

INTRODUCTION TO MANAGEMENT

PRINCIPLES OF MANAGEMENT BY PARICHITA BASU

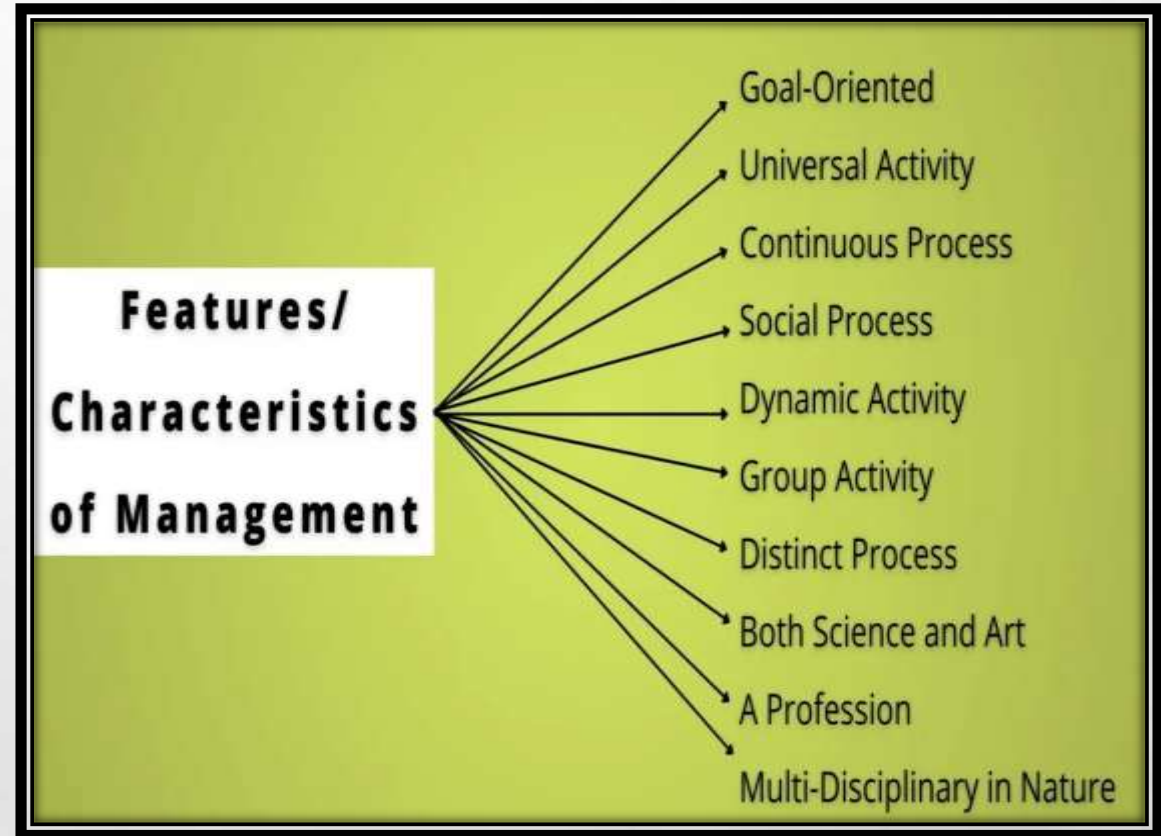


TRADITIONAL AND MODERN CONCEPT OF MANAGEMENT

- **TRADITIONAL MANAGEMENT SYSTEMS FOCUS ON GOALS AND OBJECTIVES THAT THE SENIOR MANAGEMENT OF THE COMPANY ESTABLISHES. ... BY CONTRAST, QUALITY-FOCUSED MANAGEMENT INVOLVES A PARTNERSHIP WITH CUSTOMERS TO PRODUCE A PRODUCT OR SERVICE THAT MEETS, OR EVEN EXCEEDS, THEIR EXPECTATIONS AND NEEDS.**
- **MODERN CONCEPT “MANAGEMENT IS A PROCESS OF GETTING THINGS DONE WITH THE AIM OF ACHIEVING GOALS EFFECTIVELY AND EFFICIENTLY”.**

