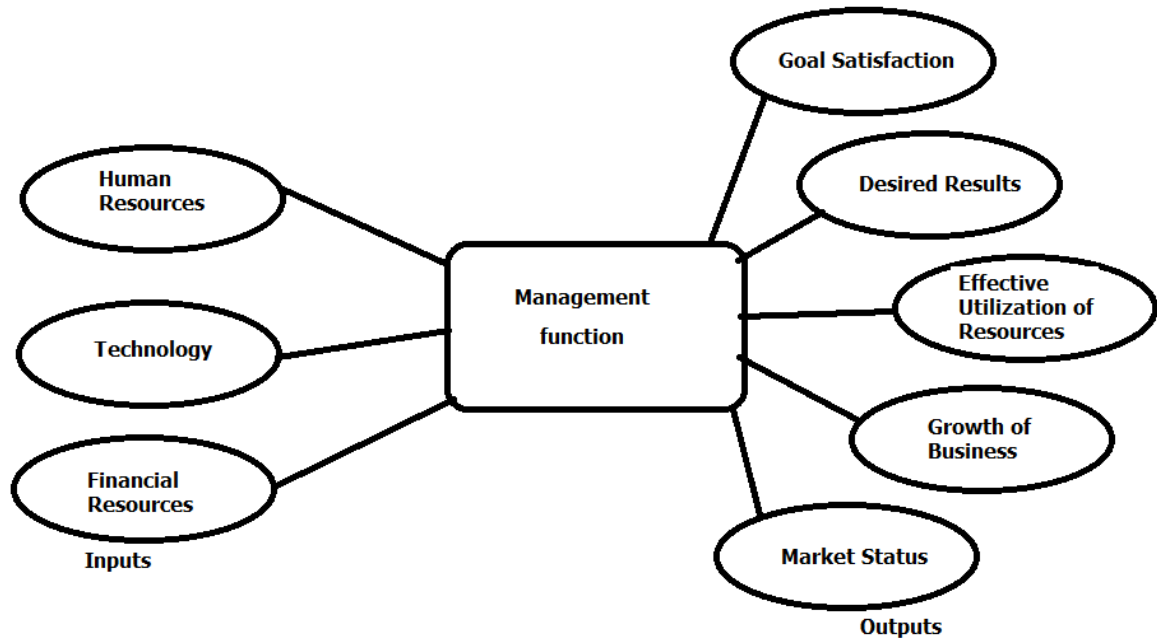




<b>Topic and Contents</b>	<b>Hours</b>	<b>Marks</b>
2.1. What is management? <ul style="list-style-type: none"><li>• Evolution</li><li>• Various definitions</li><li>• Concept</li><li>• Levels of management</li><li>• Administration &amp; management</li><li>• Scientific management by F.W. Taylor</li></ul> 2.2. Principles of management 2.3 Functions of management <ul style="list-style-type: none"><li>• Planning</li><li>• Organizing</li><li>• Directing</li><li>• Controlling</li><li>• Decision Making</li></ul>	<b>08</b>	<b>08</b>

**Q. What is management?**

1. It is nothing but getting the things done by other people with help of optimum resources to achieve the desired goals.
2. Management is a science with a systematic content of knowledge and its principles are based on the basis of observations.
3. Input and outputs of management:



4. Management is required before any process, during the process and after the process as well.
5. Resources of management are, People/skills/knowledge, materials, Time, Products and processes, Buildings/sites/land, Information/data, machinery/equipment/logistics, market, finance, infrastructure, location, reputation/image/goodwill.

**Q. Which are the duties of management?**

1. To plan business development
2. To focus on organization growth
3. To keep stability
4. To maintain relationships in organization
5. To motivate staff
6. To improve productivity of work



7. To restrict corruption and bad practices
8. To plan assets of the organization

**Q. What will happen if there is no management?**

1. Overlapping of duties
2. Under utilization of resources
3. Poor functioning of executives
4. No co-ordination among the members
5. Repetition of mistakes

**Q. Explain Evolution of management.**

Progress, development and changes in the concept of management with change in the time are termed as Evolution of management. Management is there from historical period.

