

MANAGEMENT SCIENCE.

Concept of management :-

Management is what managers do. It also refers to people at the top level, in the organisation. Concerned with decision making.

Definition:-

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

Peter F. Drucker:-

"Management is concerned with the systematic organisation of economic resources and its task is to make these resources productive."

An analysis of the above views reveals that

- Management is a social process of all functions planning, organising, commanding, coordinating and controlling
- Its ultimate purpose is to achieve organisational goals.
- These goals are achieved using limited resources efficiently and effectively
- And by working with and through people.

Nature of management:- (Features)

① Management is a social process:- social process refers to the series of activities that are performed in the society. These activities are carried out by administrators, politicians, economists, housewives, parents, lawyers and so on.

Management is a social process in particular because managers, at all levels, work with and through people.

② Management also denotes a body of people involved in decision making:-

When an institution is well run, it is said that the management of that institution takes personal interest in the institution. Here, management denotes a body of people involved in the decision making.

③ Management is Omnipresent and Universal:- Successful organisations show that management principles to apply to every kind of organisation and also to every level in it. Hence it is called Omnipresent and Universal.

④ It is an inexact science:-

Management principles are not like those in science or maths where things are fairly clear or exact. Hence, they cannot be generalised precisely.

⑤ ~~It~~ It is complex:-

Management functions are complex. They call for a fairly professional approach to manage a given situation or organisation.

⑥ Management is Situational in nature:-

The same style of management cannot work for the same situation every time. The change in the situation may call for a change in the style of functioning of the manager.

⑦ Management is an art and also a science:-

An art is personal skill handling of business affairs. The more one practices an art, the more professional one becomes. Management can be considered as an art because it satisfies all these criteria of an art.

A science is a systematised body of knowledge of factors.

Management satisfies all these criteria to be considered as a "science". It is a systematic body of knowledge, its principles are universally acceptable, it stands for logical reasoning, scientific testing and inquiry.

⑧ Management is a profession:-

Management helps to carry out every profession in a scientific manner.

The managers are professional in their approach and are governed by code of ethics.

⑨ Management is inter-disciplinary:-

The subject of management is heavily dependent on other disciplines.

Theories of consumption and production from
- Economics.

Linear programming, PERT - operations research
and Cpm

probability theories, correlation
and regression - statistics

Theories of group behaviour - sociology

Individual behaviour - psychology

Tools of decision making such as
matrices, calculus, integration and differentiation
- Mathematics.

⑩ Managers has four types of resources:-

The four M's

Men, money, materials and machines are the four types of resources the manager has to manage. However, this list is only inclusive.

Importance of management:-

- ① It facilitates the achievement of goals through limited resources.
- ② It ensures smooth sailing in case of difficulties
- ③ It ensures continuity in the organisation
- ④ It ensures economy and efficiency
- ⑤ It focuses on group efforts
- ⑥ It is the key to the economic growth.

Functions of Management:-

- P - planning (forecasting)
- O - organising
- S - staffing
- Di - Directing
- Co - Coordinating
- R - Reporting
- B - Budgeting.

Systems Approaches to the study of Management.

→ one of the modern approaches to understand management is the systems approach. Here, the organisation is viewed as a system. Every department of the organisation is considered as a sub-system. It is also possible that every department can be viewed as a system and every section in the department can be viewed as a sub-system.

Thus, systems approach helps to study the basic features and functions of the organisation to its minutest detail.

A system by concept, is a collection of interrelated parts called subsystems, which constitute one whole unit. systems approach facilitates the study of each of these parts in detail to have a close understanding of the whole system.

Human body is often cited as the best example for a system. In human body we have different subsystems such as digestive system, central nervous system and so on. Each part of the body such as the eyes, brain, heart and so forth, can also be viewed as a subsystem. A study of each of the parts of the body is necessary to understand the whole body.

From the systems point of view, the functions of management are.

- (a) interlinked
- (b) interdependent
- (c) complex and intertwined that each function of management can be found in other functions.

