

Chapter-1

MANAGEMENT

Concept of Management:

Management is the activity of directing leading to achieve the predetermined goals. In other sense, the word management is combination of three word that is manage-men-t (tactfully) which means to manage human resources tactfully for mobilization of other physical resources to meet goal.

According to Robbins "management is the process of getting things done by other things with the aim of achieving goal effectively and efficiently."

In conclusion, management is the process of PODSLC. PODSLC means planning, organizing, staffing, directing, leading and controlling respectively. It is an art of getting things done through people for the achievement of goals. Principle of management have been universally applied. It is essential for organizational effectiveness. Good management achieved the organizational objectives with the best use of all kind of resources.

Features of Management:

The features of management are as follows:

1. Process: management is a process. the function short is planning, organizing, directing, staffing, leading and controlling are included in the process which proper coordination of resources by means of managerial function.
2. Group Activity: management is based on group activities. The significance of management is the group participation both note industrialization. a group can easily and effectively attain the goals of organization rather than an individual.
3. Purposeful: every management activity is purposeful. Management it helps in or contributes greatly for efficient and effective use of different resources to achieve the goal. The main objective of management is to maximize the productivity through minimum sources.
4. Both science and art: management is both science and art. It is science because it is based on same basic principle of universal application. it is also in because the result of

an organization depends upon the personal skills, efficiency and experience of manager and his subordinates.

5. Profession: management is also profession because it has the feature of profession like specific knowledge, formal education, service motive, ethical codes etc. So, in today's world measurement is Taken as a profession.

6. Universal: management is universal in nature. It is necessary and practice in almost all types of organization. Management institute query or essential where there is human activity. It means that wherever there is a human activity, there is management. The principle of management is universally applicable.

7. Dynamic: management is a continuous and dynamic activity. Principle of management and not rigid. The principles are flexible as for the need and requirement of time and organization. The system of management of today may not be suitable or applicable tomorrow. So, management modifies its style and system is for time and situation which saves the organization to adjust itself in changing environment of business.

8. Social Process: management is a social process because it consists of getting things done through others. This involves dealing with people. the effort of human beings has to be directed, coordinated and regulated by management. Moreover, management has a social obligation to make optimum use of limited resources for the benefit of community as a whole.

9. Multi-disciplinary: Management draws knowledge and concept from other discipline such as economics, psychology, sociology, statistics, operation, research etc. management integrates ideas and concepts taken from other discipline and use them in managing the organization.

Levels of management:

The level of man agement are as follows:

Shareholder		
Top Level Management	Middle Level Management	Lower Level Management
Board of Directors	Department Manager	Supervision
Chief Executive Officer	Division Head	Foreman
General Manager	Section Head	Clerk
Managing Director	Head of Departments	

	Branch Manager	
Strategic plan	Tactical plan	Operational plan

1. Top level of management: Top level management consists of board of director (BOD), Chief executive officer (CEO), general manager and managing director. Top level management is the supreme body of an organization they are responsible in formulating long term plans, policies, mission, vision, goals, etc. of an organisation.

Important function of top level management:

Important function of top level management are as follows:

- i. To determine the goals of an organization
- ii. to make plan and policies to attain a goal.
- iii. to set up an organization structure to conduct the operation is for plan
- iv. To provide overall direction in the organization
- v. Investing in research and development

2. Middle level of management: Middle level of management consists of head of department, branch manager, division head, section head etc. Middle level management are primarily responsible to implement the policies and plan developed by the top level management. Middle level management are essential to bridge the upper and lower level of organization.

Important function of middle level management:

The important function of middle level management are as follows:

- i. To interpret the policies found by the top level management
- ii. To recruit and select suitable operative supervisory staff.
- iii. To assign duties and responsibilities for first line officer.
- iv. To motivate personal (staff) to attend a productivity and reward them properly

3. Lower level of management: Lower level management consists of foreman, supervisors, sales officer, marketing officer, etc. lower level management is also known as fast line management and operating level management. It is directly concerned with the direction and control of the performance of the operative non-managerial employees.

