

## Principles of Management

- They are activities that plan, organise and control operations of the basic elements of materials, machines, methods, money and markets providing direction and co-ordination.

### Planning - deciding

The process of planning includes identification of organised objectives and selection of policies, procedures and methods designed to lead to attainment of these objectives.

Essentially it is about selecting a goal and objective and also the means of accomplishing them.

### Steps of Planning

~~Set~~ Set

~~Setting organisational objectives~~

Setting organisational objectives

MBO → Management by objectives

Policies →

Procedures →

Methods → ways of doing a work

Testels →

External environment

1. Political environment
2. Economic environment
3. Social environment
4. Technological environment
5. Legal environment
6. Ecological environment
7. Demographic environment

23/8/19

CLASSMATE

Date \_\_\_\_\_

Page \_\_\_\_\_

## - Three levels of Management

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

## Managerial Roles

### 1. Interpersonal Roles -

### 2. Informational Roles -

### 3. Decisional Roles -

### - Interpersonal

It indicates all those activities that are directed at subordinates to influence and motivate them.

### - Informational

Monitors Role is about collecting inside and output information.

### - Decisional

Resource Allocator is controlling allocation of resources.

- CEO

## Levels of Management

- Top Level
- Middle Level
- Lower Level

Top Management - It consisting of chief executive officer and ~~several~~ presidents is responsible for overall management of the organisation and directs its relation with the external environment.

These managers need conceptual skills the most.

Middle Management → It consists of all manager below vice president but above supervisor.

They are responsible for setting objectives that are in line with top management and further translate them into plans for first line managers.

Lower Management → It consists of team leaders, team facilitators, volunteers, ~~and~~. They direct actual work of the organisation at the operating level.

## Skills of Manager

1. Conceptual Skills
2. Technical Skills
3. Human Skills.

Management functions or the process of management

4 steps.

1. Planning
2. Organising
3. Directing
4. Controlling.

Planning - A function that determines what should be done.

- Planning is a function which is performed by managers at all levels.

Organising - includes personnel, raw materials, tools and capitals.

Directing - This function can be called by various names leading, motivating. Directing involves three sub-division.

1. Communication
2. Leadership
3. Motivation.

4. Controlling - It involves 3 elements.  
→ basic performance to achieve.

1. Establishing standards of performance.
2. Comparing actual performance with the estimated standard performance.
3. Taking corrective actions to meet those standards.
4. Meet targets

## Innovation and Representation

⇒ Management is a science or art

Innovation - It means creating new ideas which make either result in the development of new products or finding new uses for the old one. ⇒ Part of Planning

Representation - Every function has two dimensions - substantive and procedural.

Substantive - What is being done. ] mixture.

Procedural - How it is done. ]

## - Development of management thought

- F.W. Taylor - Father of Scientific manager.
- It has three stages.
  - Early Classical - Scientific, Administrative Management
  - Neo Classical - Human Relations, Behavioural

### Early Classical,

#### Scientific Management

- F.W. Taylor (1856-1915) is considered as father of scientific management.
- He knew how piece work employees use to hold back production.
- Piece Work use to hold back production because they feared that employers would cut their piece rate as soon as there is rise in production.

#### 2. Differential Payment

#### 3. Drastic Reorganisation of supervision.

#### 4. Scientific Recruitment & Training

5. Intimate friendly co-operation between managers and workers.

### Disadvantages of Scientific Management:

1. Taylor's believe that economic incentives are strong enough to motivate workers for increased production proved wrong.
2. Time and Motion Study is not accepted as entirely scientific.
3. Separation of planning and doing.
4. Advances in jobs and methods provoke employees to switch its other job.

30/8/19

## Administrative Management

Henry Fayol → Father of Administrative management  
(1841 - 1925)  
↳ Period

It is considered as administrative management.

### 1. Division of work -

According to this, divide the work and you will get the benefit as early as well.