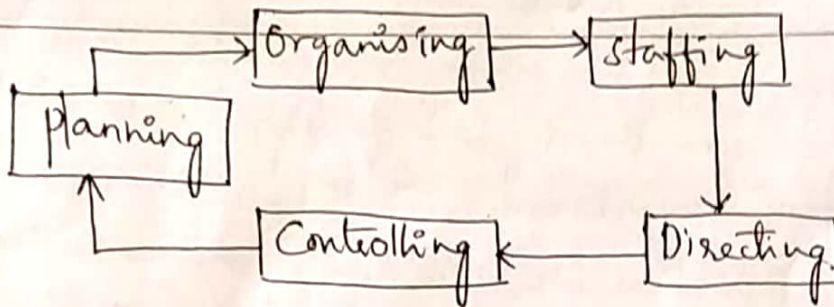
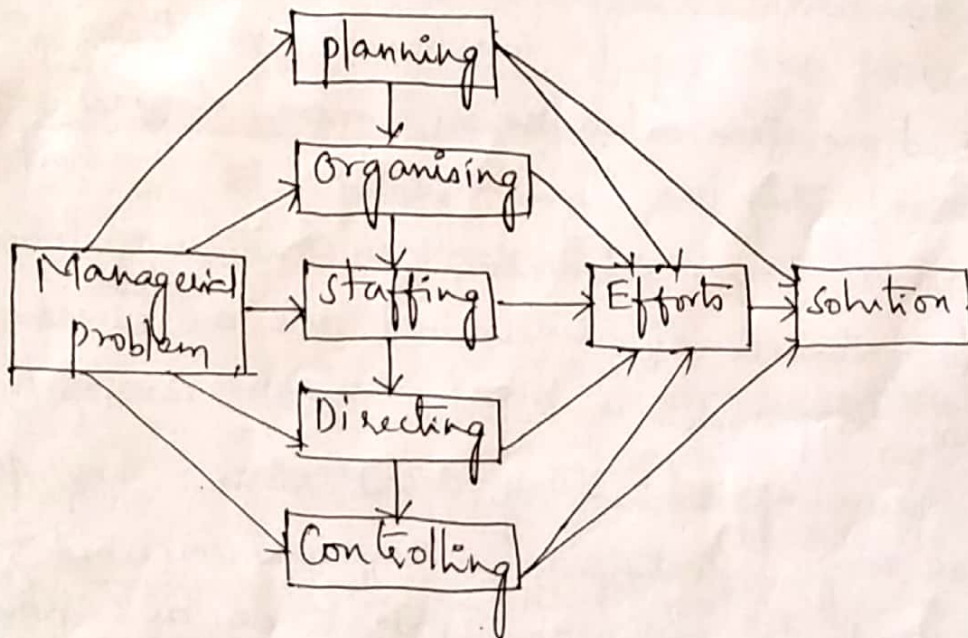


Diagram showing interlinking of management functions.



Management functions are interdependent

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Leadership styles :- Leaders can be differentiated into good or bad based on the styles they adopt or how they choose to influence their followers. A leader has not only to plan, organise, lead and control but also consider human element in the followers.

A good leader has to adopt such a style of working that takes care of people around him. There are also some leaders who do not care for people and who care more for the task completion.

Based on use of authority the leadership styles can be classified as follows.

① Autocratic leadership :- Here leaders command the followers and expect compliance from them for all the instructions given. Leaders are more dogmatic and positive. They lead by his ability to withhold or give rewards or punishments. Here, no suggestions from the followers are entertained and an almost top-down approach is seen. They are authoritarian in their approach. They direct others. They do not allow any participation. They are concerned with the task and tell followers what to do and how to do it.

② Democratic or participative leadership :- Here leaders consult subordinates and involve them in decision making. They encourage discussion with the group. Leaders believe in two-way communication.

They listen to followers, try to facilitate the decision making. They share his leadership responsibilities with his followers. They are involved in the process of planning and execution of the task.

Free - Rein Leadership:-

Free - reign leaders is also called *Laissez-faire* leader. Free-rein leaders exercises little authority and give maximum freedom to subordinates while making decisions. It is a bottom-up approach suggestions from the followers are encouraged and rewarded. They give high degree of independence to the subordinates in their operations. The free-reign leader gives total freedom to the subordinates to set their own subordinates in their operations. The free-rein leader gives total freedom to the subordinates to set their own goals and also the means of achieving them. The role of leader, here, is to aid the operations of the followers.

