

Unit 2: Introduction to Management [3hrs]

Definition : Management is the process of getting jobs done through and with other people by using available resources optimally with the aim of planning, organizing, staffing, directing and controlling. The concept of management is applicable in all the organizations: private, public, religious, political, business etc. It is necessary to achieve goals effectively and efficiently in dynamic business environment.

Characteristics of Management : The various characteristics of management are:

i) Management is universal: It means that management is required for every type of organization. It may be a business organization or social or political. It may be a small firm or a large one. Management is required by a school or a college or university or a hospital or a big firm. Thus, it is a universal phenomenon and is common and essential element in all organizations.

ii) Management is goal directed: Every organization is created to achieve certain goals. For example, for a business firm it may be to make maximum profit and to provide quality products and services. Management of an organization is always aimed at achievement of the organizational goals. Success of management is determined by the extent to which these goals are achieved.

iii) Management is a continuous process: Management is an ongoing process. It continues as long as the organization exists. No activity can take place without management. To perform all activities like production, sale, storage, operation etc. management is required. So, as long as these activities continue the process of management also continues to operate.

iv) Management is an integrating process: All the functions, activities, processes and operations are intermixed among themselves. It is the task of management to bring them together and proceed in a coordinated manner to achieve desired result. In fact, without integration of men, machine and material and coordination of individual efforts to contribute successfully as a team, it will be difficult to

achieve organizational goals.

v) Management is intangible: Management is not a place like a graphic showing Board meeting or a graphic showing a school Principal at her office desk which can be seen .It is an unseen force and you can feel its presence in the form of rules, regulation, output, work climate, etc.

vi) Management is multi-disciplinary: Management of an organization requires wide knowledge about various disciplines as it covers handling of man, machine, and material and looking after production, distribution, accounting and many other functions. Thus, we find the principles and techniques of management are mostly drawn from almost all fields of study like – Engineering, Economics, Sociology, Psychology, Mathematics, Statistics etc.

vii) Management is a social process: The most important aspect of management is handling people organized in work groups. This involves developing and motivating people at work and taking care of their satisfaction as social beings. All managerial actions are primarily concerned with relations between people and so it is treated as a social process.

viii) Management is situational: The success of management depends on, and varies from, situation to situation. There is no best way of managing. The techniques and principles of management are relative, and do not hold good for all situations to come.

Principles of Management : Following are the principles of management developed by the Henry Fayol:

1. Division of Work: According to Henry Fayol under division of work, "The worker always on the same post, the manager always concerned with the same matters, acquire an ability, sureness and accuracy which increases their output. In other words, division of work means specialization. According to this principle, a person is not capable of doing all types of work. Each job and work should be assigned to the specialist of his job."

2. Authority and Responsibility: Authority and responsibility go together as the two sides of a coin. In this way, if anybody is made responsible for any job, he

should also have the concerned authority. Fayol's principle of management in this regard is that an efficient manager makes best possible use of his authority and does not escape from the responsibility.

3. Discipline: According to Henry Fayol discipline means sincerity about the work and enterprise, carrying out orders and instructions of superiors and to have faith in the policies and programs of the business enterprise. However, Fayol does not advocate warning, fines, suspension and dismissals of worker for maintaining discipline. These punishments are rarely awarded. A well disciplined working force is essential for improving the quality and quantity of the production.

4. Unity of Command: A subordinate should take order from only one boss and he should be responsible and accountable to him. Further he claimed that if the unit of command is violated, authority is undermined, discipline in danger, order disturbed and stability threatened. The violation of this principle will face some serious consequences. In this way, the principle of unity of command provides the enterprise disciplined stable and orderly existence.

5. Fair Remuneration to employees: According to Fayol wage-rates and method of their payment should be fair, proper and satisfactory. Both employees and ex-employees should agree to it. Logical and appropriate wage-rate and methods of their payment reduces tension and differences between workers and management, create harmonious relationship and a pleasing atmosphere of work.

6. Centralization and Decentralization: There should be one central point in the organization which exercises overall direction and control of all the parts. But the degree of centralization of authority should vary according to the needs of situation. According to Fayol there should be centralization in small units and proper decentralization in big organization. Further, Fayol does not favor centralization or decentralization of authorities but suggests that these should be proper and effective adjustment between centralization and decentralization in order to achieve maximum objectives of the business.

7. Scalar chain: The scalar chain is a chain of supervisors from the highest to the lowest rank. An employee should feel the necessity to contact his superior through the scalar chain. The authority and responsibility is communicated

through this scalar chain. Fayol defines scalar chain as "the chain of superiors ranging from the ultimate authority to the lowest rank."

8. Order: According to Fayol there should be proper, systematic and orderly arrangement of physical and social factors, such as land, raw materials, tools and equipments and employees respectively. As per view, there should be safe, appropriate and specific place for every article and every place to be used effectively for a particular activity and commodity. There should be selection and appointment of the most suitable person to every job. There should be specific place for everyone.

