## Definition

## According to Harold Koontz, "Management is the art of getting things done through and with people in formally organized groups".

## According to Henry Fayol, "To manage is to forecast and to plan, to organise, to command, to coordinate and to control".

**Importance of management**

* Optimum utilization of resources
* Reduces cost
* Establishes Equilibrium
* Helps in achieving group goals
* Established strong organization

**Optimum utilization of resources**

Management helps in maintaining effective use of skillsets and knowledge of experts and professionals to reduce wastage of manpower, material and all related direct and indirect costs. Management enables maximum utilization of resources by selecting its best possible alternate use in industry.

**Reduces Costs**

When the resources you use in terms of investment, transport, manpower and more are all noted down and calculated well in advance, there certainly would be no reason to see an increase in costs. Better yet, this helps an organization in maintaining effective utilization of manpower and machinery, thereby helping in reducing costs.

**Established Equilibrium**

Management as a function is responsible for growth and survival of organization. Management helps   organizations adapt to changing demand of market / changing needs of societies.  Thereby helping them thrive even as they experience change in market trends.

**Helps in achieving group goals**

The resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals. By defining objective of organization clearly there would be no wastage of time, money and effort.

**Established strong organization**

Management fills up various positions with right persons, having right skills, training and qualification. All jobs should be cleared to everyone. The sign of a good management system for an organisation , is spelt by the way it helps the organisation function well financially, as a team and as individuals.

## Management as both Science and Art

## Management is both an art and a science. The above mentioned points clearly reveal that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge & art deals with the application of knowledge and skills.

## Features 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

## Management Functions

## According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ’POSDCORB’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O’DONNEL i.e. Planning, Organizing, Staffing, Directing and Controlling.

## Planning

## It is the basic function of management. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of predetermined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

## Organising

## It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and nonhuman resources to the organizational structure.

## Organizing as a process involves:

## • Identification of activities.

## • Classification of grouping of activities.

## • Assignment of duties.

## • Delegation of authority and creation of responsibility.

## • Coordinating authority and responsibility relationships.

## Staffing

## The main purpose of staffing is to put right man on right job. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed un the structure”.

## Staffing involves:

## • Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).

## • Recruitment, Selection & Placement.

## • Training & Development.

## • Remuneration.

## • Performance Appraisal.

## • Promotions & Transfer.

## Directing

## It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals.

## Direction has following elements:

## • Supervision

## • Motivation

## • Leadership

## • Communication

## Controlling

## It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur.

## According to Koontz & O’Donell “Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished”.

## Therefore controlling has following steps:

## a. Establishment of standard performance.

## b. Measurement of actual performance.

## c. Comparison of actual performance with the standards and finding out deviation if any.

## d. Corrective action.

## Levels of Management

## The term Levels of Management refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories:

## 1. Top level / Administrative level

## 2. Middle level / Executory

## 3. Low level / Supervisory / Operative / First-line managers

## 1. Top Level of 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. It devotes more time on planning and coordinating functions. The role of the top management can be summarized as follows –

## a. Top management lays down the objectives and broad policies of the enterprise.

## b. It issues necessary instructions for preparation of department budgets, procedures, schedules etc.

## c. It prepares strategic plans & policies for the enterprise.

## d. It appoints the executive for middle level i.e. departmental managers.

## e. It controls & coordinates the activities of all the departments.

## f. It is also responsible for maintaining a contact with the outside world.

## g. It provides guidance and direction.

## h. The top management is also responsible towards the shareholders for the performance of the enterprise.

## 2. Middle Level of Management

## The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as –

## a. They execute the plans of the organization in accordance with the policies and directives of the top management.

## b. They make plans for the sub-units of the organization.

## c. They participate in employment & training of lower level management.

## d. They interpret and explain policies from top level management to lower level.

## e. They are responsible for coordinating the activities within the division or department.

## f. It also sends important reports and other important data to top level management.

## g. They evaluate performance of junior managers.

## h. They are also responsible for inspiring lower level managers towards better performance.

## 3. Lower Level of Management

## Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to R.C. Davis, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management. Their activities include –

