

Management – Complete Notes

Definition of Management

- Getting work done through people to achieve goals **efficiently** and **effectively**.
 - Effectiveness (achieving the right objectives) and efficiency (optimal use of resources ,time,cost and effort)
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Founders of Management

- Father of Modern Management: Peter F. Drucker
 - Mother of Modern Management: Mary Parker Follett
 - Father of Scientific Management: Frederick Winslow Taylor
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Traditional Definitions of Management

- C. S. George:
“Management consists of getting things done through others; a manager accomplishes objectives by directing the efforts of others.”
 - Mary Parker Follett:
“Management is the art of getting things done through people.”
 - Koontz & O'Donnell:
“Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently and effectively toward the attainment of group goals.”
 - Peter F. Drucker:
“Management is a multi-purpose organ that manages business and manages managers and manages workers and work.”
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Need for Advancement in Definitions

Old definitions were unclear, focused only on controlling workers, ignored their motivation and participation

While,

modern definitions emphasize teamwork, efficiency, and human-centered management.

Modern Definitions of Management

- Koontz & O'Donnell (Updated Version):
“Management is the creation of an internal environment where individuals working in a group can perform effectively and efficiently for the achievement of organisational goals.”
- Trewelly & Newport:
“Management is the process of planning, organising, actuating/directing, and controlling an organisation's operations to coordinate human and material resources for effective and efficient attainment of objectives.”
- Kreitner:
“Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in a changing environment.”

3 Essential Elements of Modern Management

1. **Management is a Process:** series of inter related functions that make it process like Planning, organizing, staffing, directing, controlling.
 2. **Need Effective Performance:** Achieve right object on time. Focus on end result
 3. **Need Efficiency:** Perform tasks correctly with optimal use of resources ,time, cost and effort
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Levels of Management

Level	Who	Main Work
Top	CEO, Directors	Long-term planning
Middle	Managers	Coordinates and pass instructions
Lower	Supervisors, Foremen	Handle workers and supervise operations

Functions of Management (trick: P -> O -> S -> D -> C)

1. Planning: Decide what to do, How to do it, when to do it and who will do it
2. Organizing: Arrange resources (men(Decide roles and structure.Example: “We need 2 salespeople, 1 accountant, 1 manager.”), money, material).
3. Staffing: Hire the right people.
4. Directing: Guide & motivate.
5. Controlling: Check if work is done correctly.

Example: Starting a restaurant → Plan menu → Arrange staff → Hire chef → Guide team → Check quality.

Importance of Management (trick: GPR DTI)

- Achieves organizational goals efficiently.
 - Improves efficiency and productivity.
 - Reduces wastage and cost.
 - Maintains discipline and teamwork.
 - Encourages innovation.
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Features / Nature / Characteristics of Management

1. **Goal-Oriented:** Always aims to achieve targets.
2. **Group Activity:** Done with people, not alone.
3. **Continuous Process:** Never-ending (Planning → Working → Checking).
4. **Universal:** Used everywhere – business, school, hospital, home.
5. **Intangible:** Cannot be seen but can be felt (discipline, teamwork).
6. **Dynamic:** Changes according to environment and situation.

7. **Integrative Force:** Brings together resources and people to achieve objectives.
 8. **Multidimensional:** Involves managing work, people, and resources.
 9. **Decision-Making: Managers make decisions based on experience, information, and judgment.**
 10. **Science + Art + Profession:** It uses scientific methods, creativity, and professional skills to manage resources well.
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Management as Art, Science, and Profession

1. Management as Art

Definition: Art means applying knowledge with personal skill and creativity.

Why it is an Art:

1. Personalized application – Every manager uses principles in their own style.

Example: One manager gives rewards; another gives appreciation.

2. Creativity & innovation – Finding new ways to solve problems.

Example: Giving gifts instead of salary bonus to motivate employees.

3. Practice & experience – Skills improve with regular use.

Example: A manager becomes better at decision making over time.

4. Goal-oriented creativity – Inspiring people to achieve results.

Example: Using motivational speeches to boost performance.

Example: Using motivational speeches , or innovative incentives to boost morale.

