



OB – Unit I

MANAGEMENT MEANING & DEFINITION

- By 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”

Administration is concerned with formulation of broad objectives, plans & policies.

NATURE OF MANAGEMENT

- Management is Goal-Oriented
- Management integrates Human, Physical and Financial Resources
- Management is Continuous
- Management is all Pervasive
- Management is a Group Activity

OBJECTIVES OF MANAGEMENT

- Getting Maximum Results with Minimum Efforts
- Increasing the Efficiency of factors of Production
- Maximum Prosperity for Employer & Employees
- Human betterment & Social Justice



IMPORTANCE OF MANAGEMENT

- It helps in Achieving Group Goals
- Optimum Utilization of Resources
- Reduces Costs
- Establishes Sound Organization
- Establishes Equilibrium
- Essentials for Prosperity of Society

MANAGEMENT AS A SCIENCE

Science is characterized by following main features

- Universally acceptance principles
- Experimentation & Observation
- Cause & Effect Relationship
- Test of Validity & Predictability

MANAGEMENT AS AN ART

Art implies application of knowledge & skill to trying about desired results. Art has the following characters

- Practical Knowledge
- Personal Skill
- Creativity
- Perfection through practice
- Goal-Oriented

Management as a Profession

- A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body.
- Specialized Knowledge
- Formal Education & Training
- Social Obligations/ Responsibility
- Code of Conduct
- Representative or Professional Association
- Professional Fee

LEVELS OF MANAGEMENT

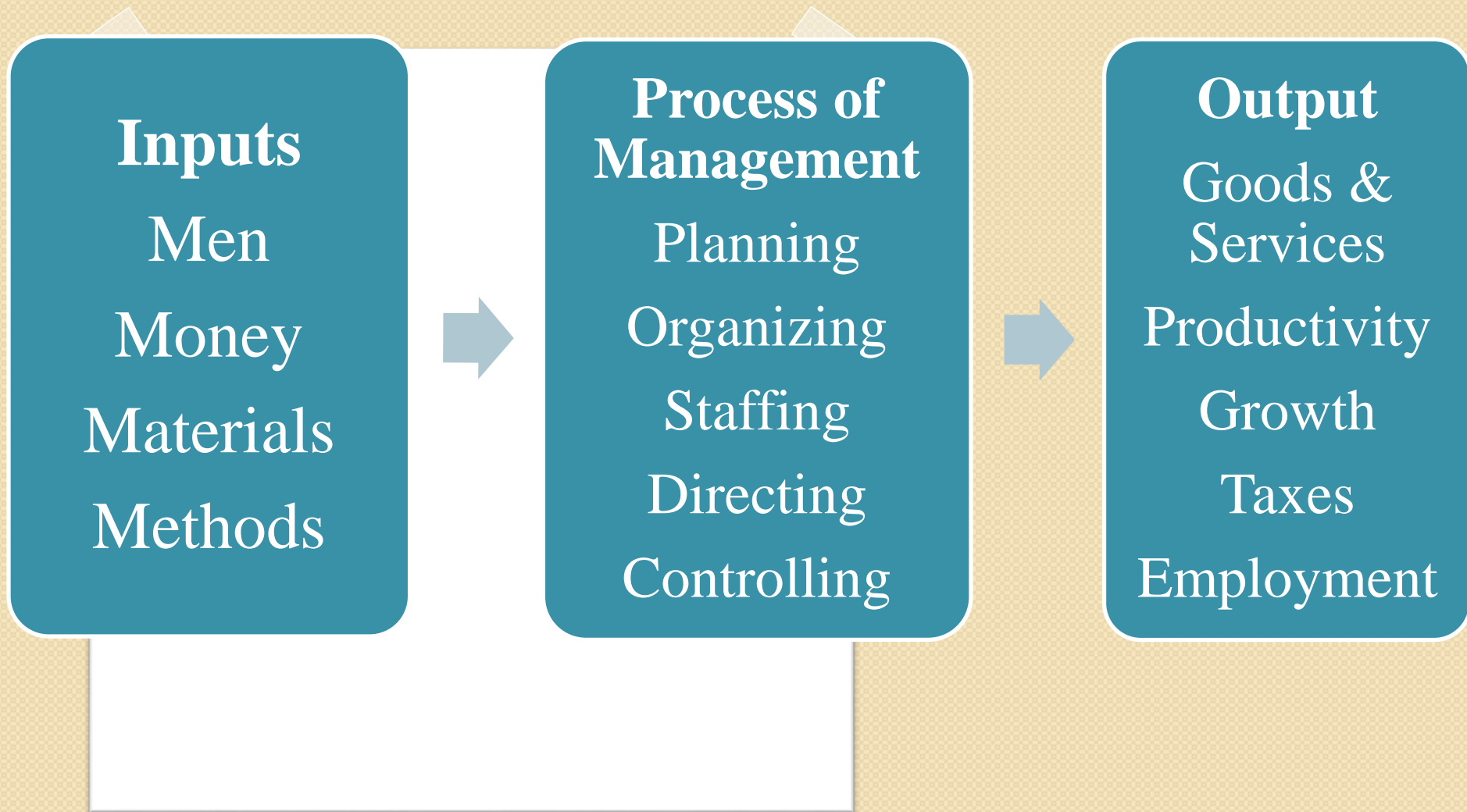
- Top management
- Upper middle management / Intermediate management
- Middle management
- Lower level or first line management





