

UNIT I

INTRODUCTION TO MANAGEMENT

DEFINITION

According to Harold Koontz, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”.

LEVELS OF MANAGEMENT

The three levels of management are as follows

1. The Top Management

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise.

2. Middle Level Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department.

3. Lower Level Management

Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc

FUNCTIONS OF MANAGEMENT

Planning, Organizing, Staffing, Directing and Controlling

1. Planning

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals

2. Organizing

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals.

3. Staffing

It is the function of manning the organization structure and keeping it manned.

4. Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. Direction has following elements:

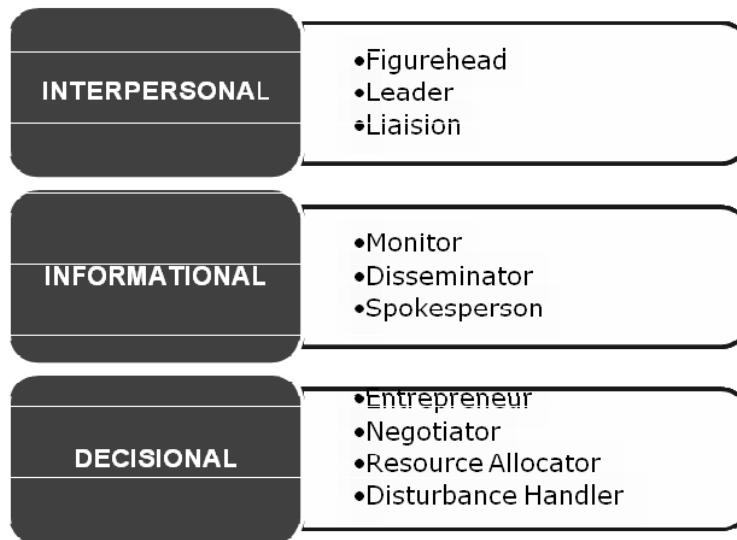
- Supervision
- Motivation
- Leadership
- Communication

5. Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals.

ROLES OF MANAGER

Henry Mintzberg identified ten different roles, separated into three categories. The categories he defined are as follows



EVOLUTION OF MANAGEMENT THOUGHT

The different approaches of management are

- a) Classical approach
- b) Behavioral approach,
- c) Quantitative approach,
- d) Systems approach,
- e) Contingency approach.

a) THE CLASSICAL APPROACH:

(i) Scientific Management.

Frederick Winslow Taylor is known as the father of scientific management. Scientific management (also called Taylorism or the Taylor system) is a theory of management that analyzes and synthesizes workflows, with the objective of improving labor productivity.

(ii) Administrative Management.

Administrative management focuses on the management process and principles of management. Henri Fayol is the major contributor to this approach of management thought.

(iii) Bureaucratic Management.

Bureaucratic management focuses on the ideal form of organization. Max Weber was the major contributor to bureaucratic management.

b) THE BEHAVIORAL APPROACH:

(i) Human Relations.

The Hawthorne Experiments began in 1924 and continued through the early 1930s. A

variety of researchers participated in the studies, including Elton Mayo. One of the major conclusions of the Hawthorne studies was that workers' attitudes are associated with productivity.

(ii) Behavioral Science.

Behavioral science and the study of organizational behavior emerged in the 1950s and 1960s. The behavioral science approach was a natural progression of the human relations movement. The behavioral science approach has contributed to the study of management through its focus on personality, attitudes, values, motivation, group behavior, leadership, communication, and conflict, among other issues.

c) THE QUANTITATIVE APPROACH:

(i) Management Science (Operations Research)

