What is Management

- "Management is the art of knowing **what you want to do** and then **seeing that it is done** in the best and cheapest way.
- "Management is a process of functions. To manage is to **forecast and to plan, to organise, to command, to coordinate and to control."**

Nature of Management

1. **Universal Process:** Management **principles and practices are applicable across all types of organizations** and industries, regardless of **size, type, or location**.
2. **Dynamic Function:** Management must **continuously adapts to changes in environment, technology, market conditions, and social needs**, to ensure organizational success.

3. **Art and Science:** Management is a blend of both art and science. It uses **theoretical knowledge (science)** and **practical skills (art)** to guide and implement actions effectively.

4. **Goal-Oriented:** Management is always **directed toward achieving specific organizational goals,** such as increasing profits or launching new products.

5. **Group Activity:** Management involves **working with and through people** in a group to **achieve common goals**, making teamwork and coordination essential.

6. **Universality of Management:** Management is a universal concept. However, management **principles are not universally applicable in original format** these are needed to be modified according to the needs of the situation.

Importance of management

1. **Optimum and Profitable Utilisation of Resources:-**Every business possess **has limited resources** and their **profitable use is dependent on managerial skills and abilities**.
2. **Achieves Organizational Goals:** Management **sets clear objectives and directs individual efforts toward their achievement**, ensuring a focused and coordinated approach to success.

3. **Effective Leadership and Motivation:-**Management is the **development of people, it develops people, their talents, skills,** vision and more importantly working habits.

4. **Drives Efficiency:** By implementing effective planning and control, **management reduces costs and increases productivity** across all organizational functions.

5. **Enhances Decision-Making:** Good management involves **analyzing data and making informed decisions**, guiding the organization in the right direction.
6. **Promotes a Positive Work Culture:** Effective management creates a **positive and supportive atmosphere**, encouraging team spirit, employee satisfaction.

Functions of Management



1. Planning

- Planning is a **primary function** of management.
- Planning is a **thinking process** the process about making decisions **about future activities** of a business.
- It determines the future course of action by deciding **what to do** (type of work), **why to do** (objectives), **when to do** (time), **where to do** (place or location), **how to do** (method or procedure), and **who are going to do** (people).
- Defining **long-term organizational goals**, evaluating **different strategies**, and **creating detailed action plans**.

2. Organising

- Organising is the **second function** of management.
- Organising is mainly concerned with the **arrangement of organisation resources like people, materials, technology and finance** in order to **achieve objectives** of an enterprise.
- Organising involves decisions about the **division of work, allocation of authority and responsibility and co-ordination of tasks.**

3. Staffing

- Staffing is the **third function** of management.
- It may be defined as an activity where **people are recruited, selected, trained, developed, motivated,** and (**filling positions** with appropriate people) various positions.
- Staffing is also known as **'Personnel Management' or 'Human Resource Management'.**
- Staffing includes **manpower planning, recruitment and selection, training and development**.

4. Directing

- Directing is the **fourth function** of management.
- The directing function concerned with **leadership, communication, motivation and supervision** so that employees perform their **activities in the most efficient manner**, in order **to achieve the desired goals**.
- includes **motivation, leadership, communication and supervision.**

5. Controlling

- Controlling is the last but **very critical function of management.**
- It contains **measuring, comparing, and correcting performance.**
- This function helps in both **preventing and improving** poor performance.
- A suitable controlling system helps in **achieving the organisation's objectives effectively and efficiently**.

Types of Management

1. **Strategic Management:** Involves **long-term planning and goal setting** for the entire organization.
2. **Sales Management:** It is the management of **sales territories, teams and accounts.**
3. **Marketing Management:** It is the management of **marketing strategies, products, brands and promotions.**
4. **Supply Chain Management:** Supply chain management is the management of the **flow of goods and services** and includes **all processes** that transform the **raw materials into final products.**

5. **Operations Management:** Manages the processes of **producing goods and services**.
6. **Materials Management:** Materials management concerned with **designing or manufacturing the product**.
7. **Stress Management:** Stress Management means to **reduce the negative impacts caused by stress** and to improve a person's physical and mental well-being.
8. **Project Management:** It is the management of an **ongoing portfolio of projects.**

Scope of Management

1. **Subject-matter of Management:-**It consists of various management functions such as **planning, organising, staffing directing and controlling.**
2. **Functional Area of Management**

- It consists of the following functional areas:

a. **Financial Management:-**Financial management includes **cost control, budgetary control, financial planning**.

