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

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

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# Introduction to Management

Principles of management are fundamental guidelines and rules that guide managers in achieving organizational goals. These principles provide a framework for effective decision-making, planning, organizing, leading, and controlling resources. They are applicable to all types of organizations, from small businesses to large corporations, and encompass various management functions.



# MANAGEMENT

## Definition:

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.

## Levels of Management:

**1. Top-Level Management:** This is the highest level in the organizational hierarchy, which includes **Board of Directors and Chief Executives**. They are responsible for defining the objectives, formulating plans, strategies and policies.



**2.Middle-Level Management:** It is the second and most important level in the corporate ladder, as it creates a link between the top and lower-level management. It includes **departmental and division heads and managers** who are responsible for implementing and controlling plans and strategies which are formulated by the top executives.

**3. Lower-Level Management:** Otherwise called as functional or operational level management. It includes **first-line managers, foreman, supervisors**. As lower-level management directly interacts with the workers, it plays a crucial role in the organization because it helps in reducing wastage and idle time of the workers, improving the quality and quantity of output.

## **Features of Management Vs Administration**

### **Management**

- **Focus:** Achieving organizational goals, maximizing efficiency and effectiveness.
- **Scope:** Primarily concerned with internal operations and achieving results.
- **Nature:** Dynamic and action-oriented.
- **Key Functions:** Planning, organizing, leading, controlling, and coordinating.
- **Decision-Making:** Makes decisions within the framework set by administration.

## **Examples:**

- Department managers
- Project managers
- Team leaders

## **Administration**

- **Focus:** Establishing the framework and infrastructure for the organization to function.
- **Scope:** Broader, encompassing the entire organization and its relationship with the external environment.
- **Nature:** More stable and focused on long-term stability.
- **Key Functions:** Policy formulation, rule-making, resource allocation, and overall governance.
- **Decision-Making:** Makes high-level decisions regarding the overall direction and strategy of the organization.

## **Examples:**

- CEO
- Board of Directors
- Top-level executives

## Management Vs Administration

FEATURE	ADMINISTRATION	MANAGEMENT
LEVEL	Top-Level	Middle-level & lower level
SCOPE	Organization-wide	Department-specific
FOCUS	Strategy, Policy	Implementation, execution
DECISION-MAKING	Strategic, Long term	Tactical, short-term
ROLE	Determining direction	Achieving goals

- **Management administration** provides the framework and direction for the organization.
- **Management** executes the plans and strategies within that framework.

Both management administration and management are essential for the success of any organization. They work together to ensure that the organization achieves its goals and objectives.



# MANAGEMENT PROCESS AND FUNTIONS

## **PLANNING :**

- It is the first and foremost function of management, i.e. to decide beforehand what is to be done in future.
- It encompasses formulating policies, establishing targets, scheduling actions and so forth.

## **ORGANIZING:**

- Once the plans are formulated, the next step is to organise the activities and resources, as in identifying the tasks, classifying them, assigning duties to subordinates and allocating the resources

## **STAFFING:**

- It involves hiring personnel for carrying out various activities of the organization. It is to ensure that the right person is appointed to the right job.



## **DIRECTING:**

- It is the task of the manager to guide, supervise, lead and motivate the subordinates, to ensure that they work in the right direction, so far as the objectives of the organization are concerned.

## **CONTROLLING:**

- The controlling function of management involves a number of steps to be taken to make sure that the performance of the employees is as per the plans.
- It involves establishing performance standards and comparing them with the actual performance.
- In case of any variations, necessary steps are to be taken for its correction.

## **HISTORICAL BACKGROUND OF MANAGEMENT**

### **A Brief History of Management: From Ancient Civilizations to Modern Day**

**Management** is as old as humanity itself. The concept of organizing and leading people to achieve goals has been practiced since the dawn of civilization. However, the formal study of management as a distinct discipline is relatively recent, emerging in the early 20th century.



## **Key Milestones in the History of Management:**

### **Ancient Civilizations (3000 BCE):**

- Records of business dealings and management practices were first recorded by Middle Eastern priests.
- The Egyptians organized large-scale projects like the pyramids, demonstrating the importance of planning, coordination, and resource allocation.

### **Classical Era (400 BCE):**

- Socrates recognized management as a distinct competency separate from technical skills.
- The Romans established a hierarchical structure and chain of command within their military and government

### **Middle Ages (476-1450 AD):**

- Guilds and craftsmen operated as small businesses with limited managerial control.
- The rise of trade and commerce led to the development of basic accounting and inventory management practices

### **Industrial Revolution (Late 1700s-1800s):**

- The rise of factories and mass production created a need for new management approaches.
- Key figures like Adam Smith and Robert Owen contributed to early management theories.

