

Functions of management

Primary

Planning
Organising
Directing
Controlling

Secondary

Staffing
Decision-Making
Innovation
Representation

Types of workers

- 1 Unskilled
- 2 Semi-skilled
- 3 Skilled
- 4 Highly skilled

$$\text{Creativity} = \frac{\text{Last salary drawn (Basic Pay + D.A.)}}{26} \times 15 \times \text{No. of years worked for 5 yrs}$$

$$\text{Absenteeism rate} = \frac{\text{Total man day's lost}}{\text{Total no. of workers} + \text{Total working days}} \times 100$$

↓
when a person fails to join work on a particular day when he was scheduled to

Management

In today's era of competitive world if an organisation wants to survive for a longer period of time in front of their competitors then they have to adopt such management practices which helps them in achieving their results.

In the present context management has become one of the most important aspect of human activity because of increasing role of large and complex organisation in the society.

Conceptual framework of Management

Input

7 M's
MEN
MACHINE
METHOD
MONEY
MATERIAL
MARKETING
MAINTENANCE

Planning

Organising

Process of mgtⁿ

Directing

Controlling

Coordinating

Output

Profit
Productivity
Growth & Expansion
Employment
Goodwill &
Brand Value

Definition

According to F.W. Taylor

"Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way."

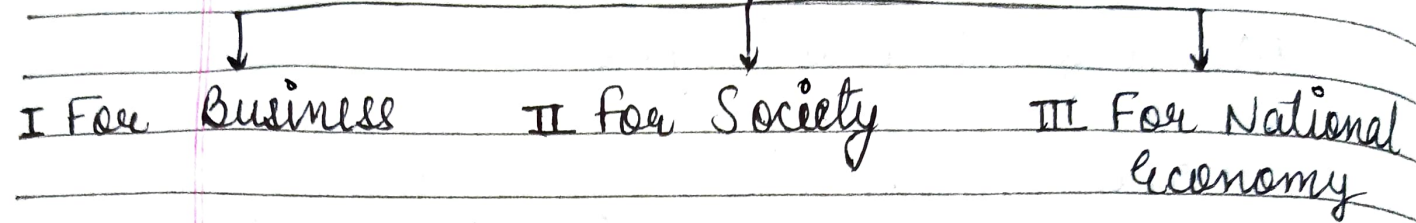
According to Lawrence Appley

"Management is development of people and not the direction of things."

Characteristics of Management

1. It is a human activity.
2. It is based on group efforts.
3. Decision making process.
4. It is Universal process.
5. It is Social process.
6. It is continuous process.
7. It is art and Science both.
8. It promotes coordination.
9. It consists of various levels of management.
10. It ensures optimum utilisation of available resources.

Importance of Management



- | | | |
|---|-------------------------------------|--|
| 1.) To determine the right objective | 1.) Provides goods and services | 1.) Increase per capita income |
| 2.) Optimum utilisation of resources | 2.) Increase standard of life | 2.) Contribute to the national income |
| 3.) Basis for success of organisation | 3.) Contribute to social upliftment | 3.) Promotes work culture |
| 4.) To solve complex business problems | 4.) Provide employment. | 4.) Recognition of organisation at national level. |
| 5.) Increase Production | | |
| 6.) Ensure good labour management relations | | |

