



**BHARATHIDASAN UNIVERSITY**  
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**Programme: M.A., HUMAN RESOURCE MANAGEMENT**

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**Unit-I**  
**Introduction to Management**

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# UNIT –I : Introduction to Management

Definition-Management – meaning, definition, three uses of management – Features of management administration Vs management - management function and process – management roles and skills- historical background of management – scientific management – general administrative theories – human relation approach – Management as profession -current trends and issues.

# Definition and Meaning-Management

- Management can be defined as the **process of administering and controlling the affairs of the organization**, irrespective of its nature, type, structure and size. It is an act of creating and maintaining such a business environment wherein the members of the organization can work together, and achieve business objectives efficiently and effectively.

# Definition and Meaning-Management

- Management is a process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical, and information resources of an organization to reach its goals efficiently and effectively.
- Management's primary function is to get people to work together for the attainment of an organization's goals and objectives

# Definition and Meaning-Management

- Management acts as a guide to a group of people working in the organization and coordinating their efforts, towards the attainment of the common objective.
- In other words, it is concerned with **optimally using 5M's, i.e. men, machine, material, money and methods** and, this is possible only when there proper direction, coordination and integration of the processes and activities, to achieve the desired results.

# Definition and Meaning-Management

## Management by Koontz and Cyril O'Donnell,

Management is an attempt to achieve / reach certain goals through activities / efforts of others.

## Management by R.Terry

Management is a unique and distinctive process consisting of actions of planning, organizing, and mobilization and controlling performed to determine the direction and achieve predetermined objectives through the use of human resources and other resources.

## Management by Lawrence A.Appley

Management is the art of achieving certain goals remedy made by others / the efforts of others.  
definition Management.

# Definition and Meaning-Management

- **Mary Parker Follett (1941) defined management as:**  
“Getting things done by other people.”
- **Mary Cushing Niles** defines management as Good Management, or Scientific Management, achieves a social objective with the best use of human and material energy and time and with satisfaction for the participants and the public.

# Definition and Meaning-Management

- “Management is simply the process of decision making and control over the actions of human beings for the express purpose of attaining predetermined goals.” – **Stanley Vane**
- “Management consists of getting things done through others. Manager is one who accomplishes the objectives by directing the efforts of others.” – **S. George**



“Management is the art of getting things done through others and with formally organised groups.”

**Harold koontz**



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

**F.W. Taylor**



“Management is a distinct process consisting of planning, organising, actuating and controlling; utilising in each both science and arts, and followed in order to accomplish pre-determined objective.”

**George R. Terry**



“Management is a multipurpose organ that manage a business and manages managers and manages workers and work.”

**Peter Drucker**



“Management is to forecast, to plan, to organize, to command, to coordinate and control activities of others.”

**Henri Fayol**



“Good management, or scientific management, achieves a social objective with the best use of human and material energy and time, and with satisfaction for the participants and the public.”

**Mary Cushing Nile**



# Uses of management

- **It helps in Achieving Group Goals**
- **Optimum Utilization of Resources**
- **Reduces Costs**
- **Establishes Sound Organization**
- **Establishes Equilibrium**
- **Essentials for Prosperity of Society**
- **Management Increases Efficiency:**
- **Management Creates a Dynamic Organisation**

# Features of Management

1. Continuous and Never Ending Process.

2. Art of Getting Work Done from People.

3. Is Result-Oriented.

4. Multidisciplinary in Nature.

5. Group and Not an Individual Activity.

6. Follows Established Principles or Rules.

7. Aided but Not Replaced by Computers.

8. Situational in Nature.

9. Separate from Ownership.

10. Both an Art as well as a Science.

11. Is All Pervasive.

12. Intangible but its Impact is Felt.

13. Uses a Professional Approach in Work.

14. Dynamic in Nature.





# Features of management

- **Management** is Goal Oriented
- **Management** is Universal
- **Management** is a Continuous Process
- **Management** is Intangible
- **Management** is a Social Process
- **Management** is Multidisciplinary
- **Management** is Situational
- **Management** is a Group Effort

# Features of management

- 1. Art as well as Science
- 2. Management is Goal Oriented
- 3. Management is a Continuous Process
- 4. Organised Activities
- 5. Management is a Factor of Production
- 6. Management as a System of Activity
- 7. Management is a Discipline
- 8. Management is a Purposeful Activity
- 9. Management is a Distinct Entity
- 10. Management Aims at Maximising Profit
- 11. Decision-Making
- 12. Management is a Profession
- 13. Universal Application
- 14. Management is Getting Thing Done
- 15. Management as a Class or a Team
- 16. Management as a Career
- 17. Dynamic and a Few Others.

