

FUNDAMENTALS OF MANAGEMENT

UNIT- 1 NOTES

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MANAGEMENT

Management is the process of designing and maintaining an environment in which individual, working together in groups, efficiently accomplish selected aims.

Management is defined as the process of planning, organising, actuating and controlling an organisation's operations in order to achieve coordination of the human and material resources essential in effective and efficient attainment of objective.

Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment.



Management as an ART

- existence of theoretical knowledge
- Personalised Application
- Based on practice and creativity.

Management as an SCIENCE

- Systematised body of knowledge
- Principles based on experiment
- Universal Validity.

Management as a PROFESSION

- Well defined body of knowledge
- Restricted entry
- Professional Association
- Ethical code of conduct.



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FUNCTIONS OF MANAGEMENT

1. Planning

It is the function of determining in advance what is to be done and who is to do it.

This implies setting goals in advance and developing a way to achieving them efficiently and effectively.

2. Organising

function of assigning duties, grouping out tasks, establishing authority and allocating resources required to carry out specific plan.

3. Staffing

finding the right people for the right job. Involves activities such as recruitment, selection, placement.

Directing

It involves leading, influencing and motivating employees to perform the tasks assigned to them.

Controlling

In this it involves monitoring organisation performance towards the attainment of goals. It involves establishing standard of performance, measuring current performance then, comparing both performance and taking corrective action where deviation is found.

CHARACTERISTICS OF MANAGEMENT

1. Management is a goal oriented process.
2. Management is all pervasive activities involved in managing an enterprise are common to all organisation whether it is economic, social or political.

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3. Management is multidimensional:-

It has three main dimensions -

- (1) management of work
- (2) management of people
- (3) management of operations.

4. Management is a continuous process:-

5. Management is a group activity

6. Management is a dynamic function:-

Management has to adapt itself to the change environment because organisation interact with its external environment which consist social economic and political factors.

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7. Management is an intangible force :-

Management can not be seen but its presence can be felt in a the way the organisation functions.



IMPORTANCE OF MANAGEMENT

1. Management helps in achieving group goals.
2. Management increases efficiency.
3. Management creates a dynamic organisation.

management helps people adapt to these changes so that the organisation is able to maintain its competitive edge.

4. Management helps in achieving personal objective.
 5. management helps in development of society.
- management helps to provide good quality product and services, create employment opportunities and lead the paths towards growth and development.



Management

An organised way of managing people and things of a business organisation.

1. It focus on policy implementation, structure.

2. It works under administration

3. Management makes decision by following the laid down rules by administration

4. management serves as a process of making profit for organisation.

5. Key person is manager

Administration

The process of administering an organisation by a group of people.

1. It focus on formulation of policy and setting objectives.

2. It has full control over the activities of the organisation.

3. Administration deals with the important decision without any regulations.

4. Administration is found in non-profit and govt institution like, school, hospital

5. Key person is administrator.

Development of Management Thoughts.

- Classical Approach
- Neo classical Approach
- System Approach
- Contingency Approach.

CLASSICAL APPROACH

- Management is viewed as a systematic network of interrelated functions.
- On the basis of experiences of practising managers, principles are developed.
- formal education and training is emphasised for developing managerial skills.
- emphasis is placed on economic efficiency and the formal organisation.
- People are motivated by incentive

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It is based on three main pillars :-

(1) ~~Bureau~~ Bureaucracy

(2) Scientific management

(3) Administrative theory.

(1) Bureaucracy

(1) Division of work

(2) Rules and Regulations

(3) Hierarchy of Authority

(4) Record keeping

(5) Formal Relation.

(2) Scientific Management

Frederick Winslow Taylor

father of scientific management

Principles of Scientific Management

(1) Science, not rule of Thumb

Develop a true science for each element of a worker's job to replace the old.

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(2) Harmony, not Discord

He emphasised that there should be complete harmony between management and workers. Both should realise that each zone is important.

(3) Co-operation not individualism

There should be complete co-operation between labour and management and instead of individualism.

(4) Development of each and every person to his or her greatest efficiency and prosperity.



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Administrative Theory

when an organisation grew and became more complex than they definitely need the managers who can manage the resource to achieve the stated objective

Principles of Management given by FAYOL :-

1. Division of work

It leads to specialisation when work is divided into small tasks / jobs.

