

Principles of Management

Sem I

classmate

Date _____

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Principles of Management:

Class no 1

Definitions of Management: Management is a process where the principles of Art and science are followed to accomplish some predetermined objectives and to secure maximum prosperity with minimum efforts by utilising the human and non human resources through planning, organising, directing, motivating and controlling.

Features of Management: The features and nature of management may be summarised as follows: -

- a) Goal orientation process.
- b) Group efforts
- c) Process of getting things done by others
- d) Universal concept.
- e) Mixture of science and arts
- f) It is a social process
- g) It is a resource that provides power to people through people's participation
- h) Management is 'intangible'
 - i) It is a process of delegation of authority
 - j) It is a dynamic social science
 - k) It is a multi-disciplinary facets.
 - l) Management is a profession

- m. It develops skill of performance
- n. Management is a continuous process
- o. It is a combination of various factors such as men, material, market, methods, machinery, motivation, money etc.
- p. It is a means of improving human life
- q. Supreme in ~~act~~ ^{thoughts} and actions.

Class No - 2.

Management is a process.



Inputs → Men, material, machinery, methods and money.



acted upon → managerial functions such as planning, directing and organizing, control,



to get desired output → eg. goods, services, profits, satisfaction, social justice and others.

Inputs

- Men
- Material
- Machine
- Methods
- Money

Planning

PROCESS OF MANAGEMENT

Directing

organizing

Controlling

Outputs

- O Production
- b services,
- E Profits
- C Social justice
- I satisfaction
- V others
- S

↑ ↑ ↑
MANAGEMENT PROCESS

OBJECTIVES OF MANAGEMENT.

The objectives of management can be broadly classified under 3 heads:-

OBJECTIVES OF MANAGEMENT

I) Organisational
obj

- a) Survival
- b) Profit
- c) Growth

II) Social Objectives

- a) Providing employment for society
- b) Good quality product at reasonable price
- c) honest dealings
- d) Timely payment of taxes
- e) Eco-friendly techniques of production

III) Personal Objectives
Objectives of employees

- a) Financial needs -
competitiveness
satisfying
- b) Social needs
peer recognition
- c) Higher level needs -

providing opportunities for personal growth & development

- a) Getting maximum result with minimum effort
- b) Proper utilization of Resources
- c) Sound Organisation
- d) Helpful in achieving predetermined objectives
- e) Securing maximum prosperity for employees & employers
- f) Improving productivity & efficiency of labour force
- g) Improving discipline & Morale
- h) taking right decisions
- i) Better Standard of living
- j) innovation and expansion

IMPORTANCE OF MANAGEMENT

1) Helps in achieving the group goals

- # Management gives direction to the enterprise

2) Increase in efficiency.

- # Reduce cost - through planning, organizing, controlling, staffing and organising

Places right man in Right job

Right decision at right time

Maximising production

optimum utilisation of Resource.

Efficient running of business

Increase in Productivity.

3) Creates dynamic organisation

change is opposed by individuals

Manager helps people to adapt to change and reaction with them the need for change.

Create a sound org structure.

creates favourable work environment.

4) Helps in achieving personal objectives

Provides good quality product & services.

creates employment opportunities

Adopt new techniques & ideas

leads path to growth and development

Bring in innovation & expansion

Increase in standard of living

Provide Maximum satisfaction to workers

Management is both ARTS and SCIENCE.

Arts refers to application of skill to and knowledge to attain desired result.

features of Arts

- Practical knowledge
- Personal Skill
- Result oriented approach
- Constructive skills (ie creativity)
- Regular practice aimed at further improvement

Science is systemised body of knowledge which can be acquired through observation and experimentation

features of Science

- systemised body of knowledge
- Continued observations
- Universal validity of validity of principles
- Principles based on experiments

Mg combines the features of Arts + Science. They are NOT MUTUALLY EXCLUSIVE. Therefore complementary.

They are COMPLIMENTARY to each other.

Class No 3.

levels of Management - on the basis of authority and Responsibility

Top level - Ultimate source of authority in the organisation. It is the highest level of managerial hierarchy

consists of
BOD, the chief Executive officer (i.e. Managing Director) and the General Manager

Main task of Top level: -

- To formulate plans for the entire Org
- To set organisational Goals & decide on means to achieve them.
- To frame policies
- To make plans to achieve the objectives
- To set up an organisational structure and creating various positions therein
- To lay down guidelines for the departmental heads
- To assemble the resources
- To provide overall leadership
- To review the work of executives and evaluate performance
- To exercise control on various activities by reviewing overall operating results
- To relate the organisational to the external environment
- To decide upon matters for survival and growth of the org
- To make decisions regarding

- distribution of profits and other incomes
- To co-ordinate various subsystems of the organisation
 - To maintain liaison with external parts

Middle Level Management:

concerned with overall functioning of their respective departments.