# Definition

- “Administration means the overall determination of policies, setting of major objectives, the identification of general purposes and laying down of broad programmes and projects.” – **Theo Haimann**
- “...[It is] guidance, leadership and control of the efforts of the groups towards some common goals.” – **William H. Newman**
- The activities that relate to running an organization

# Administration vs Management

- Administration deals with the activities of higher level/top level: setting up of objectives and crucial policies of the organization
- Management involves conceiving, initiating and bringing together the various elements: coordinating, actuating, integrating the diverse organizational components while sustaining the viability of the organization towards some pre-determined goals
  - In short, it is the act or function of putting into practice the policies and plans decided upon by the administration

### On the Basis of Functions

BASIS	MANAGEMENT	ADMINISTRATION
Meaning	Management is an art of getting things done through others by directing their efforts towards achievement of pre-determined goals	It is concerned with formulation of broad objectives, plans and policies
Nature	Management is an executing function	Administration is a decision-making function
Process	Management decides who should do it and how he should do it	Administration decides what is to be done and when it is to be done.
Function	Management is a doing function because managers get work done under their supervision	Administration is a thinking function because plans & policies are determined under it
Skills	Technical and Human skills	Conceptual and Human skills
Level	Middle & Lower level function	Top level function

# Differences between administration Vs management

Basics of Differences	Administration	Management
Nature of work	It is concerned about determination of objectives and major policies of an organization.	It puts action the policies and plans laid down by the administration.
Types of function	Determinative function	Executive function
Scope	Takes major decision as an enterprise as a whole	Takes decision within the framework set by the administration
Level of authority	Top level activity	Middle level
Nature of Status	It consist of owners who invest capital in and receive profits from enterprise.	It is a group of managerial personnel who use their specialized knowledge to fulfill the objectives of an enterprise

<b>Basics of Differences</b>	<b>Administration</b>	<b>Management</b>
<b>Nature of Usage</b>	It is popular with government , military, educational and religious organizations.	It is used in business enterprise.
<b>Decision making</b>	Decisions are influenced by public opinion , government policies, social and religious factors.	Decisions are influenced by the values opinions, and beliefs of the managers.
<b>Main functions</b>	Planning and organizing functions are involved in it.	Motivating and controlling functions are involved on it.
<b>Level of authority</b>	Top level activity	Middle level
<b>Abilities</b>	Needs administrative rather than technical abilities	Requires technical activities.

Type of function	It is a determinative function.	It is an executive function.
Scope	It takes major decisions of an enterprise as a whole.	It takes decisions within the framework set by the administration.
Level of authority	It is a top-level activity.	It is a middle level activity.
Nature of status	It consists of owners who invest capital in and receive profits from an enterprise.	It is a group of managerial personnel who use their specialized knowledge to fulfill the objectives of an enterprise.
Nature of usage	It is popular with government, military, educational, and religious organizations.	It is used in business enterprises.
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Abilities	It needs administrative rather than technical abilities.	It requires technical activities.



# Management function and process

- Planning and Decision Making – – Determining Courses of Action,
- Organizing – Coordinating Activities and Resources,
- Leading – Managing, Motivating and Directing People,
- Controlling – Monitoring and Evaluating activities.

# Definitions of Management

- According to George R. Terry, "Management is a distinct process consisting of planning, organising, actuating and controlling, performed to determine and accomplish stated objectives by the use of human beings and other resources".
- According to Henry Fayol, "To manage is to forecast and to plan, to organise, to command, to coordinate and to control".
- According to Peter Drucker, "Management is a multi-purpose organ that manages business and manages managers and manages workers and work".
- According to Harold Koontz, "Management is the art of getting things done through and with people in formally organized groups".
- According to Mary Parker Fallett, "Management is the art of getting things done through people".

# Functions of Management

- Management in some form or another is an integral part of living and is essential wherever human efforts are to be undertaken to achieve desired objectives. The basic ingredients of management are always at play, whether we manage our lives or business.
- **“Management is a set of principles relating to the functions of planning, organizing, directing, and controlling, and the applications of these principles in harnessing physical, financial, human, and informational resources efficiently and effectively to achieve organizational goals”.**



# PFM

- **There are basically five primary functions of management. These are:**
- **1. Planning**
- **2. Organizing**
- **3. Staffing**
- **4. Directing**
- **5. Controlling**

# CF

- The controlling function comprises coordination, reporting, and budgeting, and hence the controlling function can be broken into these three separate functions.
- Based upon these seven functions, Luther Gulick coined the word **POSDCORB**, which generally represents the initials of these seven functions i.e. P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting.