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2. Authority and Responsibility

Right to give order and obtain obedience

It is the corollary of Authority.



3. Discipline

Obedience to organisational rules and employment agreement which are necessary for the working of organisation.

4. Unity of Command

every employee must receive orders and be accountable to only one boss.

5. Unity of Direction

There should be one head and one plan for a group of activities having the same objective.

6. Subordination of Individual to general interest

The interest of an organisation should take priority over individual interest.

7. Remuneration of employees

The overall pay and compensation should be fair to both employees and the organisation.

8. Centralisation and Decentralisation

Concentration of decision making authority when authority is divided in more than one person.

9. Scalar chain.

Formal lines of authority from highest to lowest ranks are known as scalar chain.

10. Order

People and materials must be in suitable places for at appropriate time for maximum efficiency.

11. Equity

This principle emphasises kindness and justice in the behaviour of managers towards workers.

12. Stability of Personnel.

Personnel should be selected and appointed after due and rigorous procedure. But once selected they should be kept at their post for minimum fixed tenure.

13. Initiative

Workers should be encouraged to develop and carry out their plans for improvement.

14. Espirit De Corps.

Management should promote a team spirit of unity and harmony among employees.



STAFFING

Staffing is that part of process of management which is concerned with obtaining, utilising and maintaining a satisfactory and satisfied workforce.

NATURE OF STAFFING

1. Staffing is universal function.

It is the part of each and every organisation to have personnel department.

2. Every manager is continuously engaged in performing the staffing function.

3. Staffing is a dynamic function.

With changes in size and environment of the organisation, changes take place in personnel.



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④ Purpose of staffing is the accomplishment of goals.

5. Staffing is pervasive activity.

Activity of staffing is common for all the department and organisation.

Significance of STAFFING

1. It helps in discovering and obtaining competent personnel for various jobs.
2. It makes for higher performance by placing right person on the right job.
3. It helps in facilitating optimum utilisation of resources.
4. Improves job satisfaction and morale of employees through reward for their contribution.
5. ensures continuity and growth of organisation.



PERSONNEL MANAGEMENT

It is defined as obtaining, using and maintaining a satisfied workforce. It is a significant part of management concerned with employees at work and their relationship within the organisation.

NATURE OF PERSONNEL MANAGEMENT

1. It includes the functions of employment, development and compensation.
2. It is concerned with promoting and stimulating competent work force to make their fullest contribution.
- (3) Personnel department is a staff department of an organization.
4. It is based on human orientation and tries to help the workers to develop their potential.



5. It also motivate the employees through its effective incentive plans.

FUNCTIONS OF PERSONNEL MANAGEMENT

There are three categories of functions.

- (1) Managerial functions.
- (2) Advisory Functions
- (3) Operative functions.

(1) managerial functions.

Personnel manager is a member of management. So he must perform basic managerial functions of planning, organising, staffing, directing and controlling in relation to his department.

(2) Advisory Functions.

Personnel manager has specialised education and training in managing human relations. So he offer his advise to Top management and departmental heads.



(3) Operative Functions.

These are those duties which are entrusted to the personnel department under general supervision of personnel manager.

(1) Employment

First function is the employment of proper kind and number of persons necessary to achieve the objectives of the organisation. It involves Recruitment, selection, placement etc.

(2) Training and development

It is the duty of management to train each employee properly to develop technical skills for the job.

Also proper development is necessary to increase their skill to complete their jobs.

(3) Remuneration

Determination of adequate and equitable remuneration of employee is important.

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(4) Working condition.

Every employee must be provided with good working conditions so that they may like their work and work place and maintain their efficiency.

(5) Motivation.

Personnel manager helps the various departmental managers to design a system of financial and non-financial rewards to motivate the employees.



MANPOWER PLANNING

It is also called human resource planning. It consists of putting right number of people, right kind of people at the right place, right time doing the right things for which they are suited for the achievement of goals of the organisation.

MANPOWER PLANNING PROCESS

STEP I

Analysing the current manpower inventory

→ Before a manager makes a forecast of future manpower, the current manpower status has to be analysed.

