

1 CHAPTER

MANAGEMENT PROCESS

PRINCIPLES OF MANAGEMENT

Fill ups

- 1 According to **P. Drucker**, the manager has to balance and integrate three major jobs of a business enterprise
- 2 . “To manage is to forecast, to plan, to organise, to command, to co-ordinate and to control.” **Henry Fayol**.-
- 3 “Management is a multipurpose organ that manages a business and manages manager, and manages worker and work.”— **Peter F. Drucker**
- 4 men, machine, money and materials (**4 Ms**)
- 5 The Father of Modern Management is **Mr.HenryFayol**,

Management

Management is part and parcel of our day to day life. The practice of management could be found in our entire Endeavour whether we are in a play ground or library or class room or hostel and so on wherein we plan many of our actions and execute them in a systematic manner to arrive at the desired results.

Management - characteristics /features

1.Body of Knowledge:

Management has now developed into a specialised body of management theory and philosophy..

2.Management Tools:

Tools of management have been developed such as, accounting, business law, psychology, statistics, econometrics, data processing, etc..

3.Separate Discipline:

Management studies in many universities and institutions of higher learning are recognised as a separate discipline.

4.Specialisation:

There is a growing tendency to select and appoint highly qualified, trained and experienced persons to manage the business in each functional areas of management.

5.Code of Conduct: Enlightened businessmen have recognised that business management is a social institution and it has social responsibilities to be fulfilled — towards customers,

6. Professional Association:

The Business Management Associations in many countries to promote the spread of knowledge in all management areas and to build up the bright public image of managerial profession.

Definition of Management:

Management is a distinct ongoing process of allocating inputs of an organisation (human and economic resources) by typical managerial functions (planning, organising, directing and controlling) for the purpose of achieving stated objectives,

principal ideas of management thoughts

1. Functional school sees management as a process of planning, organising, directing and controlling.
2. Behavioural school is not interested in the process only but rather in the way the process affects the organisation, .
3. Quantitative school wants to improve the quality of decision making,
4. Systems approach concentrates on the entire organisation,
5. Contingency approach emphasizes dynamic nature of management process in an ever-changing business environment.

Definition of Management:

A process also implies ongoing and unceasing cyclical operations. In management we have planning-action-control cycle. It also implies that change is a constant reality of organisational life and management is the management of change.

Drucker stresses three jobs of management:

- (i) Managing a business;
- (ii) Managing manager; and
- (iii) Managing workers and work.

management anymore and it also would not have a business enterprise or an industrial society. According to P. Drucker, the manager has to balance and integrate three major jobs of a business enterprise as mentioned above.

Hence, a manager is a dynamic and life-giving element in every business. Without efficient management it cannot be secure the best allocation and utilisation of human, material and financial resources.

Management is an Art or Science

The nature of management whether it is an Art of doing things or it is a pure Science of getting things done. Management is an in-exact science, because in pure science, the principles are put into test in a laboratory and they are either proved or disproved exactly and precisely.

. Similarly the management principles can be put to test in an organization where men, machine, money and materials (4 Ms) are practically integrated towards achieving some chosen organizational

goals. These principles cannot be exactly proved or disproved either as they tend to be flexible to changing environment.

But the concept of management involves a set of required skills for any one designated as a manager, but the level or span of their managerial skills would vary from person to person and individual to individual irrespective of the countries they belonged to. The nature of the administrative and managerial skills of our former Prime Minister Pt. Jawaharlal Nehru cannot be compared to his counterpart and his own daughter Mrs. Indira Gandhi. So management is not an exact art of doing things.

Decision making.

“A professional manager is one who specialises in the work of planning, organising, leading and controlling the efforts of others and does so through systematic use of classified knowledge, a common vocabulary and principles and who subscribes to the standards of practice and code of ethics established by recognised body.” — **Louis A. Allen.**

Management is differ from Administration

Management	Administration
All about plans and actions	Is concerned with framing policies and setting objectives
Looks after the management of the organization,	is responsible for the administration of the organization.
Management focuses on managing people and their work. Board of Directors	Administra_on Management Managing Director Manager Supervisor

Management Process

The substance of management should be identified as a process. A process is something that what a person does in the context of his individual duties and responsibilities assigned by his or her immediate higher authority.

purposes of the management process:

- (1) Maximum productivity or profitability and
- (2) Maximum human welfare and satisfaction.