FUNCTIONS OF MANAGEMENT

- Planning
- Organizing
- Staffing
- Directing
- Controlling



PROCESS OF MANAGEMENT

ROLES OF MANAGER

I-INTERPERSONAL ROLES

1. Figurehead
2. Leader
3. Liaison

II-INFORMATIONAL ROLES

1. Monitor
2. Spokesman
3. Disseminator

III-DECISIONAL ROLES

1. Entrepreneur
2. Disturbance handler
3. Resource allocator
4. Negotiator

MANAGERIAL SKILLS

- **Technical skills** -It refers to the ability and knowledge in using the equipments, techniques and procedures involves in performing specific tasks.
- **Human skills / Behavioral / Inter personal skills-** Human skills refer to the ability to work effectively with other people both as individuals and as member of a group.
- **Conceptual skills** -It comprises the ability to see the whole organization and the inter-relationship between its parts. These skills refer to the ability to visualize the entire picture or to consider a situation in its totality.

MANAGERIAL SKILLS

- **Decision making skills**-Managers particularly at the upper level must also have decision making skills. These refer to abilities to break down a complex problem or situation into its components , to clinically examine its dimensions , to proceed in a logical & step by step manner.
- **Administrative skills**-These involve abilities to act in a pragmatic manner, to get things done by implementing plans, to mobilize& organize resources, to harmonize & coordinate diverse activities & to regulate performance in an orderly manner.



**Conceptual
Skills**

Human skills
(Middle level)

Technical skills
(Lower level)

SKILLS OF THE MANAGER

CO-ORDINATION

Coordination is the management of interdependence in work situations. It is the Orderly Synchronization or fitting together of the independent efforts of individuals in order to attain a common goal.

Features Of Coordination

- It is an essential managerial activity. It is needed at all levels of management.
- It involves an orderly arrangement of group efforts.
- It is a continuous process carried on by the managers.
- Its purpose is to secure unity of action towards common objectives.



Significance of Coordination

- Better results
- Economy and Efficiency
- Better Utilization of Human Resources
- Meeting Environment Challenges
- High Morale

PRINCIPLES OF EFFECTIVE CO-ORDINATION

- Direct Contact
- Early Start
- Continuity
- Dynamism
- Clear cut Objective
- Clear Definition of Authority & Responsibility
- Effective Communication
- Precise and Comprehensive Programmes and Policies
- Cooperation
- Effective Leadership and Supervision

CO-ORDINATION AND CO-OPERATION

Co-ordination

- It is an orderly arrangement of group efforts in pursuit of common goals.
- It is broader than co-operation which includes as well because it harmonizes the group efforts.

Co-operation

- It means mutual help willingly.
- It is termed as a part of co-ordination.

Basis

Management

Administration

Meaning

Management is an art of getting things done through others by directing their efforts towards achievement of pre-determined goals.

It is concerned with formulation of broad objectives, plans & policies.

Nature

Management is an executing function.

Administration is a decision-making function.

Process

Management decides who should do it & how should he do it.

Administration decides what is to be done & when it is to be done.

Function

Management is a
doing function

because managers get
work done under their
supervision.