CHARACTERISTICS OR FEATURES OF MANAGEMENT

- ☐ **MANAGEMENT IS GOAL ORIENTED PROCESS: ...**
- ☐ **MANAGEMENT IS PERVASIVE: ...**
- ☐ **MANAGEMENT IS MULTIDIMENSIONAL: ...**
- ☐ **MANAGEMENT IS A CONTINUOUS PROCESS: ...**
- ☐ **MANAGEMENT IS A GROUP ACTIVITY: ...**
- ☐ **MANAGEMENT IS A DYNAMIC FUNCTION: ...**
- ☐ **INTANGIBLE: ...**
- ☐ **COMPOSITE PROCESS**



IMPORTANCE OF MANAGEMENT

- ☐ **IT HELPS IN ACHIEVING GROUP GOALS**
- ☐ **OPTIMUM UTILIZATION OF RESOURCES**
- ☐ **REDUCES COSTS**
- ☐ **ESTABLISHES SOUND ORGANIZATION**
- ☐ **ESTABLISHES EQUILIBRIUM**
- ☐ **IT ENABLES THE ORGANIZATION TO SURVIVE IN CHANGING ENVIRONMENT.**
- ☐ **ESSENTIALS FOR PROSPERITY OF SOCIETY**

Importance of Management

- Management is necessary to direct a business towards its objectives
- a balance must be maintained between the objectives of the business, the resources, the personal objectives of the employees, and the interests of the owners
- Management is also necessary to keep the organisation in equilibrium with its environment (corporate social investment)

OBJECTIVES OF MANAGEMENT

- ☐ **GETTING MAXIMUM RESULTS WITH MINIMUM EFFORTS**
- ☐ **INCREASING THE EFFICIENCY OF FACTORS OF PRODUCTION**
- ☐ **MAXIMUM PROSPERITY FOR EMPLOYER & EMPLOYEES**
- ☐ **HUMAN BETTERMENT & SOCIAL JUSTICE**

MANAGEMENT AS AN ART

- 1. PRACTICAL KNOWLEDGE:** EVERY ART REQUIRES PRACTICAL KNOWLEDGE THEREFORE LEARNING OF THEORY IS NOT SUFFICIENT. IT IS VERY IMPORTANT TO KNOW PRACTICAL APPLICATION OF THEORETICAL PRINCIPLES. E.G. TO BECOME A GOOD PAINTER, THE PERSON MAY NOT ONLY BE KNOWING DIFFERENT COLOUR AND BRUSHES BUT DIFFERENT DESIGNS, DIMENSIONS, SITUATIONS ETC TO USE THEM APPROPRIATELY. A MANAGER CAN NEVER BE SUCCESSFUL JUST BY OBTAINING DEGREE OR DIPLOMA IN MANAGEMENT; HE MUST HAVE ALSO KNOW HOW TO APPLY VARIOUS PRINCIPLES IN REAL SITUATIONS BY FUNCTIONING IN CAPACITY OF MANAGER.
- 2. PERSONAL SKILL:** ALTHOUGH THEORETICAL BASE MAY BE SAME FOR EVERY ARTIST, BUT EACH ONE HAS HIS OWN STYLE AND APPROACH TOWARDS HIS JOB. THAT IS WHY THE LEVEL OF SUCCESS AND QUALITY OF PERFORMANCE DIFFERS FROM ONE PERSON TO ANOTHER. E.G. THERE ARE SEVERAL QUALIFIED PAINTERS BUT M.F. HUSSAIN IS RECOGNIZED FOR HIS STYLE. SIMILARLY MANAGEMENT AS AN ART IS ALSO PERSONALIZED. EVERY MANAGER HAS HIS OWN WAY OF MANAGING THINGS BASED ON HIS KNOWLEDGE, EXPERIENCE AND PERSONALITY, THAT IS WHY SOME MANAGERS ARE KNOWN AS GOOD MANAGERS (LIKE ADITYA BIRLA, RAHUL BAJAJ) WHEREAS OTHERS AS BAD.
- 3. CREATIVITY:** EVERY ARTIST HAS AN ELEMENT OF CREATIVITY IN LINE. THAT IS WHY HE AIMS AT PRODUCING SOMETHING THAT HAS NEVER EXISTED BEFORE WHICH REQUIRES COMBINATION OF INTELLIGENCE & IMAGINATION. MANAGEMENT IS ALSO CREATIVE IN NATURE LIKE ANY OTHER ART. IT COMBINES HUMAN AND NON-HUMAN RESOURCES IN USEFUL WAY SO AS TO ACHIEVE DESIRED RESULTS. IT TRIES TO PRODUCE SWEET MUSIC BY COMBINING CHORDS IN AN EFFICIENT MANNER.
- 4. PERFECTION THROUGH PRACTICE:** PRACTICE MAKES A MAN PERFECT. EVERY ARTIST BECOMES MORE AND MORE PROFICIENT THROUGH CONSTANT PRACTICE. SIMILARLY MANAGERS LEARN THROUGH AN ART OF TRIAL AND ERROR INITIALLY BUT APPLICATION OF MANAGEMENT PRINCIPLES OVER THE YEARS MAKES THEM PERFECT IN THE JOB OF MANAGING.
- 5. GOAL-ORIENTED:** EVERY ART IS RESULT ORIENTED AS IT SEEKS TO ACHIEVE CONCRETE RESULTS. IN THE SAME MANNER, MANAGEMENT IS ALSO DIRECTED TOWARDS ACCOMPLISHMENT OF PRE-DETERMINED GOALS. MANAGERS USE VARIOUS RESOURCES LIKE MEN, MONEY, MATERIAL, MACHINERY & METHODS TO PROMOTE GROWTH OF AN ORGANIZATION.