b. **Personnel Management:-**Personnel management includes aspects such as **selection, recruitment, training, transfers, promotions.**

c. **Purchasing Management:-**Purchasing management consists of **purchasing of raw materials, maintaining of records.**

d. **Production Management:-**Production management deals with aspects such as **production planning, quality control and inspection, production control techniques**, etc.

e. **Maintenance Management:-**Maintenance management relates to the **proper care and maintenance of the building, plant and machinery etc.**

f. **office Management:-**Office management is concerned with the **office layout, staffing, equipment of office etc**.

g. **Transport Management:-**Transport management includes **packing, handling, warehousing, transportation by rail, road, and air etc.**

3. **Management is an Interdisciplinary Approach:-**In order to have effective implementation of the principles of management, a study of various other subjects such as **economics, sociology, mathematics, psychology**.
4. Principles of management are of **universal application**.
5. Management also includes **scientific methods, quantitative techniques and human relations**.

Characteristics/Features of Management

1. **Management is concerned with the Efforts of a Group:-** management is concerned with the **management of people** and not the direction of things. **Management motivate workers to work hard.**
2. **Goal-Oriented Process:** Management is always **directed towards achieving specific organizational goals** and **objectives**.

3. **Management involves Decision-making:-**Management **involves decision regarding** various aspects of management.
4. **Group Activity:** Management involves **working with and through people to achieve common goals**, making it a collective effort rather than an individual one.
5. **Management is an Integrating Process:-**Management **integrates men, machines and materials** for carrying out the operations of an enterprise in order to achieve the stated objectives.

6. **Dynamic Function:** Management must adapt to the **ever-changing external environment, incorporating new ideas** and innovations to remain effective.
7. **Involves Decision-Making:** Every management function requires **making informed decisions to guide the organization toward its objectives.**
8. **Management is Both a Science and an Art:-**Management has developed certain **principles and laws** which are applicable to **any group activity**. It is also an art, because it is concerned with the application of **knowledge for the solution of organisational problems.**

Challenges before Management

- Because of continuous changes in business environment, the management face certain challenges.

1. **Challenges in Marketing Area:-**Consumer orgnisations are bringing **pressure to produce and supply quality goods** at reasonable prices.
2. **Challenges in the Personnel Area:-**Labour problems like **strikes, problem of high rate of labour, absenteeism,labour turnover**, declining labour productivity etc. which management have to face.

3. **Challenges in Finance Area:-**The financial institutions (banks, stock exchanges etc.) are **not properly developed and established in all parts of the country**.
4. **Challenges in Technology Area:-**There is **need for big investment in Research and Development**, innovation and modernization, otherwise the cost of production will increase and the quality of goods will decline.

5. **Challenges in Social Area:-**The managers are facing challenges in the **social responsibility field**.
6. **Challenges in the Quality and Price Area:-**The **Indian goods and services are of very low quality** and the price of goods and services is higher. It is due to low quality materials there is lack of quality control low labour productivity, low efficiency, etc.

Management as an art, science and social system
Universality of concept of management and organization

- Arts means the **practical application of knowledge and skills** to achieve the desired results.
- It is **personal application of knowledge** to achieve results.
- It is attained through **study, observation and experience**.

Features of arts

- **Theoretical knowledge: A** particular art has its **basic principles and theory.**
- **For example,** painting has its principles and theory to start with.
- **Personal skills:** Every artist has **his way of working**. The use of **basic knowledge** varies from individual to individual.
- Applying this basic knowledge with **practice, creativity, imagination, initiative, and innovation is a personal skill.**

- **Creativity:** Art consists of **lots of creativity**. The theoretical knowledge should be practiced and applied differently to become **more creative and achieve the ultimate goal**.
- **Perfection through Practice:** As arts require nonstop practice to gain mastery. By performing the **task again and again, the artists gain perfection** through practice.
- **For example,** a **dancer who practices for hours daily** will get smooth and perfect with his steps through practice.

Comparison of Arts and Management

1. **Practical Knowledge:-** Art involves **practical knowledge**. Management **also requires the use of practical knowledge** (skills, knowledge, expertise, proficiency] like other arts.
2. **Need of Practice or Experience :-**To get control over any art, **one needs continuous intensive practice or experience**. This is equally true with management. An **experienced manger can definitely do better than a new one.**

3. **Element of Creativity :-**Art **involves creativity**, i.e., developing something original or different to improve skills. This is also true for management. A **creative manager can achieve goals more efficiently.**

4. **Result Oriented :-**Any **art is result oriented**. It is aimed at some special outcomes. This condition is met by management as it is **aimed in achievement of specific results or objectives**.