- * Type of organisation
- * No. of departments
- * No. and quantity of such department
- * Employees in these work units.



STEP IIMaking future manpower forecast

→ There are different ways to forecast manpower

- * Expert Analysis
- * Trend Analysis
- * Work Load Analysis
- * Work force Analysis

STEP IIIDeveloping Employment Programmes

→ It includes programmes like recruitment, selection, placements.

STEP IVDesign Training Programmes

→ Training programmes depend upon the extent of improvement in technology and advancement to take place.



RECRUITMENT

- It refers to the process of finding possible candidates for a job or function.
- It has been defined as 'the process of searching for prospective employees and stimulating them to apply for jobs in an organization.'

SOURCE OF RECRUITMENT

* INTERNAL SOURCES

(1) Transfers

It involves shifting of an employee from one job to other.

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(2) Promotions

It leads to shifting an employee from lower to higher position.



* EXTERNAL SOURCE

(1) Direct Recruitment :

Under this a notice is placed on the notice board of the company specifying the details of the job.

(2) Casual Callers:

Many reputed organisations keep a database of unsolicited applicants in their office and when they needed they fill the vacancies thereby through this.

(3) Advertisement :

Advertisement in newspaper is generally used when a wider choice is required.

(4) Placement agencies :

(5) Campus Recruitment

(6) Recommendation of employees.

(7) web publishing.



SELECTION

It is the process of identifying and choosing the best person out of number of prospective candidate for a job.

Process of selection

(I) Preliminary Screening

Based on the application HR

will eliminate unqualified job seeker

II Selection Test

III Employment Interview

IV Reference and Background check

V SELECTION DECISION

VI Medical examination

VII Job offer

VIII Contract of employment.



PROMOTION

Ascension of an employee to higher ranks. It involves increase in salary, responsibility, status etc.

SENIORITY

Advantage

- (1) In this employee is sure of getting promotion

- (2) It develops sense of loyalty

- (3) It limits the favoritism

- (4) Avoids dispute among employee

Disadvantage

1. Since promotion is fixed employee become lazy

2. New brilliant employees will be left which leads no motivation factor in company.

3. Talented and average workers considered alike.

Advantage

MERIT

Disadvantage

1. Encourage employee to increase knowledge.

2. Increase the productivity

3. New employee will get motivated to get promotion.

1. It may lead to partiality, nepotism, favoritism

2. Senior employee did not get that respect.

3. In merit, performance appraisal can not done properly.

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TRAINING

It is any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.

It is a process of learning new skills and application of knowledge.

TRAINING METHODS

ON THE JOB TRAINING

→ Apprenticeship programme

→ Coaching

→ Internship Training

→ Job Rotation



OFF THE JOB TRAINING

→ CLASS Room Lecture

→ Films

→ Case Study

→ Computer modelling

→ Vestibule training

→ Programmed instruction

ON THE JOB TRAINING

1. Apprenticeship Programmes:-

Put the trainee under the guidance of a master worker. ex - Plumbers, electricians.

2. Coaching:-

The superior guides and instructs the trainee as a coach.

3. Internship Training:-

It is a joint programme of training in which educational institutions and business firms co-operate.

4. Job Rotation:-

It involves shifting the trainee from one department to another or from one job to another.

OFF THE JOB TRAINING

1. CLASS ROOM LECTURE :-

Lecture approach is well adopted to conveying specific information, rules, procedures or methods.

2. FILMS :-

They can provide information and explicitly demonstrate skills that are not easily represented by the other techniques.

3. COMPUTER MODELLING :-

It simulates the work environment by programming a computer to imitate some of the realities of the job and allows learning to take place without the risk.

4. VESTIBULE TRAINING :-

Employee Training method that focuses on imparting job education training to skilled personnel or those workers who need to deal with machine and equipments of the company.

5. Programmed Instructions :-

Involves a series of steps with bits of knowledge and a mechanism for presenting the series and measuring the trainee's knowledge.

OBJECTIVE OF TRAINING

- (1) To provide job related knowledge to the workers.
- (2) To impart skills among the workers systematically so that they may learn quickly.
- (3) To improve the productivity of the workers and the organisation.
- (4) To bring about change in attitudes of the workers towards fellow workers, supervisor and the organisation.