MANAGEMENT AS A SCIENCE

- 1. UNIVERSALLY ACCEPTANCE PRINCIPLES - SCIENTIFIC PRINCIPLES REPRESENTS BASIC TRUTH ABOUT A PARTICULAR FIELD OF ENQUIRY. THESE PRINCIPLES MAY BE APPLIED IN ALL SITUATIONS, AT ALL TIME & AT ALL PLACES. E.G. - LAW OF GRAVITATION WHICH CAN BE APPLIED IN ALL COUNTRIES IRRESPECTIVE OF THE TIME. MANAGEMENT ALSO CONTAINS SOME FUNDAMENTAL PRINCIPLES WHICH CAN BE APPLIED UNIVERSALLY LIKE THE PRINCIPLE OF UNITY OF COMMAND I.E. ONE MAN, ONE BOSS. THIS PRINCIPLE IS APPLICABLE TO ALL TYPE OF ORGANIZATION - BUSINESS OR NON BUSINESS.**
- 2. EXPERIMENTATION & OBSERVATION - SCIENTIFIC PRINCIPLES ARE DERIVED THROUGH SCIENTIFIC INVESTIGATION & RESEARCHING I.E. THEY ARE BASED ON LOGIC. E.G. THE PRINCIPLE THAT EARTH GOES ROUND THE SUN HAS BEEN SCIENTIFICALLY PROVED. MANAGEMENT PRINCIPLES ARE ALSO BASED ON SCIENTIFIC ENQUIRY & OBSERVATION AND NOT ONLY ON THE OPINION OF HENRY FAYOL. THEY HAVE BEEN DEVELOPED THROUGH EXPERIMENTS & PRACTICAL EXPERIENCES OF LARGE NO. OF MANAGERS. E.G. IT IS OBSERVED THAT FAIR REMUNERATION TO PERSONAL HELPS IN CREATING A SATISFIED WORK FORCE.**
- 3. CAUSE & EFFECT RELATIONSHIP - PRINCIPLES OF SCIENCE LAY DOWN CAUSE AND EFFECT RELATIONSHIP BETWEEN VARIOUS VARIABLES. E.G. WHEN METALS ARE HEATED, THEY ARE EXPANDED. THE CAUSE IS HEATING & RESULT IS EXPANSION. THE SAME IS TRUE FOR MANAGEMENT, THEREFORE IT ALSO ESTABLISHES CAUSE AND EFFECT RELATIONSHIP. E.G. LACK OF PARITY (BALANCE) BETWEEN AUTHORITY & RESPONSIBILITY WILL LEAD TO INEFFECTIVENESS. IF YOU KNOW THE CAUSE I.E. LACK OF BALANCE, THE EFFECT CAN BE ASCERTAINED EASILY I.E. IN EFFECTIVENESS. SIMILARLY IF WORKERS ARE GIVEN BONUSES, FAIR WAGES THEY WILL WORK HARD BUT WHEN NOT TREATED IN FAIR AND JUST MANNER, REDUCES PRODUCTIVITY OF ORGANIZATION.**
- 4. TEST OF VALIDITY & PREDICTABILITY - VALIDITY OF SCIENTIFIC PRINCIPLES CAN BE TESTED AT ANY TIME OR ANY NUMBER OF TIMES I.E. THEY STAND THE TEST OF TIME. EACH TIME THESE TESTS WILL GIVE SAME RESULT. MOREOVER FUTURE EVENTS CAN BE PREDICTED WITH REASONABLE ACCURACY BY USING SCIENTIFIC PRINCIPLES. E.G. H₂ & O₂ WILL ALWAYS GIVE H₂O. PRINCIPLES OF MANAGEMENT CAN ALSO BE TESTED FOR VALIDITY. E.G. PRINCIPLE OF UNITY OF COMMAND CAN BE TESTED BY COMPARING TWO PERSONS - ONE HAVING SINGLE BOSS AND ONE HAVING 2 BOSSES. THE PERFORMANCE OF 1ST PERSON WILL BE BETTER THAN 2ND.**

