

MASTER OF COMPUTER APPLICATION (1st Year)

PRINCIPLES OF MANAGEMENT & COMMUNICATION- (KCA-301)

Unit- 1 MANAGEMENT

i) Introduction

ii) Need

iii) Nature & Scope

IV) Meaning & Definition

V) The Process of Management

vi) Development of Management Thought F.W.Taylor & Henry Fayol, Hawthorne Studies

vii) Qualities of an Efficient Management

i) Introduction-

Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

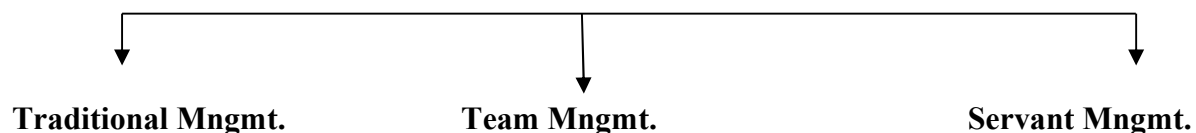
Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system.

This view opens the opportunity to manage oneself, a pre-requisite to attempting to manage others.

Management functions include: Planning, organizing, staffing, leading or directing, and controlling an organization or effort for the purpose of accomplishing a goal.

- Management processes include planning, organizing, directing and controlling.
- An important aspect of management's function is the allocation of finite resources.
- Resources can be human, financial, technological or natural.

Style of Management



➤ Traditional Management

There is a hierarchy of employees, low level management, mid-level management, and senior management. In traditional management systems, the manager sets out expectations for the employees who need to meet goals, but the manager receives the reward of meeting those goals.

➤ Team Management

In a team management arrangement the manager is a guiding hand to help the members of the team work together to solve problems but doesn't dictate policy and the entire team receives the reward of meeting those goals.

➤ Servant Management

With this approach, the manager helps supply resources the employees need to meet company goals. In servant leadership, the organization recognizes employees as experts in their field and work to help them work efficiently.

ii) Need of Management

Every organization or workplace has principles or rules governing its employees, which the employees in question need to be aware of and follow strictly.

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

Management is needed in order to facilitate a coordinated effort toward the accomplishment of the organization's goals.

- ❖ Organization management gives a sense of security and oneness to the employees.
- ❖ An effective management is required for better coordination among various departments.
- ❖ Employees accomplish tasks within the stipulated time frame as a result of effective organization management.
- ❖ Employees stay loyal towards their job and do not treat work as a burden.
- ❖ Effective organization management leads to a peaceful and positive ambience at the workplace.
- ❖ Better coordination in the various departments.
- ❖ Effective implementation of business plan to achieve targeted goals.

iii) NATURE & SCOPE OF MANAGEMENT

a) Nature

✓ Universal Process

- ✓ Wherever there is human activity, there is management. Without efficient management, the objectives of the company can not be achieved.

✓ Factors of Production-



✓ Goal Oriented

- ✓ The success of management is measured by the extent to which the established realistic and attainable goals are achieved.

✓ Supreme in Thought & Action

- ✓ Mastermind action on all fronts (with full support from middle and lower level of management) helps the organization to accomplish the task & achieve the goal.

✓ Group Activity

- ✓ All human and physical resources should be efficiently coordinated to attain maximum levels of combined productivity. Without coordination, no work would be accomplished and there would be chaos and retention.

✓ Dynamic Function

- ✓ Management should be equipped to face the changes in the business environment brought about by economic, social, political, technological as well as human factor.

✓ Social Science

- ✓ All individuals that a manager deals with have different levels of sensitivity, understanding, and dynamism. Ex ; rolex watch

✓ Important Organ of Society

- ✓ It's the responsibility of manager to contribute towards the society by organizing charity functions, sports competitions, a donation to NGO's, etc.

✓ **System of Authority**

- ✓ **Well-defined lines of command, the delegation of suitable authority and responsibility at all levels of authority to fulfill the expectation of each individual.**

✓ **Profession**

- ✓ **Managers need to possess managerial knowledge and training and have to conform to a recognized code of conduct and remain conscious of their social and human obligations.**

✓ **Process**

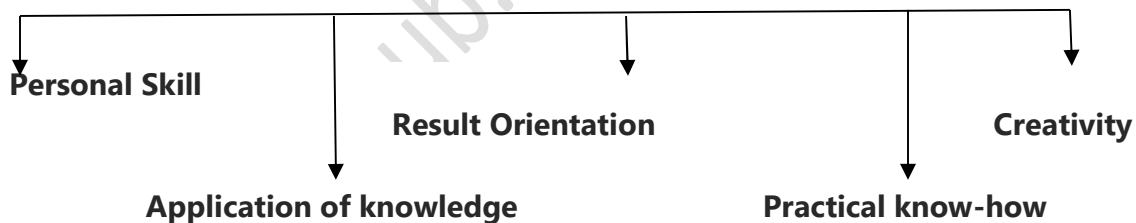
- ✓ **The process of management comprises a series of actions or operations conducted towards an end.**

Management is Combination of Art and Science

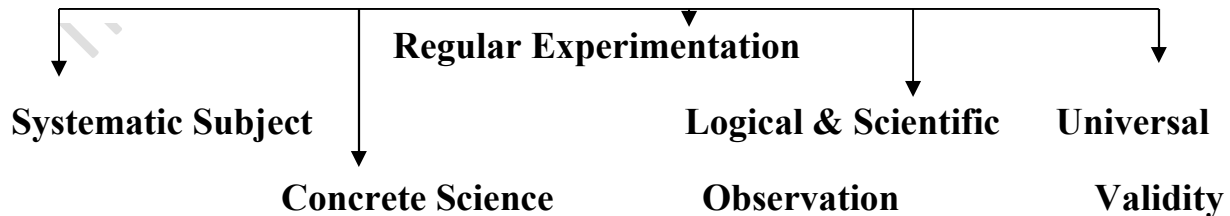
Management knowledge exhibits characteristics of art and science, the two not mutually exclusive but supplementary.