Basic Concepts related to organisation:-

provide an insight into the functioning of organisations

① Organisational Hierarchy:-

The hierarchy in a business refers to the layers of management from the top management down to managers or supervisors of the lowest rank. In small businesses usually, there are few layers of hierarchy. For instance in sole trader type of organisation, the owner makes

and implements all decisions. He acts as both the manager and the worker.

Line of Command follows from top level management to lower level management.

② Authority and Responsibility:-

Authority is the power to give commands and to use discretion vested in that particular position or job. If the person is removed from the job, he or she loses the authority.

Responsibility is the obligation on the part of the ^{subordinate} ~~net~~ to complete the given job. If a manager has only authority, he may misuse it. As a control measure the employee is held responsible for the results also. Authority can be transferred to lower positions but not responsibility.

When the authority exceeds responsibility it may lead to misutilisation of authority.

③ Delegation of authority:-

The process of transferring authority from the top to the lower levels in the organisations is called delegation. Although a task may be delegated or passed down the chain of command from a manager to a subordinate, the manager continues to be responsible for making sure that his/her instructions are carried out.

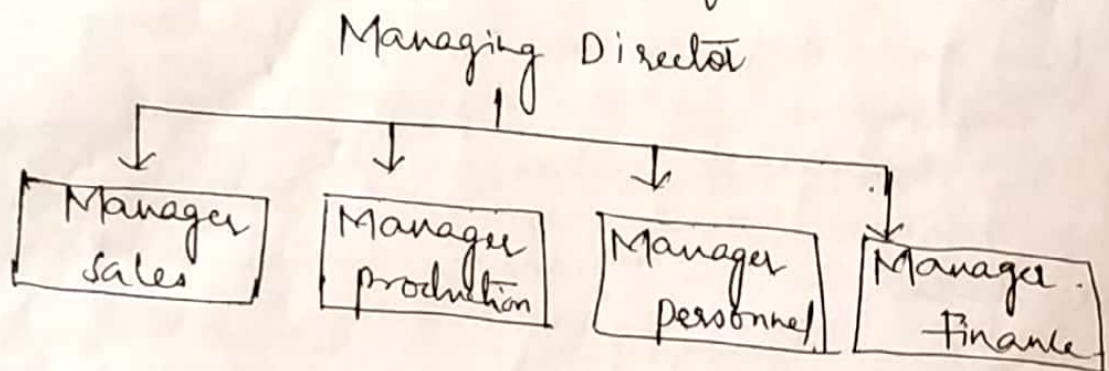
Centralised → Authority to take decisions is held by the corporate office.

Decentralised → Authority is delegated to the regional offices.