Important function of lower level management:

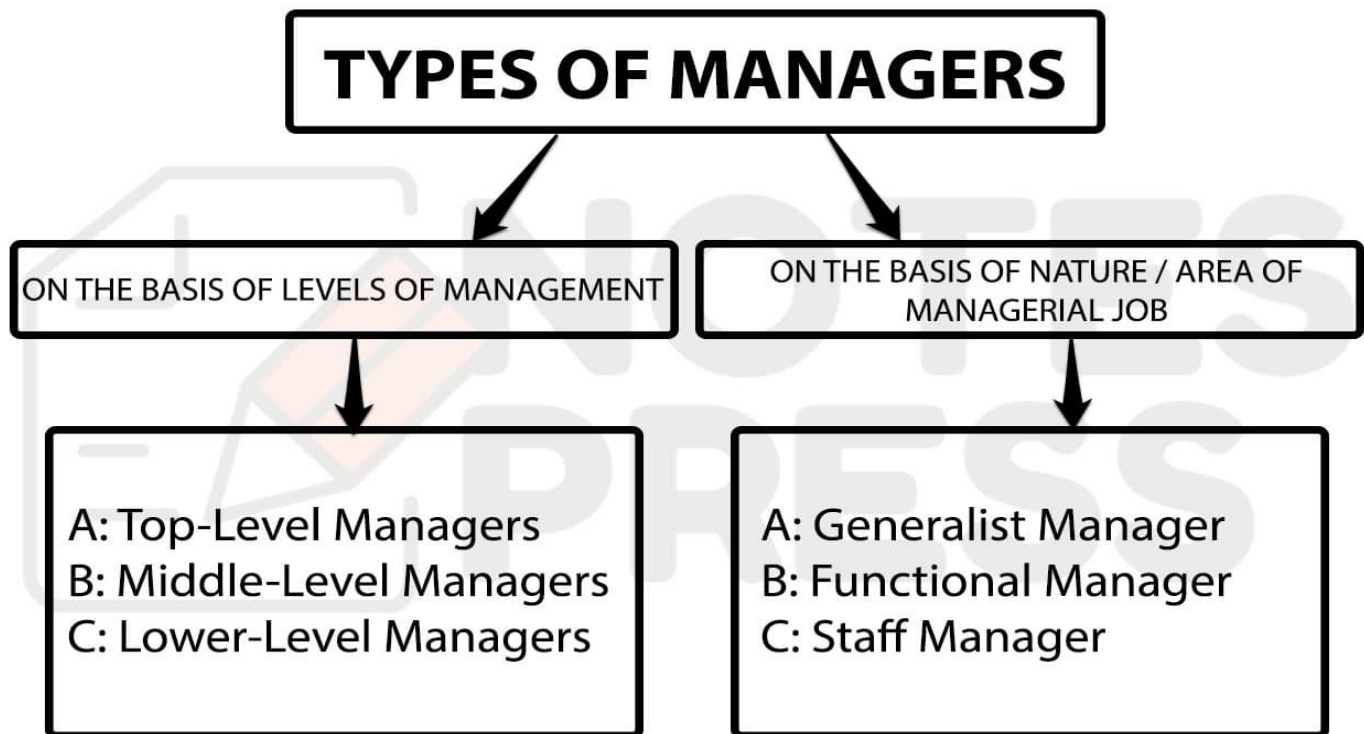
The important function of lower level management are as follows:

- i. Instruction and guidance to the operating employees and workers.
- ii. Preparation of short term plan.
- iii. Assignment of duties: it assigns job, duties and responsibilities to the non-managerial employees.
- iv. To arrange the necessary tools and equipment, materials etc. for the workers.
- v. To solve the problems of workers
- vi. To inform the unsolved problems of workers to the management.

Types of Managers in Principles of Management

There are different types of managers working in an organization. Similarly, those managers have different roles and responsibilities towards their departments. To cope with market competition, managers need to have different skills and roles. The common classification of managers can be made based on levels and the nature of works.

1. On the basis of Levels of Management
2. On the basis of Nature or Area of Managerial Job



Types of Managers

Types of Managers – On the Basis of Levels of Management

- A. Top-Level Managers
- B. Middle-Level Managers
- C. Lower-Level Managers

Top-Level Managers

This is the highest level of the managerial hierarchy and also known as the brain of the management. This level is the final source of authority. Generally, top-level management is constituted with a management committee elected directly from shareholders as members of the board of directors. Besides, this level also involves chief executives like the chairman, president, managing director or general manager.

Top-level managers are responsible for the performance of the entire organization through middle managers. They coordinate among different departments and units of an organization. They perform complex and varied nature of jobs. They work long hours and spend much of their time in meetings and decision making.

