

UNIT-1

INTRODUCTION TO MANAGEMENT

Introduction to Management: When human being started group activities for the attainment of same common objectives whenever a group is formed and a group activity is organized to achieve certain common objectives management is needed to direct, co-ordinate and integrate the individual activities of a group and secure teams work to accomplish organizational objectives. The objectives of all business are attained by utilizing the scarce resources like men, materials, machines, money etc.

In process of management, a manager uses human skills, material resources and scientific methods to perform all the activities leading to the achievement of goods.

Definition: “Management is knowing exactly what you want men to do and then seeing that they do it the best and cheapest ways”.

__F.W.Taylor

“Management is defined as the creation and maintenance of an internal environment in an enterprise where individuals working together in groups, can perform efficiently and effectively towards the attainment of group goals”.

__Koontz and O'Donell

Nature of Management: The study and application of management techniques in managing the affairs of the organization have changed its nature over the period of time.

Multidisciplinary: Management is basically multidisciplinary. This implies that, although management has been developed as a separate discipline, it draws knowledge and concepts from various disciplines. It draws freely ideas and concepts from such disciplines as psychology, sociology, anthropology, economics, ecology, statistics, operations research, etc. Management integrates the ideas and concepts taken from these disciplines and presents newer concepts which can be put into practice for managing the organization.

Dynamic nature of principle: Based on integration and supported by practical evidences, management has formed certain principles. However, these

principles are flexible in nature and change with the changes in the environment in which an organization exists.

Relative, not absolute principles: Management principles are relative, not absolute, and they should be applied according to the need of the organization. Each organization may be different from others. The difference may exist because of time, place, socio-cultural factors, etc.

Management Science or Art: There is a controversy whether management is science or art. However, management is both a science and art.

Management as profession: Management has been regarded as a profession by many while many have suggested that it has not achieved the status of a profession.

Characteristics of Management:

Setting goals for organizations: Goals differ from organization to organization in business, the basic economic goal is to earn maximum profit, while in service organization like hospital and educational institution for the basic goal is to provide better service and better education.

Awareness of opportunities and resources: Management has awareness of opportunities and resources like men, materials, money which are assembled and integrated by management.

Management is transformation process: Management is a transformation process consisting of planning, organizing, staffing, directing and controlling.

Management is universal: The principles and techniques of management are universally applicable to all group activities performed at any level of organization.

System of authority: System of authority means a hierarchy of command and control. Managers at different levels possess varying degrees of authority.

Co – Ordination: Various human beings organized in formal groups are endeavoring to achieve the common organizational objectives, so various departments in the organization must work in harmony with one another.

Management is Dynamic: The ever changing social environment directly and indirectly affects the group activity thus changing environments provide a

challenge to management. Efficient management can not remain static it must adopt it self to changing conditions.

Management is decision making: The managers are decision makers the marketing managers decides about how to market, when to market, where to market how to collect funds for organization.

Management is a profession: Management is not only a science but also an art. Art means managers has to handle the person and things tactfully. Science means achieving objectives through procedures

Importance of Management: “No ideology, no ism, or political theory can win greater output with less efforts from a given complex of human and materials resource only sound management And it is on such greater output that a higher standard of life, more leisure, more amenities for all must necessarily be found”.

Effective utilization of resources: Management tries to make effective utilization of various resources. The resources are scarce in nature and to meet the demand of the society, their contribution should be maximum for the general interests of the society. Management not only decides in which particular alternative a particular resource be used but also takes actions to utilize it in that particular alternative in the best way.

Development of resources: Management develops various resources. This is true with human as well as non-human factors. Most of the researches for resource development are carried on in an organization way and management is involved in those activities.

To incorporate innovations: Today changes are occurring at a very fast rate in both technology and social process and structure these changes need to be incorporated to keep the organizations alive and efficient. Therefore, they require high degree of specialization, high level of competence, and complex technology. All these require efficient management so that organizations work in the most efficient way.

Integrating various interest groups: In the organized efforts, there are various interest groups and they put pressure over other groups for maximum share in the combined output. For example, in the case of business organization, there are various pressure groups such as shareholders, employees, government etc. These interest groups have pressure on an organization.