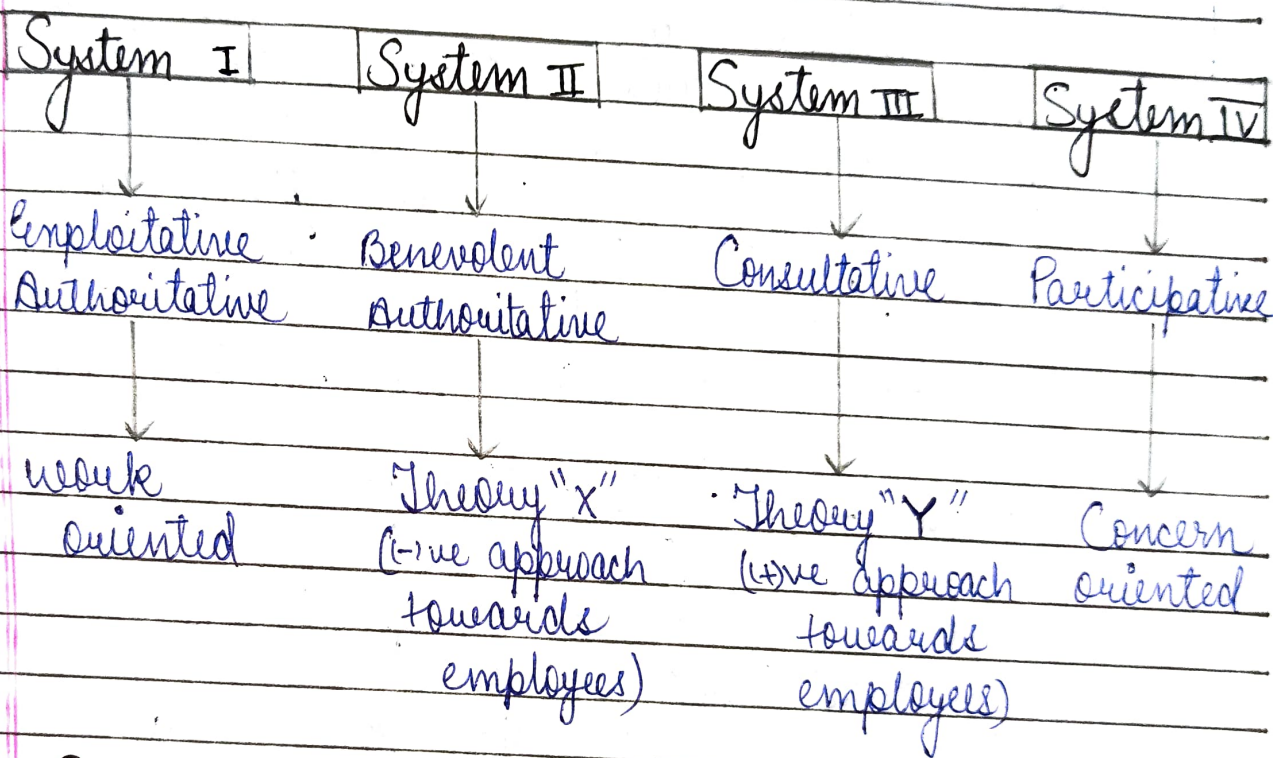
Contribution by Rensis Likert

As per the opinion of Rensis Likert, the success & growth of the organisation depends upon how effectively and efficiently managers lead their subordinates.

As per his view the best method of leading the employee is to make them participate in decision-making.

Likert had group the leadership style in four categories and in management would it is famous as 'Likert four system of management'.

Likert four System of Management



System - I Exploitative Authoritative

Under this style managers works on a production oriented concept and their estimate goal is to earn more profit by more sale.

Their

There method of getting the work done from its subordinates is highly instructive.

and directional. They intend to keep decision making authority restricted to themselves as they don't trust their subordinates.

System - II Benevolent Authoritative

In this style of leadership sometimes the attitude of the managers and leaders towards their subordinates is strict and sometimes it is normal. The relationship between them is like a master and slave. Target determination and decision making functions are centralised at the top level.

System - III Consultative

In this style of leadership in all the matters the manager shows interest in their subordinates and have sufficient confidence on them. Although the decision making authority remains centralised at the top level and the communication flows from top to bottom and bottom to top.

System - IV Participative

In this style of leadership managers

have full trust and confidence in their subordinates and always welcome the ideas & suggestion given by the subordinates.

Top management use their creativity & advice in different different task and they are also used included in target formation and evaluation process.

Likert four system of management is Criticised in following aspects :-

- 1.) The assumption of these system is that the leader who adopts participative leadership style will be very successful, doesn't prove true in all the circumstances.
- 2.) The Likert four system of management lack thought lacks scientific validity.
- 3.) The functionality of the Likert system on the entire organisation appears to be doubtful because their views are related with the small group.
- 4.) This thought criticised situational factors and their effects.