MANAGEMENT AS BOTH SCIENCE AND ART

- **MANAGEMENT IS BOTH AN ART AND A SCIENCE. THE ABOVE MENTIONED POINTS CLEARLY REVEALS THAT MANAGEMENT COMBINES FEATURES OF BOTH SCIENCE AS WELL AS ART. IT IS CONSIDERED AS A SCIENCE BECAUSE IT HAS AN ORGANIZED BODY OF KNOWLEDGE WHICH CONTAINS CERTAIN UNIVERSAL TRUTH. IT IS CALLED AN ART BECAUSE MANAGING REQUIRES CERTAIN SKILLS WHICH ARE PERSONAL POSSESSIONS OF MANAGERS. SCIENCE PROVIDES THE KNOWLEDGE & ART DEALS WITH THE APPLICATION OF KNOWLEDGE AND SKILLS.**
- **A MANAGER TO BE SUCCESSFUL IN HIS PROFESSION MUST ACQUIRE THE KNOWLEDGE OF SCIENCE & THE ART OF APPLYING IT. THEREFORE MANAGEMENT IS A JUDICIOUS BLEND OF SCIENCE AS WELL AS AN ART BECAUSE IT PROVES THE PRINCIPLES AND THE WAY THESE PRINCIPLES ARE APPLIED IS A MATTER OF ART. SCIENCE TEACHES TO 'KNOW' AND ART TEACHES TO 'DO'. E.G. A PERSON CANNOT BECOME A GOOD SINGER UNLESS HE HAS KNOWLEDGE ABOUT VARIOUS RAGAS & HE ALSO APPLIES HIS PERSONAL SKILL IN THE ART OF SINGING. SAME WAY IT IS NOT SUFFICIENT FOR MANAGER TO FIRST KNOW THE PRINCIPLES BUT HE MUST ALSO APPLY THEM IN SOLVING VARIOUS MANAGERIAL PROBLEMS THAT IS WHY, SCIENCE AND ART ARE NOT MUTUALLY EXCLUSIVE BUT THEY ARE COMPLEMENTARY TO EACH OTHER (LIKE TEA AND BISCUIT, BREAD AND BUTTER ETC.).**
- **THE OLD SAYING THAT "MANAGER ARE BORN" HAS BEEN REJECTED IN FAVOR OF "MANAGERS ARE MADE". IT HAS BEEN APTLY REMARKED THAT MANAGEMENT IS THE OLDEST OF ART AND YOUNGEST OF SCIENCE. TO CONCLUDE, WE CAN SAY THAT SCIENCE IS THE ROOT AND ART IS THE FRUIT.**