## a. Assigning of jobs and tasks to various workers.

## b. They guide and instruct workers for day to day activities.

## c. They are responsible for the quality as well as quantity of production.

## d. They are also entrusted with the responsibility of maintaining good relation in the organization.

## e. They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.

## f. They help to solve the grievances of the workers.

## g. They supervise & guide the sub-ordinates.

## h. They are responsible for providing training to the workers.

## i. They arrange necessary materials, machines, tools etc for getting the things done.

## j. They prepare periodical reports about the performance of the workers.

## k. They ensure discipline in the enterprise.

## l. They motivate workers.

## m. They are the image builders of the enterprise because they are in direct contact with the workers

## ROLES OF MANAGER

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

## Interpersonal Roles The ones that, like the name suggests, involve people and other ceremonial duties. It can be further classified as follows

## • Leader – Responsible for staffing, training, and associated duties.

## • Figurehead – The symbolic head of the organization.

## • Liaison – Maintains the communication between all contacts and informers that compose the organizational network.

### ****Qualities of a good manager****

1.**Professional Efficiency**: Professional efficiency refers to having a thorough knowledge of the field concerned. In management, professional competence involves being well-versed in management principles and the way these principles are often applied within the given situations.

2. **Assurance in High Achievement**: Quality managers have faith in high achievement. They have an internal locus of control, implying that they feel that they will control situations and, therefore, the situations cannot control them. They have a sense that if others can do something exceptional, they can also do it the same way. This faith instils confidence in them for doing better and better.

3. **Creativity**: Creativity involves conceiving original and unique alternatives to the answer to a problem. Creativity is necessary because the nature of problems goes on changing, requiring innovative solutions.

4. **Analytical Skills:** Managers need to add complex situations which contain both significant and insignificant factors. With analytical skills, quality managers could also be ready to identify those factors which are more relevant for his or her work.

5**. Decisive:** Quality managers are quite decisive. They make decisions after careful examination of the reference variables well in time. They do not waver between ‘what to do’ or ‘what to not do’ in a given situation.

6. [**Excellent Communication Skills:**](https://www.mygreatlearning.com/academy/learn-for-free/courses/effective-communication?post=43021) Communication involves sharing ideas and understanding with others. To know others and make yourself understood by others, excellent communication skills are required. Further, motivating communication may influence others favourably.

7. **Lead from the Fron**t: Good Quality managers lead from the front. They are recognized by their work instead of their words. This ability makes the followers follow the leaders enthusiastically.

8. **Openness**: Quality managers have a quality of openness. They are change-prone and not note change-resistant. Being open, they consider any beneficial idea and accept it from whatever source it comes from.

9. **High Integrity**: Quality managers have high integrity and adopt ethical practices in altogether types of decisions and dealings. Similarly, they expect an equivalent pattern to be followed by others.

10. **Team-based Approach:** Quality managers adopt a team-based approach. For work performance, they choose a give and take approach. They believe in developing themselves as well as others.

## SCHOOL OF THOUGHT IN MANAGEMENT

## The schools of management thought are theoretical frameworks for the study of management. Each of the schools of management thought are based on different assumptions about human beings and the organizations for which they work.

## The school of management can be divided in to mainly three:

## 1. MANAGEMENT THOUGHT IN CLASSICAL SCHOOL

## 2. NEO CLASSICAL APPROACH

## 3. MODERN APPROACH IN MANAGEMENT SCHOOL

## MANAGEMENT THOUGHT IN CLASSICAL SCHOOL

## Classical management theory is based on the belief that workers only have physical and economic needs. It does not take into account social needs or job satisfaction, but instead advocates a specialization of labour, centralized leadership and decision-making, and profit maximization. The classical management theory mainly advocates the efficient and effectively of the output employees .it does not consider the value of human being. In the classical management theory, the people are motivated on by the economic aspirations. The Classical Theory of Management – Comprising Three Streams:

## (a) Administrative management

## (b) Scientific Management; and

## (c) Burocratic management

## ADMINISTRATIVE MANAGEMENT

## The administrative management is contributed by the Hentry Fayol is the father of modern management. He is a well known management thinker, he wrote the book of General and industrial management. The Fayols mainly advocates the how to manage an organisation as whole. According to Hentry Fayol all the activities of a business organisation can be classified in six.