Administration is a
thinking function
because plans &
policies are
determined under it.

Skills

Technical and Human
skills

Conceptual and
Human skills

Level

Middle & lower level
function

Top level function

Management Vs Administration

DEVELOPMENT OF MANAGEMENT THOUGHT

- Classical Approach / Functional Approach / Empirical Approach / Management Process Approach
- Neo – classical Approach
- System Approach
- Contingency Approach

CLASSICAL APPROACH

- The **salient features** of are as follows:-
- Management is viewed as a systematic network (process) of interrelated functions. The nature and content of these functions, the mechanics by which each function is performed and the inter relationship between these functions is the core of the classical approach.
- On the basis of experiences of, practicing managers, principles are developed. These principles are used as guidelines for the practicing executive and basis of management training.
- Functions, principles and skills of management are considered universal. They can be applied in different situations.

CLASSICAL APPROACH

- Formal education and training is emphasized for developing managerial skills in would-be Managers. Case study method is often used for this purpose.
- Emphasis is placed on economic efficiency and the formal organization structure.
- People are motivated by economic gains. Therefore, organization control economic incentives.
- Classical Approach is based on 3 PILLARS:
- BUREAUCRACY
- SCIENTIFIC MANAGEMENT
- ADMINISTRATIVE THEORY

BUROCRATIC APPROACH

- Max Weber a German Social scientist also known as father of bureaucracy approach of management 1910 ,made a study of different types of business organization
- **Features**
 1. Division of work
 2. Rules and regulations
 3. Hierarchy of authority
 4. Technical competence
 5. Record – keeping
 6. Impersonal relations

BUREAUCRATIC APPROACH

- **Advantages**

1. Specialization
2. Structure
3. Rationality
4. Predictability
5. Democracy

- **Limitations**

1. Rigidity
2. Goal displacement
3. Impersonality
4. Compartmentalization of objectives
5. Paperwork
6. Empire Building
7. Red Tape

ADMINISTRATIVE THEORY BY HENRY FAYOL

14 Principles of Management described by
Henri Fayol

- Division of Labor
- Party of Authority & Responsibility
- Principle of One Boss
- Unity of Direction
- Equity
- Order
- Discipline
- Initiative


ADMINISTRATIVE THEORY BY HENRY FAYOL

- Fair Remuneration
- Stability of Tenure
- Scalar Chain
- Sub-Ordination of Individual Interest to General Interest
- Espirit De' Corps (can be achieved through unity of command)
- Centralization & De-Centralization

Scientific Management

Frederick Taylor

Frederick Taylor was called as the father of Scientific management. His book *The Principles of Scientific management* was published in 1911. Immediately, its contents became widely accepted by managers throughout the world.

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- There were no clear concepts of responsibilities to workers and managers.
 - No effective work standards existed.
 - Management decisions were based on hunch and intuition.
 - Workers were placed on jobs with little or no concern for matching their abilities and aptitudes with the tasks required.
 - Managers and workers considered themselves to be in continual conflict—any gain by one would be at the expense of the other.


Taylor's Four Principles of Management

- Develop a scientific way for each element of an individual's work, which replaces the old rule-of-thumb method.
- Scientifically select and then train, teach, and develop the worker.
- Heartily cooperate with the workers so as to ensure that all work is done in accordance with the scientific way that has been developed.
- Divide work and responsibility almost equally between managers and workers. Managers take over all work for which it is better fitted than the workers.



The Hawthorne Studies

Studies of how characteristics of the work setting affected worker fatigue and performance at the Hawthorne Works of the Western Electric Company from 1924-1932.


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- Worker productivity was measured at various levels of light illumination.
 - Researchers found that regardless of whether the light levels were raised or lowered, worker productivity increased.

The Systems Approach

- What's the system approach?
- Two basic types of the system: closed and open

Closed systems are not influenced by and do not interact with their environment. In contrast, an *open system* dynamically interacts with its environment.

- An organization is an open system
- The operating model in organizational systems

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- The system approach defines a system as a set of interrelated and interdependent parts arranged in a manner that produces a unified whole. Societies are systems and so, too, are computers, automobiles, organizations, and animal and human bodies.