Evolution of Management thought

Classical
Period

1.) Scientific Mgtⁿ
Thought

2.) Administrative
Mgtⁿ thought

Neo-Classical
Period

Human
Relationship
Thought

System
Approach

Refinement
& Extension
Thought

Contribution by F W Taylor (Scientific Management thought)

This thought is also called ~~as~~ Taylorism. It emphasises detail, precise planning of work to achieve efficiency, standardisation, specification, specialisation and simplification. This theory is well-known for its application of engineering science at the production floor or ~~at~~ the operating level.

This thought focuses on improving the efficiency of each individual in the organisation. The major emphasis is on increasing the production through use of intensive technology and the human being are

just considered as support to machines in the performance of routine task.

This thought encompasses the ^{concept} work performance in the production floor, as these tasks are quite different from other task performed within the organisation. The major principles of Scientific Management given by Taylor can be summarised as follows:-

1. Separate planning from doing.
2. The functional foremanship of supervision
3. Time motion and Fatigue studies shall be used to determine the fair amount of work done by each individual worker.
4. Improving the working conditions and standardising the tools, period of work and cost of production.
5. Proper scientific selection and training workmen should be done.
6. The financial incentives should be given to the workers to boost their productivity and motivate them to perform well.

7. Production should be move in the organisation

8. Each work is to be done by best method and it is better to divide any work into several part and get each part complete through different group.

If we take a broad view of the Taylorism and looking the contribution which he has given to this thought that management should emphasis on following five concepts on which management theories and practices could be based :-

1.) Research

2.) Standards

3.) Planning

4.) Controlling, and

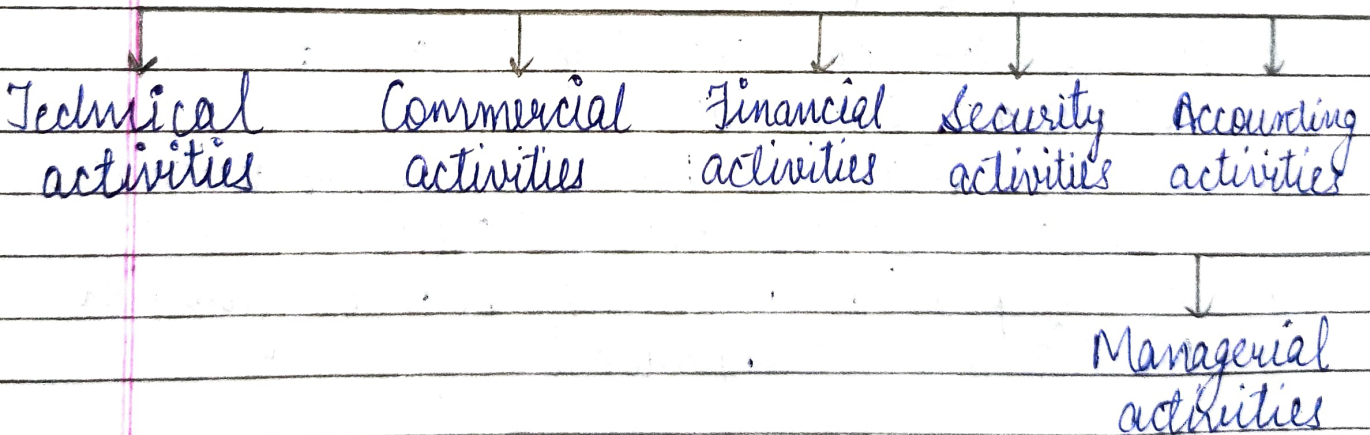
5.) Cooperation

Henry Fayol

The concept of administrative thought was developed by Henry Fayol. He includes following elements in administrative theory :-

1. Principles of Management
2. Concept of line & staff
3. Communities
4. Functions of management (POSDCORB) [GUILICK]
C → co-ordinating, R - Reporting, B - Budgeting

Henry Fayol was considered the father of Modern Theory of General and Industrial Management and he divided general & industrial mgtⁿ into 6 groups which are as follows :-



These six functions had to be performed to operate successfully in any kind of business but he pointed out that the last function, the ability to manage was the most

important for the upper level of managers.