### 2. Authority & Responsibility -

As the management consists of getting the work done through others it implies that manager should have the right to give orders and power to exact obedience.

A manager may exercise formal authority and also personal power.

### 3. Discipline -

We mean obedience to authority, completing the task on time, following the rules and norms of performance.

The best means of maintaining discipline are:-

- Good supervisors at all levels.

- Clear and fair agreement between the employer and the employees.
- Judicious applications of penalties

#### 4. Unity of command -

This principle requires that each employee should receive instructions about a particular work from one superior only.

#### 5. Unity of Direction

It means that there should be complete identity between individual and organisational goals on the one hand and departmental goals on the other.

They should not pull in different directions.

#### 6. Subordination of Individual interest to general interest.

- An individual is always interested in maximizing his own satisfaction through more money, recognition, status, etc. This is very often against the general interest which lies in maximizing production.

## 7. Remuneration of employees -

The remuneration paid to the personnel of the firm should be fair. It should be based on general business conditions, cost of living, productivity of the concerned employees and capacity to pay.

## 8. Centralisation

If ~~subordi~~ subordinates are given more sole and importance in the management of the firm, It is called decentralisation.

The objective to pursue should be optimum utilization of every personnel.

## 9. Scalar Chain

The orders or communication should pass through proper channels of authority on the basis of supersede / subordinate relationship but in case there is need for swift action the proper channels of authority may be short-circuited by making direct contact called gang-plank with the concerned authority.

## 10. Order

Right place for everything & for every man. There is need for scientific selection of competent ~~technological~~ personnel by <sup>correct</sup> assignment of duties and good organisation.

## 11. Equity

It means equality of ~~fact~~ fair treatment which requires managers to be free from all pre-judices, personal likes / dislikes.

## 12. Stability of tenure of personnel.

In order to motivate workers it is necessary that they should be given security of job by the management.

## 13. Initiative

Freedom to think and execute a plan. According to Fayol, initiative is one of the important satisfaction for an intelligent man to experience.

## 12. Spirit De Corps:-

This means team spirit, when all the personnel pull together as a team there is scope for realizing the objects.

## 13. Not in Course

### Bureaucracy

#### Bureaucracy

→ Max Weber → He is father of Bureaucracy

→ Leader Oriented (Leader of Business)

→ Traditional Oriented (Hiere)

→ Bureaucratic Oriented (according to capitalizing)

⇒ Max Weber considered this last type as basis of administration. No person can claim a particular position either because of his loyalty to the leader or because the position has been held traditionally by members of his family.

People earned positions because they are presumed to be best capable of filling them.

11/9/19

Date \_\_\_\_\_  
Page \_\_\_\_\_

### ★ Behavioural Approach:

1. Behavioural Scientists attach great weightage to removing domination of work place.
2. Participative and group decision making.
3. Self direction and control.
4. Participation → take employee feedback and at the end he should take participation.
5. Consider organisation as group of individuals with certain goals.
6. These scientists made extensive study on leadership.
7. Realistic model of human motivation is complex man.
8. Conflict management

### ★ Systems Approach

→ uncertainty.

## \* Contingency Approach

- ~~Max Mcgi~~
- There is no best way of doing things under all conditions.
- Managers have to develop a sense of situational sensitivity and practical selectivity.

## \* Systems Approach

We have some concepts of it.

- A system is a set of ~~into~~ interdependent parts.  
4 interdependent parts, namely task, structure, people and technology.
  - Task - Main purpose of the organisation.
  - Structure - Authority and responsibility
  - People - Employee motivation
  - Technology - Tools & Requirements
- Central to the system approach is the concept of holism which means that no part of organisation can be accurately analysed and understood apart from whole system.

Unit - I completed

Unit - II Internal and external environment

CLASSMATE  
Date \_\_\_\_\_  
Page \_\_\_\_\_

→ A system can be either opened or closed.

- Opened - interacts with the environment

- Closed - independent with the environment

→ Every system has a boundary.