Stability in the society: Management provides stability in the society by changing and modifying the resources in accordance with the changing environment of the society. In the modern age, more emphasis is on new inventions for the betterment of human beings. These inventions make old systems and factors mostly obsolete and inefficient. Management provides integration between

traditions and new inventions and safeguards, society from the unfavorable impact of these inventions so that continuity in social process is maintained.

Levels of Management:

1. Top Management
2. Upper Middle management
3. Middle Management
4. Lower Management
5. Operating Force or Rank and file workmen

Top Management includes:

- a) Board of directors
- b) Managing directors
- c) Chief executives
- d) General Manager
- e) Owners
- f) Share

holders **Functions:**

- a) Setting basic goals and objectives
- b) Expanding or contracting activities
- c) Establishing policies
- d) Monitoring performance
- e) Designing/Redesigning organization system
- f) Shouldering financial responsibilities etc.

upper Middle Management includes:

- a) Sales executives
- b) Production executives
- c) Finance executives
- d) Accounts executives
- e) R & D

executives **Functions:**

- a) establishment of the organization
- b) Selection of staff for lower levels of management

- c) Installing different departments
- d) Designing operating policies and routines
- e) Assigning duties to their subordinates

Middle Management includes:

- a) Superintendent
- b) Branch Managers
- c) General force meat

etc. **Functions:**

- a) To cooperate to run organization smoothly
- b) To understand inter locking of department in major policies
- c) To achieve coordination between different parts of the organization
- d) To conduct training for employee development
- e) To build an efficient company team spirit

Lower Management includes:

- a) Foremen
- b) Supervisors or charge-hands
- c) Office Superintendent
- d) Inspectors

etc. **Functions:**

- a) Direct supervision of workers and their work
- b) Developing and improving work methods operations
- c) Inspection function
- d) Imparting instruction to workers
- e) To give finishing touch to the plans and policies of top management
- f) To act as link between top management and operating force
- g) To communicate the feelings of workers to the top management.

Operating force includes:

- a) Workers
- b) Rank and file workman
- c) Skilled and Semi-skilled workers
- d) Unskilled workers

Function:

- a) To do work on machines or manually, using tools etc.
- b) To work independently (incase of skilled workers) or under the

Functions of Management:

Planning: Involves selecting the objectives and actions to achieves them planning stage involves decision making and choosing future courses of action from the various alternatives

Organizing: Role of each person in any organization is fixed. The concept of role is who will be doing what should be known, to achieve organizational targets efficiently. It is intended that all the tasks necessary to achieve targets are assigned to people who can do the best.

Staffing: Staffing function includes keeping the various organizational position fixed. This activity is done by identifying work force requirements, keeping the records of the performance of people working with the organization. So that suitable people can be prompted and at the same time people performing not up to the mark could be send for training. If all the above activities are taking place in nice way in any organization, it will give rise minimum work force turnover.

Directing: Directing means influencing people, so that they will contribute to the organization targets directing involves motivation, leadership styles and proper communication.

Controlling: It is the process of comparing the plans with the results. If there is deviation attain taken to be bridge the gap between plan and actual results.

Coordinating: The essence of management is the achievement of coordination among people coordination is a complex process following the principles by which organization activity can be accomplished. Coordinative is possible oniy if all the personnel working in the organization accept the target of the organization. This target must be clearly defined and 'sold' to every one concerned.

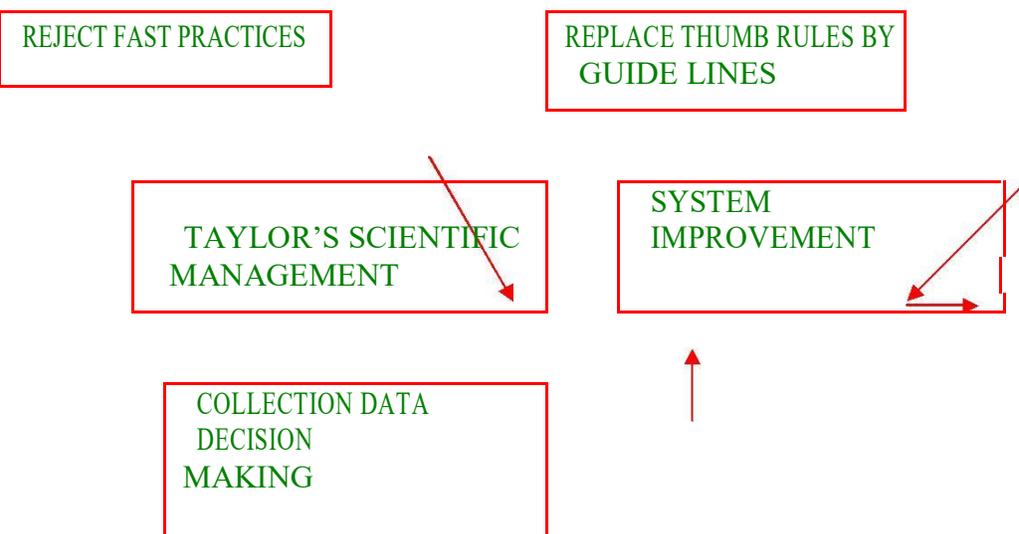
Evolution of Management Theory: Good management intends to achieve an objective with the least use of man, machine, money and material and at the same time maximum satisfaction of the participants.