In ~~1900s~~ 1916, Henry Fayol published a book "General and Industrial Management" in which he described 14 Principles of management.

Contribution of Henry Fayol

1. He gave general concept of management.
2. He gave typical functions of "mgt"
3. He recognised the value of staff, specialist to guide and advice line managers in complex organisation.
4. He recommended selection & training of workers & managers.
5. He used organisation charts to describe the organisational relationship, authorities & responsibilities.
6. He pointed out the importance of non-financial incentives.
7. He identified the key problem of delegation & decentralisation of authority.
8. He emphasised planning as a function of higher management.

14 Principles given by Henry Fayol

1.) Division of work :- This principle states that work should be divided into smaller parts or tasks and each task should be performed by a specialised or trained personnel.

2.) Authority and Responsibility :- Responsibility is the obligation to perform the assigned task and authority is the right to give orders ~~and~~ or instructions to get the work done by subordinates with authority comes responsibility. Balance between these two ensures effective & efficient completion of task.

3.) Discipline :- Discipline means following organisational rules and terms of employment agreement while working in the organisation. To maintain discipline organisation must have good supervisors clear & fair agreement & judicious application of penalty. A condition where systematically operations take place & no chaos or dissonance is there.

4.) Unity of Command :- It means that each one ~~of~~ employee must receive instructions and orders from only one superior at a time.

5.) Unity of Direction :-

Contribution of Elton Mayo

Elton Mayo has propounded the human behaviour thought. It is based on the assumption that employee is a social being who has his own mental, physiological & social needs and hence to take a work from them. A manager should first understand their needs & fulfil them.

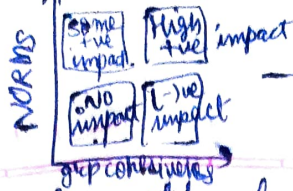
Elton Mayo & his associates conducted 'HAWTHORNE STUDIES'. In the plant of western electronic company in USA between 1927 - 1932. They were the pioneer of human behaviour thought. According to them there are many areas of managerial applications which are as follows:-

- 1.) The business organisation is not just a economic system, basically it is a social system
- 2.) The employee can also be motivated by many social and physiological wants
- 3.) Effective two way communication is essential to establish common flow of understanding
- 4.) Management must take greater interest in employee development and workers satisfaction as there is very close connection between morale & productivity

5. Informal group & informal organisation must be recognised.
6. This thought has drawn a particular attention towards inter-personal relation of the employees
7. Principle of mutual understanding is outcome of this thought
8. Management must develop social skills in addition to technical skills.
9. This thought has given importance to individual in business, industry and society.

Elton Mayo develops the matrix which he used to illustrate the likelihood that a given team would be successful that his matrix demonstrate the role that varying combinations of groups norms & group cohesiveness ~~which~~ ^{play in} team effectiveness which are:

1. Group with ~~no~~ low norms and ~~no~~ low cohesiveness are ineffective. They have no impact since none of the members are motivated to excel.
2. Group with low norms & high cohesiveness have a negative impact since fellow member encourages negative behaviour.
3. Group with high norms & low cohesiveness have some degree of positive impact through individual member accomplishment.



Mayo's Motivation theory

4. Group with high norms & high cohesiveness have the greatest positive impact since members encourages each other to excel.

