or not all this will determine whether you will have a narrow span of control or whether you will have a wide span of control.

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Factors Influencing Span of Control and Reporting Relationship (Contd..)

5. Extent of standardized procedures (the more procedures, the wider the potential span).
6. Similarity of tasks being supervised (the more similar the tasks, the wider the potential span).
7. Frequency of new problems (the higher the frequency, the narrower the potential span).
8. Preferences of supervisors and subordinates.

The slide features a central diagram of a team of people sitting around a circular table, with various icons representing different tasks or roles. A video inset in the bottom right corner shows a woman speaking. The slide also includes the NPTEL logo in the bottom left corner.

So, till here, we have understood about the reporting relationships in the organization where we talk of who reports to whom and based on again the nature of the work, the competencies of the supervisors and like whether it is the frequency of a new problem is more or not, what are the preferences of the supervisors and many things the nature of the task mainly which determines the who reports to whom and what is the span of control.

Another important, very important part of reporting is how you report in the forms of like the information that you share, how well documented it is, how in depth it is, how reliable it is, whether it has been well measured about the task that you are reporting about, whether it has kept into considerations, the deviations between the expected work and the actual performances and whether you have reported properly about it, whether the report that you have prepared is reliable and valid.

Means what you submit to a report the depth and the quality, the nature of the information that you submit or place to the person that whom you are reporting to is very important because based on that reporting that you submit or that information that you share, the person whom you are reporting to is going to take a lot of managerial decisions about it and again give you the share with you the next ways of reaching the particular objectives.

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The slide is titled "Reporting in Management" in an orange box. It contains two blue text boxes. The first defines management reporting as part of a management control system. The second quotes Kohler's definition of management reporting. A small video inset of a woman is in the bottom right corner. The slide also features gear and atom icons and the NPTEL logo at the bottom.

Reporting in Management

Management reporting is that part of Management Control System which provides adequate business information to various levels of Management in the form of Reports and statements at regular Intervals. It is a formal system designed to ensure timely supply of pertinent information to Management.

According to Kohler, Management Reporting refers to: "A body of information organized for presentation or transmission to others. It often includes interpretations, recommendations and findings with supporting evidence in the form of other reports."

So, in the next section of this discussion, we are going to discuss in details about the reporting's in management where we are talking of it is that part of management control which provides adequate business information. So, let us see how it is done and what are the detailing's of it so that after learning about this, we can understand how to prepare a report in a much better way.

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The slide is titled "Objective of Reporting" in an orange header. It contains three bullet points in a blue box. To the right of the text is a small video feed of a woman with glasses and a green top. The slide also features decorative icons: gears on the left, an atom symbol on the right, and a hard hat at the bottom left. The NPTEL logo is at the bottom center.

Objective of Reporting

- **Means of communication:-** A report is used as a means of upward communication. It is prepared and submitted to someone who needs that information for carrying out the functions of management.
- **Satisfy interested parties:-** The interested parties of management report are top management, executives, government agencies, shareholders, creditors, customers and general public. Different types of management reports are prepared to satisfy above mentioned interested parties.
- **Serve as a record:-** Reports provide valuable and important records for reference in the future. As the facts and investigations are recorded with utmost care, they become a rich source of information for the future.

The objective of reporting is it is a means of communication. A report is used as a means of upward communication. It is prepared and submitted to the someone who needs that information for carrying out the functions of management.

Satisfy interested parties, the interested parties of managements are life of for management report are of course, the top management, executives, government agencies, shareholders, creditors, customers and general public. Different types of management reports are prepared to satisfy the above mentioned interested parties. It serves also as a record. Reports provide valuable and important records for reference in the future. As the facts and investigations are recorded with utmost care, they become a rich source of information for future.

So, whenever something is documented properly, reported properly through any mechanisms done in the organization, any processes followed in the organization, it becomes a like well documented reference point for future like if next some people want to improve on that action, they can or they want to get an overall idea of how things happen in the past, so that they can build up on it reports really serves as an important source of record and reference point for it.

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Requisites of Reporting System

- Good form and content
- Promotion
- Comparability
- Consistency
- Simplicity
- Appropriateness
- Accuracy
- Effective communication
- Co-ordination
- Controllability
- Cost consideration

So, the requisites of a good reporting system are like it is good form and content so, like it helps of course, in promotion, comparability, there should be consistency the reporting system, its simplicity, it should be appropriate like you are exactly reporting about the facts queries that are there.

Accuracy, effective communication is there, coordination amongst the various like stakeholders and the different types of like people involved in it, the stakeholders involved in it, controllability like it helps the reporting should be such like it helps in controllability of the information shared and exchange of information and the cost consideration.

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The slide features a blue header with the title 'Principles of Reporting' in white text. Below the title, a blue box contains four bullet points. The background is white with faint icons of gears, a hard hat, and a molecular structure. At the bottom, there are logos for IIT Kharagpur and NPTEL.