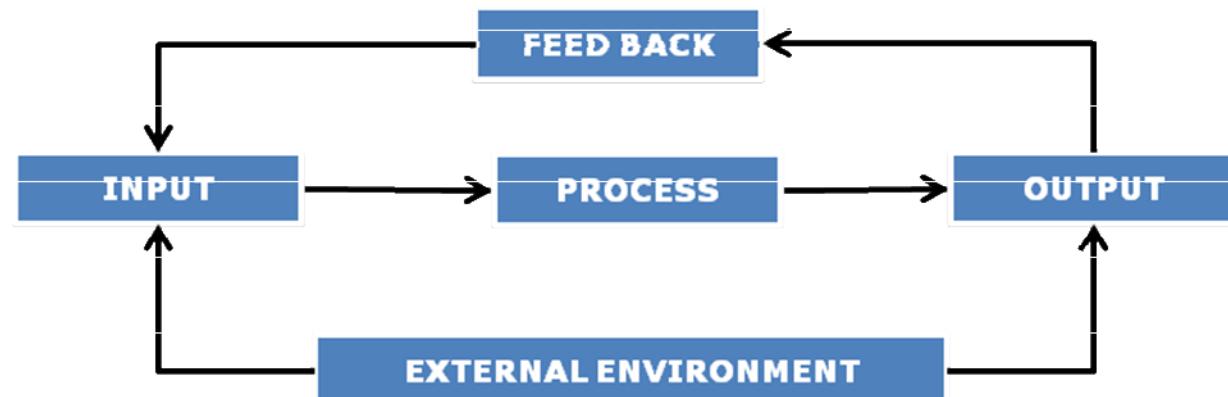
Management science (also called operations research) uses mathematical and statistical approaches to solve management problems.

(ii) Production And Operations Management.

This approach focuses on the operation and control of the production process that transforms resources into finished goods and services

d) SYSTEMS APPROACH:

The simplified block diagram of the systems approach is given below.



e) CONTINGENCY APPROACH:

The contingency approach focuses on applying management principles and processes as dictated by the unique characteristics of each situation

MANAGEMENT APPROACHES	Beginning Dates	Emphasis
CLASSICAL APPROACH		
Scientific Management	1880s	Traditional rules of thumb are replaced by precise procedures developed after careful study of an individual at work.

Administrative Management	1940s	Gives idea about the primary functions of management and The 14 Principles of Administration
Bureaucratic Management	1920s	Replaces traditional leadership and charismatic leadership with legal leadership
BEHAVIORAL APPROACH		
Human Relations	1930s	workers' attitudes are associated with productivity
Behavioral Science	1950s	Gives idea to understand human behavior in the organization.
QUANTITATIVE APPROACH		
Management Science	1940s	Uses mathematical and statistical approaches to solve management problems
Production and Operations Management	1940s	This approach focuses on the operation and control of the production process that transforms resources into finished goods and services
RECENT DEVELOPMENTS		
SYSTEMS APPROACH	1950s	Considers the organization as a system that transforms inputs into outputs while in constant interaction with its' environment.
CONTINGENCY APPROACH	1960s	Applies management principles and processes as dictated by the unique characteristics of each situation.

CONTRIBUTION OFF FAYOL AND TAYLOR

F.W. Taylor and Henry Fayol are generally regarded as the founders of scientific management and administrative management and both provided the bases for science and art of management.

Taylor's Scientific Management

Frederick Winslow Taylor well-known as the founder of scientific management

The scientific method consists essentially of

- (a) Observation
- (b) Measurement
- (c) Experimentation and
- (d) Inference.

Elements of Scientific Management: The techniques which Taylor regarded as its essential elements or features may be classified as under:

1. Scientific Task and Rate-setting, work improvement, etc.
2. Planning the Task.
3. Vocational Selection and Training
4. Standardization (of working conditions, material equipment etc.)
5. Specialization
6. Mental Revolution.

