

Ch-1 (Principles of Management)

- These are activities that plan, organise and control operations of the basic elements of materials, machines, methods, money & markets providing direction and coordination.
- 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.

- (i) Political Environment
(ii) Economic Environment
(iii) Social Environment
(iv) Technological Environment
(v) Legal Environment
(vi) Ecological Environment
(vii) Demographic Environment
- } Types of External Environment

- Managerial Roles are -

- (i) Interpersonal
- (ii) Informational
- (iii) Decisional

- Interpersonal roles indicates all those

activities that are directed to subordinates to influence and motivate them.

- Monitor role is about collecting inside and outside information is called informational roles.
- Decisional roles are resource allocation is controlling allocation of resources. and takes recruiting decisions.
- Levels of Management -
 - (i) Top
 - (ii) Middle
 - (iii) Lower
- Top management consisting of chief executive officer, vice president is responsible for over all organisation and directs its relation with the external environment.
These managers needs conceptual skills the most.
- Middle consists of all managers below vice president but above supervisors, responsible for setting objectives i.e. inline with top management and further translates them into plans for first line

managers.

- lower / Firstline consists of team leaders, facilitators, volunteers and they direct actual work of organisation at the operating level.
- Manager performs three types of skills:
 - (i) Technical
 - (ii) Conceptual
 - (iii) Human
- Functions of Management -
 - (i) Planning - A function that determine what should be done. It is a function which is performed by managers at all level.
 - (ii) Organising - It include personal, raw materials, tools and capital.
 - (iii) Directing - This function can be call by various names like leading and motivating. Directing in involves three sub-division : (a) Communication
(b) Leadership
(c) Motivation
 - (iv.) Controlling - It involves three elements.
(a) Establishing standards of performance
(b) Comparing actual performance with the estimated standard performance

(c) Taking corrective actions to meet those standards (deadline).

- Process

- (i) Innovation (part of planning)
- (ii) Invention
- (iii) Representation

- Innovation means creating new ideas which may either result in the development of new products or finding new uses for the old one.

- Representation → Every function has two dimensions:

- (i) Substantive (what is being done).
- (ii) Procedural (how it is done)

- Development of Management thoughts include:

- (i) Early Classical (scientific Management)
- (ii) Neo-Classical

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

- Differential Payment, Drastic reorganisation of supervision, Rule of Thumb, Scientific recruitment & training, Intimate friendly cooperation between management & workers, these policies given by F.W. Taylor.
- Drawbacks of Management :-
 - (i) Taylor believes that economic incentives are strong enough to motivate workers for increased production proved wrong.
 - (ii) Time & Motion study is not accepted as entirely scientific.
 - (iii) Separation of planning & doing.
 - (iv) Advances in jobs & methods provoke employees to switch to other job.
- Administrative Management by Henry Fayol (1821-1925), this period is known as administrative management and Henry got a tag as father of administrative management.
- He gives us 14 principles :-
 - (i) Division of Work → Divide the work, more the benefit.
 - (ii) Authority and Responsibility → Manager has right to give order and exact supervision to subordinate. As the management consist of getting the work done through others; it implies that manager

should have the rights to give orders and power to exact obedience. A manager may exercise formal authority and also personal power.

(iii) Discipline → we mean obedience to authority, completing task on time & following the norms of performance.
The best means of maintaining discipline are -

- (a) Good supervisions at all level.
- (b) Be clear and fair agreement between employer & the employees.
- (c) Judicious application penalties.

Discipline is based on how leaders behave.
(iv) Unity of Directions → There should be complete identity between individual & organisational goals on the one hand & departmental goals on the other. They should not pull in different directions.

(v) Subordination of individual interest to general interest → An individual is always interested in maximizing his whole satisfaction through more money, status, etc. This is very often against the general interest which lies in maximizing production.

(vi) Unity of Command → This principle requires that each employee should receive instructions about a particular work from

one superior only.

(vii) Remuneration → It is paid to the personal of the firm should be fair. It should be based on general business conditions, cost of living, productivity of the concern employees & capacity to pay

capacity: → Firm

productivity: → employees

(viii) Centralization → If subordinates are given more role & importance in the management of the firm, it is called decentralization. The objective to pursue should be optimum utilization of every personal.

(ix) Scalar chain → The orders or communication should pass through proper channels of authority on the basis of superior - 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 consent authority.

(x) Order → It means right place for everything & for every man. There is need for scientific selection of competent personal, correct assignment of duties & good organisation.

(xi) Equity → It means equality of

fair treatment, it requires managers to be free from all pre-judices, personal likes or dislikes.

(xii) Stability of Tenure (term-period) of personal: → In order to motivate workers, it is necessary that they should be given security of job by the management.

(xiii) Initiative → Freedom to think & execute a plan; According to Fayol, initiative is one of the important satisfaction for an intelligent man to experience.

(xiv) Esprit-de-corps → This means team spirit when all the personal full together as a team, there is a scope for realising the objectives.

• Bureaucracy (for knowledge purpose only)

→ MAX WEBER gave this principle. He is known as father of Bureaucracy.

(i) Leader-Oriented

(ii) Tradition-Oriented

(iii) Bureaucratic-Oriented

WEBER consider 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.

• Concepts of Behavioural Approach :

- (i) Behavioural scientists attach great weightage to remove domination on workplace.
- (ii) Participative and group decision-making.
- (iii) Self-direction and control.
- (iv) Participation \rightarrow Evaluation of employee feedback.
- (v) Consider organisation as group of individuals with certain goals.
- (vi) These scientists made extensive study on leadership (democracy should be there).
- (vii) Realistic model of human motivation is complex man.
- (viii) Conflict management

• Concepts of Contingency Approach :

→ It means uncertainty. (M C Gregor)
There is no best way of doing things under all conditions, what is good for the one is bad for the other.
Managers have to develop a sort of situational sensitivity and practical selectivity.

• Concepts of System Approach:

→ (i) A system is a set of interdependent parts:

These are four interdependent parts namely task, structure, people, and technology

Task → main purpose of the organisation

Structure → Authority & Responsibility

People → Employee's motivation & attitudes

Technology → Tools & Equipments

(ii) Second approach, central to the system approach is the concept of holism which means that no part of organisation can be accurately analysed & understood apart from whole system.

(iii) Third approach, A system can be either open (intract with environment) or closed (independent of the system).

(iv) Fourth Approach, Every system has a boundary.

Note: Without classical, quantitative, and behavioural approach, System approach will not work.