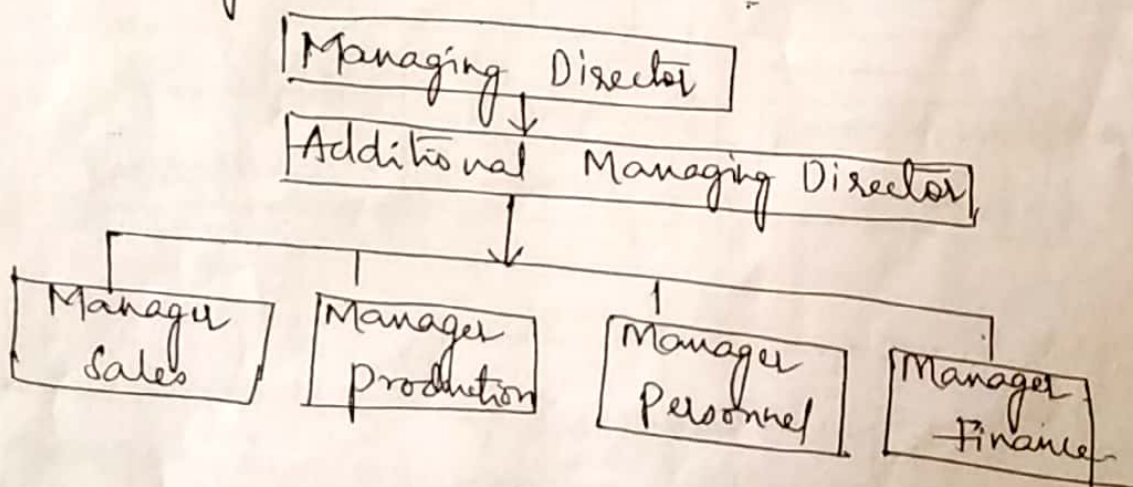
Flat and Tall organisations:-

Flat organisations are those, which have relatively few or even one level of management. Many enterprises have adopted flatter structures to reduce the levels of management and bureaucracy and to give their work force greater decision making responsibilities.

eg:- Org with 3 equal partners and 80 employees is the best example for a flat structure.



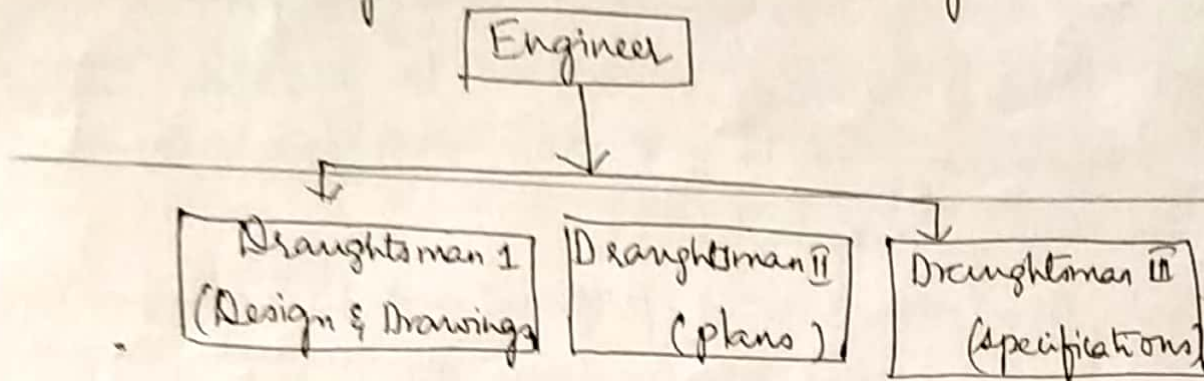
Tall organisations:-



Organisations Types— Based on resp^s Authority relationships.

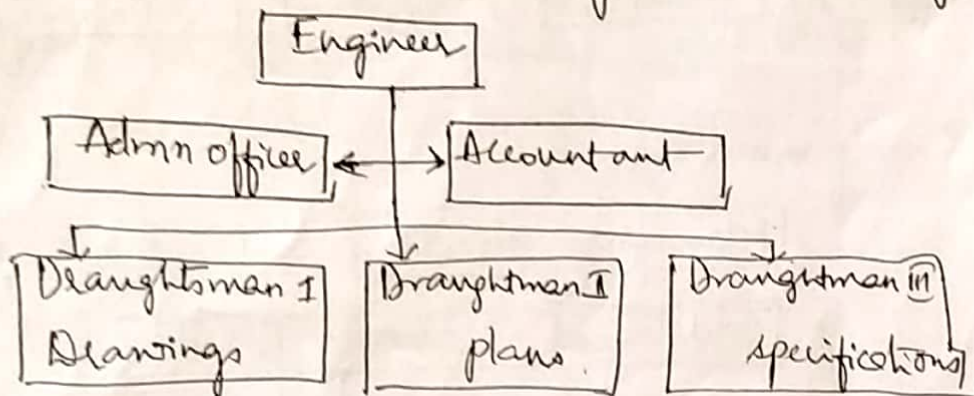
① Line organisation—

Managers have direct responsibility of for the results
line organisation is called military or scalar organisation



② Line and staff organisations— staff managers support the functions of the line managers.

the word 'staff' means a side for support.
staff managers specially appointed to give advice, suggest, or assist the line managers in their day to day matters

