

# Management Principles and Application

# Unit 1. OVERVIEW OF MANAGEMENT

- Definition
- Management
- Role of manages
- Evolution of Management thought
- Organisation and the environmental factors
- Trends and Challenges of Management in Global Scenario

# Unit 1. OVERVIEW OF MANAGEMENT

## Management

As how the mind controls the human body and its functions similar management (mind) controls the various activities (human body) in the organisation

Collection of physical equipments, 4m's in organisation- Men, Machine, Materails, Money leads nothing. For efficient and profitable functioning it is necessary that all these factors are put to work in a coordinated manner.

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## Management Definition

“Management is an art of knowing what do you want to do and then seeing that is done in the best and cheapest way.” -F. W. TAYLOR

“To manage is to forecast, to plan, to organize, to command to co-ordinate and control”.- HENRY FAYOL

“Management is a distinct process consisting of planning, organizing, actuating and controlling performance to determine and accomplish the objectives by the use of people and resources,” - GEORGE R. TERRY

“Management is the creation and maintenance of internal environment in an enterprise where individuals working in groups can perform efficiently and effectively toward the attainment of group goals. It is an art of getting the work done through and with people in formally organized groups.” - KOONTZ ANDO'DONNEL

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## Features of management

The important characteristics of management as a business function are:

1. It is an art of getting things done through and with people.
2. Art and science of decision making and leadership.
3. It is a universal process for achieving results.
4. 4. It is an profession which involves specialized training and is governed by an ethical code.
5. It coordinates human factor and physical resources for the accomplishment of group objectives.
  - by balancing and integration (or)
  - by innovation and adaptation

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Importance of management study

The need and significance of management functions in the modern organizations are given below.

1. To increase the efficiency
2. to give a definite shape to management function.
3. to improve research in management.
4. to attain social goals by effective utilization of resources.

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## Characteristics of Management

Management is Universal

Management is Dynamic

Management is a group of managers

Management is Purposeful

Management is Goal oriented

Management is integrative Function

Management is Social process

Management is a continuous process

Management is Multi-faceted discipline

Management is system of authority

Management is a resource

Management is intangible

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## Administration VS Management

<b>Basis of Distinction</b>	<b>Administration</b>	<b>Management</b>
Policy and objectives	Determination of objectives & policies	Implementation of Policies
Main Functions	Legislative & determination function	Executive Function
	Planning, Organising staffing	Directing, Motivating, Coordinating Controlling
	Provides a sketch of the enterprise	Provides the entire body
Influence	Influenced mainly by public opinion & other outside force	Influenced mainly by administrative function
Levels of Management	Mainly top level function involves thinking & planning	Mainly middle level function involves doing and acting
Level of Executives	Owners/ Board of Directors	MD, GM & Managers
Position	Acts as a principal	Acts as an agency
Knowledge	Requires more admin ability than technical ability	Requires more technical ability than admin ability



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## **Management as an Art**

The main elements of an art are –

- Personal Skills
- Practical know-how
- Application of knowledge
- Result orientation
- Creativity
- Constant practice aimed at perfection

**Management is basically an art because of the following reasons –**

- A manager applies his knowledge and skills to coordinate the efforts of his people
- Mgt seeks to achieve concrete practical results
- Mgt is creative. It brings out new situation and converts into output
- Effective Mgt lead to realization of Organizational and other goals. Mastery in Mgt requires a sufficiently long period of experience in, managing.

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## Management as Science

The essential elements of Science

- Systematised body of Knowledge
- Underlying principles and theories developed through continuous observation, inquiry, experimentation and research.
- Universal truth and applicability.
- Organised body of knowledge can be taught and learnt in class room and outside.
- Mgt is a social science. It contains all the essentials of science. It is an inexact science.
- PERT, CPM, Cost A/C, Finance, MBO etc

Thus, the theory (Science) and practice (art) of Mgt go side by side for the efficient functioning of an organisation.

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## **Management as a Profession**

The essential attribute of a profession

- A well-defined and organised body of knowledge
- Learning and Experience
- Entry restricted by qualification
- Recognised national body
- Ethical code of conduct
- Dominance of service motive

**Mgt is not a full fledged profession now due to the following shortcomings**

- Skills not fully developed
- No uniform method of entry
- Objective is monetary rather than service
- Ethical code is not strict
- Associations are not statutory bodies

But in India it is developing into a profession and it will be achieved in due course.

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## 1. Top Level Mgt –

### **Board of Directors, MD, Owners, Chief Executives**

- To analyse, evaluate and deal with th environmental forces
- To establish overall long term goals and broad policies of the company including the master budget
- To appoint departmental and other key executives
- To represent the company to the outside world
- To coordinate the activities and efforts of different department

## 2. Middle Level Mgt –

### **Sales Executives, Production Executives, Production executives etc.**

- To interpret and explain the policies framed by top management
- To compile and issue detailed instruction regarding operations
- To Cooperate among themselves so as to integrate various parts of the division or a department
- To motivate supervisory personnel to work for Orgn goals
- To develop and train supervisory and operative personnel.

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## 3. Supervisory / Operating / Lower Level Mgt –

### **Superintendents, Branch managers, General Foremen**

- To plan day to day production within the goals lay down by higher authority
- To assign jobs to workers and to make arrangement for their training and development
- To supervise and control workers and to maintain personal contact with them.