Middle-Level Managers

The middle-level manager is the largest group of managers in most organizations. This level of managers consists of departmental heads like personnel manager, production manager, marketing manager, finance manager, procurement manager, and similar other positions.

In some big organizations; this level of management may have two layers i.e. senior and junior middle-level managers. Heads of the department come under the senior level whereas branch heads are under the junior level manager. The top-level manager delegates a major part of his/her authority and responsibility to this level.

This level manager plays the role of mediator between the top and first-line management. The managers of this level have to report about the accomplishment of work to the top level and give instructions to the lower level

Lower-Level Managers

This level is known as the first-line or operating level of managers. It is directly involved in the actual operation of production, marketing, financing, accounting, etc. This level consists of supervisors, foremen, sales officers, accounts officers, superintendents, and other operational heads. They are responsible for the implementation of plans and strategies developed by the middle-level manager. They have a direct relation with the employees who are involved in an operation.

Thus, this level is directly responsible for the completion of works and planned objectives.

Types of Managers – On the Basis of Nature or Area of Managerial Job

Job Managers may also be classified on the basis of the scope of activities they manage. Managers work in various areas regardless of their level in an organization. On the basis of function, managers may be classified into three groups:

- A. Generalist Manager
- B. Functional Manager
- C. Staff Manager

Generalist Manager

Managers who perform different types of jobs in an organization as per the requirement are called generalist managers. They don't have specialization in any area. But they have to look after the overall activities of the organization apart from any particular area of operation.

Generally, the generalist manager desire to manage a complex or difficult department or unit. They lack specialization as they can be transferred to or from one organization to another organization. They have over workload, as they have to perform the diverse nature of jobs.

Chief executive officers, presidents, vice presidents, general managers or deputy general managers fall under this category.

Functional Manager

Managers who specialize in specific areas are functional managers. Their authorities, duties, and responsibilities are already described in the job description. The managers performing functions relating to production, finance, public relation, research and development, accounting, etc. are managers of this category.

In practice, all department heads of a business firm are functional managers. In the normal course of operation, they are accountable for the performance of their department or unit.

Staff Manager

Staff Managers are professionals and experts in a specific area of business. They are given no specific formal position at a management level. However, they play the role of advisors between generalist and functional managers. They provide guidance and suggestions to both the above managers on the basis of requirement.

Legal advisors, external auditors, management consultants are examples of such managers.

Functions of management:

The functions of management are:

1. **Planning:** planning is an important function of management. It involves selecting courses of action from a set of alternatives. Planning decides advance as to: what is to be done? And how it is to be done? When it is to be done? Where it is to be done? You will do it and how results are to be evaluated? decision making is the part of planning process that involves development of alternatives, evaluation of alternatives and selecting the best alternatives
2. **Organizing:** it is another important function of management. Organizing involves: determining the activities, the activities to be done, grouping the activities, assigning the group of activities to individuals and creating structure of authority and responsibility among the people to achieve of the enterprises. It is a tool for achieving organizational objectives and mechanisms for propose full action for implementation of policies and programs.
3. **Staffing:** staffing is also an important function of management. The staffing function involves recruitment, selections, socialization, training and development etc. It is Human resource management function in an organization. It ensures qualified efficient, experienced and skilled staff.

4. Direction: direction is the act of ordering subordinates by exercising power for organizational performance. It is required all level of management. Direction maintains good human relation and is motivates staff.

5. Leading: leading is also important function of management. it influences the group towards the attainment of goals. Leadership is also considered as personal quality of an individual who organizes the effort, capabilities and talents of the followers and directs towards the attainment of organizational goals. leading involves:

- i. Issue, order and instruction.
- ii. guiding, training, motivating supervision and communicating
- iii. Coordination and influencing.

6. Controlling: define all basic function of management is controlling. It is the process of maintaining the organization's progress towards its goals. The controlling function involves: evaluating actual performance, comparing actual performance to standard and taking corrective action if necessary. It increases productivity and reduce cost of production.

Management: science, art and profession

Is Management as an art, a science or a profession?

Management as an art: Art is an application of knowledge and skills to get desired results. Management is also taken as an art; a creative art is it requires. Acknowledge of innovating and integrating skills in relation to good resources etc. Management also satisfied basic features of an art. An artist as to apply his theoretical knowledge into practice to get the desired result. In the same way the management also applies the theoretical knowledge in practice. So, it is an art as well. the main element of art and involvement of those elements in management are as follows:

- a. Practical knowledge
- b. Personal ability
- c. Result oriented

- d. Regular practice
- e. Creativity
- f. Situational
- g. Personal judgement.