1. Man started his developments by managing his difficulties. Since, last 30, 000 years human being is applying management in his life activities. Ancient Egyptian, Greek, Roman, Chinese writers have mentioned the term management. In last 10,000 years, human erected enduring monuments in many parts of the world. E.g. Pyramids of Egypt, Great Wall of China, Sculptures, Forts in India are the examples of extra ordinary achievements of managements.
2. Later on military and naval leaders throughout the history have displayed spectacular achievements of organization and managements.
3. Use of systematic documentation, mathematical models in decision making, use of computers changed the application level of management.
4. Research in psychology, economics, sociology, operation research completely changed the face of management.
5. Many thinkers, scientists related to management contributed in the evolution of management science all the time.



Sr. no.	Scientists	Contribution in Management Evolution
1	Adam Smith	Economist
2	F.W. Taylor	Scientific Management
3	Frank	Time Study
4	Lillian Gilberth	Motion Study
5	Max Weber	Concept of Bureaucracy
6	Fayol Henry	Principles of Management Theory
7	Mary Parker	Behavioral Management Theory
8	Mc Gregor	Theory X and Theory Y
9	Maslow	Need Hierarchy

**Q. State various definitions of Management.**

The word management is derived from a Latin word 'manus'. Manus means a driver controlling a team of horses pulling a cart.

1. Henry Fayol: To forecast and plan, to organize, to command, to coordinate and to control is called as management.
2. Blanchard: Management is working through individuals and groups to accomplish organizational goals.
3. Mescon: Management is the process of planning, organizing, leading and controlling the efforts of organization members and of using all organizational resources to achieve stated organization goals.
4. Mary Parker: it is getting things done by others.
5. Robinson: Management is the process of optimizing human, material and financial contributions for the achievement of organizational goals.
6. Drucker: The systematic organization of economic resources.



**Q. Explain concept of management.**

Harbison and Myers offered a threefold classical concept of management.

They observe management as:

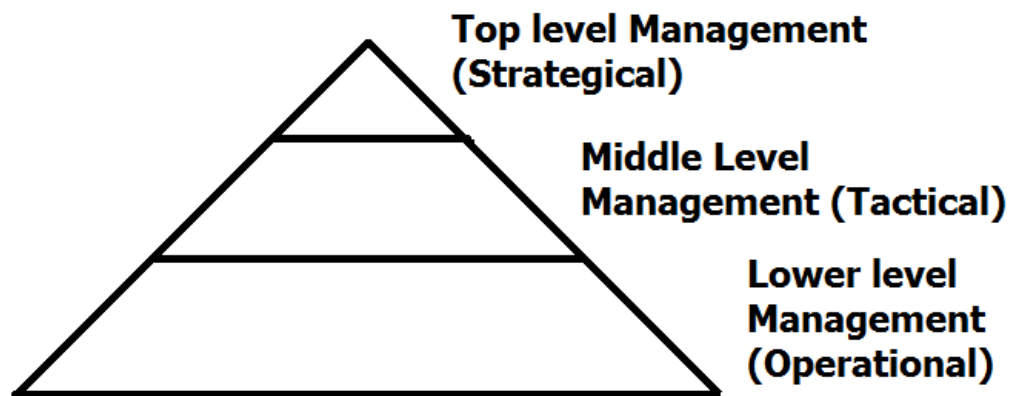
1. An economic resources
  2. A system of authority
  3. A class or elite
1. Management as an Economic resources:
    - Management is also factor of production like land, labour and capital.
    - As the industrialization increases, the need for management becomes greater.
    - Management function determines productivity and profitability of the firm.
    - So economic progress of an organization is observed when management is used as an economic resource in its execution.
  2. Management as a System of Authority:
    - Small no. of effective, higher order people control activities of many. This may be termed as an authority.
    - Definite and consistent policies & procedures are decided by management to operate their subordinates.
    - Thus management in any organization is an authority of the system.
  3. Management is a Class and Status System:
    - It is the system of organization and society which demands that managers become elite of brains and education.
    - Presence in management is itself based more and more on education and knowledge.
    - These managers get increasing amount of power and position.
    - This creates distinct high profile class of management people. It may be termed as a "class".