MANAGEMENT AS A PROFESSION

- 1. SPECIALIZED KNOWLEDGE - A PROFESSION MUST HAVE A SYSTEMATIC BODY OF KNOWLEDGE THAT CAN BE USED FOR DEVELOPMENT OF PROFESSIONALS. EVERY PROFESSIONAL MUST MAKE DELIBERATE EFFORTS TO ACQUIRE EXPERTISE IN THE PRINCIPLES AND TECHNIQUES. SIMILARLY A MANAGER MUST HAVE DEVOTION AND INVOLVEMENT TO ACQUIRE EXPERTISE IN THE SCIENCE OF MANAGEMENT.**
- 2. FORMAL EDUCATION & TRAINING - THERE ARE NO. OF INSTITUTES AND UNIVERSITIES TO IMPART EDUCATION & TRAINING FOR A PROFESSION. NO ONE CAN PRACTICE A PROFESSION WITHOUT GOING THROUGH A PRESCRIBED COURSE. MANY INSTITUTES OF MANAGEMENT HAVE BEEN SET UP FOR IMPARTING EDUCATION AND TRAINING. FOR EXAMPLE, A CA CANNOT AUDIT THE A/C'S UNLESS HE HAS ACQUIRED A DEGREE OR DIPLOMA FOR THE SAME BUT NO MINIMUM QUALIFICATIONS AND A COURSE OF STUDY HAS BEEN PRESCRIBED FOR MANAGERS BY LAW. FOR EXAMPLE, MBA MAY BE PREFERRED BUT NOT NECESSARY.**
- 3. SOCIAL OBLIGATIONS - PROFESSION IS A SOURCE OF LIVELIHOOD BUT PROFESSIONALS ARE PRIMARILY MOTIVATED BY THE DESIRE TO SERVE THE SOCIETY. THEIR ACTIONS ARE INFLUENCED BY SOCIAL NORMS AND VALUES. SIMILARLY A MANAGER IS RESPONSIBLE NOT ONLY TO ITS OWNERS BUT ALSO TO THE SOCIETY AND THEREFORE HE IS EXPECTED TO PROVIDE QUALITY GOODS AT REASONABLE PRICES TO THE SOCIETY.**
- 4. CODE OF CONDUCT - MEMBERS OF A PROFESSION HAVE TO ABIDE BY A CODE OF CONDUCT WHICH CONTAINS CERTAIN RULES AND REGULATIONS, NORMS OF HONESTY, INTEGRITY AND SPECIAL ETHICS. A CODE OF CONDUCT IS ENFORCED BY A REPRESENTATIVE ASSOCIATION TO ENSURE SELF DISCIPLINE AMONG ITS MEMBERS. ANY MEMBER VIOLATING THE CODE OF CONDUCT CAN BE PUNISHED AND HIS MEMBERSHIP CAN BE WITHDRAWN. THE AIMA HAS PRESCRIBED A CODE OF CONDUCT FOR MANAGERS BUT IT HAS NO RIGHT TO TAKE LEGAL ACTION AGAINST ANY MANAGER WHO VIOLATES IT.**
- 5. REPRESENTATIVE ASSOCIATION - FOR THE REGULATION OF PROFESSION, EXISTANCE OF A REPRESENTATIVE BODY IS A MUST. FOR EXAMPLE, AN INSTITUTE OF CHARTED ACCOUNTANTS OF INDIA ESTABLISHES AND ADMINISTERS STANDARDS OF COMPETENCE FOR THE AUDITORS BUT THE AIMA HOWEVER DOES NOT HAVE ANY STATUARY POWERS TO REGULATE THE ACTIVITIES OF MANAGERS.**

LEVELS OF MANAGEMENT

TOP LEVEL OF MANAGEMENT

IT CONSISTS OF BOARD OF DIRECTORS, CHIEF EXECUTIVE OR MANAGING DIRECTOR. THE TOP MANAGEMENT IS THE ULTIMATE SOURCE OF AUTHORITY AND IT MANAGES GOALS AND POLICIES FOR AN ENTERPRISE. IT DEVOTES MORE TIME ON PLANNING AND COORDINATING FUNCTIONS.