# Five Functions of Management

- **1. Planning**

- Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting of the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future.
- **Peter Drucker has defined planning as follows:**
- *“Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback”.*
- An effective planning program incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trend as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulation regarding community interests, unstable international political environments, etc.
- The internal factors that affect planning are limited growth opportunities due to saturation requiring diversification, changing patterns of the workforce, more complex organizational structures, decentralization, etc

# Five Functions of Management

- **2. Organizing**
- Organizing requires a formal structure of authority and the direction and flow of such authority through which work subdivisions are defined, arranged and coordinated so that each part relates to the other part in a united and coherent manner so as to attain the prescribed objectives.
- According to Henry Fayol, *“To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”*.
- Thus the function of organizing involves the determination of activities that need to be done in order to reach the company goals, assigning these activities to the proper personnel, and delegating the necessary authority to carry out these activities in a coordinated and cohesive manner.
- **It follows, therefore, that the function of organizing is concerned with:**
- Identifying the tasks that must be performed and grouping them whenever necessary
- Assigning these tasks to the personnel while defining their authority and responsibility.
- Delegating this authority to these employees
- Establishing a relationship between authority and responsibility
- Coordinating these activities



# Five Functions of Management

- **3. Staffing**
- Staffing is the function of hiring and retaining a suitable work-force for the enterprise both at managerial as well as non-managerial levels. It involves the process of recruiting, training, developing, compensating and evaluating employees and maintaining this workforce with proper incentives and motivations. Since the human element is the most vital factor in the process of management, it is important to recruit the right personnel.
- According to Kootz & O'Donnell, ***“Managerial function of staffing involves manning the organization structure through the proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure”***.
- This function is even more critically important since people differ in their intelligence, knowledge, skills, experience, physical condition, age and attitudes, and this complicates the function. Hence, management must understand, in addition to the technical and operational competence, the sociological and psychological structure of the workforce.

# Five Functions of Management

- **4. Directing**

- The directing function is concerned with leadership, communication, motivation, and supervision so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals.
- The **leadership** element involves issuing of instructions and guiding the subordinates about procedures and methods.
- The **communication** must be open both ways so that the information can be passed on to the subordinates and the feedback received from them.
- **Motivation** is very important since highly motivated people show excellent performance with less direction from superiors.
- **Supervising** subordinates would lead to continuous progress reports as well as assure the superiors that the directions are being properly carried out.

# Five Functions of Management

- **5. Controlling**
- The function of control consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans. The activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations.
- According to Koontz & O'Donnell, *“Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished”*.
- **The controlling function involves:**
  - a. Establishment of standard performance.
  - b. Measurement of actual performance.
  - c. Measuring actual performance with the pre-determined standard and finding out the deviations.
  - d. Taking corrective action.
- All these five functions of management are closely interrelated. However, these functions are highly indistinguishable and virtually unrecognizable on the job. It is necessary, though, to put each function separately into focus and deal with it.

# Five Functions of Management

## 6. Motivating

- Motivation is inner needs which manager achieve through harmonious group effect and unity of action. Manager has to coordinate the functional as well as non-functional activities of the employees.

## 7. Reporting

- It is important element of control. It includes daily follow up of activities with help of reports which are submitted by subordinates to his/ her superior. Reporting keeps him/ her informed with day to day activities.

## 8. Budgeting

- Budget is an estimate of future needs covering all the activities of an enterprise for a definite period of time. A budget is prepared for each separate activity of business. This is done to control the expenses of organizations within certain limit.

# Process of Management

Henry Fayol was the first among those who describe management activity as a distinct process.

## **1. Planning**

Planning is a broad outline of things to be done. What to do? How to do? It is a predetermine course of action.

## **2. Organizing**

It is distributing or allocating the activities of business among different personnel. Establishing authority responsibility relationship.

## **3. Actuating**

The word 'actuating' means moving the subordinates to action. It may be described as directing also.

## **4. Controlling**

Controlling consist of basic steps viz. setting standards of performance. Comparing actual with these standards and taking corrective steps whenever deviations are there.

# Management roles and skills

- Mintzberg published his Ten Management Roles in his book, "Mintzberg on Management: Inside our Strange World of Organizations," in 1990.

## The ten roles are:

- Figurehead.
- Leader.
- Liaison.
- Monitor.
- Disseminator.
- Spokesperson.
- Entrepreneur.
- Disturbance Handler.
- Resource Allocator.
- Negotiator.