5. **Personalised Skills :-**Art is **personalised in nature**. Each **artist has his own personal way (style or pattern**] to perform the art and his presence is must. Management is **personalised and knowledge** based as an individual approach and techniques to solve the problem.

6. **Qualities and Qualification :-**An artist requires both **qualities and qualifications to master the art**. In case of management also, **both qualities and qualifications are required.**

Management as a Science

- Science means a **systematized body of knowledge** that can be acquired through **observation and experimentation**.
- It consists of **universally accepted principles** that establish a relationship between **causes and their effects**.

Features of Science

1. **Systematized body of knowledge:** Science is a **systematic body of knowledge**. Its principles are based on a cause-and-effect relationship.
2. **Observation and Experiments:** All scientific principles are **first developed through observations and then tested through repeated experimentation** under controlled conditions.

3. **Causes and Effect Relationship:** Science is based on **causes and their effects**. **For example**, if a person eats lots of fast food without any physical activity, he will put on extra weight.

4. **Universal Validity:** **Scientific principles have universal validity** and can be applied in all situations and times. basic truths.

Comparison of Management and Science

1. Clarity of Concepts

- Science provides **clarity of concepts**. Any scientific term has clear-cut meaning and exact implication. It does not allow ambiguity. In case of **management, such clarity is not possible**.

2. Critically Tested Knowledge

- Science produces evidences for every claim. **Scientific principles can be tested justify its validity**. That is **not possible all the time for management.**

3. Universal Applicability

- **Scientific knowledge has universal applicability**. The knowledge can be applied uniformly irrespective of time, place, person, and situation. Though management **fundamentals are universal, management as a practice is not**.

4. Cause and Effect Relationship

- Science is a **cause and effect relationship** at a high accuracy rate. Management also has **cause and effect relation but not at a very high accuracy rate.**

Management as Social System

- Management as a social system **views an organization as a dynamic,** open system of interconnected people, where **success depends on managing social relationships, cooperation, and communication**.
- Basically, management deals with the **management of the manpower** arranged in the different work groups.
- **Creation of the cultural relationship in the human resource** remains as the main attention of the management.

- The most critical element of the management **is the human element.**
- Thus the main focus of the management remains with the **relationship development among the different individuals.**

Aspects of Management as a Social System

1. **Individual Differences:-no two persons in the organisation are alike**. Unfortunately, organisations develop **procedures, job schedules, safety standards, job descriptions and rules** and **regulations,** assuming that all the individuals in the organisation are alike.
2. **Importance of Personal Dignity:-**everyone is a human being, and thus, **they must be treated equally**. Therefore, it is the duty of the management to **respect employees and treat them with dignity.**

3. **Considering the Whole Person:-**Though it is desirable by some of the organisations to **hire only the abilities or intelligence of an individual, they cannot do 'so.** They cannot employ the desired attributes (viz., skills, knowledge, personality, etc.,) of the person but a whole individual.

4. **Multiplicity of Roles:** People should not be treated as only factors of production in any organisation. In addition to this, a **number of roles can be played by them**.

Universality of concepts of management and organisation

1. **Management Process is Universal :-**It means that the fundamental functions of planning, organising, leading and controlling are basic and **are performed by every manager in all organisations and at any time.**
2. **Management Knowledge is Universal:-**Management is also universal in the sense that it uses the **common laws, principles and concepts** that tend to be true in all organised human endeavours.

3. **Management Knowledge is Transferrable:-**Management **knowledge and skills can be transferred** from a] one person to another, b] from one institution to another, and] from one country to another.

4. **Management is Applicable to All Levels of Organisation :-** When acting in managerial capacity**, not only the company president** but also the plant supervisor performs the basic function of management.

5. **Managers can be Developed :-**Managers can be developed through **education and training**.

6. **management Principles and Functions are Applied Differently :-**Although management principles are assumed to be similar universally, they are applied **differently by different managers** depending on the type of organisation, cultural background of people, managerial skills and business situations.

Contribution of Taylor/Scientific Management

- it is a classical management study which **focuses on scientific approaches so as to improve the efficiency level of the workers in an organisation.**
- In the initial phase of 20" century, the concept of scientific management was announced by **Frederick Winslow Taylor in U.S..A.**
- F. W. Taylor was named as the **Father of Scientific Management.**

- He was a scientist and conducted many researches on the **efficient utilisation of workmen.**
- he found out that improper use of scientific methods by **workmen and managers** led to the wastage and inefficiency in factories.

