



CHAPTER -1

INTRODUCTION TO MANAGEMENT

INTRODUCTION

Management is an activity which is necessary wherever there is a group of people working in an organization. People in organization are performing diverse tasks but they are all working for the same goals. Management aim at guiding their effort towards achieving common objectives – a goal.

DEFINITION OF MANAGEMENT

Management is the art of knowing what you want to do and then seeing that they do it in best and cheapest way.

F.W Taylor

CHARACTERISTICS OF MANAGEMENT

1. Management is a Goal Oriented process: - An organisation has a set of basic goals which are the basic reason for its existence. Different organisations have different goals. Management unites the efforts of different individuals in the organisation towards achieving these goals.

2. Management is all pervasive: - The activities involved in managing an enterprise are common to all organisations whether economic, social or political. How they do it may be quite different. This difference is due to the differences in culture, tradition and history.

3. Management is multidimensional: - Management is a complex activity that has three main dimensions. These are:

(a) Management of work: All organisations exist for the performance of some work. Of these no work can be completed without management.

(b) Management of people: - Each organization is established for doing some work and the same is conducted by the people. Hence, it is necessary to manage people so that work can be accomplished in a better way.

(d) Management of operations: - To achieve the goal of an organization many operations or activities are need to conducted, such as production, sales, finance, accounting etc.

4. Management is a Continuous Process: - The process of management is a series of continuous, composite, but separate functions (planning, organising, directing, staffing and controlling). These functions are simultaneously performed by all managers all the time.

5. Management is a group activities: - An organisation is a collection of diverse individuals with different needs. Every member of the group has a different purpose for joining the organisation but as members of the organisation they work towards fulfilling the common organizational goal.

6. Management is a dynamic function: - Management is a dynamic function and has to adapt itself to the changing environment. In order to be successful, an organisation must change itself and its goals according to the needs of the environment.

7. Management is an intangible force: - Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable in an organisation where targets are met.

OBJECTIVES OF ORGANISATION

Objectives can be classified into organisational objectives, social objectives and personal or individual objectives.

(i) Organisational Objectives: Management is responsible for setting and achieving objectives for the organisation. The main objective of any organisation should be to utilise human and material resources to the maximum possible advantage, i.e., to fulfill the economic objectives of a business. These are survival, profit and growth.

(ii) Social Objectives: - An organisation is established in a society. It runs through the resources made available by the society. Thus, social objectives are defined as the fulfilment of an organisation towards society.

(a) To make available employment opportunities.

(b) To save environment from getting polluted.

(c) To contribute in improving living standard.

(iii) Personal objectives: Organisations are made up of people who have different personalities, backgrounds, experiences and objectives. They all become part of the organisation to satisfy their diverse needs. These vary from:

(a) Financial needs such as competitive salaries and perks,

(b) Social needs such as peer recognition and

(c) Higher level needs such as personal growth and development.

IMPORTANCE OF MANAGEMENT

(i) Management helps in achieving group goals: - Management is required not for itself but for achieving the goals of the organisation. The task of a manager is to give a common direction to the individual effort in achieving the overall goal of the organisation.

(ii) Management increases efficiency: - A manager can increase efficiency through the optimum utilization of all resources, such as men, material, machine and money.

(iii) Management creates a dynamic organisation: - All organisations have to function in an environment which is constantly changing. Management helps people adapt to these changes so that the organisation is able to maintain its competitive edge.

(iv) Management helps in achieving personal objectives: - A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective.

(v) Management helps in the development of society: - Management has some responsibility towards society. These responsibilities include providing employment opportunities, preventing environment from getting polluted and making available good quality product at reasonable price.

NATURE OF MANAGEMENT

MANAGEMENT AS AN ART

Art is the personal application of knowledge.

The basic features of an art are as follows:

(i) Existence of theoretical knowledge: - Art is always based on certain theoretical knowledge. On the basis of this knowledge one can understand how particular work can be accomplished.

(ii) Personalised application: - The use of this basic knowledge varies from individual to individual. Art, therefore, is a personalised concept. Management possesses this feature of art too. Managers apply these principles differently depending on their level of knowledge. Sometimes they may get exactly opposite result while applying same principles.

(iii) Based on practice and creativity: - Just as art can be embellished with the help of practice, in a same way, managerial skill also improves with the help of practice. They can fulfill their desire by continuous practice.

MANAGEMENT AS A SCIENCE

Science is a systematic body of knowledge that explains certain general truths or the operation of general laws. The basic features of science are as follows:

(i) Systematic body of knowledge: Science is a systematic body of knowledge. Its principles are based on a cause and effect relationship. Management has a systematic body of knowledge. It has its own theory and principles that have developed over a period of time by the management experts after years of research.