Principles of Reporting

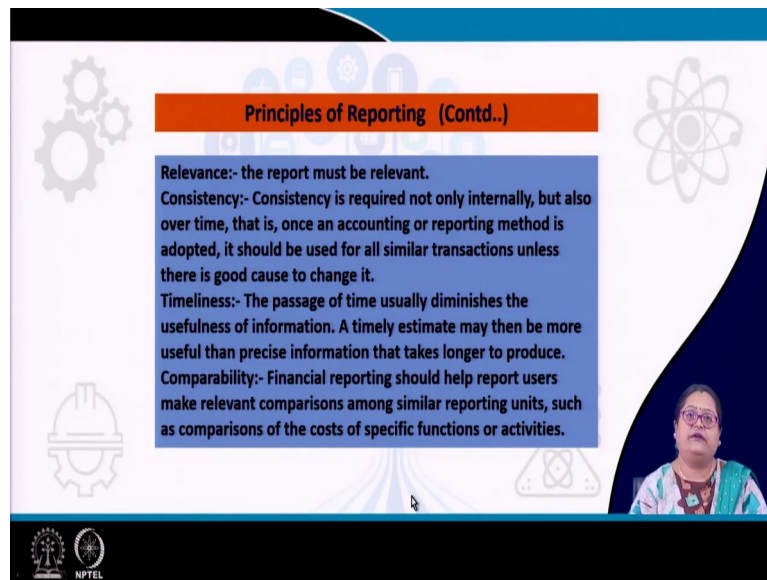
- **Completeness:-** The measures, in the aggregate, should cover all aspects of mission of the reporting organisation.
- **Legitimacy:-** Reports should be appropriate for the intended users and consistent in form and content with accepted standards.
- **User friendliness:-** Reports should be understandable to reasonably informed and interested users, and should permit information to be captured quickly and communicated easily.
- **Reliability:-** The information presented in the reports should be verifiable and free of bias and faithful.

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The principles of reporting are it looks for completeness. The measures in the aggregate should cover all aspects of the mission of the reporting organization. Legitimacy, report should be appropriate for the intended users and consistent in form and content with the accepted standards. User friendliness, report should be understandable and reasonably informed and interested users and should permit information to be captured quickly and communicated easily.

So, understandability of the reports is very important, well presented information with interpretation so, which can be understood quickly is very important one of the qualities of a good report. The information presented in the report should be verifiable and should be free of bias and it should be faithful.

(Refer Slide Time: 30:41)



The slide features a blue header with the title "Principles of Reporting (Contd.)". The main content is in a blue box with white text. The presenter is a woman with glasses and a patterned top, visible in the bottom right corner. The slide also includes decorative icons: gears, a hard hat, and an atom symbol.


Principles of Reporting (Contd.)

Relevance:- the report must be relevant.

Consistency:- Consistency is required not only internally, but also over time, that is, once an accounting or reporting method is adopted, it should be used for all similar transactions unless there is good cause to change it.

Timeliness:- The passage of time usually diminishes the usefulness of information. A timely estimate may then be more useful than precise information that takes longer to produce.

Comparability:- Financial reporting should help report users make relevant comparisons among similar reporting units, such as comparisons of the costs of specific functions or activities.



Relevance, the report must be relevant. Consistency is required not only internally, but also over time that is once an accounting or reporting method is adopted it should be used for all similar transactions unless there is a good cause to change it. Timeliness, the passage of time usually diminishes the usefulness of information.

A timely estimate may then be more useful than precise information that takes longer to produce. Comparability, financial reporting should help report users make relevant comparisons among similar reporting units such as comparisons of the cost of specific functions or activities.

(Refer Slide Time: 31:31)

Importance of Reporting

- It provides information to the management.
- Helps in selecting the best profitable alternative for future.
- Helps in controlling the performance.
- Helpful in profitable operations.
- Helpful in achieving the overall objectives.
- And so on.....

The slide features a blue header with the title 'Importance of Reporting'. Below the title is a blue box containing a bulleted list of six points. The background is white with faint icons of gears, a hard hat, and a circuit board. A video inset in the bottom right corner shows a woman with glasses speaking. The NPTEL logo is visible in the bottom left corner.

Also, it provides information to the management; it helps in selecting the best profitable alternative for future and helps in controlling the performance. It helps in profitable operations, helps in achievable achieving the overall objectives so, we can see the importance of reporting are many.

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Essentials of Good Reporting

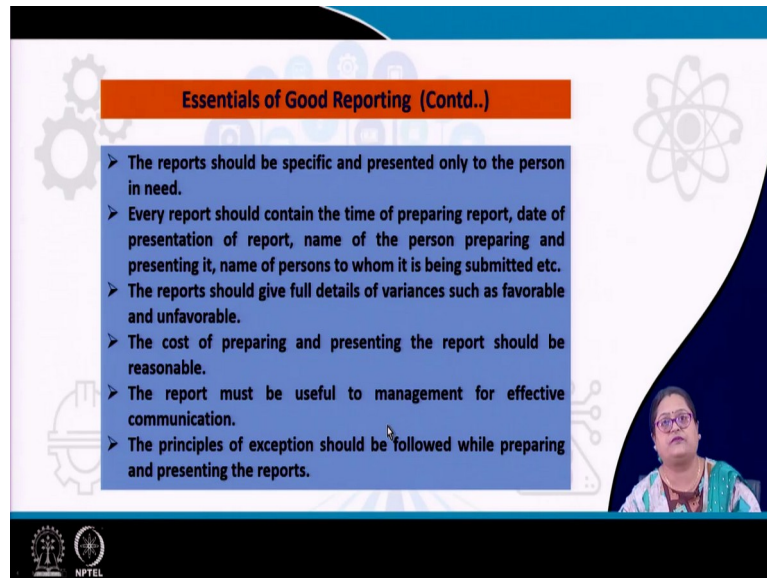
- The report must have a suitable title.
- The report should be simple and easily understandable.
- A report should be prepared on time.
- A report must be comparable (i.e. comparing actual performance with standard performance).
- A report must be consistent.
- A report should be precise, accurate and specific.
- A report must contain relevant information.

The slide features a blue header with the title 'Essentials of Good Reporting'. Below the title is a blue box containing a bulleted list of seven points. The background is white with faint icons of gears, a hard hat, and a circuit board. A video inset in the bottom right corner shows a woman with glasses speaking. The NPTEL logo is visible in the bottom left corner.