# Management roles and skills

- **(i) Technical Skill:**
- ADVERTISEMENTS:
- It is knowledge of and proficiency in activities involving methods, processes, and procedures. Thus, it involves working with tools and specific techniques. For examples, mechanics work with tools, and their supervisor should have the ability to teach them how to use these tools. Similarly, accountants apply specific techniques in doing their job.
- **(ii) Human Skill:**
- It is the ability to work with people; it is cooperative efforts; it is teamwork; it is the creation of an environment in which people feel secure and free express their opinions.
- **(iii) Conceptual Skill:**
- ADVERTISEMENTS:
- It is the ability to see the 'big picture' to recognize significant elements in a situation, and to understand the relationships among the elements.
- **(iv) Design Skill:**
- It is the ability to solve problems in ways that will benefit the enterprise. To be effective, particularly at upper organizational levels, managers must be able to do more than see a problem. They must have, in addition, the skill of a good design engineer in working out a practical solution to a problem.
- If managers merely see the problem and become 'problem watchers,' They will fail. Managers must also have that valuable skill of being able to design a workable solution to the problem in the light of the realities they face.
- The relative importance of these skills may differ at various levels in the organization hierarchy. As shown in Fig. 27.3 technical skills are of greatest importance at the supervisory level. Human skills are also helpful in the frequent interactions with subordinates. Conceptual skills, on the other hand, are usually not critical for lower-level supervisors.
- At the middle management level, the need for technical skills decreases human skill is still essential; the conceptual skills gain in importance.
- At the top management level, conceptual and design abilities and human skills are especially valuable, but there is relatively little need for technical abilities. It is assumed, especially in large companies, that chief executives can utilize the technical abilities of their subordinates. In smaller firms, however, technical experience may still be quite important.

# Interpersonal Category

- The managerial roles in this category involve **providing** information and ideas.
- **Figurehead** – As a manager, you have social, ceremonial and legal responsibilities. You're expected to be a source of inspiration. People look up to you as a person with authority, and as a figurehead.
- **Leader** – This is where you provide leadership for your team, your department or perhaps your entire organization; and it's where you manage the performance and responsibilities of everyone in the group.
- **Liaison** – Managers must communicate with internal and external contacts. You need to be able to network effectively on behalf of your organization.



# Informational Category

- The managerial roles in this category involve **processing** information.
- **Monitor** – In this role, you regularly seek out information related to your organization and industry, looking for relevant changes in the environment. You also monitor your team, in terms of both their productivity, and their well-being.
- **Disseminator** – This is where you communicate potentially useful information to your colleagues and your team.
- **Spokesperson** – Managers represent and speak for their organization. In this role, you're responsible for transmitting information about your organization and its goals to the people outside it.

# Decisional Category

- The managerial roles in this category involve **using** information.
- **Entrepreneur** – As a manager, you create and control change within the organization. This means solving problems, generating new ideas, and implementing them.
- **Disturbance Handler** – When an organization or team hits an unexpected roadblock, it's the manager who must take charge. You also need to help mediate disputes within it.
- **Resource Allocator** – You'll also need to determine where organizational resources are best applied. This involves allocating funding, as well as assigning staff and other organizational resources.
- **Negotiator** – You may be needed to take part in, and direct, important negotiations within your team, department, or organization.

# Historical background of management

- **History** • The verb manage comes from the Italian maneggiare (to handle — especially tools), which in turn derives from the Latin manus (hand). The French word mesnagement (later ménagement) influenced the development in meaning of the English word management in the 17th and 18th centuries. • Some definitions of management are: • Organization and coordination of the activities of an enterprise in accordance with certain policies and in achievement of clearly defined objectives. Management is often included as a factor of production along with machines, materials, and money.
- **Theoretical scope** • Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people". She also described management as philosophy. One can also think of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place. From this perspective, Frenchman Henri Fayol considers management to consist of seven functions: • 1. planning • 2. organizing • 3. leading • 4. coordinating • 5. controlling • 6. staffing • 7. motivating
- Some people, however, find this definition, while useful, far too narrow. The phrase "management is what managers do" occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

# Historical background of management

- **Evolution of Management Principles** • An Early Prospective. • The first known management ideas were recorded in 3000-4000 B.C. One Pyramid built by Egyptian ruler Cheops required work to be done by 100,000 men for over twenty years in 2900 B.C. It covered 13 acres of land and measured 481 meters in height. The stone slabs had to be moved thousands of kilometers of distance. As folklore goes, even the sound of a hammer was not heard in the villages in the vicinity of the site of these pyramids. Such monumental work could not be completed without adherence to principles of sound management.
- **CLASSICAL MANAGEMENT THEORY** • Rational economic view, scientific management, administrative principles, and bureaucratic organization characterize this phase. While the rational economic view assumed that people are motivated by economic gains primarily; scientific management of F.W. Taylor and others emphasized one best way of production etc; administrative theorists personified by Henri Fayol etc looked at the best way to combine jobs and people into an efficient organization; bureaucratic organization theorists led by Max Weber looked at ways to eliminate managerial inconsistencies due to abuse of power which contributed to ineffectiveness. This was the era of the industrial revolution and factory system of production. Large scale production would not have been possible without adherence to the principles governing organizing production based on division of labor and specialization, relationship between man and the machine, managing people and so on.