Features of Scientific Management

- **Separation of Planning and Doing:-** **F.W. Taylor separated the functions** of planning and doing. He considered that **planning is most crucial task** which should be taken up by specialists only. Thus, when the **planning is perfect then the process of doing will be smoothly accomplished itself**.
- **Functional Foremanship:** The functional foremanship was introduced by Taylor, which **deals with the supervising and directing activities of the organization.**

Elements of Scientific Management:

- **Management** should **develop standards** which are useful throughout the organisation.
- **Standardisation** refers to the process of setting standards for all business related activities.
- A **centralised human resource department** should be there in an organisation for **selection, placement and training of the workers in a scientific manner.**

- **Financial Incentives:-**Taylor introduced the differential **piece-rate system to motivate and reward the proficient and better workers**. This system also helps in improving the performance and quality of work.
- **Bilateral Mental Revolution:** The mental revolution in scientific management is related to the **workmen and management personnel.**

Principles of Scientific Management

- **He conducted various researches** which would result in **high labour productivity without pressurising the workers.**
- The Principles of Scientific Management" **published in 1911**.
- **Replacing Rule of Thumb with Science:** Taylor highlighted that through scientific management, organised knowledge can be used to **maximise efficiency and this can replace rule of thumb.**

- **Harmony in Group Action:** Taylor emphasises that there should be **complete harmony between group members and management as a whole**.
- **Cooperation between Management and Workers:-** scientific management theory is applied by organisations to bring in **cooperation among workers and management**.

- **Maximum Output in Place of Restricted Output:-**the workers and the management should work with an **aim to improve the productivity of the organization.**
- **Development of Workers through Scientific Selection and Training:** The development of workers is based on the **selection and training procedure.** Scientific method should be adopted for selection and training process.

Administrative Management: Henry Fayol

- He is considered as the **'Father of Modern Management'** Fayol was a **French industrialist and a mining engineer**.
- He portrayed his ideas based **on real-world experiences** in his book.**'Administration Industrialle at Generali'** in French language printed in **1916.**
- It was translated in English as **"General and Industrial Management" in 1929** and was later on **published in U.S.A. in the year 1949.**

- Henry Fayol explained the **importance of managerial efficiency in an organisation** and focused on the **management point of view** in **dealing the company issues** whereas **Taylor focused on the workers point of view.**
- All the industrial activities were divided by Fayol into six groups,i.e.,**technical, commercial, financial, security, accounting and managerial**.

Features of Administrative Management

1. Formalised Administrative Structure:

- Every organisation has a formalised administrative structure having **definite lines of authority from highest to lowest rank**.
- This is also ternmed as the **'hierarchical structure'.**

2. **Division of Labour:** In an organisation there are many departments like **marketing, production, finance, etc**. **Each department performs a specific task** in order to achieve the organisational objectives.

3. **Delegation of Power and Authority:** The power and authority of managers must be **equivalent with their responsibilities in the organisation**. Proper delegation of **authority leads to successful execution of the responsibilities.**

Fayol's Principles of Management

1. **Division of Labour:** Fayol highlighted that the work of any type, i.e., **technical or managerial** must be **divided and assigned among number of employees**. This division makes the **task much easier and improves the efficiency of individuals.**

2. **Parity of Authority and Responsibility:** 'Authority' is the **legal power** inherent in a particular job.

- **'responsibility' is the outcome of authority**. Responsibility involves duties like **performing various functions** in order to attain the company's objectives in an effective manner.

3. **Discipline:** Discipline is not just a role played by the **workers but also one of the roles of management**. In order to **follow and maintain discipline**, organisation must have a good supervisor at all levels.

4. **Unity of Command:** According to Fayol, **a subordinate is accountable to only one superior.**

If a person gets orders from **more than one person** then it may create confusion and conflict.

5. **Unity of Direction:** As per this rule, every member in an organisation should **coordinate and direct his/her efforts to attain common objectives**. Unity of direction' strives to ensure "unity of action, coordination of strength and focusing of efforts".

6. **Subordination of Individual's Interest to General Interest:** According to Fayol, the management should make efforts to unite the interest in general **(both employer and employee)**, But in case of conflict, interest of individuals should be sacrificed for the larger interest.

7. **Fair Remuneration to Employees:** In general, the basic **pay is fixed as per the work done** but the allowances are liable to change with the altering cost of living.