19/9/19

### Planning

#### Importance:

1. Minimizing risk and uncertainty
2. Leads to success
3. Focuses attention on organization goals.
4. Facilitates control
5. Trains executives

#### Types of Planning

→ There are 2 types of plans.

- Single-use plans → event organized
- Standing plans → policies.

#### Limitations

- Planning is expensive & time consuming
- It is limited in changing situations.
- Difficulty of ~~formulating~~ accurate premises.

## - Strategic Planning

→ SWOT Analysis

[ Strength  
weakness  
opportunity  
Threat ]

## Characteristics of Planning

- Continuous Process
- Beginning of Process of Management
- Intellectual Process
- Decision Making
- Flexible
- Pervasive Function

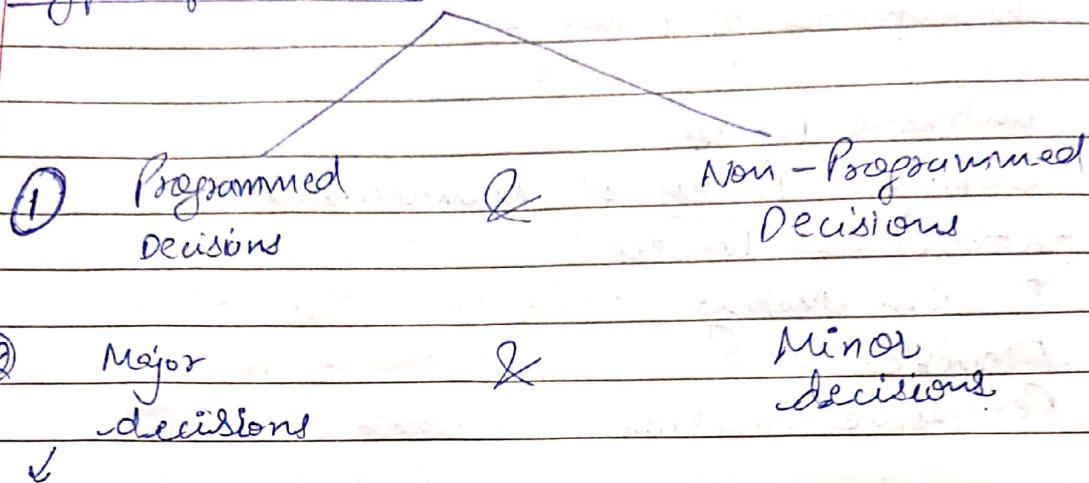
9/10/19

classmate  
Date \_\_\_\_\_  
Page \_\_\_\_\_

## Decision Making:

Planned → Programmed decisions → only higher authority.  
Unplanned → Unprogrammed decision → All in the organizations are included.

### Types of Decision



- See the futurity of decision.
- Impact of design on other functional areas.
- Qualitative factors that enters the decisions.
- Recurrent Recurrence decision.

(3) Routine & Strategic decisions

↓  
decisions like installation of machinery, updt upgrading of technology changing the product line, lowering the price of product.

(4) Individual

Individual &amp; Group decisions

(5) Simple &amp; Complex decision.

\* Steps in decision making-

1. Recognizing the problem.

2. Deviation from past experience.

3. Decide priority among problems.

4. ~~Diagnose~~ Diagnose the problem.

5. Include the important points for the situation.

6. Developing alternative solutions.

7. Measuring and comparing consequences of alternative solutions.

\* Limitations of Decision Making-

1. Incomplete decision.

2. Unsupporting environment.

3. Non ~~sup~~ acceptance by subordinates.

4. Ineffective communication.

5. Incorrect timing

10/10/19

## Organizing

### → Characteristics

1. - Tasks of the goals are achieved
2. - Major duties or activities required to achieve objectives.
3. - Classification of activities into jobs.
4. - Establishment of relationship between jobs.