# Historical background of management

- **NEO CLASSICAL THEORY — HUMAN RELATIONS APPROACH** • This school of thought developed between 1920s to 1950s felt that employees simply do not respond rationally to rules, chains of authority and economic incentives alone but are also guided by social needs, drives and attitudes. Hawthorne Studies at GEC etc., were conducted then. It was quite natural that in the early phases of the industrial revolution, the emphasis was on development of techniques and technology. The attention to the human factor was the salient aspect of this school of thought. This attention was to serve as a precursor to the development of behavioral sciences.
- **MODERN MANAGEMENT** • It sees modern organisations as complex systems and underlies contingency approach and use of modern techniques to solve organisational and human problems.
- **20th CENTURY** • The first comprehensive theories of management appeared around 1920. The Harvard Business School invented the Master of Business Administration degree (MBA) in 1921. People like Henri Fayol (1841 - 1925) and Alexander Church described the various branches of management and their inter-relationships. In the early 20th century, people like Ordway Tead (1891 - 1973), Walter Scott and J. Mooney applied the principles of psychology to management, while other writers, such as Elton Mayo (1880 - 1949), Mary Parker Follett (1868 - 1933), Chester Barnard (1886 - 1961), Max Weber (1864 - 1920), Rensis Likert (1903 - 1981), and Chris Argyris (1923 - ) approached the phenomenon of management from a sociological perspective. • Peter Drucker (1909 – 2005) wrote one of the earliest books on applied management: *Concept of the Corporation* (published in 1946). It resulted from Alfred Sloan (chairman of General Motors until 1956) commissioning a study of the organisation. Drucker went on to write 39 books, many in the same vein.

# Historical background of management

- H. Dodge, Ronald Fisher (1890 - 1962), and Thornton C. Fry introduced statistical techniques into management-studies. In the 1940s, Patrick Blackett combined these statistical theories with microeconomic theory and gave birth to the science of operations research. Operations research, sometimes known as "management science" (but distinct from Taylor's scientific management), attempts to take a scientific approach to solving management problems, particularly in the areas of logistics and operations. • Some of the more recent[update] developments include the Theory of Constraints, management by objectives, reengineering, Six Sigma and various information-technology-driven theories such as agile software development, as well as group management theories such as Cog's Ladder.
- As the general recognition of managers as a class solidified during the 20th century and gave perceived practitioners of the art/science of management a certain amount of prestige, so the way opened for popularized systems of management ideas to peddle their wares. In this context many management fads may have had more to do with pop psychology than with scientific theories of management. • Towards the end of the 20th century, business management came to consist of six separate branches, namely: • \* Human resource management • \* Operations management or production management • \* Strategic management • \* Marketing management • \* Educational management • \* Financial management • \* Information technology management responsible for management information systems

# Scientific management

- **Scientific Management – Meaning and Scope**
- Broadly speaking, scientific management is the art of knowing exactly what is to be done and the best way of doing it. Under this system the method of work is scientifically thought out, the workers scientifically selected and trained to perform the task, and the most efficient speed is scientifically determined.
- According to Person the term “scientific management” characterises that form of organisation and procedure which rests on principles or laws derived by the process of scientific investigation and analysis, instead of on tradition or policies determined by the process of trial and error. Indeed, it is a process of transference of skill from management to worker.

# Scientific management

- Scientific management is also known as Taylorism, because Frederic Winslow Taylor, who is also known as the father of scientific management, was the first to introduce scientific method at the workshop level. As the Chief Engineer in a steel mill, Taylor noticed wastage of time and energy on the part of workers.
- He found that workers were deliberately slack in performing their work. Time-rate, being the basis of wage-payment, was not conducive to hard work. He was amazed at the employers who paid no attention to this wastage. The methods used for performing the task were crude and unscientific so that a worker could not produce to the maximum of his capacity.
- Taylor and other pioneers came to the conclusion that, in comparison to what was possible with scientific control, the industries were working at about 50 per cent efficiency. Taylor demonstrated that proper method of work produced good results, and locating the proper method involved scientific investigation. Every employer should by scientific investigation, develop the best method of work and then teach it to workers who must follow it.