8. **Centralisation and Decentralisation:** Fayol suggests that there should be a **proper balance between centralisation and decentralisation of authorities.**

9. **Order:** The principle of ’order' refers to the **arrangement of people and things at the right place.**

10. **Scalar Chain:** According to Fayol, every organisation should have a distinct chain of **authority from top to bottom, linking all the managers at all levels.**

11. **Equity:** Under this principle, **every person of the similar position should be treated equally.**

12. **Stability of Tenure:** The **time period of service in a particular position should be fixed** and employees should not shift from the allotted position repeatedly.

13. **Initiative:** Fayol suggests that **all employees should be motivated to take initiative in work** and develop their own course of actions.

14. **Esprit de Corps :** It encourages team spirit, group harmony and mutual understanding amongst the team members. **Managers should promote team work to achieve common goals of the company**.

Contribution of Elton Mayo

- Elton Mayo is known as the **founder of Human Relation School.**
- **focus on people-centric management, effectiveness, and responsibility.**
- The famous **Hawthorne investigations** are main part of the research study.

1. The extent of relationship between **physical working conditions and productivity.**
2. Extent of the value of the **wage incentive**.
3. General worker attitude **toward work and team members**.
4. Extent of the **control of the individual upon working group**.

1. **Social factors matter:** Informal work groups have a significant influence on **individual behavior and attitudes**.
2. **Attention increases productivity:** Simply paying attention to employees' **needs can boost productivity** and job satisfaction more than financial incentives alone.
3. **Satisfaction is crucial:** Worker satisfaction is vital and is **heavily dependent on the social structure of the workplace and interpersonal relationships.**

Contribution of Peter Drucker

- Peter F Druker was a famous **writer, management thinker, management consultant,and self-described social ecologist**.
- Peter Drucker strongly believes that **management is a profession.**
- According to Peter Drucker, **Management is universal.**
- He developed Management By Objectives [MBO), a **new management philosophy and approach in 1954**

Contribution of Peter Drucker to Management

1. **Focus on Managers:-**Peter Drucker **always focused on the managers and their roles,** because managers are the integral part of decision-making.
2. **Nature of Management:-** He described nature of management through **creative and innovative characteristics.**
3. **Decision-making Task:-**Peter Drucker emphasized the **decision-making task of managers.**

4. **Organisation Structure:-**Peter Drucker was against the bureaucratic structure. He advocated that **bureaucratic structure must be replaced with an effective structure**.

5. **Insightful Quotations:-**Peter Drucker gave **many insightful quotations on leadership, marketing, and general management.**

Indian Management Ethos

- **Ethos is a set of beliefs, ideas**, etc., about **social behavior and relationship of a person or group.**
- Indian ethos refers to the **principles of self-management and governance of society.**
- According to Oxford Advanced Learner's Dictionary, "**Ethos are the moral ideas and attitudes that belong to a particular group or society".**

Features of Indian Ethos

1. **Divinity of Human Being:-** Indian ethos **focuses on the existence of human being as truth.**
2. **Balance:-**Balance is a **stable state of Indian thought**.
3. **Balance of Personal and Work Life:-**Indian ethos focuses on the concept that **if you are good then the world is also good for you.**

4. **Cosmic :-**It gives a base for **mutual trust, co-operative, teamwork and Common good.**
5. **Importance to Character:-**The Indian ethos gives much **importance to character not to the knowledge.**
6. **Duty and Responsibility:-**Indian ethos rarely **talks of rights and privileges.**
7. **Excellence at Work:-**According to Indian ethos, **total quality management can be assured through excellence at work, through self-motivation and self-development.**

Role of Indian Ethos in Managerial Practices

1. **Creates Strong Relation:** Indian ethos **puts a lot of emphasis on human values and the development of human beings.**
2. **Inward Considerations:** The Indian ethos looks at individuals. **It believes that the entire world** can be good once individuals are good.
3. **Avoids Unethical Aspects:** The Indian ethos has its roots in holy texts like the **Gita and Vedas, etc.**

4. **Balanced Values:** The Indian ethos strives to strike a **balance between materialism and spirituality**. It places equal importance on both.

5. **Improves Performance:** The Indian ethos leads to an **increase in the performance of the corporate.**

6. **Develops Self-Reliability:** Indian ethos gives much importance to the **internal resources rather than the external resources.**

7. **Helps in Problem-Solving:** The Indian ethos makes the organisation more capable of **managing environmental change and making the best use** of available challenges and opportunities.

8. **Improves Quality:** **Self-development and self-motivation along with Total quality management**, result in the development of the business.