(ii) Principles based on experimentation: Scientific principles are first developed through observation and then tested through repeated experimentation under controlled conditions. The principles of management have evolved over a period of time based on repeated experimentation and observation in different types of organisations.

(iii) Universal validity: Scientific principles are based on truth and they can be applied at every time and in every situation. Thus, its universal application is possible. In the field of management too, managerial knowledge and principle of management are considered to be based on truth and they too can be applicable anywhere and in every situations.

MANAGEMENT AS A PROFESSION

Profession refers to that economic activity which is conducted by a person having some special knowledge and skill which is used impartially to serve various section of the society.

(i) Well-defined body of knowledge: All professions are based on a well-defined body of knowledge that can be acquired through instruction. Management is based on a systematic body of knowledge comprising well defined principles based on a variety of business situations.

(ii) Restricted entry: The entry to a profession is restricted through an examination or through acquiring an educational degree. But as far as the management is concerned there is no such condition for being a manager.

(iii) Professional association: All professions are affiliated to a professional association which regulates entry, grants certificate of practice and formulates and enforces a code of conduct. But as far as the management is concerned there is no such condition for being a manager.

(iv) Ethical code of conduct: Members of a profession are bound to follow a code of conduct, it means the rules and regulation framed to guide the behaviour of professionals. The code of conduct of profession has already been prescribed. But no such code of conduct has been laid down in connection with management.

LEVELS OF MANAGEMENT

Level of management divided into 3 categories:

1. TOP MANAGEMENT: They consist of the senior-most executives of the organisation by whatever name they are called. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice president. Top management is a team consisting of managers from different functional levels.

FUNCTION OF TOP MANAGEMENT

1. Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organisation.
2. The top level managers are responsible for the welfare and survival of the organisation.
3. They formulate overall organisational goals and strategies for their achievement.

2. MIDDLE MANAGEMENT: It is the link between top and lower level managers. They are usually known as division heads, operations manager or plant superintendent.

FUNCTION OF MIDDLE MANAGEMENT

Their main task is to carry out the plans formulated by the top managers. For this they need to:

- (i) Interpret the policies framed by top management,

- (ii) Ensure that their department has the necessary personnel,
- (iii) Assign necessary duties and responsibilities to them,
- (iv) Motivate them to achieve desired objectives, and
- (v) Co-operate with other departments for smooth functioning of the organisation.

(iii) LOWER LEVEL OR OPERATIONAL MANAGEMENT:

Foremen and supervisors comprise the lower level in the hierarchy of the organisation. Supervisors directly oversee the efforts of the workforce. Their authority and responsibility is limited according to the plans drawn by the top management.

FUNCTION OF LOWER LEVEL MANAGEMENT

1. Lower level manager are in direct contact with the workman. They themselves sort out the ordinary problem of the workmen and submit workers serious grievances to the middle manager.
2. Ensuring proper working environment to the workforce.
3. Ensure safety of worker.
4. Helping middle level management in recruiting, training and promoting employees.
5. Creating better human relation at the workplace.

FUNCTION OF MANAGEMENT

Management is described as the process of planning, organising, directing and controlling the efforts of organisational members and of using organisational resources to achieve specific goals.

1. PLANNING

Planning is the function of determining in advance what is to be done and who is to do it. This implies setting goals in advance and developing a way of achieving them efficiently and effectively.

2. ORGANISING

Organising is the management function of assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.

3. STAFFING

Staffing simply stated, is finding the right people for the right job. A very important aspect of management is to make sure that the right people with the right qualifications are available at the right places and times to accomplish the goals of the organisation.

4. DIRECTING

Directing involves leading, influencing and motivating employees to perform the tasks assign to them. This requires establishing an atmosphere that encourages employees to do their best.

5. CONTROLLING

It refers to bring the actual result closer to the desired results. The task of controlling involves establishing standard of performance, measuring current performance, comparing this with established standards and taking corrective action where any deviation is found.

COORDINATION

NATURE AND IMPORTANCE

MEANING OF COORDINATION

Co-ordination is to synchronize the various activities of an organization. In the business unit, the meaning of co-ordination is to balance its various activities so that objectives of the business can be easily achieved.

DEFINITION OF CO-ORDINATION

According to Koontz and O' Donnell "Coordination is the essence of management, for achieving harmony among individual effort towards the accomplishment of group goals"

NATURE OF CO-ORDINATION

1. Co-ordination integrates group effort:- The need for co-ordination is felt when group effort is needed for accomplishment of an objectives.
2. Coordination ensures unity of action: The purpose of coordination is to secure unity of action in the realisation of a common purpose.
3. Coordination is a continuous process: Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.
4. Coordination is an all pervasive function: Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.
5. Coordination is the responsibility of all managers: Coordination is the function of every manager in the organisation. Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out. Middle level management coordinates with both the top level and first line managers. Operational level management coordinates the activities of its workers to ensure that work proceeds according to plans.