THE ROLE OF THE TOP MANAGEMENT CAN BE SUMMARIZED AS FOLLOWS -

- **TOP MANAGEMENT LAYS DOWN THE OBJECTIVES AND BROAD POLICIES OF THE ENTERPRISE.**
- **IT ISSUES NECESSARY INSTRUCTIONS FOR PREPARATION OF DEPARTMENT BUDGETS, PROCEDURES, SCHEDULES ETC.**
- **IT PREPARES STRATEGIC PLANS & POLICIES FOR THE ENTERPRISE.**
- **IT APPOINTS THE EXECUTIVE FOR MIDDLE LEVEL I.E. DEPARTMENTAL MANAGERS.**
- **IT CONTROLS & COORDINATES THE ACTIVITIES OF ALL THE DEPARTMENTS.**
- **IT IS ALSO RESPONSIBLE FOR MAINTAINING A CONTACT WITH THE OUTSIDE WORLD.**
- **IT PROVIDES GUIDANCE AND DIRECTION.**
- **THE TOP MANAGEMENT IS ALSO RESPONSIBLE TOWARDS THE SHAREHOLDERS FOR THE PERFORMANCE OF THE ENTERPRISE.**

MIDDLE LEVEL OF MANAGEMENT

THE BRANCH MANAGERS AND DEPARTMENTAL MANAGERS CONSTITUTE MIDDLE LEVEL. THEY ARE RESPONSIBLE TO THE TOP MANAGEMENT FOR THE FUNCTIONING OF THEIR DEPARTMENT. THEY DEVOTE MORE TIME TO ORGANIZATIONAL AND DIRECTIONAL FUNCTIONS. IN SMALL ORGANIZATION, THERE IS ONLY ONE LAYER OF MIDDLE LEVEL OF MANAGEMENT BUT IN BIG ENTERPRISES, THERE MAY BE SENIOR AND JUNIOR MIDDLE LEVEL MANAGEMENT. THEIR ROLE CAN BE EMPHASIZED AS -

- **THEY EXECUTE THE PLANS OF THE ORGANIZATION IN ACCORDANCE WITH THE POLICIES AND DIRECTIVES OF THE TOP MANAGEMENT.**
- **THEY MAKE PLANS FOR THE SUB-UNITS OF THE ORGANIZATION**
- **THEY PARTICIPATE IN EMPLOYMENT & TRAINING OF LOWER LEVEL MANAGEMENT.**
- **THEY INTERPRET AND EXPLAIN POLICIES FROM TOP LEVEL MANAGEMENT TO LOWER LEVEL.**
- **THEY ARE RESPONSIBLE FOR COORDINATING THE ACTIVITIES WITHIN THE DIVISION OR DEPARTMENT.**
- **IT ALSO SENDS IMPORTANT REPORTS AND OTHER IMPORTANT DATA TO TOP LEVEL MANAGEMENT.**
- **THEY EVALUATE PERFORMANCE OF JUNIOR MANAGERS.**
- **THEY ARE ALSO RESPONSIBLE FOR INSPIRING LOWER LEVEL MANAGERS TOWARDS BETTER PERFORMANCE.**

LOWER LEVEL OF MANAGEMENT

LOWER LEVEL IS ALSO KNOWN AS SUPERVISORY / OPERATIVE LEVEL OF MANAGEMENT. IT CONSISTS OF SUPERVISORS, FOREMAN, SECTION OFFICERS, SUPERINTENDENT ETC. ACCORDING TO R.C. DAVIS, “SUPERVISORY MANAGEMENT REFERS TO THOSE EXECUTIVES WHOSE WORK HAS TO BE LARGELY WITH PERSONAL OVERSIGHT AND DIRECTION OF OPERATIVE EMPLOYEES”. IN OTHER WORDS, THEY ARE CONCERNED WITH DIRECTION AND CONTROLLING FUNCTION OF MANAGEMENT. THEIR ACTIVITIES INCLUDE -