9. Equality: The principle of equality should be followed and applicable at every level of management. There should not be any discrimination as regards caste, sex and religion. An effective management always does sympathetic and human treatment. The management should be kind, honest and impartial with the employees.

10. Spirit of Co-operation: In order to achieve the best possible results, individual and group efforts are to be effectively integrated and coordinated. Production is a team work for which the whole-hearted support and cooperation of the members at all levels is required. Everyone should sacrifice his personal interest and contribute his best energies to achieve the best results.

Process and Functions of Management: The process of management refers to the actions and decisions taken by managers to plan, organize, lead, and control the activities of an organization in order to achieve its goals and objectives. The process typically includes five main functions: planning, organizing, leading, controlling, and decision making. These functions are interrelated and overlap, and are performed at all levels of the organization.

i) Planning: Planning is the first step in the process of management. It is the process of setting goals and objectives for the organization and developing strategies and plans to achieve them. Planning involves determining what the organization wants to achieve and how it will achieve it. This includes identifying the resources needed to achieve the goals and objectives, and developing a timeline for when they will be achieved.

ii) Organizing: Organizing is the second step in the process of management. It is the process of arranging and structuring the resources of an organization in order to achieve its goals and objectives. This includes identifying the tasks that need to be done, grouping these tasks into departments or teams, and assigning roles and responsibilities to individuals or groups. Organizing also involves determining the most efficient and effective way to use the available resources, such as people, money, and materials.

iii) Leading: Leading is the third step in the process of management, it refers to the process of motivating and directing individuals or groups to achieve the goals and objectives of the organization. Leading involves setting an example, communicating the organization's goals and objectives, and providing the necessary support and guidance to help individuals or groups achieve these goals. It also includes developing and maintaining good relationships with employees, and creating a positive work environment.

iv) Controlling: Controlling is the fourth step in the process of management. It is the process of monitoring and evaluating an organization's performance to ensure that it is meeting its goals and objectives. It involves setting standards of performance, measuring actual performance, and making any necessary adjustments to keep the organization on track. Controlling includes identifying potential problems and taking corrective action to address them.

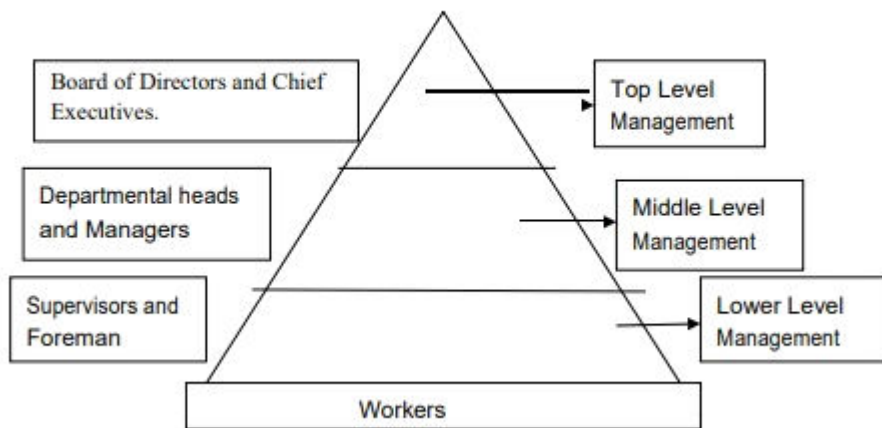
v) Decision Making: Decision making is an integral part of the management process. It is the process of selecting from among alternative courses of action in order to achieve a desired outcome. Decision making is an important aspect of the management process because it helps managers to make informed and effective decisions that will benefit the organization.

Managerial hierarchy (Levels of Management): There are certain levels of management with varying degree of authority and responsibilities. Some managers decide about the objectives of the business as a whole; some managers perform functions to achieve these objectives in different departments, like production, sales, etc, and some of the managers are concerned with the supervision of day-to-day activities of workers. Managers performing different

types of duties may, thus, be divided into three categories:

1. Top-Level Management
2. Middle-Level Management
3. Lower-Level Management

The following diagram will give you idea of different levels of management



The diagram shows that the top level management includes Board of Directors and the Chief Executive. The chief executive may have the designation of Chairman, Managing Director, President, Executive Director or General Manager. This level determines the objectives of the business as a whole and lays down policies to achieve these objectives (making of policy means providing guidelines for actions and decision).

The middle-level management includes heads of various departments, e.g., production, sales, etc., and other departmental managers. Sometimes senior departmental heads are included in the top management team. The objectives of the business as a whole are translated into departmental objectives for the middle level management. The heads of the departments then work out their own strategies so as to achieve these objectives. Middle level managers are particularly concerned with the activities of their respective departments.

The lower-level management consists of foremen and supervisors who look after the operative workers, and ensure that the work is carried out properly and on time. Thus, they have the primary responsibility for the actual production of goods and services in the organization.