Now, what are the essentials of good reporting? The report must have a suitable title, the report should be simple and easily understandable, a report should be prepared on time, a report must be comparable that is comparing actual performance with the standard

performance; it must be consistent, should be precise, accurate and specific and must contain relevant information.

(Refer Slide Time: 32:30)



Essentials of Good Reporting (Contd.)

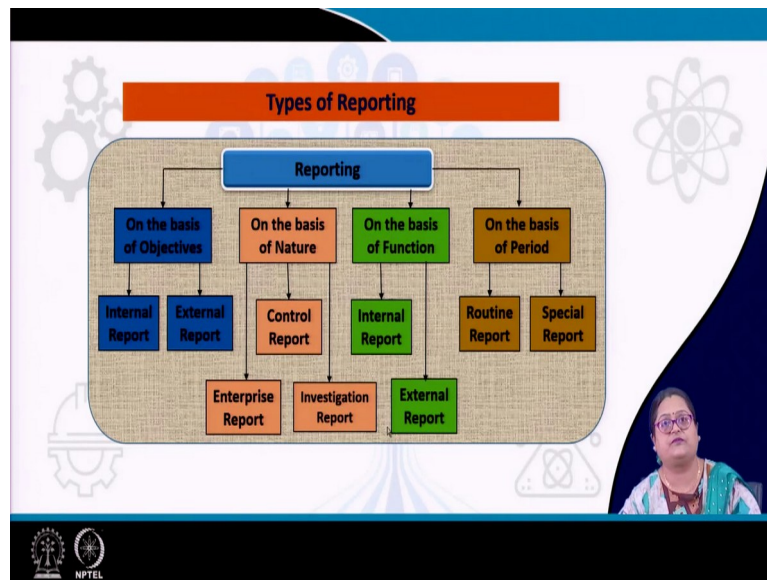
- The reports should be specific and presented only to the person in need.
- Every report should contain the time of preparing report, date of presentation of report, name of the person preparing and presenting it, name of persons to whom it is being submitted etc.
- The reports should give full details of variances such as favorable and unfavorable.
- The cost of preparing and presenting the report should be reasonable.
- The report must be useful to management for effective communication.
- The principles of exception should be followed while preparing and presenting the reports.

The slide features a blue header with the title 'Essentials of Good Reporting (Contd.)'. Below the header is a blue box containing a list of seven bullet points. To the right of the text is a small video inset showing a woman with glasses and a green top. The slide also includes decorative icons of gears and an atom, and the NPTEL logo at the bottom left.

Also, the report should be specific and presented only to the person in need. Every report should contain the time of preparing a report, date and presentation of report, name of the person preparing and presenting it, name of the person to whom it is being submitted.

So, it should give full details of the variances such as the favorable and unfavorable things happening. The cost of preparing and presenting the report should be reasonable. The report must be useful to management for effective communication. The principles of exception should be followed while preparing and presenting the reports.

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There are different types of reporting. According to on the basis of objectives are internal reports and external reports. On the basis of nature, it could be control report, enterprise report and investigation report. On the basis of function, it could be again internal report and external report and on the basis of period, it could be routine report and special report.

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Types of Reporting

On the basis of objectives or purpose:

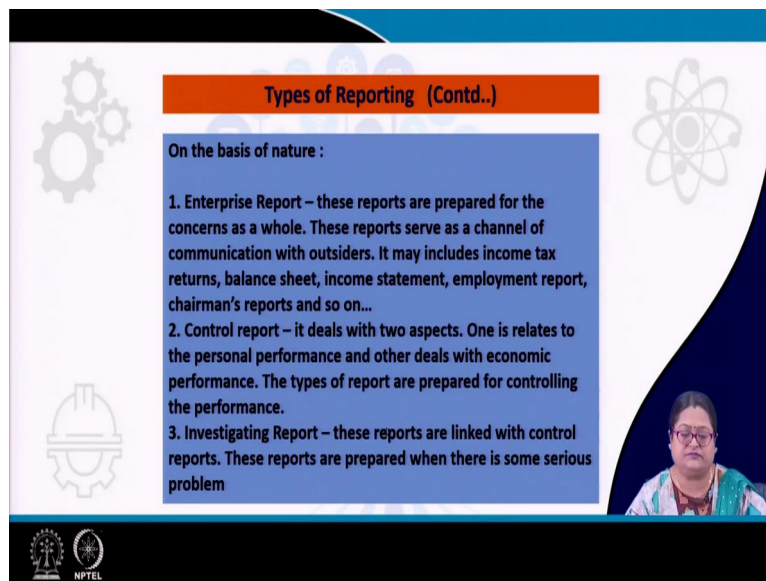
1. **Internal Reports** - Internal report is meant for different levels of management. This can be classified into three types: (a) Report meant for top level management, (b) Report meant for middle level management, and (c) Report meant for lower level management .
2. **External report** - It is prepared for meeting the requirements of persons outside the business, such as shareholders, creditors, bankers, government, stock exchange and so on. External report is brief in size as compared to internal report and they are prepared as per the statutory requirements. E.g. of external reports :- profit & loss a/c, balance sheet

So, the basis of objectives or purposes like internal reports is meant for different levels of management. This can be classified into three types: reports meant for top level management, reports meant for middle level management and report meant for lower-level management.

The external report is prepared for the meeting the requirements of persons outside the business, such as the shareholders, creditors, bankers, government, stock exchanges and so on.

External report is brief in size as compared to internal report and they are prepared as per the statutory requirements. So, like the profit and loss account, balance sheet etcetera.

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The slide is titled "Types of Reporting (Contd.)" and is presented in a blue-themed layout. It features a central text box with a white background and blue border, containing three numbered points. The slide is decorated with icons of gears, a hard hat, and an atom. A small video inset of a woman is visible in the bottom right corner. The NPTEL logo is located in the bottom left corner.