# Scientific management

- **The important Features of scientific management are as follows:**
- **Feature # 1. Scientific Task-Setting:**
- Scientific management determines the task for every worker through careful scientific investigation. The standard task is the quality of work which an average worker working under ideal standardised conditions will be able to do in a day. This was called 'a fair day's work.' Thus, Taylor stressed upon standardisation and pre-planning.
- **Feature # 2. Planning:**
- Planning as Taylor says – “is the heart of scientific management”. This planning was concerned with four things; what work has to be done, how it is to be done, where the work shall be done, when it will be done. The first question was to be dealt with by the management and the engineering department.
- Taylor advocated the setting up of a planning department. This department will receive detailed instructions and formations relating to the type, shape and quality of production to be produced and the dead line by which the production is to be completed. In planning department four persons were to work – (i) Programme clerk (ii) Instruction clerk, (iii) Time and cost clerk and (iv) a disciplinarian.
- **Feature # 3. Working Study:**
- It may be defined as the systematic, objective and critical examination of all the factor's governing the operational efficiency of any specific activity. In work study Taylor stressed on method study, time study, fatigue study and scientific rate setting.

# Scientific management

- **(a) Methods Study:**
- Under this study, the management must make an overall study of the entire production process. Then the management should made efforts to reduce this distance to be travelled by materials during productive cycle.
- On his basis a “process chart” setting out the various operations may be prepared. With the help of such study, the management can try to ensure that the plant is laid out in the best manner and is equipped with the best tools and machinery.
- **(b) Motion Study:**
- It is a study of the movements of-an operator or a machine in performing an operating for the purpose of eliminating useless motions. For conduction motion studies, workers are studied at their jobs and all their movements are noted. Then they are analysed and useless motions are eliminated. Thus a less time consuming and efficient system of operation is developed.
- **(c) Time Study:**
- The purpose of time study is to determine the proper standard time for performing the operation. In the words of Kimball and Kimball “Time study may be defined primarily as the art of observing and recording the time required to do each detailed element of an industrial operation”.
- Time study when done with motion study helps in determining the best method of doing a job, determining the standard quality of one day’s work (standard) task to be done by an average worker) and in rating the work.

# Scientific management

- **Feature # 4. Scientific Selection and Training of Workers:**
- Taylor stressed on the systematisation of selection according to the nature of requirement of job. Having selected the workers the management will assign tasks to them. Every job must be entrusted to the best available man in the factory. Proper attention should be devoted to the training of workers in the correct methods of work. The scientific management requires the prior training of workers before allotting them certain task in the plant.
- **Feature # 5. Standardisation:**
- Taylor suggested the standardisation of not only production but of tools too. Equipment's and of working conditions also. He insisted upon the use and store of standard tools and equipment's in order to get the best production. He advised the management to set an optimum speed for every machine and one best way to do each job.
- To attain the standard production, he insisted upon the maintenance of standard conditions of ventilation, heating, cooling, humidity, space and safety etc. The use of high quality raw material and good methods of handling materials were also stressed upon.
- **Feature # 6. Differential Piece-Rate System of Wages:**
- Taylor believed that financial incentive is the most appropriate incentive because man works for money. To ensure the efficiency and speed of works he suggested the system of differential piece-rate wages. According to this system two piece-rate should be determined; one for standard production and the other for lower production than the standard limits. It was believed that each worker will try to raise his efficiency in order to get the wages of higher rates.
- **Feature # 7. Functional Organisation and Functional Foremanship:**
- Taylor suggested the scheme of Functional Foremanship. Under the scheme, the two functions of 'planning' and 'doing' are separated in the organisation of the plant. Four foremen will look after the planning work and the other four will supervise the work in the shop. Taylor contemplated eight functional foremanship.

# Scientific management

- **Feature # 8. The Mental Revolution:**
- This involves the change of attitude on both sides. Under this Taylor suggested that all the measures outlined in the system of scientific management will be fruitless until and unless there is a complete mental revolution on the part of both the management and the workers as to their outlook and attitude towards work and towards one another. Taylor has written that the methods of scientific investigations and knowledge must be accepted by both the parties without any reservation on their part.
- To conclude – Taylor has suggested that “the success of scientific management rests primarily on a fundamental change in the attitude of management and workers both, also their duty to co-operative in producing the largest possible surplus and as to the necessity of substituting exact scientific knowledge for opinions or the role of thumb of individual knowledge”.