### → Typology of organizing

1. Organization which benefit their owners. (All)
2. Organization which benefit their members. (Club Members, Union, Co-operative)
3. Organization which benefit their client (Schools, Universities (private), Insurance Companies)
4. which benefits the whole society (Governmental departments, NGOs).

### → Process of Organizing

1. Consideration of objectives. (Determine of the objective)
2. Grouping of activities into departments.
3. Deciding which department will be key departments.
4. Determining levels at which various types of decisions are to be made.

## 5. Determining span of management :-

In one superior  
there is how many  
subordinates.

## 6. Setting up a co-ordination mechanism :-

These should be co-ordination between each & every department levels.

Peter F. Drucker.

These points developed by Peter Drucker.

## → Principles of Organizing

by (EFL Brach)

### 1) Objectives. -

This should be clear and should be reached.

### 2) Specialization -

Distribute work in personnel.

### 3) Span of Control -

As far as possible should be minimum.

Acc. to writer there should be 6 (max) under one ~~super~~ subordinate.

#### 4) Inspection

Provide higher ~~level~~ problem to top levels not small one.

#### 5) Scalar principle:-

Chain of Command.

#### 6) Unity of command

Each subordinate should have only one superior.

#### 7) Delegation,

Proper authority should be delegated at lower level also.

#### 8) Responsibility -

9) Authority - It is gain through dedication.

10) Simplicity - Makes more simple.

11) Balance - Size Balance between departments

12) Inspectibility - All should fit in structure.

## → Departmentalization:-

Definition - The horizontal differentiation of task or activities into discrete segments is called departmentalization.

- The aim is to take advantage of the division of labour and specialization upto a certain limit. There are several basis for departmentalization -

### 1) Functions -

Most likely widely use for departmentalization. Each major function is grouped into departments.

### Advantages of Functions :-

- It is helpful for small organization which manufacture <sup>a limited number of products</sup> or render <sup>a limited number of services</sup>.
- Leads to improved planning and control.
- Only one department related to one function makes the process easier.
- 

### Drawbacks of Functions :-

- It is difficult for anyone to understand the task of the whole and relate his own work to it.

- Does not offer good training for overall development of managers.
- Procedures are overly complicated, wasty, and time consuming.

### 2.) Procedures

- Difficult to judge whether activities of a particular department are worth their cost.

### 2.) Products.

- This is for large organizations manufactured for a wide product range.
- Product Departmentalization is the logical path to follow when each product requires same materials manufacturing technology, marking methods that are different from those used by other products in the organization.

e.g. → Cadbury.

### Advantages

1. Reliefs stock management of operating task responsibility.
2. Natural team work develops.
3. Better opportunity for improving the performance.

### Drawbacks:-

1. Results in duplication of staff and facilities.
2. Extra expenditure is incurred will result extra expenses on wages etc.
3. Employment of large number of managerial personnel is

### 3.) Customers:-

1. An enterprise may be divided into a number of departments on the basis of customers that it serves.

For e.g. - An electronic's firm may have separate departments for military, industrial, and consumer

### Advantages:-

1. Insure full attention to major customer groups ~~will have~~ which have very different set of criteria governing their decision to purchase.

### Disadvantage:-

1. Result in underutilization of resources and facilities in some departments.

9. There may be duplication of facilities.

6/11/19

Authority → Delegation & Decentralization

- \* Classical View
- \* Hier Human Relations View

- Classical View

In the same family.

- Human Relations View

Relationship between employees and ~~subordinates~~,  
positive or negative.

Differentiate b/w Authority &

Responsibility

- Responsibility cannot be delegated.

can be of two dimensions

Responsible for

Responsible to

## Authority

- It is the institutional right of superior.
- It rest in the chair.
- Most well defined & ~~conspicuous~~ ~~defin~~
- It prevails in formal organization.

## Delegation of Authority

According to Louis if the manager requires his subordinates to perform the work he must give him certain powers & duties to get the work done.