Types of Managers: In the principles of management, there are several types of managers, each with their own responsibilities and roles. The main types of managers include:

i) Top managers: These are the highest level of managers in an organization and include the CEO, president, and vice presidents. They are responsible for setting the overall strategy and direction of the organization and making major decisions.

ii) Middle managers: These managers are responsible for implementing the strategies and plans set by top managers. They include department heads, division managers, and branch managers. They are responsible for coordinating the activities of lower-level managers and employees within their specific areas of the organization.

iii) Team managers: These managers are responsible for leading a specific team within an organization. They are responsible for coordinating the activities of the team members and ensuring that they are working together effectively to achieve the goals of the team.

iv) Functional managers: These managers are responsible for managing a specific functional area of the organization, such as finance, marketing, or human resources. They are experts in their specific field and are responsible for managing the activities within their area of expertise.

v) Project managers: These managers are responsible for managing a specific project or initiative within an organization. They are responsible for coordinating the activities of the project team and ensuring that the project is completed on time, within budget, and to the satisfaction of all stakeholders.

Managerial skills:

1. Technical skill is knowledge and proficiency in activities involving methods, processes, and procedures. Thus it involves working with tools and specific techniques. For example, mechanics work with tools, and their supervisors should have the ability to teach them how to use these tools. Similarly, accountants apply specific techniques in doing their job.

2. Human skill is the ability to work with people; it is cooperative effort; it is teamwork; it is the creation of an environment in which people feel secure and free to express their opinions.

3. Conceptual skill is the ability to see the "big picture," to recognize significant elements in a situation, and to understand the relationships among the elements.

4. Design skill is the ability to solve problems in ways that will benefit the enterprise. To be effective, particularly at upper organizational levels, managers must be able to do more than see a problem. If managers merely see the problem and become "problem watchers," they will fail.

Managerial roles:

1) Interpersonal Roles:

i) Figure head role: In this role a manager performs symbolic duties required by the status of his office. His activities include to greet the visitors attends the employee family functions.

ii) Leader: A Manager is responsible for the motivation and activation of subordinates. She/he is responsible for staffing, training and associated duties.

iii) Liaison: It describes a manager's relationship with the outsiders. A manager maintains smooth relation with other organization government's industry groups etc.

2) Informational Roles:

i) Monitor: A manager scans the environment and collects internal and external information's.

ii) Disseminator: Manager distributes the information to his subordinates in order to achieve organizational objectives.

iii) Spokes person: A Manager transmits the information's to the outside of the organization.

3) Decision Roles:

i) Entrepreneur: Initiates and supervises design of organizational improvement projects.

ii) Disturbance handler: A manager is responsible for taking corrective action when organization faces problem.

iii) Resource allocated: Manager is responsible for allocation of human, monetary and material resources.

iv) Negotiator: As a manager he bargains with suppliers, dealers, trade union, agents etc.

Emerging challenges for management: The challenges of the management in the today's context are as follows:

i) Globalization of business: Globalization means flow of goods, services, informations, manpower etc. across nations without any restrictions. Due to globalization, world is consider as the small village. The time and the place gap have been almost overcome by the help of new technologies. There is continuous exchange of new ideas, innovations, methods and techniques across nations. This bring both opportunities and threat to the business organization.

ii) Technology: Technology is a major drive that changes the way the people think and act in their corresponding environment. Technological advancement in computers and other electronic data processing equipment have changed the whole system of managerial functions like planning, decision making, organizing, motivating, controlling.

iii) Quality Assurance and Productivity: In today's context, quality is considered as the ability to satisfy the customer. However, the human wants are growing and providing the goods and service to satisfy their needs is bigger challenge for a today's manager. The product and services must meet the expectation of customer in terms cost, time, and services delivered within the product.

iv) Ethics and Social Responsibility: Ethics is concerned with the moral principles

or values that determine whether our action is right or wrong. Business must follow the ethics in their policies and practices. However, one of the major challenges for our managers is to decide on whether a certain behavior or action of employee is ethical or not. Thus, managers must understand the ethical norms and values and act accordingly.

v) Empowerment: Delegating the power to the employees is a major challenge to managers in today's context. People desire autonomy in their worksites. However, ineffective handling of such delegation may de-motivate the employees and leads to employee turnover, and other problems in work. Thus managers should create self-managed teams or autonomous work groups to empower the employees.

vi) Work-Force Diversity: It refers to the mix of people from various backgrounds in terms of gender, race, ethnicity etc in today's labour force. The participation of women and minorities has been increasing. Thus, the challenge for a manager is to accommodate these diverse groups of people by addressing different lifestyles, family needs and work styles.

vii) Learning Organization: Organization must be able to learn from the past and present scenario and formulate policies and practices accordingly. A learning organization is one that had developed the capacity to continuously learn, adapt and change. The challenge for the managers is to change their behavioural style and transform from the bosses to the team leaders.