### **Scientific Management Era (Late 1800s-Early 1900s):**

- Frederick Taylor developed the principles of scientific management, emphasizing efficiency and productivity.
- Henri Fayol introduced fundamental management functions like planning, organizing, commanding, coordinating, and controlling.

### **Human Relations Movement (1920s-1930s):**

- The Hawthorne studies highlighted the importance of human factors in motivation and productivity.
- Elton Mayo and others emphasized the need for employee satisfaction and positive work environments.

### **Modern Management (Mid-20th Century-Present):**

- Management theory continued to evolve with the rise of systems thinking, contingency theory, and quality management.
- Peter Drucker and other management gurus shaped modern management practices.

Today, management is a complex and multifaceted field, encompassing a wide range of theories, principles, and practices. It continues to evolve in response to the changing global economy, technological advancements, and societal trends.

# Scientific Management

## 1 Focus on Efficiency

Scientific management emphasizes maximizing efficiency by using scientific methods to analyze and optimize work processes. It involves breaking down tasks into smaller components and developing standardized procedures to improve productivity.

## 3 Work-Study and Standardization

Scientific management emphasizes the use of work-study techniques to analyze and standardize work methods. It involves observing and measuring work processes to identify areas for improvement and implement best practices.

## 2 Selection and Training

Scientific management stresses the importance of selecting and training employees based on their skills and abilities. It aims to ensure that workers are well-suited for their roles and equipped with the necessary knowledge and skills to perform effectively.

## 4 Compensation and Incentives

Scientific management advocates for a fair and equitable compensation system, often based on output or productivity. It recognizes the importance of providing incentives to motivate employees and encourage higher performance levels.

# ADMINISTRATIVE THEORIES

## 1. Frederick Winslow Taylor (1856-1915) - Scientific Management

**Core Idea:** Taylor believed in optimizing work processes through scientific methods. He advocated for:

- **Scientific Job Design:** Breaking down tasks into smaller, more manageable units.
- **Worker Selection and Training:** Matching workers to jobs based on their skills and training them accordingly.
- **Management-Worker Cooperation:** Fostering collaboration between management and workers.
- **Performance-Based Incentives:** Rewarding workers for increased productivity.

**Impact:** Taylor's ideas significantly impacted industrial production by improving efficiency and productivity.

However, they were also criticized for dehumanizing work and focusing excessively on economic rewards.

## 2. Henri Fayol (1841-1925) - Administrative Principles

**Core Idea:** Fayol identified 14 principles of management that he believed were applicable to all organizations.

These principles include:

- **Planning:** Defining goals and outlining the steps to achieve them.
- **Organizing:** Structuring the organization and allocating resources.

- **Commanding:** Directing and guiding employees.
- **Coordinating:** Ensuring all departments and individuals work together harmoniously.
- **Controlling:** Monitoring progress and taking corrective action.

**Impact:** Fayol's principles provided a comprehensive framework for understanding the functions of management and are still relevant today.

### **3. Chester Barnard (1886-1961) - Acceptance Theory of Authority**

**Core Idea:** Barnard argued that authority does not solely reside with managers but also depends on employee acceptance. He emphasized the importance of:

- **Communication:** Clear and effective communication between managers and employees.
- **Incentives:** Providing sufficient incentives to motivate employees.
- **Order:** Maintaining a clear organizational structure and hierarchy.

**Impact:** Barnard's theory highlighted the importance of employee motivation and cooperation in achieving organizational goals.

#### **4. Herbert A. Simon (1916-2001) - Bounded Rationality and Decision-Making**

**Core Idea:** Simon challenged the assumption of perfect rationality in decision-making. He argued that individuals have limited cognitive abilities and access to information, leading to "bounded rationality."

•**Satisficing:** Instead of optimizing, individuals often choose the first satisfactory option they encounter.

**Impact:** Simon's work revolutionized our understanding of decision-making processes in organizations and beyond.

#### **5. Peter F. Drucker (1909-2005) - Management by Objectives (MBO)**

**Core Idea:** Drucker emphasized the importance of setting clear objectives and regularly reviewing progress towards those objectives. He advocated for:

- **Employee Empowerment:** Giving employees more autonomy and responsibility.
- **Focus on Results:** Measuring performance based on achieved outcomes.
- **Continuous Improvement:** Regularly evaluating and refining management practices.

**Impact:** Drucker's ideas have had a profound impact on modern management practices, particularly in areas like strategic planning and performance management.



# Indian Management Thought - trends and issues

## Trends

- Increased focus on ethical and sustainable practices
- Growing adoption of technology and digital transformation
- Emphasis on innovation and entrepreneurship
- Greater emphasis on employee well-being and work-life balance

## Issues

- Bridging the gap between traditional values and modern management practices
- Managing a diverse workforce with varying skill sets and cultural backgrounds
- Addressing the challenges of talent retention and skill development
- Balancing economic growth with social responsibility and environmental sustainability