Every discipline of art is always backed by science which is basic knowledge of that art.

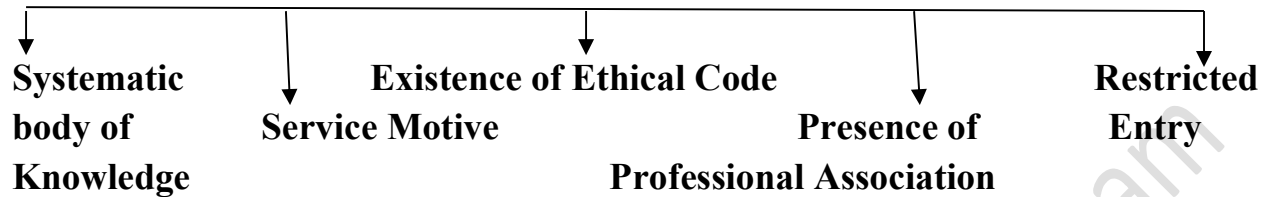
Management as an Art



Management as a Science



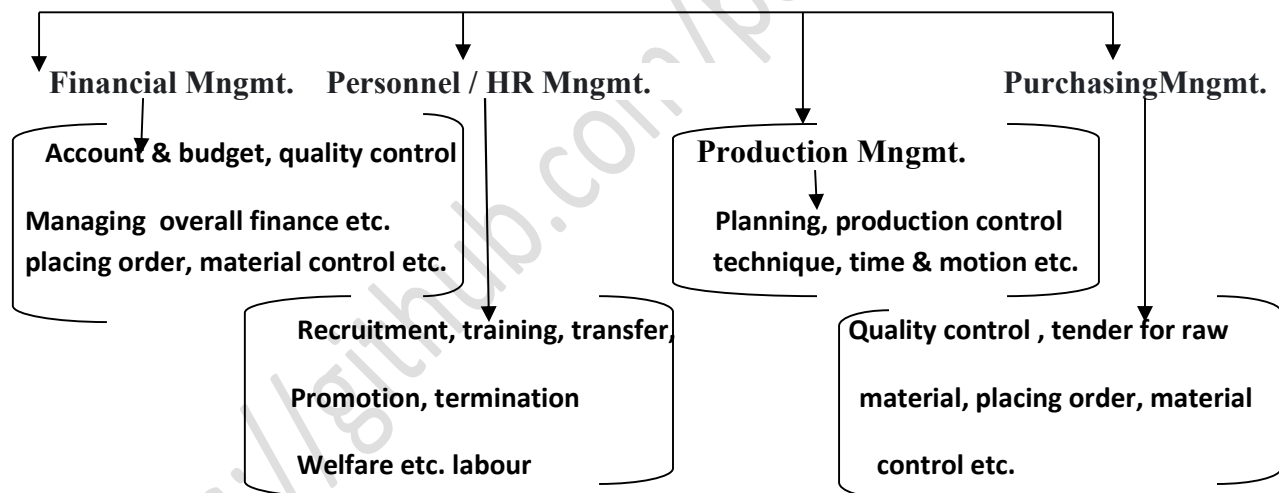
Management as a Profession



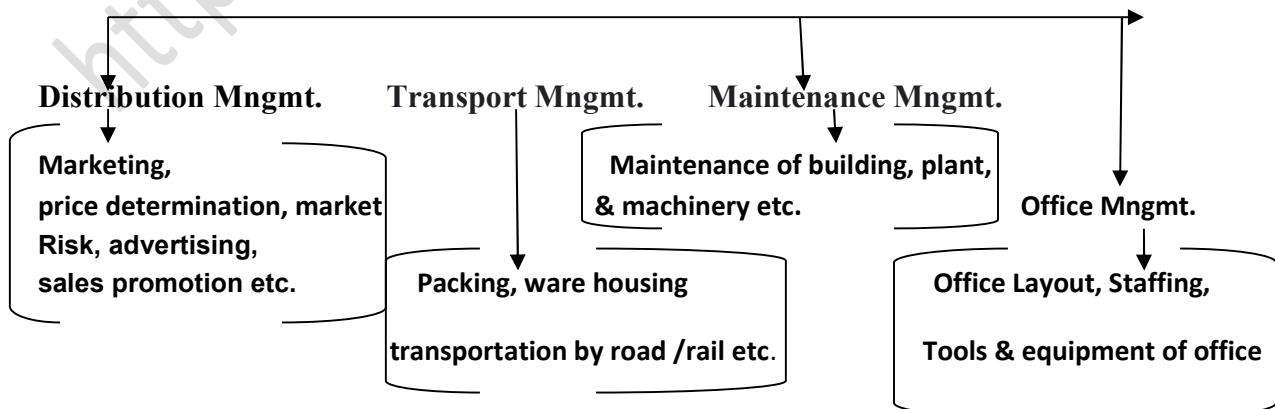
b) Scope / Subject Matter of Management

Management deals with clearly defined activities without which progress is not possible. It confines to concepts, principles, theory related to managerial functions.