Management as a science: Science is a systematic body of knowledge with observation and experiment. Its principles are: universal established, cause and effect relationship between variables. In the same way, management also satisfies the features of science which contains systematic body of knowledge. In the form of general principles which can be applied in all places through the world. The principles of management are also based on experiments and observations. Likewise, it also establishes cause and effect relationship between variables. So, management is a science. It studies about human behavior but it is not natural science like physics and chemistry. Essential features are as follows:

- a. Systematic knowledge
- b. Based on observation and experimentation
- c. Cause and effect relationship
- d. Universal validity of principles.

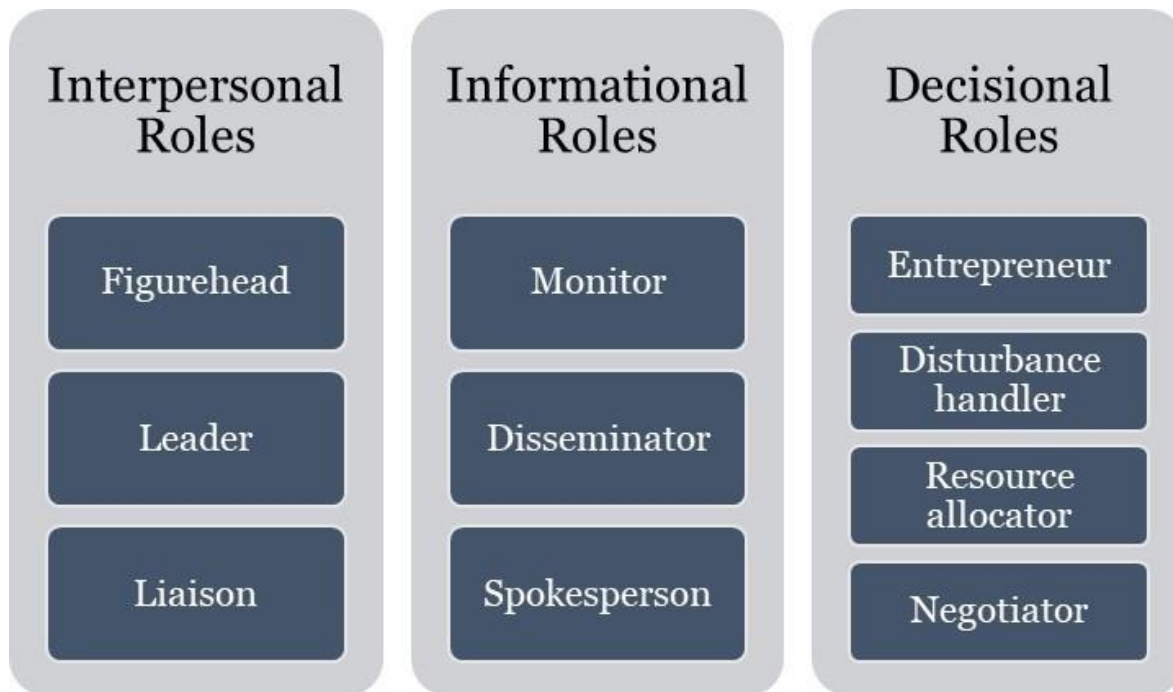
Management is a profession: Profession is an occupation. For a profession there must be in academic and professional qualification presented by law. A professional manager is one who specializes in the work of planning, organizing, leading and controlling the effort through systematic use of knowledge. The examples of professions are occupation of lawyer, doctor, accountant, etc. The essential features of profession most helpful in things:

- a. Specialized knowledge
- b. Formal education and training
- c. Social responsibility
- d. Representative body.

Management also features these means and features. Therefore, it can also be taken as a profession.

Managerial Roles

For better understanding, Mintzberg categorized all activities into ten managerial roles performed over the course of a day. These are as follows:



Interpersonal Roles

- Figurehead – includes symbolic duties which are legal or social in nature.
- Leader – includes all aspects of being a good leader. This involves building a team, coaching the members, motivating them, and developing strong [relationships](#).
- Liaison – includes developing and maintaining a [network](#) outside the office for information and assistance.