2. Management as Science

Definition: Science means systematic knowledge based on principles and facts.

Why it is a Science:

1. Systematic knowledge – Based on established principles.

Example: Division of Work (Divide tasks for better efficiency).

2. Cause-effect relationship – Every action gives a predictable result.

Example: If communication is poor, productivity decreases.

3. Universal application – Can be applied everywhere.

Example: Unity of Command works in schools, offices, and hospitals.

4. Testing & observation – Principles are tested in real situations.

Example: Time Study used in factories to fix standard time.

5. Limitation – Results may vary due to human behavior.

Example: Same rule may not work with all employees.

Example: Applying “Time Study” in factories to improve efficiency.

Time Study:

Measuring the time taken to complete a task and then set it a standard time for doing it efficiently.

3. Management as Profession

Definition: Profession means having specialized knowledge and training.

Why it is a Profession:

1. Specialized knowledge – Learned through formal education. Theoretical knowledge (what to know)

Example: MBA managers.

2. Formal training – Skills developed through courses. Practical knowledge (how to apply it)

Example: Certified management training programs.

3. Code of conduct – Must follow professional ethics.

Example: No misuse of company funds.

4. Service motive – Serving society and stakeholders.

Example: Ensuring fair salary to workers.

Example: MBA managers, Chartered Accountants.

Unit 2: Management Fundamentals – Summary

1. Core Functions of Management (POSDCORB – Luther Gulick, 1937)

- **Planning (P):** Decide objectives, actions, responsibilities, and timelines.
- **Organizing (O):** Allocate resources and structure activities.
- **Staffing (S):** Recruit, train, and retain employees.
- **Directing (D):** Lead, motivate, and supervise.
- **Coordinating (CO):** Ensure harmony across tasks.
- **Reporting (R):** Share information with stakeholders.
- **Budgeting (B):** Plan and control finances.

2. Importance of Management

- Aligns efforts toward goals.
- Optimizes resources and reduces waste.
- Cuts costs and enhances adaptability.
- Improves social prosperity (employment, productivity).
- Encourages coordination and cooperation.

3. Management Process (5 Functions)

- **Planning:** Set goals and actions.
- **Organizing:** Assign resources/tasks.
- **Staffing:** Hire and develop employees.
- **Directing:** Motivate and guide teams.
- **Controlling:** Measure performance, correct deviations.

4. Levels of Management

Level	Key Roles	Focus
Top (Strategic)	CEO, Board	Long-term strategy, policies, vision
Middle (Tactical)	Department Heads	Departmental goals, plan execution
Lower (Operational)	Supervisors, Team Leads	Daily operations, productivity, quality

5. Functional Areas of Management

Core Areas (Main focus of business operations):

- **HRM (People):** Hiring, training, performance evaluation, employee relations.
- **Finance (Money):** Budgeting, investments, cost control, financial planning.
- **Marketing (Customers/Market):** Market research, promotion, sales, branding.
- **Operations/Production (Goods/Services):** Production planning, quality control, inventory, supply chain.
- **ICT (Technology):** IT systems, data security, digital tools, decision support.

Extended Areas (Support & specialized functions):

- **R&D:** Innovation, new product/process development.
- **Sales Management:** Revenue generation, customer acquisition, sales strategies.
- **PR (Public Relations):** Brand image, media relations, crisis management.
- **Administration/Office Management:** Record-keeping, workflow coordination.
- **Maintenance:** Equipment and facility reliability.
- **Quality Management:** Standards, performance monitoring, continuous improvement.
- **Environment/Service Management:** Sustainability, customer service excellence.

Purpose: Core areas handle main operations; extended areas support specialization, efficiency, and smooth functioning.

6. Social Responsibility of Business

Key Focus Areas & Responsibilities:

- **Consumers:** Safe products, fair pricing, honest advertising, after-sales service.
- **Employees:** Fair wages, safe conditions, growth opportunities.
- **Community/Society:** Support education, healthcare, reduce pollution, charitable activities.
- **Environment:** Eco-friendly methods, sustainable resources, renewable technologies.
- **Investors/Owners:** Transparency, fair returns, ethical management.