## (1) Technical activities (production, manufacture, adaptation).

## (2) Commercial activities (buying, selling and exchange),

## (3) Financial activities (search for and optimum use of capital).

## (4) Security activities (protection of property and persons).

## (5) Accounting activities (stocktaking, balance sheet, cost, statistics).

## (6) Managerial activities (planning, organisation, command, co-ordination and control).

## ****Henri Fayol’s Principles of Management****

His fourteen principles of management included division of work, authority and responsibility, discipline, unity of command, unity of direction, and subordination of individual interests to general interests, remuneration of personnel, centralization, scalar chain, order, equity, and stability of tenure of personnel, initiative, and esprit de corps (union is strength).

### ****1. Division of Work****

* The work of every person in the organization should be limited as far as possible to the performance of a single leading function.
* This means that a worker is given only a small element of work to do in which he becomes the specialist.
* Specialization leads to better efficiency and maximum output.
* This is applicable for all kinds of work, technical as well as managerial.

### ****2. Authority & Responsibility****

* Authority is the right to command to get the work done and responsibility is the accountability of authority so that the official authority is not misused.
* Responsibility goes with authority.
* The two are co-extensive, as responsibility is a natural consequence and a corollary of authority.
* Wherever authority is exercised, responsibility arises.

### ****3. Discipline****

* It implies respect for agreements (rules and regulations) designed to secure obedience.
* It must prevail throughout an organization to ensure its smooth functioning.
* Discipline ensures fair and clear agreements, good supervision and judicious application of penalties.

### ****4. Unity of Command****

* Every employee must receive orders and be accountable to only one superior.
* It is necessary to avoid conflicting orders and to ensure order and stability in the organization.
* Under the concept of Unity of Command the employee will always report to his immediate superior in the hierarchical ladder who alone will communicate orders, instructions and guidelines to him.
* The organization following this concept can secure the maximum contribution from each employee.

### ****5. Unity of Direction****

* There should be one head and one plan for a group of activities having the same objective.
* This is essential to ensure unity and coordination in the enterprise.
* Unity of command does not exist without unity of direction but not necessarily flow from it.

### ****6. Subordination of Individual to General Interests****

* The interest of one employee or group of employee should not prevail over that of the entire organization.
* Efforts should be made to reconcile individual interests with common interests.
* Where there is a conflict between the two, the interests of the organization should prevail over individual interests.
* This requires continuous and exemplary supervision and fair agreements

### ****7. Remuneration****

* The amount of remuneration and the methods of payment should be just and fair and should provide maximum possible satisfaction to both employee and employers.
* Remuneration, reward or compensation package all means the same.
* Compensation paid should be fair and adequate.
* Reward offered in the first instance should attract talented individuals to the organization and in the next phase it should serve to retain them in service over a period of time.
* Reward should be linked to productivity and performance.

### ****8. Centralization****

* Powers and authority are delegated and many routine functions can be [decentralized](https://www.mbaknol.com/management-principles/decentralization-of-authority/). However responsibility and control will still remain [centralized](https://www.mbaknol.com/management-concepts/meaning-of-centralization-and-its-advantages-and-disadvantages/).
* This needs regular review, monitoring and calling for reports, to verify authority/powers delegated are properly utilized for the benefit of the organization and all safeguards are followed.

### ****9. Scalar Chain****

* Scalar chain refers to the number of levels in the hierarchy from the ultimate authority to the lowest level in the organization.
* It should not over-stretched and consist of too-many levels.

### ****10. Order****

* Order conveys that there should be a place of everything and everything should be at its place.
* This applies not only to arrangement of materials and stores, but also to placement of personnel.

### ****11. Equity****

* Equity implies that the employee should be treated with justice and kindness.
* Managers should be impartial in their dealings with subordinates.
* Equity helps to create cordial relations between management and workers which is essential for the successful functioning of any enterprise.

### ****12. Stability of Tenure of Personnel****

* Employees work better if job security and career progress is assured to them.
* Employee turn over should be reduced and long term commitment should be encouraged.
* Insecure tenure and high rate of employee turnover will affect the organization adversely.

### ****13.   Initiative****

* Employees at all levels should be given the opportunity to take initiative and exercise judgment in the formulation and execution of plans.
* Initiative refers to freedom to think for one self and use discretion in doing work. It develops employee’s interest in the jobs and provides them job satisfaction.

### ****14. Esprit De Corps****

* This refers to harmony and mutual understanding among the members of the organization.
* Management should not follow the policy of ‘divide and rule’ and people should be made to work in teams
* Rather it should strive to maintain team spirit and cooperation among employees so that they can work together as a team for the accomplishment of common objectives.
* Unity among the personnel can be developed through proper communication and co-ordination.