Types of Reporting (Contd.)

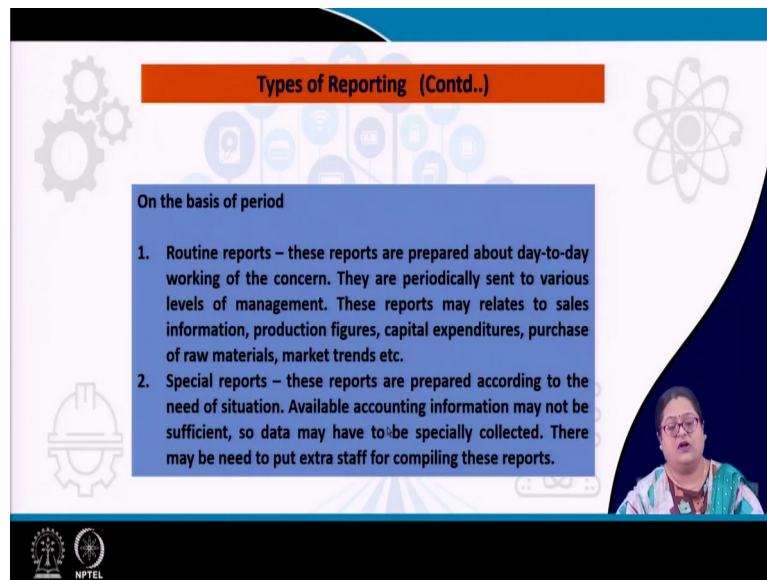
On the basis of nature :

1. Enterprise Report – these reports are prepared for the concerns as a whole. These reports serve as a channel of communication with outsiders. It may includes income tax returns, balance sheet, income statement, employment report, chairman's reports and so on...
2. Control report – it deals with two aspects. One is relates to the personal performance and other deals with economic performance. The types of report are prepared for controlling the performance.
3. Investigating Report – these reports are linked with control reports. These reports are prepared when there is some serious problem

On the basis of nature, it could be enterprise report like these reports are prepared for the concerns as a whole. These reports serve as a channel of communication with outsiders. It may include income tax returns, balance sheet, income statement, employment report, chairman's report and so on. Control report it deals with two aspects. One it relates to the persons performance and other it deals with the economic performance.

The types of reports are prepared for controlling the performance. Investigating report, these reports are linked with control reports. These reports are prepared when there are some serious problems in the organization.

(Refer Slide Time: 35:37)



The slide is titled "Types of Reporting (Contd.)" and is presented in a blue-themed layout. It features a central text box with a blue background and white text. The text is organized into a list under the heading "On the basis of period". The list includes two items: "1. Routine reports" and "2. Special reports". The slide also contains decorative icons: gears in the top left, an atom symbol in the top right, and a hard hat in the bottom left. At the bottom left corner, there are logos for IIT Bombay and NPTEL. A small video inset in the bottom right corner shows a woman speaking.

Types of Reporting (Contd.)

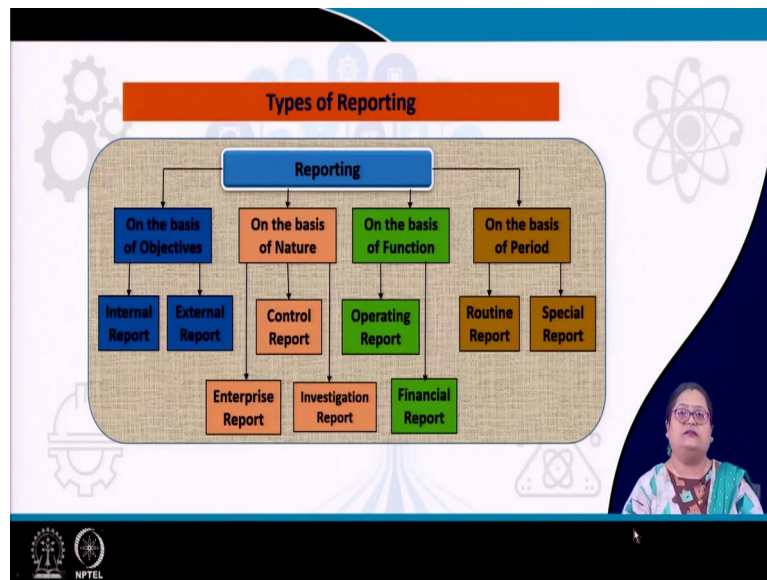
On the basis of period

1. Routine reports – these reports are prepared about day-to-day working of the concern. They are periodically sent to various levels of management. These reports may relate to sales information, production figures, capital expenditures, purchase of raw materials, market trends etc.
2. Special reports – these reports are prepared according to the need of situation. Available accounting information may not be sufficient, so data may have to be specially collected. There may be need to put extra staff for compiling these reports.

On the basis of periods, it could be routine reports or special reports. These reports are prepared about the routine reports; these are reports that are prepared about day-to-day working of the concern. They are periodically sent to various levels of management. These reports may relate to the sales information, production figures, capital expenditure, purchase of raw materials, market trends etcetera.

Special reports, these reports are prepared according to the need of the situation. Available accounting information may not be sufficient so, data may have to be specially collected. These may need to put extra staff for; there may be a need to put an extra staff for compiling these reports.

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The types of reporting are on the basis of objectives, it is internal report and external report. On the basis of nature, it could be enterprise report, control report and investigation report. On the basis of function, it is operating report and financial report and on the basis of period, it could be routine report or special report.

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Types of Reporting (Contd.)