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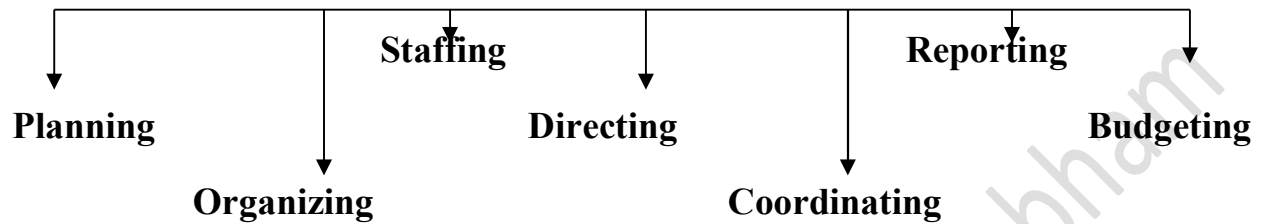


(2)



c) POSDCORB

It was first set up on administrative management that was written for the Brownlow Committee by Luther Gulick and Lyndall Urwick.



✓ Planning-

- ❖ This essentially refers to establishing a broad sketch of the work to be completed and the procedures incorporated to implement them. Planning is the hallmark of intelligent behavior.

✓ Organizing

- ❖ Organizing involves formally classifying, defining and synchronizing the various sub-processes or subdivisions of the work to be done.

- ❖ The manager has been advised to arrange for all the necessary resources i.e. raw materials, monetary resources, human resources, and technology as well as the managerial expertise to help achieve the goals set under planning process.

✓ Staffing

- ❖ This involves recruiting and selecting the right candidates for the job and facilitating their orientation and training while maintaining a favorable work environment.
- ❖ It signifies the importance of human resource for any organization.
- ❖ It refers the procedures such as recruitment, training and retaining the right kind of employees for the specific jobs.
- ❖ It also involves preparing them for their roles in the organization.

✓ Directing

- ❖ This entails decision making and delegating structured instructions and orders to execute them.
- ❖ Once plans have been laid out; necessary materials been sorted and employees hired to perform the jobs; the manager has to direct their efforts towards the ultimate goals of the organization by dividing those ultimate strategic goals into small, workable, time-bound targets.

✓ Reporting

- ❖ Reporting involves regularly updating the superior about the progress or the work related activities. The information dissemination can be through records or inspection.
- ❖ The Chief Manager would have to take steps to coordinate the efforts by various departments so as to ensure that they are moving in tandem with each other.
- ❖ If one department moves out of sync, the efforts of all the departments will collapse.

✓ Budgeting

- ❖ Budgeting involves all the activities that under Auditing, Accounting, Fiscal Planning and Control.
- ❖ Resources – man, money, material and time – should be allocated to each and every work center or project in advance and the employees responsible should be held accountable for their stipulated usage.

✓ Coordinating

- ❖ This basically refers to orchestrating and interlinking the various components of the work.

iv) Meaning & Definition

a) Management

In today's world of complex and fast internationalization of business, most companies are going global. Unless they are effectively managed, they cannot survive in the fast changing international business environment.

Management helps in doing and getting things done through others.

It is the process that optimizes human, material and financial resources of the organisation for effective achievement of its goals.

The process involves a series of functions by managers, optimization refers to getting maximum output (goods and services) out of minimum inputs (men, materials, money, machine, management) and goals are the results or ends that managers and other stakeholders (shareholders, consumers, suppliers, workers etc.) wish to achieve.

b)) Definition of Management

Henri Fayol- "Management is to forecast, to plan, to organize, to command, to co-ordinate and control activities of others."

Marry Parker Follett- Management is the art of getting things done through others." Follett describes management as an art of directing the activities of other persons for reaching enterprise goals. It also suggests that a manager carries only a directing function.

Louis Allen -"Management is what a manager does".

J. D. Moony and A. C. Railey - Management is the art of directing and inspiring people".

Harold Koontz- Management is the art of getting things done through and with people informally organized groups".

F. W. Taylor- Management is the art of knowing what you want to do and to do it in the best and cheapest way".

Rose More - Management means decision-making".

Keith and Gubellini -“Management is the force that integrates man and physical plant into an effective operating unit”.