BASIS FOR COMPARISON	MANAGEMENT	ADMINISTRATION
Meaning	An organized way of managing people and things of a business organization is called the Management.	The process of administering an organization by a group of people is known as the Administration.
Authority	Middle and Lower Level	Top level
Role	Executive	Decisive
Concerned with	Policy Implementation	Policy Formulation
Area of operation	It works under administration.	It has full control over the activities of the organization.
Applicable to	Profit making organizations, i.e. business organizations.	Government offices, military, clubs, business enterprises, hospitals, religious and educational organizations.
Decides	Who will do the work? And How will it be done?	What should be done? And When is should be done?

Steps of management Proses

1. Management is Co-Ordination:

The manager of an enterprise must effectively coordinate all activities and resources of the organisation, namely, men, machines, materials and money the four M's of management.

2. Management is a Process:

The manager achieves proper co-ordination of resources by means of the managerial functions of planning, organising, staffing, directing (or leading and motivating) and controlling.

3. Management is a Purposive Process:

It is directed toward the achievement of predetermined goals or objectives.

4. Management is a Social Process:

It is the art of getting things done through other people.

5. Management is a Cyclical Process:

It represents planning-action-control-re-planning cycle, i.e., an ongoing process to attain the planned goals.

Principles of Scientific Management by Taylor

1. Science, Not Rule of Thumb: In order to increase organisational efficiency, the 'Rule of Thumb' method should be substituted by the methods developed through scientific analysis of work. Rule of Thumb means decisions taken by manager as per their personal judgments.

2. Harmony, Not Discord: Taylor emphasized that there should be complete harmony between the workers and the management since if there is any conflict between the two, it will not be beneficial either for the workers or the management

3. Mental Revolution: The technique of Mental Revolution involves a change in the attitude of workers and management towards each other. Both should realize the importance of each other and should work with full cooperation.

4. Cooperation, Not Individualism: This principle is an extension of principle of 'Harmony, not discord' and lays stress on mutual cooperation between workers and the management. Cooperation, mutual confidence, sense of goodwill should prevail among both, managers as well as workers.

5. Development of each and every person to his or her greatest efficiency and prosperity: Efficiency of any organisation also depends on the skills and capabilities of its employees to a great extent. Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach

Principles of Modern Management

- 1. Division of Work:** According to this principle the whole work is divided into small tasks.
- 2. Authority and Responsibility:** This is the issue of commands followed by responsibility for their consequences. Authority means the right of a superior to give the order to his subordinates whereas responsibility means obligation for performance.
- 3. Discipline:** It is obedience, proper conduct in relation to others, respect of authority, etc. It is essential for the smooth functioning of all organizations.
- 4. Unity of Command:** This principle states that each subordinate should receive orders and be accountable to one and only one superior..
- 5. Unity of Direction:** All related activities should be put under one group, there should be one plan of action for them, and they should be under the control of one manager.
- 6. Subordination of Individual Interest to Mutual Interest:** The management must put aside personal considerations and put company objectives first.
- 7. Remuneration:** Workers must be paid sufficiently as this is a chief motivation of employees and therefore greatly influences productivity..
- 8. The Degree of Centralization:** The amount of power wielded with the central management depends on company size. Centralization implies the concentration of decision making authority at the top management.
- 9. Line of Authority/Scalar Chain:** This refers to the chain of superiors ranging from top management to the lowest rank.
- 10. Order:** Social order ensures the fluid operation of a company through authoritative procedure. Material order ensures safety and efficiency in the workplace..
- 11. Equity:** Employees must be treated kindly, and justice must be enacted to ensure a just workplace.
- 12. Stability of Tenure of Personnel:** Stability of tenure of personnel is a principle stating that in order for an organization to run smoothly, personnel (especially managerial personnel) must not frequently enter and exit the organization.

13. Initiative: Using the initiative of employees can add strength and new ideas to an organization. Initiative on the part of employees is a source of strength for an organization because it provides new and better ideas

14. Esprit de Corps/Team Spirit: This refers to the need of managers to ensure and develop morale in the workplace; individually and communally. Team spirit helps develop an atmosphere of mutual trust and understanding. Team spirit helps to finish the task on time

Span of management

The Span of Management refers to the number of subordinates who can be managed efficiently by a superior. 1. Influences the complexities of the individual manager's job
2. Determine the shape or configuration of the Organization The span of management is related to the horizontal levels of the organization structure.