Henry Fayol's 14 Principles of Management:

The principles of management are given below:

1. **Division of work:** Division of work or specialization alone can give maximum productivity and efficiency. Both technical and managerial activities can be performed in the best manner only through division of labour and specialization.
2. **Authority and Responsibility:** The right to give order is called authority. The obligation to accomplish is called responsibility.
3. **Discipline:** The objectives, rules and regulations, the policies and procedures must be honoured by each member of an organization.
4. **Unity of Command:** In order to avoid any possible confusion and conflict, each member of an organization must receive orders and instructions only from one superior (boss).
5. **Unity of Direction:** All members of an organization must work together to accomplish common objectives.
6. **Emphasis on Subordination of Personal Interest to General or Common Interest:** This is also called principle of co-operation. Each shall work for all and all for each. General or common interest must be supreme in any joint enterprise.
7. **Remuneration:** Fair pay with non-financial rewards can act as the best incentive or motivator for good performance..
8. **Centralization:** There must be a good balance between centralization and decentralization of authority and power. Extreme centralization and decentralization must be avoided.
9. **Scalar Chain:** The unity of command brings about a chain or hierarchy of command linking all members of the organization from the top to the bottom. Scalar denotes steps.
10. **Order:** Fayol suggested that there is a place for everything. Order or system alone can create a sound organization and efficient management.
11. **Equity:** An organization consists of a group of people involved in joint effort. Hence, equity (i.e., justice) must be there.
12. **Stability of Tenure:** A person needs time to adjust himself with the new work and demonstrate efficiency in due course.
13. **Esprit of Co-operation:** Esprit de corps is the foundation of a sound organization. Union is strength.
14. **Initiative:** Creative thinking and capacity to take initiative can give us sound managerial planning and execution of predetermined plans.

ORGANIZATION AND ENVIRONMENTAL FACTORS

An organization is a group of people intentionally organized to accomplish a common or set of goals.

Types of Business Organizations

a) Sole Proprietorships

These firms are owned by one person, usually the individual who has day-to-day responsibility for running the business.

b) Partnerships

In a Partnership, two or more people share ownership of a single business. Like proprietorships, the law does not distinguish between the business and its owners.

c) Corporations

A corporation, chartered by the state in which it is headquartered, is considered by law to be a unique "entity", separate and apart from those who own it. A corporation can be taxed; it can be sued; it can enter into contractual agreements.

d) Joint Stock Company:

Limited financial resources & heavy burden of risk involved in both of the previous forms of organization has led to the formation of joint stock companies these have limited dilutives.

(i) Private limited company. (ii) Public limited company

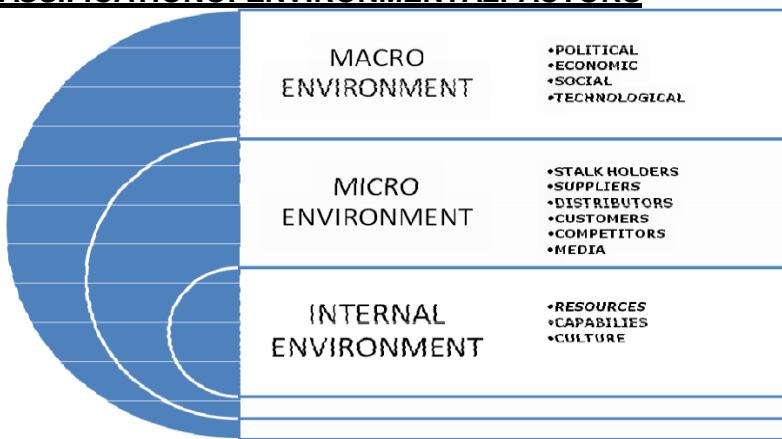
e) Public Corporations:

A public corporation is wholly owned by the Government centre to state. It is established usually by a Special Act of the parliament.

f) Government Companies:

A government company is any company in which the share capital is held by the central government or partly by central government & partly by one or more state governments.

CLASSIFICATION OF ENVIRONMENTAL FACTORS



TRENDS AND CHALLENGES OF MANAGEMENT IN GLOBAL SCENARIO

- Planning and Decision Making in a Global Scenario
- Organizing in a Global Scenario
- Leading in a Global Scenario
- Controlling in a Global Scenario