Taylor's Scientific Management: The utility of scientific methods to problems of management was first introduced by F.W.Taylor

Definition: Scientific management may be defined as the “Art of knowing exactly what is to be done and the best way of doing it”.

Scientific management is the result of applying scientific knowledge and scientific methods to the various aspects of management and the problems that arise from them.

Principles of Scientific Management: Taylor through his principles of scientific management initiated a system in which there would be an effective and fruitful coordination and cooperation between the management and the workers.



Development of Science for each element of work: Analyze the work scientifically, rather than using thumb rule. It means that an attempt is made to find out what is to be done by a particular worker, how he is to do it, what equipment will be necessary to do it. This information is provided to the worker, so as to reduce wastage of time, material etc. and improve the quality work

Scientific selection, placement and training of workers: This principle states that select the workers best suited to perform the specific task, and then train them within the industry in order to attain the objectives of the enterprise workers should also be trained from time to time to keep them informed of latest development in the techniques of production.

Division of Labour: division of work in smaller tasks and separation of thinking element of job from doing element of the job, this is the principle of specialization. It is essential for efficiency in all sphere of activities as well as in supervision work

Standardization of methods, procedures, tools and equipment: Standardization helps in reducing time, labour and cost of production. The success of scientific management largely depends upon standardization of system, depends upon standardization of system, tools, equipments and techniques of production

Use of time and motion study: Taylor's introduced time and motion study to determine standard work. Taylor's undertook studies on fatigue, incurred by the workers and the time necessary to complete task.

Differential wage system: Taylor's differential piece rate scheme provides an incentive for a worker to achieve high level of optimum output. It distinguishes the more productive workers from less productive workers and motivates them to produce more.

Cooperation between labour and management: Mutual respect and cooperation between the workers and management helps in providing proper and effective leadership. The labour starts thinking that it is their work and they must put their heart in the work assigned to him.

Principle of Management by Exception: Taylor suggested that only major or significant deviations between the actual performance and standard performance should be brought to the notice of top management. Top management should pay more attention to those areas of work where standards and procedures could not be established and where there is a significant variation between standard performance and actual performance.

Administrative Management Theory (Henri Fayol and Others):

Henri Fayol is called as father of Modern Management

He established the pattern of management and the pyramidal form of organization. He pointed out that technical ability is more dominating on the lower level of management managerial ability is more important on the higher level of management.

Henri Fayol analyzed the process of management and divided the activities of an industrial undertaking into six groups

1. Technical activities
2. Commercial activities
3. Financial activities
4. Security activities
5. Accounting activities
6. Managerial activities