On the basis of functions

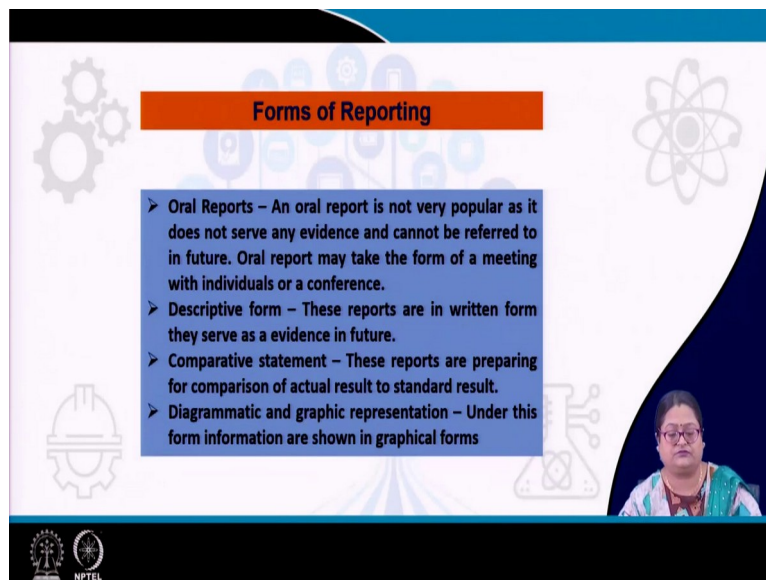
- 1. Operating reports** – These reports provide information about operations of the concern. These reports can be classified into three types :- (a) Control reports, which are prepared to exercise control over various operation of the business, (b) Information report, which are prepared for facilitating planning and policy formulation in a business, (c) Venture measurement report which is prepared to show the result of a specific venture undertaken.
- 2. Financial reports** - Such reports provide information about financial position of the undertaking. These reports may be prepared annually to show the financial position for the year as in the case of balance sheet or periodically to show the cash position for a given time period

On the basis of functions: operating reports. These reports provide information about the operations of the concern. These reports can be classified into three types: control reports, which are prepared to exercise control over various operation of the business, information

report which are prepared for facilitating planning and policy formulation in a business and venture measurement report which is prepared to show the result of specific ventures undertaken.

The financial reports are reports which provide information about financial position of the undertaking. These reports may be prepared annually to show the financial position for the year as in the case of balance sheet or periodically to show the cash position for a given time period.

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The slide is titled "Forms of Reporting" in an orange box. It lists four types of reports in a blue box:

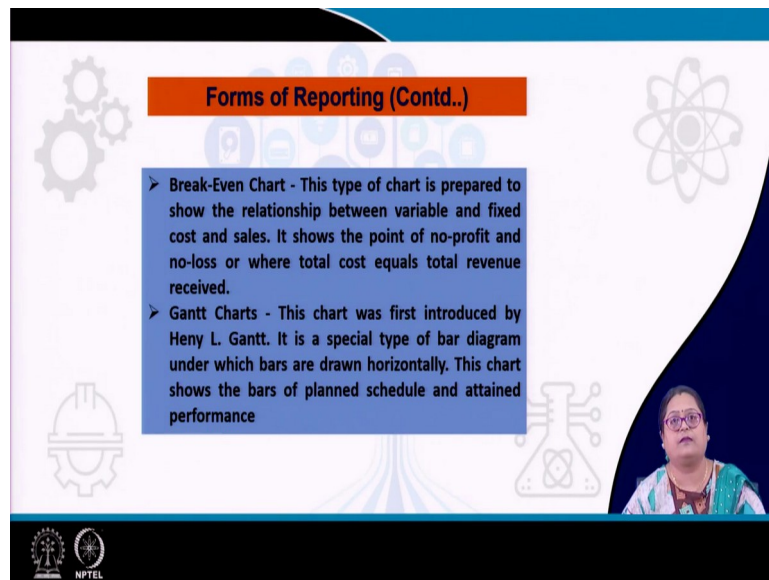
- Oral Reports – An oral report is not very popular as it does not serve any evidence and cannot be referred to in future. Oral report may take the form of a meeting with individuals or a conference.
- Descriptive form – These reports are in written form they serve as a evidence in future.
- Comparative statement – These reports are preparing for comparison of actual result to standard result.
- Diagrammatic and graphic representation – Under this form information are shown in graphical forms

The slide also features a small video inset of a woman in the bottom right corner and the NPTEL logo in the bottom left corner.

There are various forms of reporting like oral report, it is not very popular as it does not serve any evidence and cannot be referred to in future. Oral report may take the form of a meeting with individuals in a conference or a conference.

Descriptive form, these reports are in written form as they serve as evidence in future. Comparative statement, these reports are preparing for comparison of actual result to standard result. Diagrammatic and graphic representations under this form information are shown in graphical forms.

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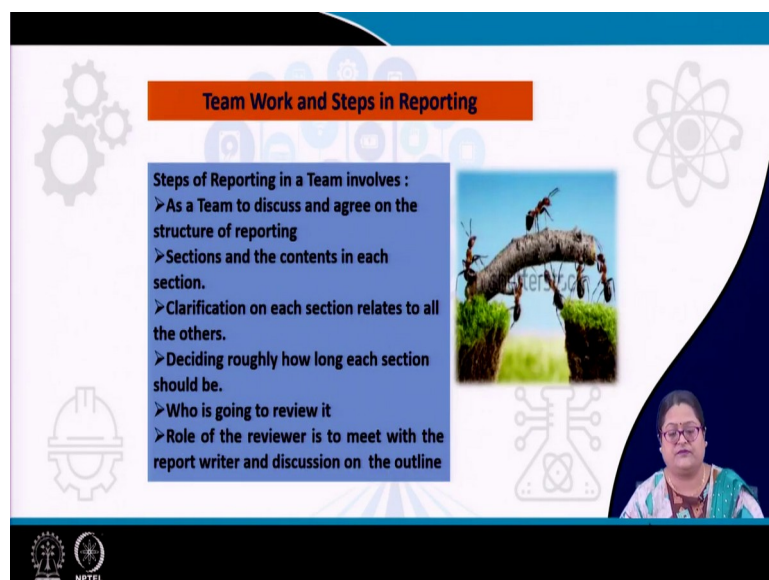


Forms of Reporting (Contd..)