**Q. What are the levels of management?**

Levels of management in any organization are described by the pyramid.

Generally management function is divided into three levels.

1. Top level management
2. Middle
3. Lower



1. Top management:
  - a. Also called as strategical level of Managers.
  - b. It is represented by
    - i. Board of Directors (BOD)
    - ii. Chief Executive Officer (CEO)
    - iii. Chairman/President
    - iv. Managing Director etc.
  - c. They handle companywide overall functions
  - d. Functions of Top level Management
    - i. Overall strategic work
    - ii. To determine and finalize aims/goals of organization
    - iii. To define vision of work
    - iv. To workout long term plans.
  - e. Responsible for overall developments in the organization.
2. Middle level management:
  - a. Also called as Tactical level of managers



- b. This is a comparatively larger group of managers.
  - c. It is represented by
    - i. Factory manager
    - ii. Plant manager
    - iii. Heads of Department
    - iv. Senior Manager
  - d. Functions:
    - i. To plan the execution strategies
    - ii. To decide medium scale policies
    - iii. To play role as "Buffer group" between Top level and Lower level management.
    - iv. To help Top management in strategic decisions.
  - e. They are accountable for the work done by their juniors.
3. Lower level Management:
- a. Also called as Operational level managers
  - b. They occupy bottom of the pyramid
  - c. It is represented by
    - i. Shift incharges
    - ii. Trainee Engineers
    - iii. Sr. supervisors
    - iv. Jr. managers
  - d. They have direct responsibility of machinery and materials
  - e. Skilled workers, operators, workforce is working immediately below them
  - f. Functions:
    - i. To supervise the operations/activities
    - ii. To plan and execute daily work schedules
    - iii. To ensure smooth operations
    - iv. To guide workforce about their work
  - g. Lower management may be called as "actual face" of management or "fighting chaps" as they are directly related to operational activities.



**Q. Compare Administration and Management.**

Administration: it is the overall execution of the given task.

Duties:

1. To keep and maintain documentation.
2. To conduct meetings.
3. To execute policies made by higher authorities.
4. To keep disciplined work environment.
5. To perform the work in the scheduled time period.

Management: it is the process of planning, organizing, leading and controlling the efforts of organization members and of using all organizational resources to achieve stated organization goals.

In India, **Management** is considered at the higher authority position of an organization than the **Administration**. But in European Countries the situation is reverse.

- In schools, colleges, institutes- Principal, Registrar, Office authorities, or that institute are called as Administrators. The head office or that organization i.e. parent office authorities are termed as Management.
- In Indian system of Administration, department's heads are IAS officers. i.e. Indian Administration Services Officers. Concerned minister of that department is the boss of that IAS officer. Minister in the constitution of India is termed as manager or executive of the governance.

Administration and management are higher profiles, but management is above administration in Indian context.

Management relates to the long term decisions, policies, plans etc. They may relate to the plant set up, market strategy decisions, financial long term plans, decisions about new technology, recruitment policy etc; whereas administration works on short term decisions or activities like daily production, materials procurement, production planning and control, meetings, salary, discipline etc.

Management decides policies and administrators execute those policies.





Management group has unlimited powers whereas administration people are just binding to their higher authorities.

Management is concerned with directions and control whereas administration is concerned with operations and execution.

Board of Directors, MD, GM, are categorized under Management. Managers, officers, project leaders, are counted under administration.

Difference between Management and Administration is not precise. It may change from organization to organization. Both are higher authorities. The basic difference is between policy making and execution function.