Informational Roles

- Monitor – includes seeking information regarding the issues that are affecting the organization. Also, this includes internal as well as external information.
- Disseminator – On receiving any important information from internal or external sources, the same needs to be disseminated or transmitted within the organization.

- Spokesperson – includes representing the organization and providing information about the organization to outsiders.

Decisional Roles

- Entrepreneur – involves all aspects associated with acting as an initiator, designer, and also an encourager of innovation and change.
- Disturbance handler – taking corrective action when the organization faces unexpected difficulties which are important in nature.
- Resource Allocator – being responsible for the optimum allocation of **resources** like time, equipment, funds, and also human resources, etc.
- Negotiator – includes representing the organization in negotiations which affect the manager's scope of responsibility.

Common Skills Required by Managers

A manager is responsible for meeting several tasks. Thus, the manager needs to possess a few management skills. Some of these skills that are common across different industries and roles are as follows.

1. Communication skills

Communication involves observations, speaking, and empathising too. A manager needs to have a positive relationship with the team. They should be able to communicate expectations and provide feedback. An effective manager must be able to communicate effectively in all forms of communication, including verbal, written and listening skills as well. To build a successful career in management, you should be able to communicate between the frontline and senior management. A manager should be able to communicate with a wide range of people right from the entry-level employees to the senior managers and CEOs.

To build a relationship of trust between you and your team, you must be able to communicate effectively. Your team should be able to communicate with you comfortably and create a healthy work environment. Small acts of encouragement, such as recognising your team's efforts, can create a positive workplace environment. Being in the managerial position calls for conveying information

between teams effectively and promptly, good communication skills can play an effective role in this situation. Multitasking is a part of being a manager. Being able to manage all the tasks and ensuring that they are met within the time frame is important. A few examples of communication skills are:

- Active listening
- Interpersonal communication
- Negotiation
- Verbal communication
- Interviewing
- Public speaking
- Written communication

2. Critical thinking and problem-solving skills

The ability of an individual to use knowledge, facts, data to come up with solutions is crucial. A manager should be able to work well under pressure and come up with quick solutions. No matter how big or small the problem is, being able to respond with resilience, and agility is considered to be one among the crucial management skills. You will deal with problems daily, staying calm in this situation and paying attention to detail while thinking creatively will help you in minimizing impact and establishing a successful career. Being able to quickly weigh the pros and cons of a situation and implement innovative solutions will help you meet business goals.

3. Leadership skills

They must be able to motivate, encourage, and direct various teams to complete their job effectively and act as a role model. A good manager leads the team. He does not boss them around. A manager should be passionate about their work and define their goals clearly. They should work towards ensuring high motivation in their teams. A few examples of leadership skills are:

- Decisiveness
- Conflict-resolution
- Delegating tasks
- Empathy
- Dependability
- Constructive criticism
- Mentoring
- Task delegation
- Motivating
- Empowerment
- Integrity
- Patience
- Relationship management
- Team building

4. Interpersonal skills

It is a known fact that if you can establish trust and a positive professional relationship with your team, you are going to be a successful manager. Being able to earn the respect of your colleagues while still empathizing, listening and understanding them is key. Understanding your team on a personal and professional level while maintaining a professional boundary, through team-building activities will help you become successful as a manager. Emotional intelligence is important as it will help you understand others behaviours, and feelings. Thus, helping you choose the right method to deal with the situation at hand.

5. Forward planning

A manager should be able to plan ahead. Apart from working on the current tasks at hand, it is also important to think of the bigger picture. They must be able to set priorities and work towards reaching the organisational goals. This will, in turn, help you encourage innovation and lead your team to a more productive and profitable future. Keep in mind that a manager should set realistic goals, as they must be able to deliver as promised. Some examples of planning skills are as follows:

- Adaptability
- Brainstorming
- Conflict resolution
- Decision-making
- Flexibility
- Logical thinking

6. Commercial Awareness

Commercial Awareness is a crucial skill that several individuals might be lacking. If you aspire to move forward in your career and advance to managerial positions, it is important to understand the market and how it operates. Learn about the sector that your organisation falls in, identify competitors, learn about any economic issues that may affect your organisation and be aware of the organisation's aims and objectives. Whether the entertainment industry or finance, a certain amount of knowledge regarding market awareness is essential.