- Break-Even Chart - This type of chart is prepared to show the relationship between variable and fixed cost and sales. It shows the point of no-profit and no-loss or where total cost equals total revenue received.
- Gantt Charts - This chart was first introduced by Henry L. Gantt. It is a special type of bar diagram under which bars are drawn horizontally. This chart shows the bars of planned schedule and attained performance

Break-even chart, this type of chart is prepared to show the relationship between variable and fixed cost and sales. It shows the point of no profit and no loss where the total cost equals to the total revenue received. Gantt chart, this chart was first introduced by Henry L. Gantt. It is a special type of bar diagram under which bars are drawn horizontally. This chart shows the bars of planned schedule and attained performance.

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Team Work and Steps in Reporting

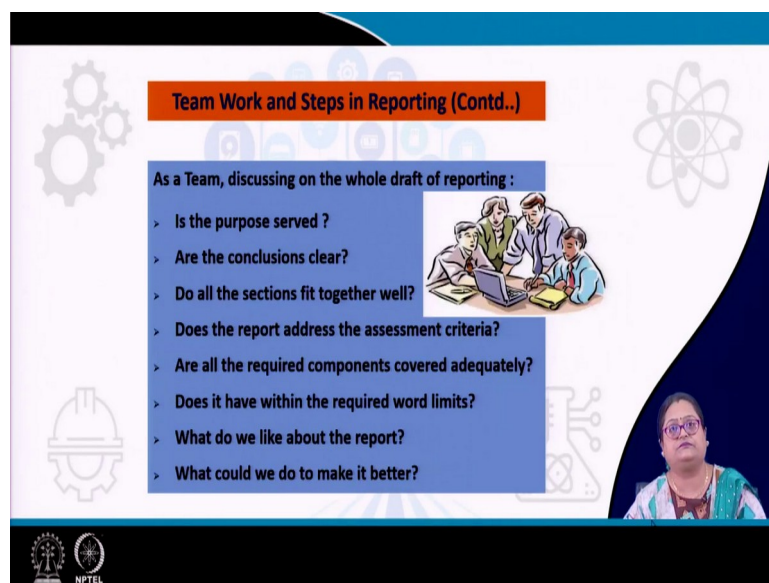
Steps of Reporting in a Team involves :

- As a Team to discuss and agree on the structure of reporting
- Sections and the contents in each section.
- Clarification on each section relates to all the others.
- Deciding roughly how long each section should be.
- Who is going to review it
- Role of the reviewer is to meet with the report writer and discussion on the outline

Like whenever we are talking of teamwork as we have discussed earlier that what would be the reporting structure in a team. The steps of reporting in a team involves the let the team has to discuss and agree on the structure of reporting.

Sections and contents in each section. Classification in each section relates to all others or the it should be sorry. Clarification on each section relates to all others. Deciding roughly how long each section should be. Who is going to review it? Role of the reviewer is to meet with the report writer and discussion on the outline.

(Refer Slide Time: 40:02)



The slide features a blue header with the title "Team Work and Steps in Reporting (Contd..)". Below the title, a blue box contains the text "As a Team, discussing on the whole draft of reporting :". To the right of this text is an illustration of four people (two men and two women) sitting around a table, looking at a laptop. Below the illustration is a list of seven discussion points, each preceded by a right-pointing arrow. The slide also includes decorative icons: gears in the top left, an atom symbol in the top right, a hard hat in the bottom left, and a circuit board in the bottom right. At the bottom left corner, there are logos for IIT Bombay and NPTEL. A small video inset in the bottom right corner shows a woman with glasses speaking.

Team Work and Steps in Reporting (Contd..)

As a Team, discussing on the whole draft of reporting :

- > Is the purpose served ?
- > Are the conclusions clear?
- > Do all the sections fit together well?
- > Does the report address the assessment criteria?
- > Are all the required components covered adequately?
- > Does it have within the required word limits?
- > What do we like about the report?
- > What could we do to make it better?

As a team are discussing on the whole draft of reporting is like is the purpose served? Are the conclusions clear? Do all the sections fit together well? Does the report address the assessment criteria? Are all the required components covered adequately? Does it have within the required word limits? What do we like to like about the report? What we do to make it much better? So, these discussions should be there.