Q. What is Scientific Management?

1. Fredrick Winslow Taylor (1856-1915) is known to us as the 'Father of Scientific Management'.
2. Scientific management developed ways for solving problems which are very impossible for the ordinary managerial processes.
3. Its methodology was based on careful investigation of every operating problem in the industrial world.
4. It started applying scientific methods of research to managerial problems.
5. Scientific management established a philosophy of a correct mental attitude with effective problem solving logic.

Scientific Management consists of:

- Network techniques (CPM, PERT, etc)
- Sensitivity analysis
- Dynamic programming
- Graphical methods.

**Achievements** by Scientific management are:

Work study, standardization of tools and equipment or workmen and working conditions, incentive scheme, principles of management and application of scientific methods.



Advantages of scientific management:

1. It helps in getting relevant information in proper time for planning the job.
2. Plan prepared is more realistic.
3. Idle time is reduced effectively; hence completion of job is possible within given time.
4. It helps in getting suitable man and machine for the given work.
5. Effective assignment is possible avoiding overlapping or idle situations.
6. It directs best method for doing the work.

**Handling complexity:**

Manager has to solve each and every complex problem. Many times problem has number of parameters which makes it serious in nature. Considering all parameters from different angles, their effect on the system, ways to reduce them, getting the solution, is quite tough task. Using scientific management these complex problems can be tackled easily. Complexity is solved using numerical formulae, analytical methods or different mathematical models. Complex problem is solved only by scientific management principles.

**Optimization:**

The process of obtaining the best possible output is known as optimization. It may be maximum or minimum.

E.g. for cost, optimum value is minimum cost.

For profit, optimum value is maximum profit.

Thus, optimization solution in any situation is possible using scientific management. In this technique we must have:

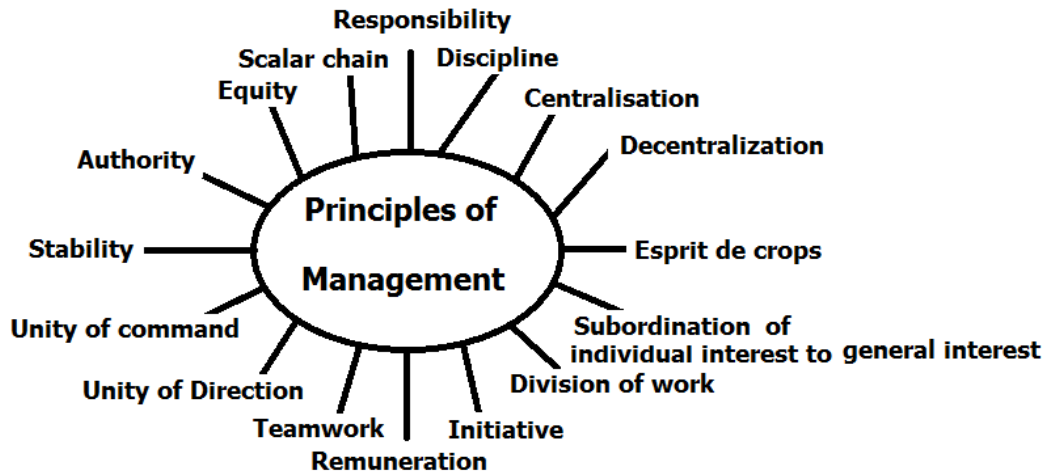
- Defined aim
- Alternative courses to achieve these aims
- Comparison between alternatives
- Optimum solution

Thus in optimization technique we get optimal solution. This is helpful in following ways:

1. It is more perfect and realistic

2. Wastages are reduced as well as full utilization of resources is possible.
3. Work is done at the sharp time.
4. No overlapping of work as well as no idleness at work.