# General administrative theories

- General administrative theory is a set of 14 principles of management, as set forth by Henri Fayol, a French mining engineer and executive. He believed that the following principles could be applied to any business:
- *Division of work*. By having employees specialize in just a few tasks, they can become much more [efficient](#) than having employees engage in every possible task. Though quite correct, this principle resulted in deeply uninteresting jobs; employers have subsequently added back tasks to make jobs more interesting.
- *Authority*. Managers must be vested with [authority](#), which gives them the right to give orders. This principle has held up, though a general trend toward pushing decision making deep down in the organization has shifted authority to more and more people.
- *Discipline*. Employees must obey the governing rules of the organization. This principle is still true and remains relevant.
- *Unity of command*. Each employee should only receive orders from one supervisor. This principle has largely held up, though [matrix organizations](#) involve the use of two supervisors. Also, teams are more likely to operate with reduced levels of supervision, instead tackling issues as a group.
- *Unity of direction*. There should be one plan of action to guide employees. This principle is inherently obvious; there cannot be multiple, possibly conflicting plans tugging employees in different directions.
- *Subordination of individuals to the group*. The interests of a single employee do not override those of the entire organization. If this principle were to be violated, employees could refuse to work on essential but uninteresting tasks.

# General administrative theories

- *Remuneration.* Employees must be paid a fair wage. Though obvious, this principle points out that employees will work harder if they are properly compensated for their work. Subsequent research has found that remuneration only forms a part of the rewards that employees tend to value.
- *Centralization.* The amount of decision making should be properly balanced throughout the organization, and not just at the top. This was a quite forward-thinking principle, and foreshadowed the ongoing trend to empower employees well down in the organizational structure.
- *Scalar chain.* There should be a direct line of authority from the top of the corporate hierarchy to the bottom, so that any employee can contact a manager in the line of authority if an issue arises that needs a decision. This concept is still largely operable.
- *Order.* Employees must have the correct resources available to complete their jobs properly, which includes a safe and clean workplace. Managers still spend an enormous amount of their time ensuring that resources are properly organized.
- *Equity.* Employees should be treated fairly and well. This statement was forward-thinking when it was first promulgated, and has become more relevant as the value of retaining top-grade employees has become more of a concern.
- *Stability of tenure.* There should be minimal employee turnover, which can be assisted by proper personnel planning, so that new hires can be brought in in an orderly manner.
- *Initiative.* Employees should be allowed to express their ideas, which make them more involved in the organization and increase the competitiveness of the business.
- *Esprit de corps.* Managers should continually try to improve employee morale, which enhances the mutual trust of employees and creates a more harmonious workplace.
- Nearly all of these principles appear to be painfully obvious today, but were considered quite leading-edge when they were developed in the late 1800s.

# Human relation approach

- **Hawthorne Studies**
- Influenced transitions from classical approach to human relations approach
- Illumination Studies
  - Mayo interested in how changes in work environment would impact productivity
  - Found unexpected results
- Hawthorne Effect
  - The more attention given to someone, the more likely their behavior will change
  - Social factors influence productivity

# Human relation approach

- **Maslow's Hierarchy of Needs Theory**
- Humans are motivated by basic needs
- Five Levels-lower order needs must be met before reaching higher needs
- Continue shift of emphasis to social interaction and managerial attention in the workplace



# Human relation approach

- 1. Physiological
  - “living wage” to purchase food and clothing
- 2. Safety
  - Free from danger (safe working conditions)
- 3. Affiliation
  - Need to belong, social relationships with co-workers
- 4. Esteem
  - Sense of achievement and accomplishment (internal)
  - Compensation and reward (external)
- 5. Self-Actualization
  - Job that allows growth and creativity

# Human relation approach

- **Mcgregor's Theory X and Theory Y**
- The assumptions managers have about the function of an organization
  - Theory X postulates the negatives about human nature (pg. 40)-Classical approach
  - Theory Y postulates the positive about human nature (pg. 41)-Human relations approach
  - These categories are not mutually exclusive
  - Principles highlight human needs and satisfaction with those needs being met

# Human Relations Approach

- Need for Individual attention
- Social interaction
- Individual achievement
  
- If management pays attention to these, worker productivity will increase!

# Management as profession

- A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body
- **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.
- **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.

# Management as profession

- **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.
- **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

# Management as profession

- **Representative Association** - For the regulation of profession, existence of a representative body is a must. For example, an institute of Chartered Accountants of India establishes and administers standards of competence for the auditors but the AIMA however does not have any statutory powers to regulate the activities of managers.