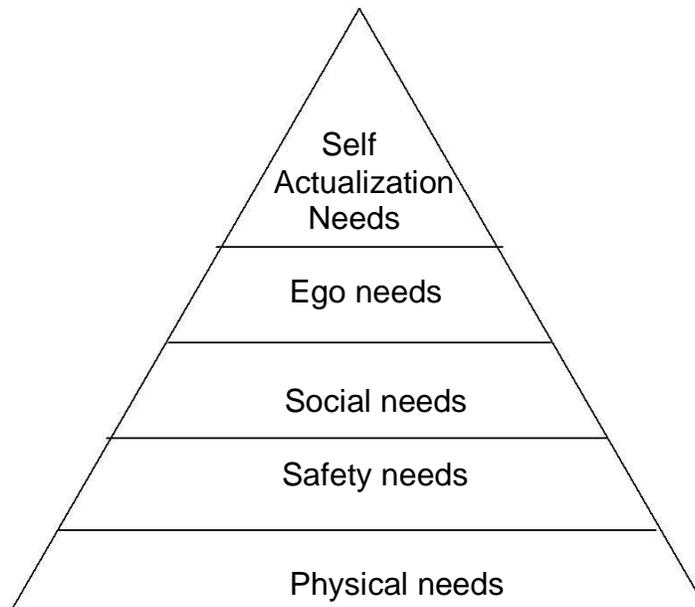
Elton Mayo: Elton Mayo generally recognized as father of human relations approach Mayo led the team which conducted the study psychological reaction of workers in on-the job situations Mayo concluded that work arrangements in addition to meeting the objective requirements of production must at the same time satisfy the employees subjective requirement of social satisfaction at his work place.

Maslow's Theory:

Maslow's level of hierarchy about human relations and behavioral science approach, his assumptions are based mainly on theory of 'Human Needs', he has defined five level of hierarchy of needs starting from the biological need and then coming to more intangible ones .

1. Physical needs like food, clothes and shelter
2. Safety needs freedom from fear of insecurity
3. Social needs include a sense of being accepted in the society or environment one finds himself in.
4. Ego needs include feeling of important and recognition

5. Self actualization needs include need or desire for personal fulfillment of individual potential and activity.



Douglas McGregor Theory: He divides leadership is two styles labeled theory “X” and theory “Y”. The traditional styles of leadership and controls stated in theory ‘X’ by McGregor, is exercised to managers on the basis of his assumptions about human beings. These assumptions as laid down or observed by McGregor for theory ‘X’ are

Theory “X”:

1. An average human being does not like to work and he tries to avoid it as far as possible.
2. He avoids accepting responsible and challenging tasks, has no ambition but wants security above all.
3. Because of this, the employees are to be forced, concerned and threatened with punishments to make them put their best efforts.

These people would not work sincerely and honestly under democratic conditions.

However the above assumptions are not based on research findings. The autocratic style basically presumes that workers are generally lazy, avoid work and shirk responsibilities. It is believed that workers are more interested in money and security based on these assumptions the leadership styles developed, insist on tighter control and supervision.

Theory of "Y":

It focuses a totally different set of assumptions about the employees

1. Some employees consider work as natural as play or rest.
2. These employees are capable of directing and controlling performance on their own
3. They are much committed to the objectives of the organization
4. Higher rewards make these employees more committed to organization.
5. Given an opportunity they not only accept responsibility but also look for opportunities to outperform others.
6. Most of them highly imaginative, creative and display ingenuity in handling organizational issues.

System Approach to Management:

Modern approaches to understand management is the systems approach. Here the organization is viewed as a system. Every department is considered as a sub-system, it is also possible that every department can be viewed as a system and every section in the department can be viewed as a sub-system, system approach helps to study the basic feature and functions of the organization its minutest details.

The collection of interrelated parts called as sub-system which constitutes one whole unit. System approach facilitates the study of each of these parts in detail to have a close understanding of the whole system.

Ex: Every part of the study such as the eyes, brain, and heart can also be viewed as a sub-system, a study of each of the parts of the body is necessary to understand the whole body.

Herzberg's Two-factors Theory: Maslow's theory has been modified by Herzberg and he called in two-factors theory of motivation. According to him the first group of needs are such things as company policy and administration, supervision, working conditions, interpersonal relations, salary, status, job security and personal life.

“Herzberg called these factors as ‘dissatisfiers’ and not motivators, by this he means their presence or existence does not motivate in the sense of yielding satisfaction, but their absence would result in dissatisfaction. These are also referred to as ‘hygiene’ factors.

In the second group are the ‘satisfiers’ in the sense that they are motivators, which are related to ‘Job content’. He included the factors of achievement, recognition, challenge work, advancement and growth in the job. He says that their presence will yield feelings of satisfactory or no satisfaction, but not dissatisfaction.

Maintenance factors or dissatisfier

- Job context
- Company policy and Administration
- Quality of supervision
- Relations with supervision

Motivational factor or satisfier

- Job content
- Achievement
- Recognition
- Advancement

Relations with subordinates

Pay

Possibility of growth

Responsibility

