

## UNIT-1

### INTRODUCTION TO MANAGEMENT

① Management :-

Management means to manage men, machine, money and materials (the four Ms) to achieve certain goals and objectives.

Definition of Management :-

Management is defined as a process of planning, organising, controlling, commanding and coordinating for the purpose of achieving organisation goals effectively and efficiently by using limited resources.

All these functions required in "getting work done through others" without confusion, delay and without wasting resources.

Process of Management :-

Input - Men, Machine, Materials, Money.

Process - planning, organising, directing, controlling.

Output - Goals, objectives.

Definitions of Management :-

TO Manage is to forecast and to plan, to organise, to command, to coordinate and to control.

Henry Fayol.

Management is the process of designing and maintaining an environment in which individuals working together in groups to accomplish <sup>goals</sup> efficiently selected aims.

Kroota & Weihenstephan

Management is a social process consists  
planning, controlling, coordinating and motivation.  
E.F.L. Brech.

Management is art of knowing what you want  
to do in the best and the cheapest way.  
F.W. Taylor.

Management is the art and science of decision  
making and leadership.  
R.C. Davis.

### concept of management :-

→ Management means to manage men, machine,  
money, material

→ Management is a series of functions need to  
perform universally to achieve organisational groups.

→ Management is common to all areas and all level  
like planning, coordinating, controlling, monitoring

### Nature of Management :-

(i) Management is a social process :-

It is an integral part of social process  
which involves dealing with the people to carry out  
activities in the society effectively.

Social process refers to series of activities  
carried out by managers of all levels, work with or  
through the people.

(2) Management is situational in Nature :-

A similar style of management cannot work for the same situation every time. Change in situation may call for a change in the style of management. So, the process of decision making should be spontaneous.

(3) Management is omnipresent <sup>present everywhere at same time.</sup> and universal :-

Management is an universal application in which it can be applied in all organisations i.e. business, social, religious, cultural, sports, education. It is said that management principles apply to each and every one in an organisation. So it is omnipresent.

(4) Management is multi-disciplinary :-

Management is multi disciplinary in nature. It draws knowledge and concepts from other disciplines such as economics (theories of consumption, production), Sociology (theories of group behaviour), Psychology (theories of individual behaviour), Mathematics (tools of decision making such as Calculus, matrices, Integration, differentiations).

(5) Management is an inexact science :-

Management principles are inexact and is not precisely. These are not like science & maths where things are fairly clear or exact.



(6) Management is an art and also a science :-  
Management is both science and an art. As a science it provides general principles which can guide managers in their efforts. Science may be exact or inexact. Management satisfies the basic characteristics of a science as it is a body of organised and systematised knowledge includes general principles related to planning, decision making, controlling and coordinating.

As an art it is a personal skill which is characterised by practical knowledge, personal creativity and skill, result oriented approach.

Knowledge of science will not assure results because one must know how to apply them ie Art.

(7) Management is a profession :-

Management helps to carry out every profession in a scientific manner.

Importance of Management :-

(1) utilisation of Resources :-

Management guides and controls the activities of man power for the optimum utilisation of company resources. such as men, money, machines, materials, method

- (iii) Evaluating each course of action on merits
- (iv) Selection of best course of action for implementation.

planning is nothing but determining the best course of action to achieve the given goals.

planning function helps to assess in advance what is going to happen for the organisation in the future.

### Elements of planning:-

- (i) Forecasting :- These are predictions of what is going to happen in the future based on <sup>past</sup> present data i.e forecasting.
- (ii) objectives :- objectives are set for every individual and department in the organisation. objectives are decided by the top management which are considered as targets and they are fixed.
- (iii) policies :- This specify what can be done or what cannot be done to achieve the given objectives.
- (iv) Strategies :- This refers to the course of action to be followed and how the resources are to be employed to achieve the goals.
- (v) programmes :- programme provides step by step approach to guide for achieving the goals. programme specifies what and when it is to be done.

(vi) procedures :- This outline how a task is to be carried out.

(vii) Budget :- A budget is a plan defining anticipated costs of attaining an objective. These are the plans giving details such as sales budget, expense budget &...

## (2) Organising :-

organising is the function of making arrangement for all the necessary resources required to work for achieving the objectives. Organising is the coordination of men, money, material, machinery, managing in such a way that maximum output under minimum total cost is assured.

## (3) Staffing :-

Staffing is a process of procurement of person for the jobs. Staffing is a continuous process because existing employees may leave the organisation and new employees may join it.

Staffing consists of various sub functions like

- (a) Man power planning which decides the number and kind of persons.
- (b) Recruiting
- (c) Selection of suitable persons
- (d) developing, training and educating the employees.



#### (4) Directing :-

Directing consists of guiding and supervising the people at work to carry out the duties and they have to perform their jobs as planned.