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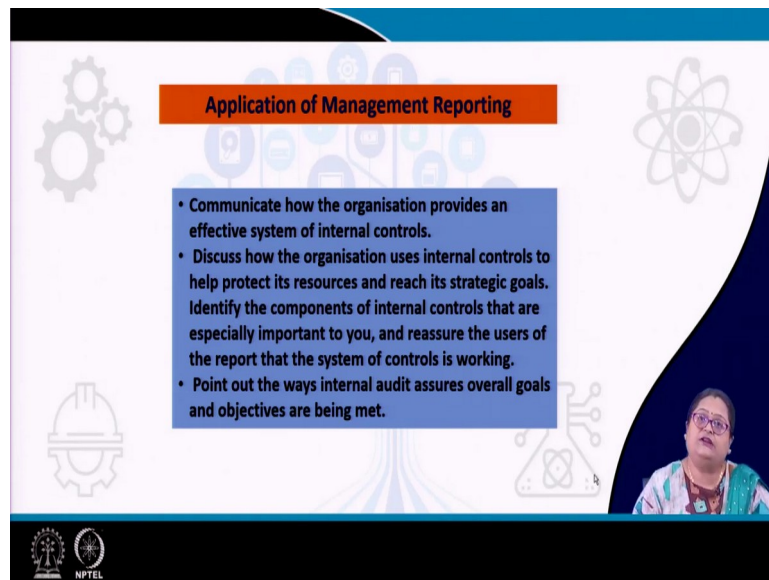
The slide is titled "Management and Financial Reporting" in a blue header. It is divided into two main columns. The left column, titled "Financial Reporting" in a red box, describes it as compliance-oriented and lists standard reports: Profit and Loss Statement, Balance Sheet, Accounts Payable, Accounts Receivable, and Statement of Cash Flows. The right column, titled "Management Reporting" in a green box, describes it as a deeper dive into financial standing, listing reports like Profit & Loss by Department/Team/Job, Realization Rate, and Utilization Rate. It also notes that management accounting is not mandatory and is for internal use only. The slide features decorative icons of gears and an atom, and a small video inset of a woman in the bottom right corner. The NPTEL logo is in the bottom left.

Financial Reporting	Management Reporting
Financial reporting is compliance oriented and it encompasses the standard weekly, monthly and quarterly reports that companies receive each month which include:	Manager may be able to dive deeper into the financial standing of the company through management reports which consist of:
<ul style="list-style-type: none">• Profit and Loss Statement• Balance Sheet• Accounts Payable• Accounts Receivable• Statement of Cash Flows	<ul style="list-style-type: none">• Profit & Loss by Department, Team, Job• Realization Rate• Utilization Rate
	Unlike financial reports, management accounting is not mandatory and is for internal use only.

There are two kinds of reporting like the financial reporting and management reporting. Financial reporting is compliance oriented and encompasses the standard weekly, monthly and quarterly reports that companies receive each month which include like profit and loss statement, the balance sheet, accounts payable, accounts receivable, statement of cash flows.

In management reporting, the managers may be able to dive deeper into the financial standards of the company through management reports which consists of profit and loss by department, the team and job, realization rate and utilization rate. Unlike financial reports, management accounting is not mandatory and is for internal use only.

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Application of Management Reporting

- Communicate how the organisation provides an effective system of internal controls.
- Discuss how the organisation uses internal controls to help protect its resources and reach its strategic goals. Identify the components of internal controls that are especially important to you, and reassure the users of the report that the system of controls is working.
- Point out the ways internal audit assures overall goals and objectives are being met.

The slide features a blue header with the title, a central blue box with the bullet points, and a video feed of a presenter in the bottom right corner. The background includes icons of gears, a hard hat, and a molecular structure.

The applications of management reporting. Communicate how the organization provides an effective system of internal controls. Discuss how the organization uses internal controls to help protect its resources and reach its strategic plans.

Identify the components of internal control that especially important to you and reassure the users of the report that the system controlling is working. Print out the ways the internal audit assures overall goals and objectives are being met.

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Application of Management Reporting (Contd)

- Clarify the audit committee's role. Use the report to emphasize its enhanced functions.
- Explain how your company uses its independent auditors to help manage or assess its control systems.
- Take advantage of the location of the management report in the annual report to explain how your company's practices compare with other leading companies in industry.
- Highlight what's unique about your company. For example, if you've adopted a code of ethical conduct for your employees, advertise that here.

The slide features a blue header with the title, a central blue box with the bullet points, and a video feed of a presenter in the bottom right corner. The background includes icons of gears, a hard hat, and a molecular structure.

The in-management reporting, the audit committee's role should be clarified. So, the report is used to enhance the functions of the organization. So, how it should be explained like how the company uses independent auditors to help managers to assess their control system. So, take advantage of the location of the management report in the annual report to explain how your company's practice compare with the other leading companies in the industry.

Highlight what is unique about your company. For example, if you have adopted a code of ethical conduct for your employees like advertise that here so, it is very important like in management reporting, the steps taken for effective and functioning of the organization needs to be highlighted over there.

(Refer Slide Time: 43:29)

The slide features a white background with a blue header and footer. The title 'Report Submission to Various Level of Management' is in a blue box. Below it, a blue box contains the text 'The reports are submitted to different levels of Management :-' followed by a numbered list: '1. Top-level Management', '2. Middle-level Management', and '3. Lower-level Management'. The slide is decorated with various icons like gears, a hard hat, and a network diagram. A small video inset of a woman is in the bottom right corner. The NPTEL logo is in the bottom left corner.

Report Submission to Various Level of Management

The reports are submitted to different levels of Management :-

1. Top-level Management
2. Middle-level Management
3. Lower-level Management

The report submission to various levels of management is like we have told it is could be at the top-level, middle level and the lower-level management.

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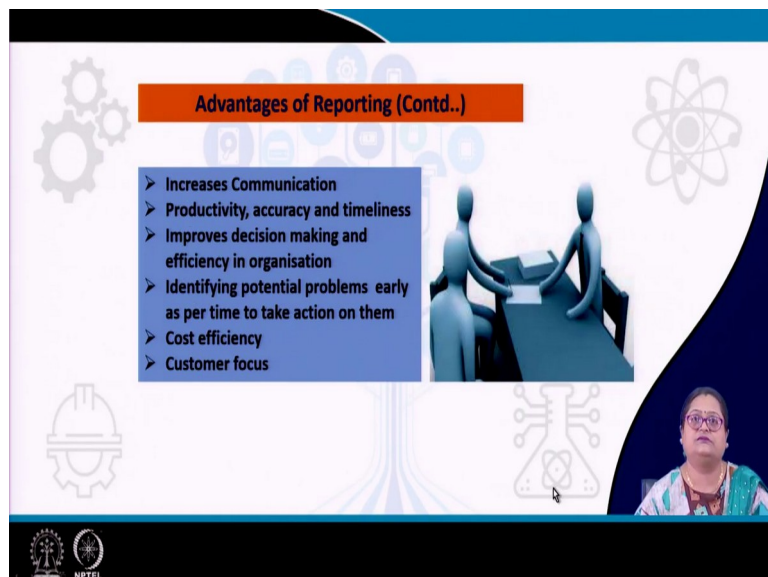