c) Managers-

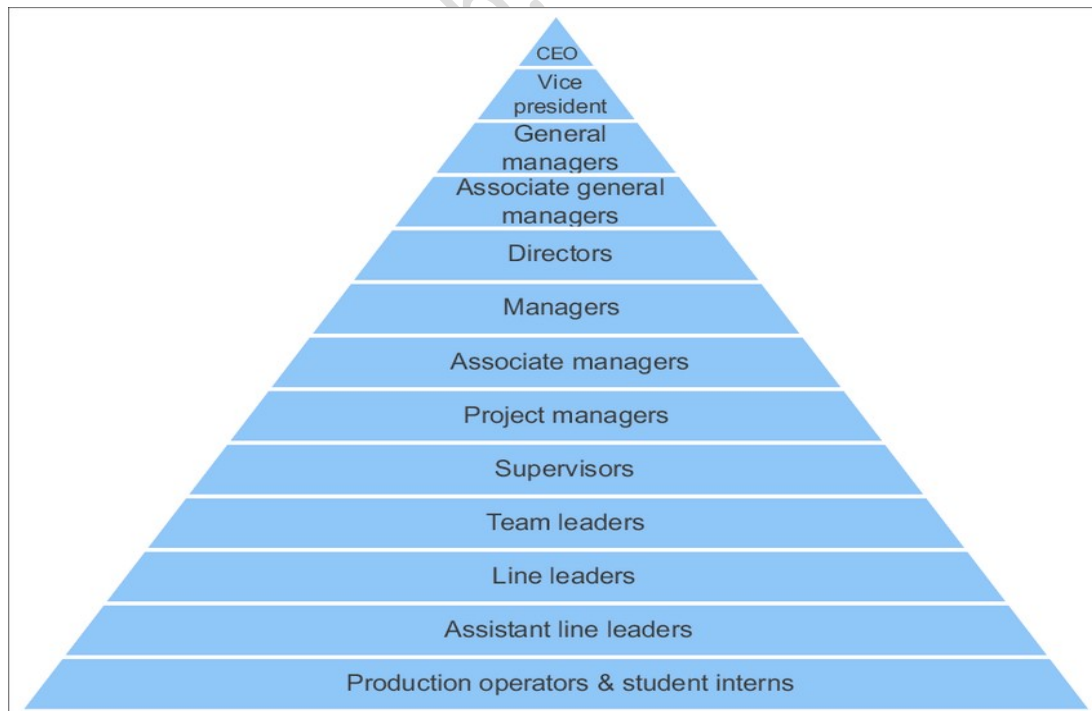
- ❖ **Managers play vital role in success of any organisation.**
- ❖ **A manager is a role represented within a hierarchy of an organization, starting from the CEO and trickling down to the vice president, director and then finally department managers.**
- ❖ **The manager is the communication line between an executive team and employees working under them who work together to execute projects and complete their goals.**
- ❖ **Acts as the middleman between upper management and their employees.**
- ❖ **Teaches employees skills to help those complete projects.**
- ❖ **Hires employees.**
- ❖ **Acts as the middleman between customers and the organization.**

d) Hierarchy System

Hierarchical management

It is a workplace leadership structure in which authority is assigned in ranks and employees take directions from their superiors.

Employees' roles and level of authority if matters are clearly established.



v) The Process of Management

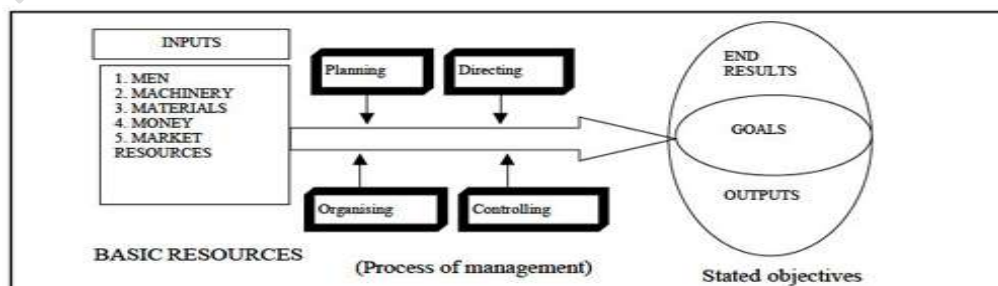
a) Introduction - Management as a Process

Process Management refers to aligning processes with an organization's strategic goals, designing and implementing process architectures, establishing process measurement systems that align with organizational goals, and educating and organizing managers so that they will manage processes effectively.

- ❖ **Management is a social process** - Management is concerned with developing relationship among people. It is the duty of management to make interaction between people - productive and useful for obtaining organizational goals.
- ❖ **Management is an integrating process** - Management undertakes the job of bringing together human physical and financial resources so as to achieve organizational purpose. It is an important function to bring harmony between various factors.
- ❖ **Management is a continuous process** - It is a never ending process. It is concerned with constantly identifying the problem and solving them by taking adequate steps. It is an on-going process. It's never ending process.

b) Process of Management

The process of management involves the determination of objectives and putting them into action. According to McFarland, "Management is the process by which managers create, direct, maintain and operate purposive organizations through systematic, coordinated and co operative human effort".



Management process/functions involve 4 basic activities;

- ❖ **Planning and Decision Making – – Determining Courses of Action,**
- ❖ **Organizing – Coordinating Activities and Resources,**
- ❖ **Leading – Managing, Motivating and Directing People,**
- ❖ **Controlling – Monitoring and Evaluating activities.**

vi) Development of Management Thought F.W.Taylor,

Henry Fayol, Hawthorne Studies

a) Introduction Development of Management Thought

Management Thought is the gathering knowledge about the origin of management. Thinking proper and foundation of management research of different authors about the basic concepts of management.

Kautilya in Arth Shashtra stated the principles and concept of management which may be applied in the modern period & in future also. An individual cannot achieve anything single handed. Cooperation, teamwork, group effort, direction & control is necessary for achievement. One has to rely on other. So, managerial efficiency is a requisite to human being.

b) Types of Management Theory

- ❖ **Scientific management theory**
- ❖ **Bureaucratic management theory.**
- ❖ **Human relations theory**
- ❖ **Systems management theory**
- ❖ **Contingency management theory**
- ❖ **Theory X and Y.**

c) Scientific Management Theory (F.W.Taylor)

Introduction

Scientific management is a theory of management that analyzes and synthesizes workflows. Its main objective is improving economic efficiency, especially labor productivity.