Contribution by Max Weber

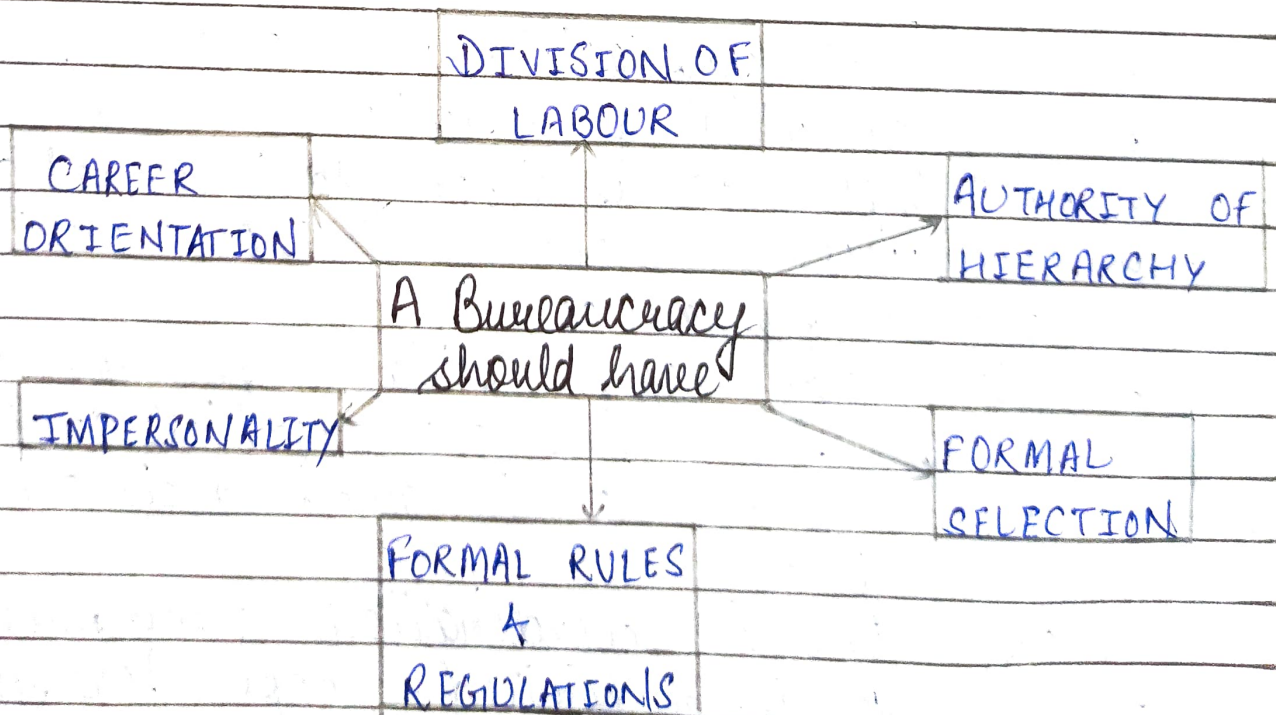
The great German sociologist and political economist was born on 21st April 1864. He worked in the field of economics, sociology, ~~philosophy~~ philosophy.

The main contribution to mgmtⁿ is his theory of authority structure and his description of organisation based on the nature of authority relations between them. The view of bureaucracy was a system of power where leader exercises control over others based on discipline.

Features of Bureaucracy

1. Administrative Class :- Such organisation generally have administrative class responsible for maintaining coordination of the employees.
2. Hierarchy :- It is a system of ranking various positions in the organisation from bottom to top which ensures a

- proper line of communication
3. Division of work:- It ensure that each worker has a clearly defined area of his job
 4. Official rules:- Rules & regulations are developed in the organisation for maintaining the ~~discipline~~ discipline & working
 5. Impersonal relationship:- The relationship among individuals are governed through the system of authority & rules
 6. Official record:- The decisions and activities of the organisation are formally recorded & preserved for future reference.



Advantages of Bureaucracy

1. It leads to consistent employee behaviour.
2. It eliminates conflicting job duties.
3. It ensure maximum utilisation of HR.
4. The workers become specialist.
5. Promotes work culture.
6. Raises the individual standard.

Disadvantages of Bureaucracy

1. Too much of paper work.
2. There is a resistance to change.
3. No initiative & growth of the workers.
4. Employee think less for the organisation.

Criticism of Bureaucratic Organisation

1. Too much emphasis on rules & regulations.
2. They are rigid & inflexible.
3. No importance is given to informal groups.
4. Unnecessary delay in decision making due to formalities.
5. This model may be suitable for govt. organisations & not for business organisation because they believe in quick decision making.
6. Difficulty in coordination & communication.
7. There is a limited scope for HR.