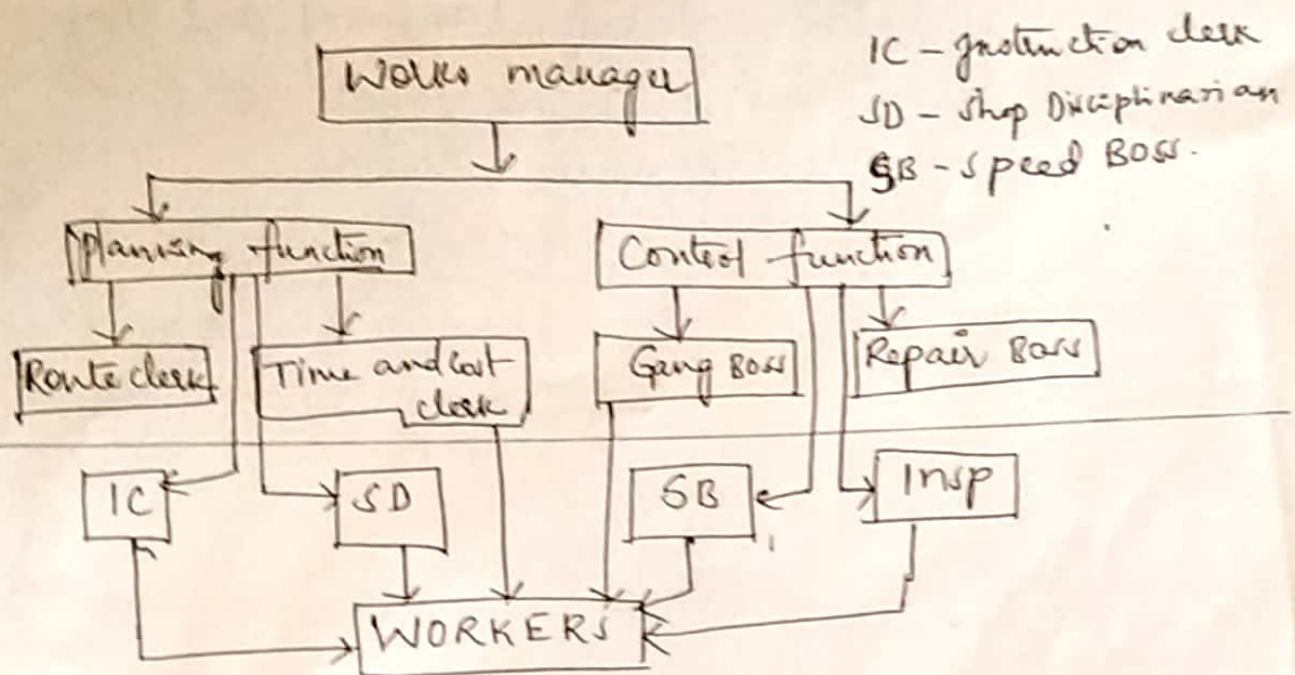


③ Functional organisation—

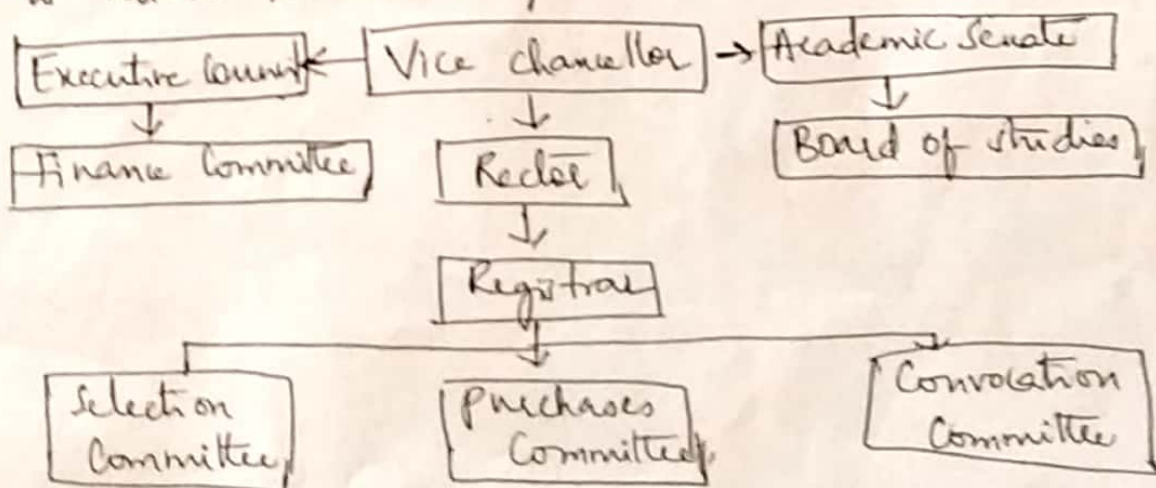
Mr Taylor suggested functional organisation in his theory of scientific management. in support of his 'one best way' of doing things.

