

**BUSINESS
MANAGEMENT
(16CACBM1A)**

✓ SYNOPSIS:

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Definition of management

Henry fayol principles of management

Nature of management

Levels of management

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Definition of MBE

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Is management an art or a science

Management a profession

MEANING:

- Management means directing and controlling a group of people or an organisation to reach a goals.*
- Management offen be deployment and manipulation of human resource financial resource, technological resource and natural resource.*

DEFINITION:

□ **ACCORDING TO HENRY FAYOL:**

To manage is to forecast and plan to organise, to command to coordinate and to control.

□ **ACCORDING TO KOONTZ AND O'DONNELL:**

Management is the task of manager to establish and maintain an internal environment in which people working together in groups can perform effectively and efficiently towards the attainment of group goals.

OBJECTIVES OF MANAGEMENT:

- ❖ *To attain a social goals.*
- ❖ *To give concrete shape to the management.*
- ❖ *To improve research in management.*

HENRY FAYOL PRINCIPLES OF MANAGEMENT:

- *Division of work*
- *Authority and responsibility*
- *Discipline*
- *Unity of command*
- *unity of direction*
- *Subordination of individual interest to general interest*
- *remuneration*
- *Centralisation*
- *Scalar chain*
- *order*
- *Equity*
- *stability of tenure of personnel*
- *initiative*
- *Esprit de corps*

NATURE OF MANAGEMENT:

- *It is an universal process.*
- *It is only an idea.*
- *It is an coordinate of employee and material.*
- *It is an multi disciplinary since it draws knowledge and concepts from various discipline.*
- *The principles of management are flexible and change according to the situation.*
- *It is both a science and an art.*
- *It has also been regarded as a profession by many of the authors.*

LEVELS OF MANAGEMENT:

- ✓ *Top management.*
- ✓ *Middle level management.*
- ✓ *lower level management.*

FUNCTIONS OF MANAGEMENT:

- *Planning*
- *Organising*
- *Staffing*
- *Directing*
- *Co-ordination*
- *Controlling*

CONTRIBUTION TO MANAGEMENT THOUGHT:

- I.F.W.Taylor's contribution:
 - ✓ Techniques of scientific management:
 - Job analysis*
 - Planning and scientific allotment of work.*
 - Scientific selection and training.*
 - Remuneration to workers*
 - Standardisation.*
 - Functional foremanship.*
 - Suitable cost accounting .*
 - Mental revolution.*
- *Henry Fayol's contribution*
- *Mary Parker Follet's contribution*
- *Contribution of frank B.Gilbreth*
- *Contribution of Ellon Mayo*
- *Contribution of peter Drucker*

MANAGEMENT BY OBJECTIVES(MBO):

- *Management by objectives is not only a management technique.*
- *It is also a philosophy and an approach of management.*
- *It was introduced by peter F.Drucker in the year 1954.*

DEFINITION OF MBO:

- *The management by objectives can be described as a process by George S. Odiorne.*
- *The superior and subordinate manager should coordinate to identify its common goals.*
- *Define each individual major area of responsibility in terms of results expected of him .*
- *Use those measure as guides for operating the unit and assessing the contribution of each of its members.*

PROCESS OF MBO OR STEPS IN MBO:

- *Identifying the objectives.*
- *Defining individual responsibility.*
- *Evaluation of performance.*

FEATURES OR CHARACTERISTICS OF MBO:

- *Management philosophy.*
- *Approach to management.*
- *Matching objectives and resource.*
- *Participation of superior and subordinate.*
- *Periodic review of performance.*
- *guidelines for appropriate system and procedures.*

ADVANTAGES OR BENEFITS OF MBO:

- Better management.***
- clear organisation.***
- personnel satisfaction.***
- Basic for organisation changes.***
- Planning and controlling.***

DISADVANTAGES:

- Difficulty in teaching the philosophy.*
- Difficulty in setting the goals.*
- Short term goals.*
- Waste of money and energy.*
- Inflexibility.*
- frustration.*

MANAGEMENT BY EXCEPTION(MBE):

In management by exception ,the top management will not interface in the problem to be solved by the middle or lower level management of an organisation.

DEFINITION OF MBE:

According to Lester R. Bittal, “Management by exception is such a system of communication in which the top management is signified only when it is necessary to draw its attention. This systems remains silent till the need does not arise of drawing attention of top management.

PRINCIPLES OF MANAGEMENT BY EXCEPTION:

- ❖ *Freedom.*
- ❖ *Systematic approach.*
- ❖ *Objectives and policies.*
- ❖ *Development of subordinate.*
- ❖ *Delegation of authority.*
- ❖ *Participation of all.*
- ❖ *Continuous supervision.*
- ❖ *Routine and exceptional activities.*
- ❖ *Discipline.*

ADVANTAGES OF MBE:

- Saving of time.*
- Development in productivity.*
- Increase in productivity.*

LIMITATIONS OF MBE:

- Dependence on subordinate.*
- Lack of team sprit.*
- Lack of basis for evaluation .*
- Practically impossible approach.*

IS MANAGEMENT AN ART OR A SCIENCE:

- *Management is an art.*
- *management is a science.*

MANAGEMENT IS A PROFESSION:

- *Substantial body of knowledge.*
- *compulsory acquisition of knowledge.*
 - *honesty and integrity.*
 - *service motive.*
- *professional associations*