Advantages of Reporting

- Understanding functional areas
- Tool to identify the areas of weaknesses
- Performance of employees is regulated and controlled.
- Policy formulation and future development
- Future course of action is taken with great care
- Develop Public Relations
- Basis to Measure Performance
- Basis of control process

The advantages of reporting are it helps in understanding functional areas, it is a tool to identify the areas of weakness, performance and employee is regulated and controlled. Policy formulation and future development, future course of action is taken with great care, it helps in developing public relations, it is the basis to measure the performance and it is the basis of control process also.

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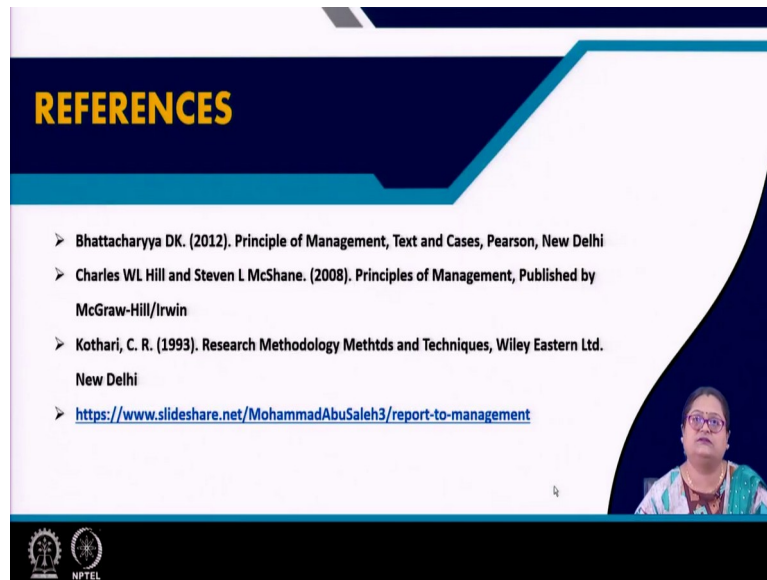
Advantages of Reporting (Contd..)

- Increases Communication
- Productivity, accuracy and timeliness
- Improves decision making and efficiency in organisation
- Identifying potential problems early as per time to take action on them
- Cost efficiency
- Customer focus

The other advantages are it increases communication, productivity accuracy and timeliness, it improves decision making and efficiency in organization, identify potential problems early as

per time to take actions on them, it is cost efficiency and it has a customer focus because you prepare a report so, that to whom you submit they can understand it and make use of it for their decision making. So, it has a customer focus.

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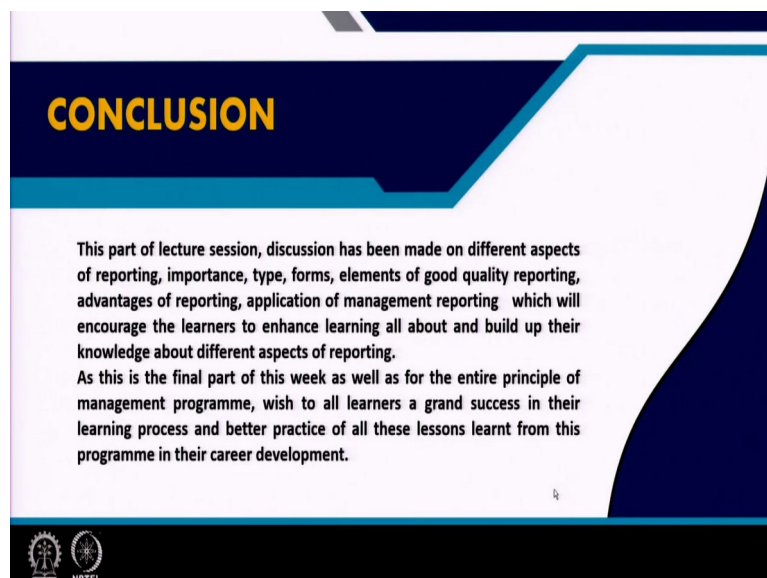
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- Charles WL Hill and Steven L McShane. (2008). Principles of Management, Published by McGraw-Hill/Irwin
- Kothari, C. R. (1993). Research Methodology Methods and Techniques, Wiley Eastern Ltd. New Delhi
- <https://www.slideshare.net/MohammadAbuSaleh3/report-to-management>

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So, these are some of the references that we have used here.

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CONCLUSION

This part of lecture session, discussion has been made on different aspects of reporting, importance, type, forms, elements of good quality reporting, advantages of reporting, application of management reporting which will encourage the learners to enhance learning all about and build up their knowledge about different aspects of reporting.

As this is the final part of this week as well as for the entire principle of management programme, wish to all learners a grand success in their learning process and better practice of all these lessons learnt from this programme in their career development.

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So, we hope like that this part of the lecture session so, on reporting it will help you to understand the good qualities of reporting. So, as this is the final part of the lecture of this week as well as for the entire principle of the management program so, we wish like all the

learners had a great learning along with us, we expect you to like maybe revise it and go through our slides again and like try to practice it in your day-to day-life, so that you can understand the implications of this and see how it is working in your real-life situations.

Thank you.