Directing includes assignment of jobs, explaining the method, motivating and leading the sub-ordinates to perform the assigned job with interest. Directions are not only to be given but also to be obeyed. Hence they must be definite, clear cut, understandable easily, communicable and practicable.

#### (5) Coordination :-

Coordination means achieving team spirit and unity of action among the subordinates for achieving the common business objectives.

Need of coordination arises particularly because of the existence of

- (a) Different mentality people work together.
- (b) Sub divisions and complexity of work.
- (c) Delegation of authority and responsibility.
- (d) Ordering the employees to achieve the common objectives.

#### (6) Controlling :-

Controlling is the process of measuring

Current performance of the employee and assess whether the given objectives are achieved or not.  
The various steps involved in controlling

are :-

- (i) measuring the actual performance of the employee, i.e. determination of deviation.
- (ii) Comparing it with the target.
- (iii) Corrective action to improve the performance.

#### (7) Decision making :-

Decision making is the most important function of management. It means selecting one alternative out of two or more alternative solutions for the problems.

Decision making is the ability of a person to take timely and accurate decisions for the achievement of organisational goals.

Decision making summarizes all the managerial functions—such as directing, controlling, coordinating etc where decision has to take in each and every function for the benefit of organisation.



## Evolution of Management Thought :-

The development of management thoughts are evolved from time to time over a period of time.

The evolution of management thought can be divided into four periods.

- (1) period of management awakening.
- (2) Scientific management period.
- (3) Human Relation period.
- (4) Modern management period.

### (1) Period of Management awakening :-

This was the period of Industrial Revolution, in which several contributions were made to the development of management thought by prominent pioneers named Robert Owen; James Watt & Boulton; Charles Babbage; Henry Varnum Poor and Henry Robinson Towne.

#### Features of Industrial Revolutions

- (1) Automation (muscle power <sup>is transferred into</sup> machine)
- (2) New inventions increased demand.
- (3) expansion of Commercial elements.

### (2) Scientific Management period :-

Scientific management period holds prominently two greatest classical theories

- (i) - Henry Fayol
- (ii) F.W. Taylor

Henry Fayol's contributions are enterprise-oriented and tried to understand the organisations from top to bottom.

Taylor's contributions are work-oriented and analysed organisations from bottom to top.

Taylor's scientific management :-

F.W Taylor is called as the "father of scientific management".

Scientific management is the process of application of scientific principles to systematically analyse the work and to find solutions to all the problems associated with improving the efficiency of the methods of working.

The important principles of scientific management by F.W. Taylor are given below.

(i) Separation of planning and doing the work :-

Taylor emphasized the separation of planning aspect from doing the work. Planning should be left to supervisor and worker should concentrate on operational work.

(ii) Job Analysis :-

Job Analysis is nothing but fitting the right person for the right job by proper selection, training and placement. Selection should be on scientific basis taking their education, work experience and physical

## (iii) Standardisation :-

Standardisation of tools and equipment Improvement in work environment.

## (iv) Financial Incentives :-

Different wage system should be maintained to distinguish efficient and inefficient workers irrespective of their position.

## (v) Mental Revolution :-

Employers and employees should not feel that they are exploiting each other.

(vi) Intelligent analysis should be made on economy & profit.

Henry Fayol's principles of Management :-

Henry Fayol is the father of modern management. He was born in 1841 in France.

Fayol analysed the management as a social process of all functions such as forecasting, planning, organising, commanding, coordinating and controlling.

Fayol identified 6 types of activities to be carried out in every industry. They are :-

- (i) Technical (eg:- production)
- (ii) Commercial (eg:- buying & selling)
- (iii) Financial (eg:- procuring capital)
- (iv) Security (eg:- protecting property and people)



- (ii) accounting (including account books)  
(iii) Managerial (e.g. planning & controlling)

Fayol identified 14 principles of management based on his experience. The principles are

(i) Division of work :-

Division of work means dividing the work among the members as per the specialisation i.e. specialisation in decision making, leading, problem solving, controlling and formulation of policies.

The function of management cannot be performed by one group. so it is divided as per the specific area and to provide an opportunity to specialists in different problem areas.

(ii) Authority and Responsibility :-

Authority refers to the right and power to act whereas responsibility is the accountability for performing a job. Authority and Responsibility are related to each other. A person can do justice with his responsibility only when he has proper authority. Authorised person has the responsibility to make the employer to work and has to share the responsibility.

### (iii) Discipline :-

Discipline is very important for every one for functioning of organisation. Discipline is obedience and respect shown by the people at all levels, whether they are subordinates or superiors in order to maintain a good environment among them.

Discipline can be maintained by

- \* Clear and fair agreement for disciplinary matters.
- \* Good supervision at all levels.
- \* Legal application of penalties.