# The essential features of a profession are as follows:

- (1) Organized and specialized knowledge,
- (2) Formal education and training,
- (3) Service motive,
- (4) Professional association, and
- (5) Ethical codes.

Now, let us examine to what extent management fulfills the above requirements of a profession.

## **(1) Organized and Specialized Knowledge**

Profession emerges from the establishment of an organized and specialized knowledge, which can be studied. It is true for all professions, including management. During the last five-six decades there has been a constant and steady growth of management techniques, principles and skills. Today, management is a separate discipline having a specialized and organized body of knowledge.

## **(2) Formal Education and Training**

Profession requires a formal education and training in the specific area. No one can practice a profession without going through the prescribed course. Many institutes of management have been set up in foreign countries, which offer courses for specialized training in management. Formal education and training have become very helpful in getting jobs as managers. However, no minimum qualifications or course of study have been prescribed for managers by law.

# features of a profession

- **(3) Service Motive**

A profession is a source of livelihood primarily motivated by the desire to serve the community. Due to their expert knowledge, they are always in a position to charge higher fees. They earn but not at the cost of social interests. The success of profession cannot be measured in terms of money. Therefore, a profession enjoys high community respects. Management is an integrating agency, which integrates various resources and converts them into productive units. This is a major contribution of the management to the society, which cannot be measured in terms of money alone.

- **(4) Professional Association**

In every profession there is a statutory association or institution which regulates that profession. The association is a representative body, which regulate and develop the profession and prescribe the criteria for individuals entering the profession. In management also, association has been formed for the regular exchange of knowledge and experience. However, they do not have the statutory power to regulate the activities of managers. Membership of this association is not compulsory in order to become a manager. Hence, the management does not satisfy this criteria of management.

- **(5) Ethical Codes**

A profession must possess some ethical standards of conduct for its members, which contains rules and regulations providing the norms of honesty, integrity and professional ethics. Any member violating the code can be punished and his membership can be canceled. But there are no enforced ethical codes in the field of management. So, management does not satisfy this feature of a profession.



# Current trends and Issues

- • Globalization – all organizations are faced with the opportunities and challenges of operating in a global market • no longer constrained by national borders • Workforce Diversity – heterogeneous workforce in terms of gender, race, ethnicity, and age • workforce is getting older • Asians and Hispanics are an increasingly large percentage of workforce – “melting pot” approach versus celebration of

# Current trends and Issues

- Impacting issues, facts, trends on Management • Globalization • New technologies • Energy, environment • Labour force • Communication • Higher standards • Ecology

# Current trends and Issues

- Entrepreneurship – three important themes •
  - pursuit of opportunities - capitalizing on environmental change to create value •
  - innovation - introducing new approaches to satisfy unfulfilled market needs •
  - growth - not content to remain small – will continue to be important in all societies – will influence profit and not-for-profit organizations

# Current trends and Issues

- • Managing in an E-Business World – E-commerce - any form of business exchange or transaction in which parties interact electronically – E-business - comprehensive term describing the way an organization does its work by using electronic (Internet-based) linkages with key constituencies • may include e-commerce • three categories reflect different degrees of involvement in e-business – intranet - an internal organizational communication system that uses Internet technology and is accessible only by organizational employees

# Current trends and Issues

- Need for Innovation and Flexibility – without a constant flow of new ideas, an organization is doomed to obsolescence or even worse – must be flexible to accommodate changing customers' needs, appearance of new competitors, and shifting employees from project to project •  
Quality Management – Total Quality Management (TQM) - philosophy of management based on continual improvement and responding to customer needs and expectations – customer - refers to internal and external entities that interact with the organization's product or service

# Current trends and Issues

- Learning Organizations and Knowledge Management – learning organization - one that has developed the capacity to continuously learn, adapt, and change – create learning capabilities throughout the organization • understanding that knowledge is an important resource – knowledge management - involves cultivating a learning culture where organizational members systematically gather knowledge and share it with others in the organization so as to achieve better performance – managers must transform themselves from bosses to team leaders • learn to listen, motivate, coach, and nurture

# Current trends and Issues

- Challenges: [?] The current curriculum in management education does not teach students in facing the challenges in business environment. [?] How to manage uncertainty and complexity are not taught in business schools. [?] It merely teaches the concepts with case studies. [?] It does not focus on the challenges arising out of rapid growing technology and the challenges involved in running an enterprise. Unfortunately, the best talent is going to industry where salaries are lucrative. [?] Those who come to academic area are the ones who could not be absorbed in the industry or those who come to this profession by chance or those who chose this career out of passion.