7. Organization and Delegation

A manager deals with several responsibilities. Thus, having great organisational skills is essential. Overseeing the workload of your team, managing your work, carrying out reviews and appraisals, attending meetings, conducting training sessions are some of the various responsibilities that a manager will deal with. Effectively managing these responsibilities and delegating tasks accordingly, will save time and reduce stress. It also ensures that all deadlines are met. A manager should be able to identify their team's skills and delegate them accordingly. A few examples of organisational skills are:

- Deadline management
- Time management
- Event coordination

- Goal setting
- Project management
- Office management
- Scheduling

What is Corporate Social Responsibility (CSR)?

Corporate social responsibility (CSR) refers to strategies that companies put into action as part of corporate governance that are designed to ensure the company's operations are ethical and beneficial for society. Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.

Categories of CSR

Although corporate social responsibility is a very broad concept that is understood and implemented differently by each firm, the underlying idea of CSR is to operate in an economically, socially, and environmentally sustainable manner.

Generally, corporate social responsibility initiatives are categorized as follows:

1. Environmental responsibility

Environmental responsibility initiatives aim to reduce pollution and greenhouse gas emissions and the sustainable use of natural resources.

2. Human rights responsibility

Human rights responsibility initiatives involve providing fair labor practices (e.g., equal pay for equal work) and fair trade practices, and disavowing child labor.

3. Philanthropic responsibility(welfare)

Philanthropic responsibility can include things such as funding educational programs, supporting health initiatives, donating to causes, and supporting community beautification projects.

4. Economic responsibility

Economic responsibility initiatives involve improving the firm's business operation while participating in sustainable practices – for example, using a new manufacturing process to minimize wastage.

Business Benefits of CSR

In a way, corporate social responsibility can be seen as a public relations effort. However, it goes beyond that, as corporate social responsibility can also boost a firm's competitiveness. The business benefits of corporate social responsibility include the following:

1. Stronger brand image, recognition, and reputation

CSR adds value to firms by establishing and maintaining a good corporate reputation and/or brand equity.

2. Increased customer loyalty and sales

Customers of a firm that practices CSR feel that they are helping the firm support good causes.

3. Operational cost savings

Investing in operational efficiencies results in operational cost savings as well as reduced environmental impact.

4. Retaining key and talented employees

Employees often stay longer and are more committed to their firm knowing that they are working for a business that practices CSR.

5. Easier access to funding

Many investors are more willing to support a business that practices CSR.

6. Reduced regulatory burden

Strong relationships with regulatory bodies can help to reduce a firm's regulatory burden.

What is Corporate Governance?

Corporate Governance is a continuous process of applying the best management practices, ensuring the law is followed the way intended, and adhering to ethical standards by a firm for effective management, meeting stakeholder responsibilities, and complying with corporate social responsibilities.

Corporate governance is the **system of rules, practices, and processes by which a company is** directed and controlled.

It contains policies and rules to maintain a strong relationship between the owners of the company (shareholders), the Board of Directors, management, and various stakeholders like employees, customers, Government, suppliers, and the general public. It applies to all kinds of organizations- profit or not-for-profit.

Principles of Corporate Governance

The principles of Corporate Governance are:

Accountability

Accountability means to be answerable and be obligated to take responsibility for one's actions. By doing so, two things can be ensured-

1. That the management is accountable to the Board of Directors.
2. That the Board of Directors is accountable to the shareholders of the company.

This principle gives confidence to shareholders in the business of the company that in case of any unfavourable situation, the persons responsible will be held in charge.

Fairness

Fairness gives shareholders an opportunity to voice their grievances and address any issues relating to the violation of shareholder's rights. This principle deals with the protection of shareholders' rights, treating all shareholders equally without any personal favoritism, and granting redressal for any violations of rights.

Transparency

Providing clear information about a company's policies and practices and the decisions that affect the rights of the shareholders represents transparency. This helps to build trust and a sense of

togetherness between the top management and the stakeholders. It ensures accurate and full disclosure timely on material matters like financial condition, performance, ownership.

Independence

Independence means the ability to make decisions freely without being unduly influenced. Decisions should be made freely without having any personal interest in the company. It ensures the reduction in conflict of interest. Corporate governance suggests the appointment of independent directors and advisors so that decisions are taken responsibly without influence.

Social Responsibility

Apart from the 4 main principles, there is an additional principle of corporate governance. Company social responsibility obligates the company to be aware of social issues and take action to address them. In this way, the company creates a positive image in the industry. The first step towards Corporate Social Responsibility is to practice good Corporate Governance.