### (iv) Unity of Command :-

An employee should receive orders from one superior only.

By making the individuals to work under different superiors, the performance and discipline will be unworthy.

### (v) Unity of Direction :-

It states that similar group of activities with the same objective are grouped together under one manager and there should be one action plan. Unity of direction is concerned with the body corporate as a whole.

### (vi) subordination of individual to group interest :-

Each employee has to subordinate his personnel <sup>→ who works for someone else (or) place one thing <sup>of his</sup> another</sup>

interest to group interest and when there is a conflict, management must supervise this is common interest should prevail over individual interest.

(ii) Remuneration :-

Remuneration should be fair and afford the best possible satisfaction to employees to achieve the organisational goals.

(iii) Centralization Authority :-

Centralization Authority refers to "Everything which goes to increase the importance of the Subordinates role is decentralization and everything which goes to reduce it is centralization."

(iv) Scalar chain :-

Managers are the chain of superiors from top to bottom for the purpose of authority and command at all level is in higher to lower.

(v) Order :-

Order means keeping the right man at the right place. This can be done by the management in order to avoid wastage of material and equipment by selecting the employees.

(vi) Equity :-

Experience, good sense and fair judgement are



needed by the manager to do equity. Equity if applied correctly leads to loyalty and devotion.

(xii) Stability :-

Stability indicates avoiding frequent transfers of the employees before they settle down in jobs.

(xiii) Initiative :-

Initiative is the liberty to propose a plan and have it executed, within the limits of authority.

(xiv) Esprit de Corps :- Team work .

This principle means that "unity in strength" (i) "In union there is strength". It emphasises unity of command and importance of communication securing team work.

## Modern Management Method :-

Modern management theories indicate further refinement extension and synthesis of all the approaches to the management.

We have 3 streams under modern management theory.

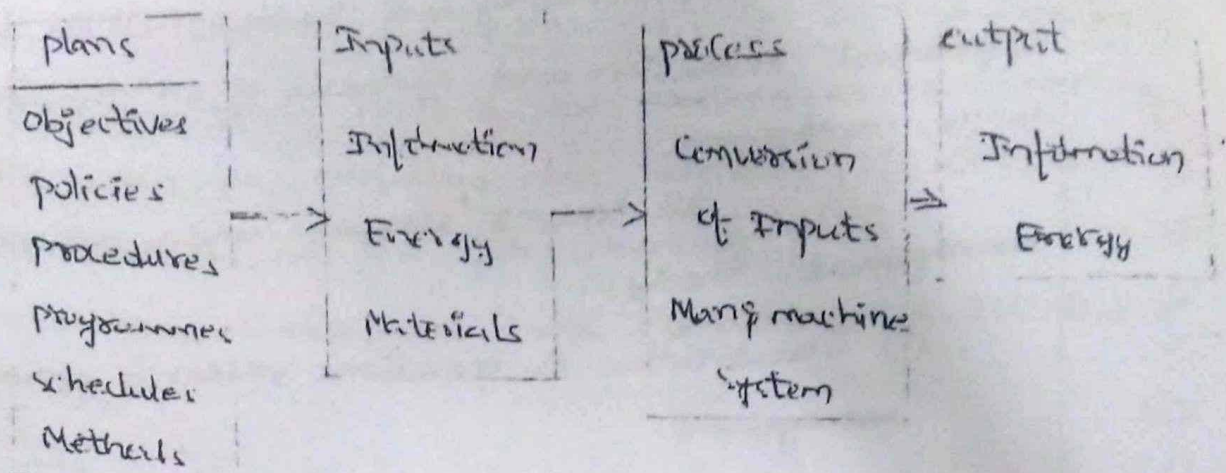
- (i) Quantitative or operations research approach to management.
- (ii) Systems approach to management.
- (iii) Contingency approach to management.

## System approach to management :-

System approach stresses the inter-relationships and interdependence of all activities with in an organisation. A system is a set of inter connected and inter related elements or components which operate together to achieve certain goals. This definition of system has 3 significant parts.

- (i) Every system is goal oriented, it has goals and plans.
- (ii) Every system is designed to establish the necessary arrangement of components (organising function of management).
- (iii) Inputs of information, materials and energy for processing as per plan, so that the outputs can be achieved.





Goals & plans → Resources → production → saleable products  
 Fig: Design of Basic System

When systems approach is applied to organisation we have the following features of an organisation as an open adaptive system.

- (i) It is a sub system of its broader environment.
- (ii) It has goal-oriented people with a purpose.
- (iii) It has Technical sub system using knowledge, technique, equipment and facilities.
- (iv) It has a structural sub system. people working together on inter-related activities.
- (v) It is a psycho-social system. people in social relationships.

It is coordinated by a managerial sub-system, which plans, organises, motivates, communicates and controls the overall effects directed towards