Taylor observed that one single foreman was overburdened with all the operations such as task setting.

time selecting, quality inspection, disciplinary jobs and so on. He divided into eight functional foremen.



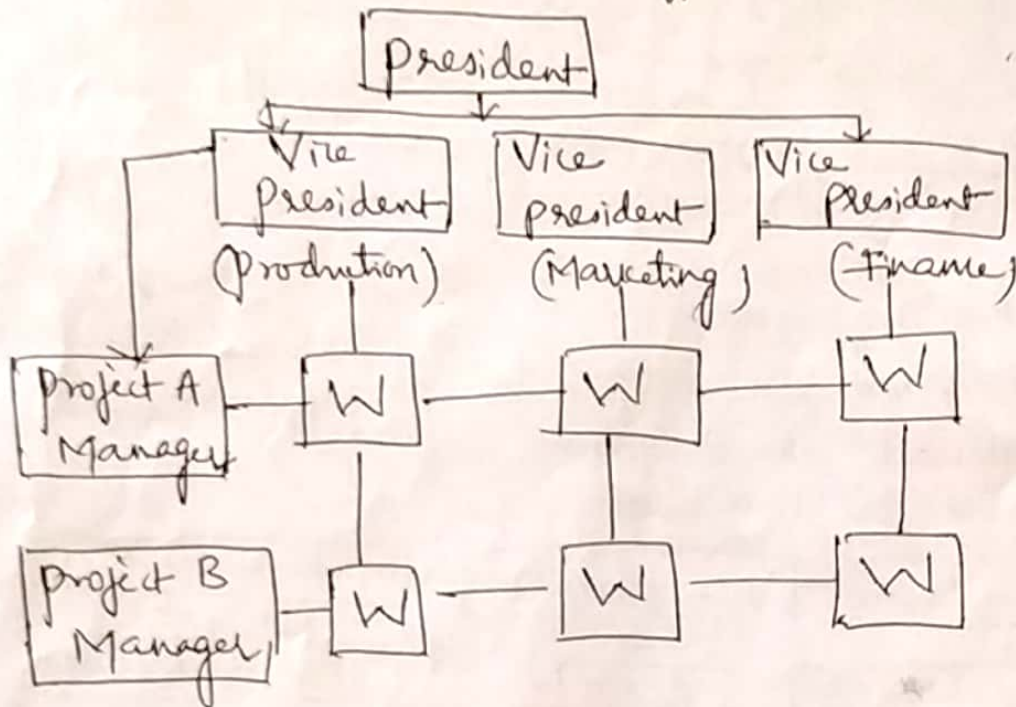
Committee organisation - A Committee is formed when two or more persons are appointed to work as a team to arrive at a decision on the matters referred to it. It is intended to utilise the knowledge.



Committee organisation in a University.

Matrix organisation - This is also called **Project organisation**. It is a combination of all relationships in the organisation - Vertical, horizontal and diagonal. It is mostly used in complex projects. It provides a high degree of operational freedom.

The main objective of matrix organisation is to secure a high degree of coordination than what is possible from the conventional organisational structures such as the line and staff.



Evaluation - The customer organisation can be evaluated in terms of the following merits and demerits.

Merits

- ① It focuses on the specific needs of individual customer
- ② It ensures better customer care
- ③ It is based on growing and diversified needs of customers

Demerits

- ① It calls for focused programme to cater the customer needs.
- ② It may be very costly
- ③ It may be difficult to specialise in the customer problems if the customer group is small.