Scientific management is sometimes known as Taylorism after its founder, Frederick Winslow Taylor.

Scientific management theory is important because its approach to management is found in almost every industrial business operation across the world.

Its influence is also felt in general business practices such planning, process design, quality control, cost accounting, and ergonomics.

Taylor was a mechanical engineer who was primarily interested in the type of work done in factories and mechanical shops.

He observed that the owners and managers of the factories knew little about what actually took place in the workshops.

Taylor believed that the system could be improved, and he looked around for an incentive. He settled on money.

He believed a worker should get “a fair day’s pay for a fair day’s work”—no more, no less. If the worker couldn’t work to the target, then the person shouldn’t be working at all.

Taylor also believed that management and labor should cooperate and work together to meet goals.

He was the first to suggest that the primary functions of managers should be planning and training.

Objectives

The major objectives of Frederick Taylor’s contribution to management-

The maximum improvement of workers. This improvement shows on efficiency and effectiveness performance. Such development is the revolution in management procedure and employee’s actual performance.

- ❖ Prevent the wastage of time.
- ❖ Reduce the cost of production.
- ❖ Secure the labor in industry.
- ❖ Increase the efficiency of the workers.
- ❖ Develop the relationship between workers and managers.

Principles of Management

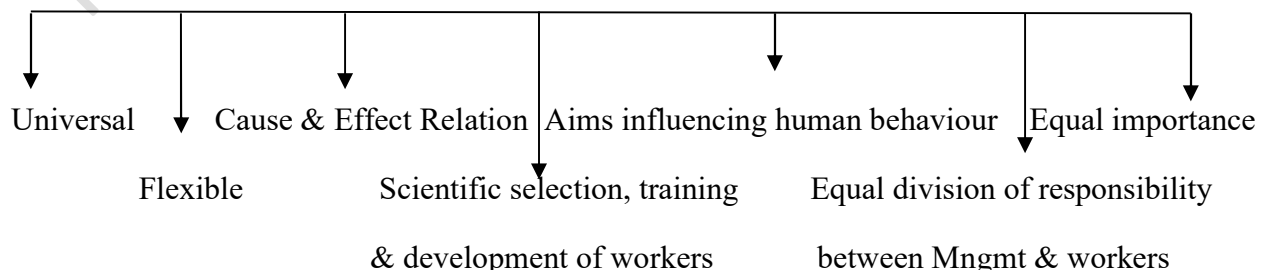
Frederick Winslow Taylor mentioned the core principles of management in his *Principles of Scientific Management book*.

- ❖ **Science, not the Rule of Thumb-** The basic principles of scientific management theory by Taylor, are adopting a scientific approach to decision making. These principles suggest thinking before doing.
- ❖ **Harmony, not Discord** - An organization consists of two groups, i.e., 'workers' and 'management.' They must create the 'Give and Take' relationship in the workplace. Taylor emphasized on Mental Revolution, which means a change of attitude of both groups based on this principle. They should share the opinions and ideas of each other.
- ❖ **Co-operation, not Individualism-** It shows the importance of each other (management and workers). Management should reward and appreciate the employees for their helpful suggestions. At the same time, employees also cooperate with the management for the improvement of the organization.
- ❖ **Development of Every Person to his/her Greatest Efficiency and Prosperity-** Employees should be properly trained and selected scientifically. And it is essential for each organization. For implementing this task, Taylor arranged some techniques, for instance, work-study, time study, motion study, fatigue study, and method study.
- ❖ **Maximum not restricted Output-** Maximum productivity is the basic purpose of an organization. In this case, Taylor has emphasized the production maximization in his principles.

Functions of Scientific Management

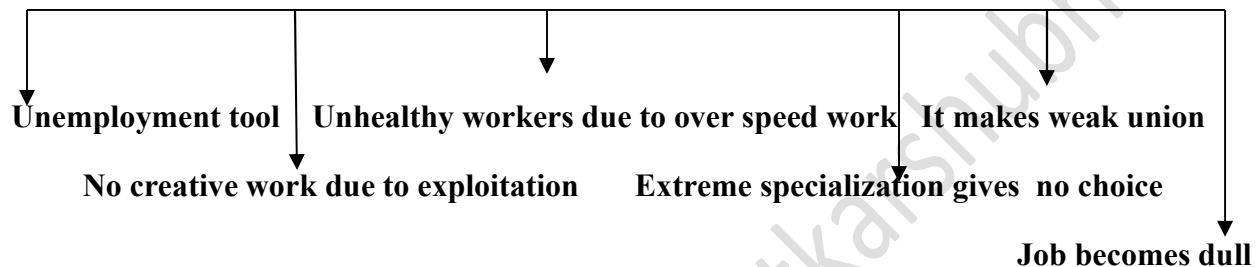
- ❖ According to the skills and abilities, an employee must be selected.
- ❖ Incentives and wages have to install for enhancing their output and encouraging them.
- ❖ Implemented those methods which are based on scientific tasks.
- ❖ Carefully observe eradicating interruptions when the plan runs.
- ❖ In an organization, leadership should develop and standard.