Taylor’s  scientific management is based on the following four principles:

1. **Science not Rule of Thumb:**Taylor focused on the scientific study and analysis of each and every element of a work to replace the old rule of thumb method or hit and trial method. Rule of thumb is not based on science or exact measurement.  Scientific method is based on cause and effect, whereas rule of thumb was based solely on the discretion of managerial decisions. Taylor focused that managers should scientifically analyze each and every component of work. According to him, even a small work, like loading of iron pigs into boxcars can be scientifically done. Doing a work scientifically reduces wastage of time and resources and helps to achieve the target effectively and efficiently.
2. **Harmony, Not Discord:**Taylor recognized the class conflict that existed between the workers and managers. He emphasized that there should be no conflict between the workers and managers. Both of them should realize the importance of each other and should work together for organizational goals. In order to achieve this harmonious relation, he focused on ‘Mental Revolution’, which means that workers and managers should transform their thinking. In such a situation, management aims at providing better working environment for the employees, and sharing the gains of the company, etc., and workers should avoid going on strikes and work hard to the best of their ability. This principle is clearly visible in the case of Japanese work culture. There is complete openness between the workers and management. If workers are not satisfied with the management, they wear a black badge and work for more than the normal working hours.
3. **Cooperation, Not Individualism:** According to this, there should be cooperation between management and workers instead of individualism. This principle is an extension of Principle ‘Harmony, Not Discord’. Both management and workers should realize that they need each other. There should be cooperation between them, and competition should be replaced by cooperation. For achieving this principle, management should welcome the constructive ideas and suggestions of the workers. The workers should be praised and rewarded for the suggestions given if their suggestions were helpful. Workers should be taken into consideration while taking important decisions. On the other hand, workers should avoid unreasonable demands and strikes, and should work effectively and efficiently to achieve the organizational goals.
4. **Development of workers to their greatest efficiency and prosperity:**Taylor focused on the efficiency of workers. According to him, every organization should follow scientific method of selection of workers, and each worker should be scientifically selected. Then they should be assigned work according to their mental, physical and intellectual capabilities. To increase efficiency, training should be provided. This increase in efficiency will be beneficial for both workers and management.

**Techniques of Scientific Management:**

Taylor suggested following techniques:

1. **Functional Foremanship:** According to this technique, the work of supervision is divided into several specialized foremen. Taylor believes that one foreman is not an expert in all aspects of work. Therefore, each worker should be supervised by several foremen. Taylor suggested that 8 specialists out of these 4 will be responsible for looking after the planning work, and the other four will be responsible to supervise and executing of work.
2. **Standardization and simplification of work:**Standardization means fixing standards for everything. To attain standard production, the standard of performance is established for the workers. Standardization of work means standard set for material, machine method, and condition of work. Simplification refers to eliminating unnecessary varieties, sizes, and grades of the product. It aims at eliminating unnecessary varieties, sizes and dimensions.
3. **Work-study:**Work-study means systematic and critical assessment of all the operational functions in the organization. The main objective of the work-study is to improve efficiency by making optimum utilization of resources.
   * **Method Study:**It is a concern with finding ‘one best way’ of doing a job. The main aim of this technique is to improve work methods to minimize the cost of products and maximize the satisfaction of customers.
   * **Motion Study:**This study refers to making a thorough analysis of various motions being performed by a worker while he is doing a particular job. The main purpose of motion study is to detect and eliminate unnecessary movement, and to find out the best method of doing a particular job.
   * **Time Study:**It is the technique that is used to determine the standard time taken by a worker. It helps in determining how much work an employee should be able to do in a given period.
   * **Fatigue Study:** It refers to determining the amount and frequency of rest intervals required in completing a work. Taylor suggested that a person gets tired when he works continuously without a break. So, he must be provided with a rest interval to regain his lost stamina.
4. **Differential price wage system:**This is a system in which efficient and inefficient workers are paid at different rates. According to Taylor, financial incentives act as a motivator. So, Taylor developed the concept of a differential piece wage system. In this technique, incentives are directly linked with productivity.
5. **Mental Resolution:**It means a total change in the attitude of workers and management towards one another from competition to cooperation. It requires that management should create suitable working conditions, and they should do their work with full devotion.