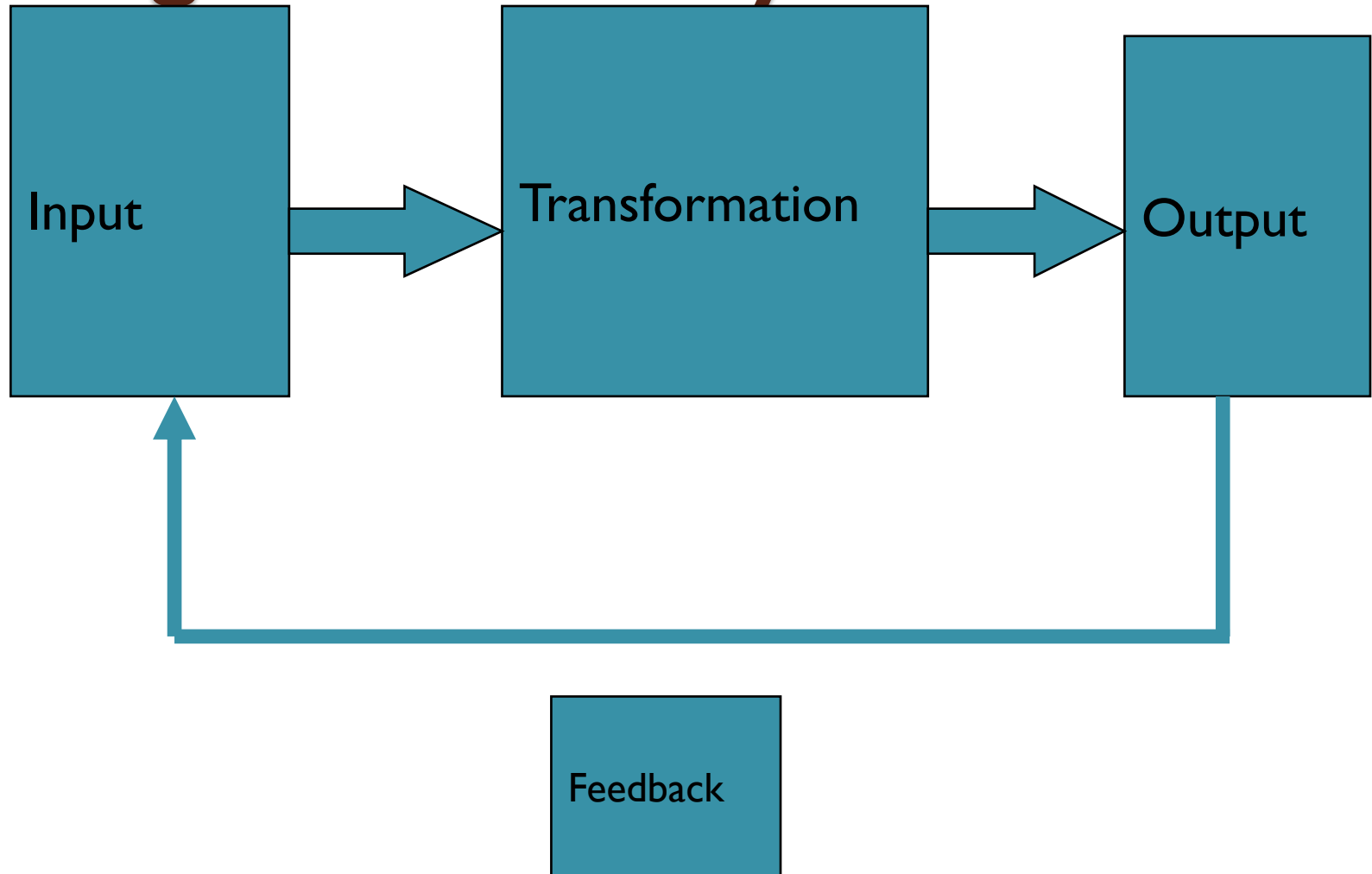
An Organization Is an Open System

- An organization is a system that interacts with and depends upon its environment.

Organization's stakeholders: any group that is affected by organizational decisions and policies. The manager's job is to coordinate all stakeholders to achieve the organization's goals.

- Organizational survival often depends on successful interactions with the external environment

The Operating Model in Organizational System



Contingency Theory

- “There is no one best way to organize”
- The idea that the organizational structures and control systems manager choose depend on—are contingent on—characteristics of the external environment in which the organization operates.



Thank you