Features of Scientific Management

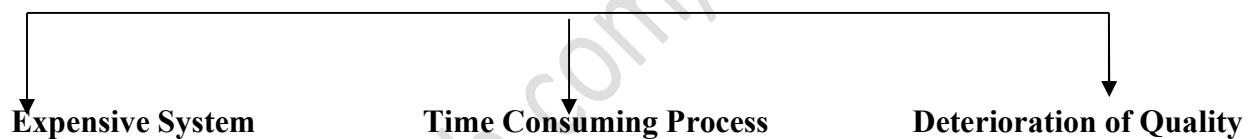


Criticism

(For Workers)



(For Employers)



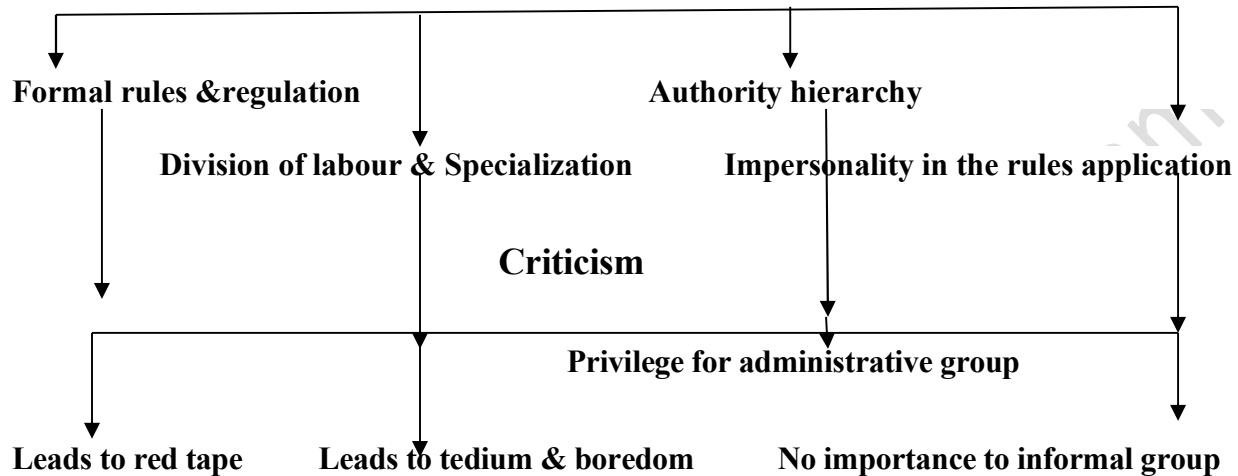
Importance of Scientific Management

- ❖ Planning or deciding the work in advance.
- ❖ Posting the right man for the right job.
- ❖ Initiating of incentive or reward wage plan.
- ❖ Confirmation of ideal of performance.
- ❖ Advise the right development of work.
- ❖ The removal of top flow of work.
- ❖ The upgrade of the worker-management affair.

c) Bureaucratic Management Theory- Max Weber

Max Weber, a German scientist, defines bureaucracy as a highly structured, formalized, and also an impersonal organization. He also instituted the belief that an organization must have a defined hierarchical structure and clear rules, regulations, and lines of authority which govern it.

Characteristics



d) Theory of Management (Henery Fayol)

Henri Fayol is claimed to be the real father of modern management. He was a Frenchman born in 1841 and was working as an engineer with a mining company. He improved the condition of company from virtual bankruptcy to high success. From his practical experience, he developed some techniques.

He set up 14 principles of management. 14 management principles by Henri Fayol are universally accepted guidelines for managers to do their job according to their responsibility.

❖ Division of Work

Division of work leads to specialization, and specialization helps to increase efficiency and efficiency which results in improvements in the productivity and profitability of the organization.

❖ Balancing Authority and Responsibilities

The right to give orders should not be considered without reference to responsibility.

If the authority is more than responsibility then chances are that a manager may misuse it. If responsibility is more than authority then he may feel frustrated.

❖ **Discipline**

Discipline means respect for the rules and regulations of the organization. Discipline may be Self-discipline, or it may be Enforced discipline.

No slacking or bending of rules, not allowed in any organization. The works must respect the rules that run the organization.

To establish discipline, good supervision and impartial judgment are needed.

❖ **Unity of Command**

According to this principle, a subordinate (employee) must have and receive orders from only one superior (boss or manager).

To put it another way, a subordinate must report to only one superior.

It helps in preventing dual subordination which creates a problem is a function of managers.

❖ **Unity of Direction**

One head and one plan for a group of activities with the same objective.

All activities which have the same objective must be directed by one manager, and he must use one plan.

❖ **Subordination of Individual Interests to the General Interest**

The interest of one individual or one group should not prevail over the general good.

The individual interest should be given less importance, while the general interest should be given the most importance.

❖ **Remuneration**

Remuneration is the price for services received. Pay should be fair to both the employee and the firm.

If an organization wants efficient employees and best performance, then it should have a good remuneration policy.

❖ **Centralization**

In centralization, the authority is concentrated in few hands.

No organization can be completely centralized or decentralized.

If there is complete centralization, then the subordinates will have no authority (power) to carry out their responsibility (duties). If there is complete decentralization, then the superior will have no authority to control the organization.

There should balance between management & employees

❖ **Scalar Chain**

The chain of command, sometimes called the scalar chain, is the formal line of authority, communication, and responsibility within an organization. It is the line of authority from top to bottom of the organization.

This chain implements the unity-of-command principle and allows the orderly flow of information.