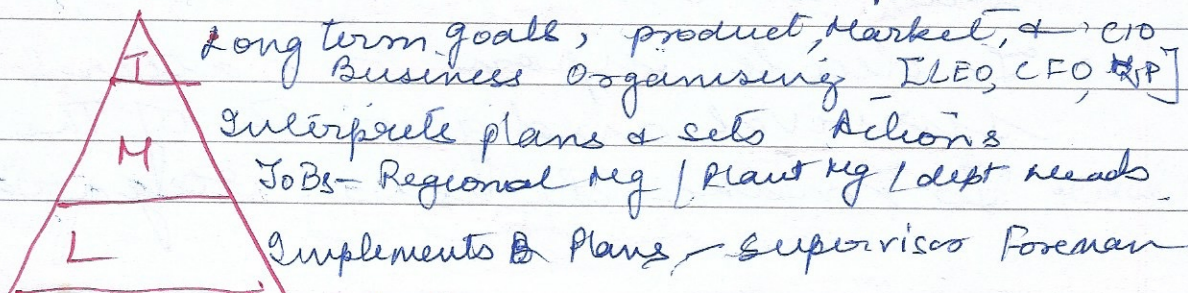


Consists of various functional Managers (Purchase mg, Marketing mg, public relation officer, R&D officer etc)

It is the middle level management of an enterprise.

Main task:

- Link establish link between top mg & lower level mg
- Establish departmental objectives
- Prepare departmental plan
- Transmit, org orders, proposals policy & decisions to lower level mg
- Settle various problems of the department
- Give suggestions to upper level mg



- To achieve co-ordination between different parts of the org.
- To build efficient workforce by giving rewards according to merit.
- To Inspire operating managers
- To motivate subordinates to achieve higher productivity
- To explain and interpret policies of higher level to the lower level.
- to co-ordinate the work of the lower level org.
- To collect reports on performance to be submitted to the upper level Mgt.

Lower Level Management :- (They are also called operating management) ^{cost}
 ↓, consists of superintendent, supervisors & foremen

Task is to directly control and guide the performance of work & file

↓
 look after day to day activity.

Tasks:-

- To make plans for day to day activity
- To arrange for man, material, machine
- To assist subordinates by explaining the procedure of work
- To ensure work of requisite quality & quantity as scheduled.
- To guide & supervise work of operations
- To report to the M.L. Mgt about problems

faced by the workers

to maintain close personal contact with workers to maintain teamwork & discipline

- to communicate grievances
- to " " suggestions of workers to higher M_g
- to evaluate and support the performance of the d.d. M_g to the higher M_g authority

Scope of Management.

a) Subject Matter of Management

- 1) Planning
- 2) organising
- 3) directing
- 4) staffing
- 5) co-ordinating
- 6) motivating
- 7) controlling

b) Functional areas of management

- 1) Production Management
- 2) Marketing "
- 3) Financial "
- 4) Personnel "
- 5) office "
- 6) Purchase "

Functions of Management

Functions of management may be divided in 2 categories namely.

(A) Main functions

- 1) Planning
- 2) Organising
- 3) Directing
- 4) Staffing
- 5) Co-ordinating
- 6) Control
- 7) Motivating

(B) Subsidiary functions

- 1) Communication
- 2) Decision-Making
- 3) Innovation
- 4) Representation

Management as a profession :-

Profession - is a specialised knowledge and involves specialized service.
Lawyers, CA, Tax consultant, doctors.

- ↓
- Needs special
- # Education
- # Training
- # Knowledge
- # Experience

→ service of a professional cannot be substituted by another person in the same profession

↓
Professions are studied in specialised institutions and practiced in real life situations

↓
activities of recognized as a profession is regulated by a profession association/body.

It requires membership
and certificate of practice.



Specialized body of knowledge.

Formal edⁿ

Code of conduct.

Honesty & Morality

Service motive

Profession association

Management may be regarded
as a profession



~~##~~ specialized body of knowledge

~~##~~ formal intellectual training

~~##~~ follows a scientific approach

~~##~~ involves special skill

~~##~~ code of ethics

~~##~~ requires discipline

But Mg does not possess all the
essential attributes of Profession
but is taking Giant steps in that
direction.

~~Review~~

Schools of Management thoughts

Approaches to Management.

1. Classical approach

- a) Scientific management — F. W. Taylor
- b) Administrative Management
(process and functional approach) — Henry Fayol
- c) Bureaucratic Approach — Max Weber

2. Neo classical (Behavioural) Approach

- a) Human Relation approach — Elton Mayo
- b) Behavioural Science approach — Mary Parker Follett

3. Modern Approach to Management

- a) Systems approach — Bertalanffy / Johnson
- b) Contingency approach — Bertalanffy / Johnson
- c) operation research Approach — Woodward / Carlisle
(quantitative approach) — Simon / Bernard

Scientific Management — implies application of scientific method of study and analysis to the problems of Mg.

↓
Scientific techniques will improve the efficiency of the enterprise.

Principles of scientific management

- a) scientific study and planning of work
- b) harmony in group action
- c) scientific selection and training and development of employees
- d) co-operation between employees and management
- e) maximum prosperity to the employer and employee
- d) Division of work & Fixing of Responsibility
- e) Standardization of tools & equipments
- d) Mental Revolution

Techniques of scientific management

Work study

Method study

Time study

Motion study

Fatigue study

Scientific task planning

Standardization of work

Differential piece wage system

Functional jobmanship