- **ASSIGNING OF JOBS AND TASKS TO VARIOUS WORKERS.**
- **THEY GUIDE AND INSTRUCT WORKERS FOR DAY TO DAY ACTIVITIES.**
- **THEY ARE RESPONSIBLE FOR THE QUALITY AS WELL AS QUANTITY OF PRODUCTION.**
- **THEY ARE ALSO ENTRUSTED WITH THE RESPONSIBILITY OF MAINTAINING GOOD RELATION IN THE ORGANIZATION.**
- **THEY COMMUNICATE WORKERS PROBLEMS, SUGGESTIONS, AND RECOMMENDATORY APPEALS ETC TO THE HIGHER LEVEL AND HIGHER LEVEL GOALS AND OBJECTIVES TO THE WORKERS.**
- **THEY HELP TO SOLVE THE GRIEVANCES OF THE WORKERS.**
- **THEY SUPERVISE & GUIDE THE SUB-ORDINATES.**
- **THEY ARE RESPONSIBLE FOR PROVIDING TRAINING TO THE WORKERS.**
- **THEY ARRANGE NECESSARY MATERIALS, MACHINES, TOOLS ETC FOR GETTING THE THINGS DONE.**
- **THEY PREPARE PERIODICAL REPORTS ABOUT THE PERFORMANCE OF THE WORKERS.**
- **THEY ENSURE DISCIPLINE IN THE ENTERPRISE.**
- **THEY MOTIVATE WORKERS.**
- **THEY ARE THE IMAGE BUILDERS OF THE ENTERPRISE BECAUSE THEY ARE IN DIRECT CONTACT WITH THE WORKERS**

FUNCTIONS OF MANAGEMENT

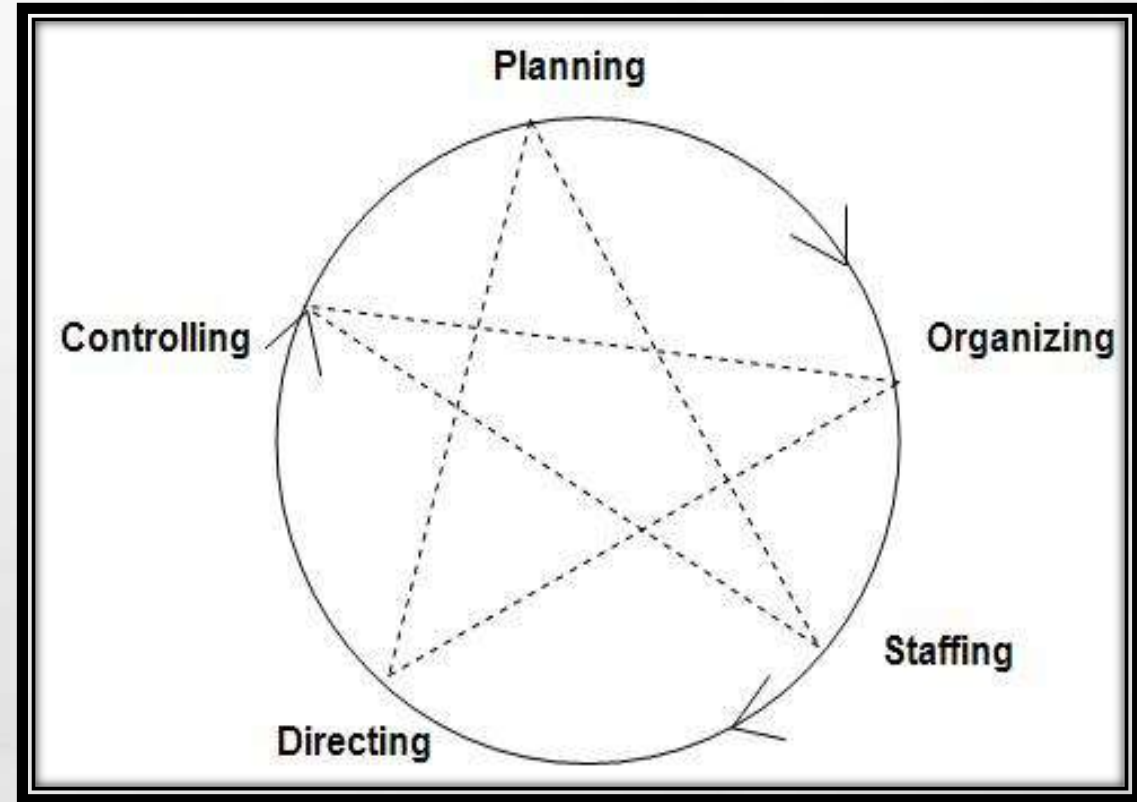
☐ **PLANNING**

☐ **ORGANIZING**

☐ **STAFFING**

☐ **DIRECTING**

☐ **CONTROLLING**



Thank You