Under the unity of command principle, the instructions flow downward along the chain of command and accountability flows upward. More clear-cut the chain of command, the more effective the decision-making process and the greater the efficiency.

❖ Order

Order for things is called Material Order and order for people is called ‘Social Order’.

Material Order refers to “a place for everything and everything in its place.”

Social Order refers to the selection of the “right man in the right place”.

There must be an orderly placement of the resources such as Men and Women, Money, Materials, etc.

Human and material resources must be in the right place at the right time.

Misplacement will lead to misuse and disorder.

❖ Equity

It creates loyalty and devotion in the employees toward the organization.

The equity principle suggests that the managers must be kind as well as equally fair to the subordinates.

❖ Stability of Tenure of Personnel

Employees need to be given fair enough time to settle into their jobs.

An employee needs time to learn his job and to become efficient.

The employees should have job security because instability leads to inefficiency.

Successful firms usually had a stable group of employees.

❖ Initiative

They should encourage the employees to make their own plans and to execute these plans.

This is because an initiative gives satisfaction to the employees and brings success to the organization.

It allows the subordinates to think out a plan and do what it takes to make it happen.

❖ Esprit De Corps

Esprit de Corps means “Team Spirit”. Therefore, the management should create unity, co-operation, and team-spirit among the employees.

They should avoid dividing and rule policy.

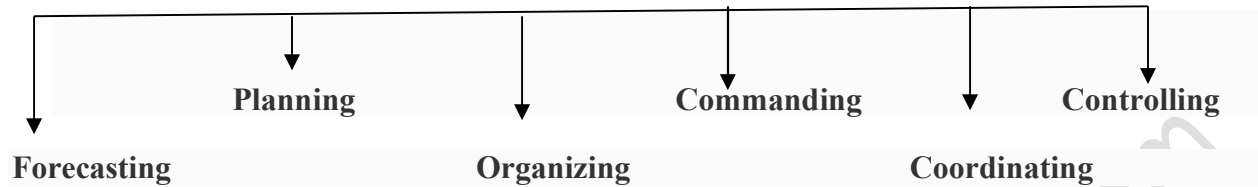
Harmony, cohesion among personnel. It’s a great source of strength in the organization.

It is a quality in every successful business.

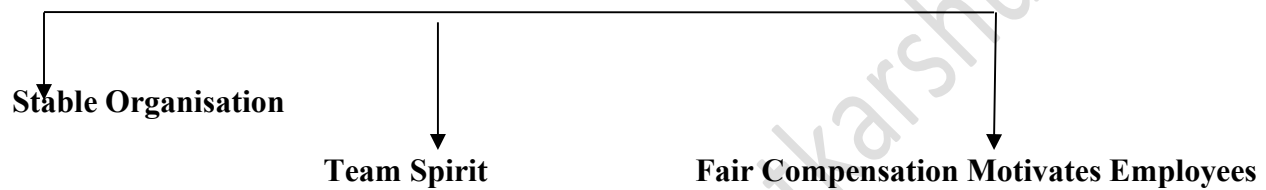
These principles are guidelines for every management function. The manager must act according to the 14 principles of management; in order to reach the goal and create a surplus.

Fayol's Six Functions of Management

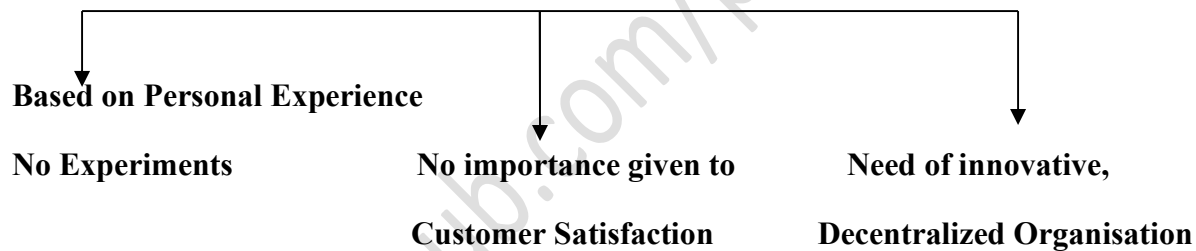
Fayol's six primary functions of management, which go hand in hand with the Principles, are as follows:



Characteristics



Criticism



Hawthorne Experiment (Elton Mayo)

The Hawthorne studies were conducted on workers at the Hawthorne plant of the Western Electric Company by Elton Mayo and Fritz Roethlisberger in the 1920s.

The Hawthorne studies were part of a refocus on managerial strategy incorporating the socio-psychological aspects of human behavior in organizations.

The major phases of Hawthorne experiments are as follows-

- ❖ Illumination Experiments
- ❖ Relay Assembly Test Room Experiments
- ❖ Mass Interviewing Programme
- ❖ Bank Wiring Observation Room Experiment.

❖ Illumination Experiments (1924-27)

Objective- to determine the effects of changes in illumination on productivity, illumination experiments.

Experiment-

In the first series of experiments, a group of workers was chosen and placed in two separate groups.

❖ i) Experimental group- ii) Control group-

This experiment began in 1924. It consisted of a series of studies of test groups in which the levels of illumination varied but the conditions were held constant. The purpose behind it was to examine the relation of the quality and quantity of illumination to the efficiency of workers. It was found that the productivity increased to almost the same rate in both test and control groups selected for the experiments.