### Adv.

1. Reliefs manager of heavy work load.
2. Leads to better decisions.
3. Trains Subordinates.
4. Creates a formal organizational structure.
5. Decentralit

## Decentralization of Authority

Acc. to Fayol everything that goes to increase the importance of the subordinates role is decentralization. Distinction between Delegation & Decentralization

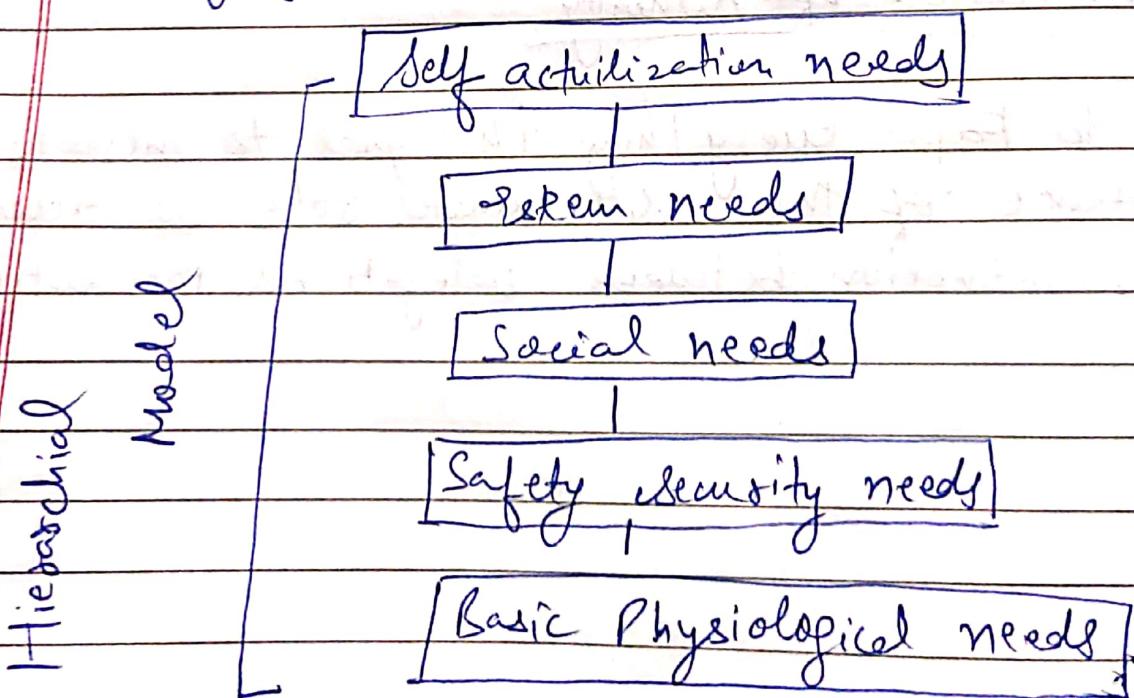
## \* Motivation

### \* Process of Motivation

- Needs
- Interpretation of goals / incentives
- Goal directed behaviour
- Accomplishment of goals and need reduction.
- 

### Basic Phys

- - According to Maslow people attempt to satisfy physiological needs at first than the level goes on increasing.
- Hierarchy of Motivation :-



## \* Herzberg two factor theory:

According to Herzberg the absence of certain job factors tend to make workers dissatisfied. However, the presence of these same factors does not themselves produce high levels of motivation. They only help avoid dissatisfaction & the problem it creates such as absenteeism, turnover and grievances.

Herzberg called these factors maintenance or hygiene factors because they are needed to maintain reasonable level of satisfaction.

## \* The six motivators/ satisfiers are -

1. Opportunity to accomplish something significant.
2. Recognition for significant accomplishments.
3. Chance for advancement.
4. Opportunity to grow and develop on the job.
5. Chance for increased responsibility.
6. The job itself.

## \* Motivation through employee position

McClelland needs for achievement theory.

1. The need for affiliation.
2. The need of power.
3. The need for achievement.