Benefits :

- **Builds Trust:** Creates reliability and credibility among customers and stakeholders.
 - **Improves Brand:** Enhances brand image and reputation in the market.
 - **Motivates Employees:** Increases employee morale and loyalty.
 - **Ensures Sustainability:** Promotes long-term growth and environmental responsibility.
 - **Attracts Ethical Investors:** Draws investors who value responsible and transparent practices.
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Debate Around It

- **Supporters say:**
Businesses owe something to society because they rely on it for their existence and success.
 - **Critics argue:**
The main purpose of business is to earn profits, and social responsibilities should be handled by governments and NGOs.
 - **In short:**
Social Responsibility of Business = Profit + Ethics + Sustainability
 - **Core Idea:**
It's about maintaining a balance between **economic objectives** (profit) and **social & environmental well-being**.
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Example:

A company like Tata balances profit-making with ethical practices (employee welfare) and sustainability (eco-friendly projects).

7. Management vs. Administration

Basis	Management	Administration
Meaning	Executes plans (how)	Formulates policies (what)
Focus	Operations & efficiency	Strategy & governance
Level	Middle & lower	Top level

Basis	Management	Administration
Authority	Operates under admin	Ultimate authority
Key Person	Manager	Administrator

8. Henri Fayol's 14 Principles

Mnemonic: DA DU U S R C S O E S I E

1. Division of Work

- Specialization increases efficiency and skill.
- Workers focus on a specific task instead of doing everything.
- **Example:** In a car factory, one team handles painting, another handles assembly.

2. Authority and Responsibility

- Managers must have authority to give orders and the responsibility to ensure results.
- Authority comes with accountability.
- **Example:** A supervisor assigns tasks and is accountable for team performance.

3. Discipline

- Employees must obey rules, agreements, and codes of conduct.
- Discipline ensures smooth operation and respect.
- **Example:** Following work hours, safety rules, and company policies.

4. Unity of Command

- Each employee should report to **only one boss**.
- Prevents confusion and conflict in instructions.
- **Example:** A salesperson reporting only to the sales manager, not marketing or finance.

5. Unity of Direction

- Teams with the same objective should work under **one plan and one manager**.
- Ensures coordination and focused effort.

- **Example:** All staff working on a product launch follow the same marketing plan.

6. Subordination of Individual Interest

- Organizational goals should take precedence over personal interests.
- Individual efforts should align with company objectives.
- **Example:** A team member delays personal projects to meet company deadlines.

7. Remuneration

- Employees should be fairly paid for their work.
- Fair compensation motivates and improves satisfaction.
- **Example:** Salaries, bonuses, and benefits according to role and performance.

8. Centralization

- The degree of decision-making authority at the top vs. lower levels.
- Too much centralization slows decisions; too little can cause chaos.
- **Example:** CEO decides strategy (centralized), team leads handle daily tasks (decentralized).

9. Scalar Chain

- A clear chain of command from top to bottom.
- Ensures proper communication and authority flow.
- **Example:** Worker → Supervisor → Manager → Director → CEO.

10. Order

- Everything should be in its proper place—both people and materials.
- Promotes efficiency and reduces wastage.
- **Example:** Assigning desks, tools, and files logically.

11. Equity

- Employees should be treated fairly and kindly.
- Combines justice and friendliness to maintain loyalty.
- **Example:** Equal opportunities for promotion and recognition.

12. Stability of Tenure of Personnel

- High turnover reduces efficiency.
- Stable jobs build experience and loyalty.
- **Example:** Long-term contracts, career development programs.

13. Initiative

- Encourage employees to suggest ideas and take actions independently.
- Boosts motivation and innovation.
- **Example:** Allowing staff to propose process improvements.

14. Esprit de Corps

- Promote team spirit, unity, and harmony.
- Reduces conflicts and increases cooperation.
- **Example:** Team-building activities, collaborative projects, shared goals.

Key Takeaways

- **POSDCORB** defines management functions.
- **Management** ensures efficient goal achievement.
- **Process** is cyclic with feedback.
- **Levels** align strategy to operations.
- **Functional areas** specialize work for better coordination.