In the final experiment, it was discovered that output decreased with the decreased illumination level, i.e., moonlight intensity. As the researchers did not find a positive and linear relationship between illumination and efficiency of workers, they concluded that the results were 'screwed' in the absence of simple and direct cause and effect relationship.

❖ Relay Assembly Test Room Experiments (1927-28)

Objective- to find out the effects of changes in number of work hours and related working conditions on worker productivity.

Experiment-

The researchers undertook the next experiment to study the workers segregated on the basis of a definite range of working condition variables.

The selected variables included work room temperature and humidity, work schedule, rest breaks and their food consumption.

Some women were separated and into a room and then the productivity is noted.

Conclusion-

Changing variable affected the productivity ; researchers concluded that proper rest time , choice for selecting own team member, team work, special treatment and sympathetic supervision have a direct impact on higher level of productivity.

❖ Mass Interviewing Program -1928-29

Objective- to determine employee's attitude towards attitude of employees.

Experiment-

Mass interviewing program which include about 20000 interviews were conducted. Mass Interviewing Program revealed valuable insights about the human behavior in the workplace such as grievance, satisfaction and desires, relationships and values. To understand employees attitudes towards company, supervision, promotion, insurance plans, and wages

❖ Bank Wiring Observation Room Experiments- 1931-32

Objective- to examine the effect of payment incentives on productivity.

Experiment-

A group of 4 men was selected to work on telephone switching equipment and the workers were paid according to individual productivity.

Conclusion-

The results was surprising that productivity was decreased that worker were afraid to loose their job due to low performance.

❖ Contribution of Hawthorne Experiment

i) A business organization is basically a social system. It is not just a techno-economic system.

ii) The employer can be motivated by psychological and social wants because his behavior is also influenced by feelings, emotions and attitudes. Economic incentives are not the only method to motivate people.

iii) Management must learn to develop co-operative attitudes and not rely merely on command.

iv) Participation becomes an important instrument in human relations movement. In order to achieve participation, effective two-way communication network is essential.

v) Productivity is linked with employee satisfaction in any business organization. Therefore management must take greater interest in employee satisfaction.

vi) Group psychology plays an important role in any business organization. We must therefore rely more on informal group effort.

vii) The neo-classical theory emphasizes that man is a living machine and he is far more important than the inanimate machine. Hence, the key to higher productivity lies in employee morale. High morale results in higher output

viii) Elton Mayo and his team found a way to improve productivity by creating a healthy team spirit environment between workers and supervisors labeling it as The Hawthorne Effect.

ix) The Hawthorne effect is a physiological phenomenon that produces an improvement in human behavior or performance as a result of increased attention of superiors and colleagues.

In many ways the Hawthorne effect is interpreted, it generates new ideas concerning importance of work groups and leadership, communication, motivation and job design, which brought forward emphasis on personnel management and human relations.

❖ Criticism

i) Lack of validity- The experiments were made in controlled situation, so workers were force under situation and experiment to complete the task.

ii) More importance to human aspect- Production needs technological and other factors not only human factors.

iii) Emphasis on group decision making- In reality individual decision cannot be neglected because sometimes quick decision is required where there is no times to consult other.

iv) Over importance given to freedom of workers- No importance has been given to constructive role of supervisor. In fact too much freedom to workers can low down the production,

vii) Qualities of an Efficient Management

Appreciation of Employees

- ❖ **An efficient management teams understand the importance of respecting and appreciating their employees.**
- ❖ **There are many ways to appreciation as saying thank you, monetary bonuses, paid-time off and other valuable rewards.**
- ❖ **Appreciation of employees, results in a boost in employee morale. Satisfied employees value their jobs, are rarely absent from work and perform their duties with enthusiasm.**
- ❖ **Completing employee evaluations and rewarding employees based on their performances is another way management can show their appreciation.**

Provide Necessary Resources

- ❖ **Good management provides employees with the resources necessary to accomplish their tasks.**
- ❖ **Employees can suffer from a lack of motivation when they are asked to complete duties and meet goals without receiving the proper resources.**
- ❖ **Companies with good management properly train their employees in the latest technology, ethical issues and teamwork.**
- ❖ **Good organizational management believes in equipping their employees with the necessary skills and knowledge needed to grow and maintain success for the business.**

Being Generous with Knowledge

- ❖ **Management must possess the necessary knowledge to effectively compete in their industry.**
- ❖ **Knowledge managers possess comes from the ability to learn relevant information.**
- ❖ **Managers must stay current on issues regarding their industry and organization.**
- ❖ **Managers must also be generous in sharing their knowledge with employees and other managers.**

Listens and Makes Good Decisions

- ❖ **Managers should take time to listen to their employees.**
- ❖ **At times, management is willing to listen to the suggestions of valuable employees, but can brush off employee complaints.**

- ❖ Effective managers understand the importance of listening to its employees.
- ❖ One reason is that it causes employees to feel as if their opinion is valued.
- ❖ Another reason is that management can consider employee suggestions, concerns and complaints when making decisions.
- ❖ The decisions made within an organization should benefit the company and its employees.

Qualities of effective Manager

- ❖ He understand the value of employee
- ❖ Have good communication skill
- ❖ Should be a good listener
- ❖ Perfect decision maker
- ❖ Trust on employees for achievement
- ❖ Transparent behaviour
- ❖ Resolves conflict
- ❖ Attitude of high achiever
- ❖ Sets a good example

Purnima Sinha (Asst. Prof.)

Conclusion-