**Q. State the principles of Henry Fayol management.**



1. Authority: Authority is necessary to get work done from others. Position, designation, seniority defines authority. It is reflected as a power in managing the work. If authority is used in good sense and in positive manner the system works smoothly.
2. Responsibility: if there is authority, the same weightage of responsibility automatically comes with it. There is nobody with only authority and no responsibility.
3. Discipline: any organization needs discipline for its smooth functioning. Discipline of time, behavior, work quality, obedience etc are important in any management. Following rules and regulations, being honest, trustworthy and following protocols of the system are expected as discipline requirements.
4. Centralization: When many functions are controlled by a central authority, it is called as centralization. Unity in organization, importance of discipline, status in external market, brand development etc are the advantages in centralization function.

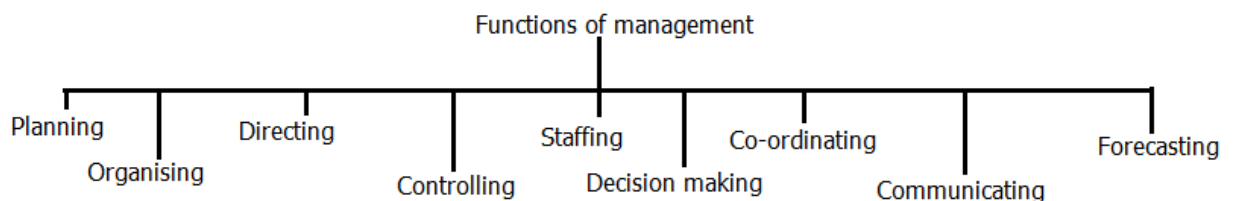


5. Decentralization: Control from different position is called as decentralization. So instead of one, there are many centres of power. This increases effectiveness of work. Every subsystem cannot run properly all the times with common rules. There should be different treatment or control as per requirements.
6. Division of work: It is also called as delegation of work. When work is complicated, huge and difficult, it must be divided among the different teams. Due to division of work, people get less variation in work. Skilled people make effective concentration on their allotted work.
7. Initiative: To start with enthusiasm is called as 'initiative'. Difficult things are not possible if there is no initiative from anybody. For getting success in difficult or complicated work, someone should start at initial level. Good manager is always enthusiastic to initiate things whenever there is difficult situation in front of the organization.
8. Remuneration: people must be satisfied by paying them satisfactorily. Many people work for better remuneration. Few work for mental, psychological and work related satisfaction. But it is the need that all of them must be paid as per their inputs. Qualification, designation, responsibility, dedication, experience should be counted while giving remuneration.
9. Teamwork: Good teamwork is always better than the best individual performance. Organization is busy in many kinds of work. Completion of these works in time, with quality and with minimum wastages is the expectations from the employees. Single individual has limitations on many fronts. But if many individuals with different skills come together, co-ordinate each other effectively, then great achievements are possible through this teamwork.
10. Unity of direction: In giving direction to the subordinates, there must be uniqueness of direction. There should not be any confusion due to different directions every time.
11. Unity of command: it may be called as "one man-one boss". But when higher authorities are more than one, then there is possibility of

different guidelines to the subordinates. This may create misunderstanding and fiasco at work.

12. **Stability:** Management must provide stability of tenure to employees. This creates secure feelings among them which allow them to work with more concentration.
13. **Equity:** Management should not forget equity and humanity. Partialism, variation in treatments among the employees of the same organization creates disintegration and segmentation in them. Now-a-days, many organizations have maintained equity in canteen facilities, uniform dress codes, pickup facilities, medical facilities etc. for all the employees without any differentiation.
14. **Scalar chain:** Fayol thinks of the scalar chain as a line of authority. It is a chain as a line of authority. It is chain of superiors from the highest to the lowest ranks. This chain should be short-circuited.
15. **Esprit de corps:** It is related to team work. Also importance is given to communication in team work.
16. **Subordination of individual interest to general interest:** Interest of group is more important than that of an individual person. If there is conflict with respect to interest, team's interest is given priority.

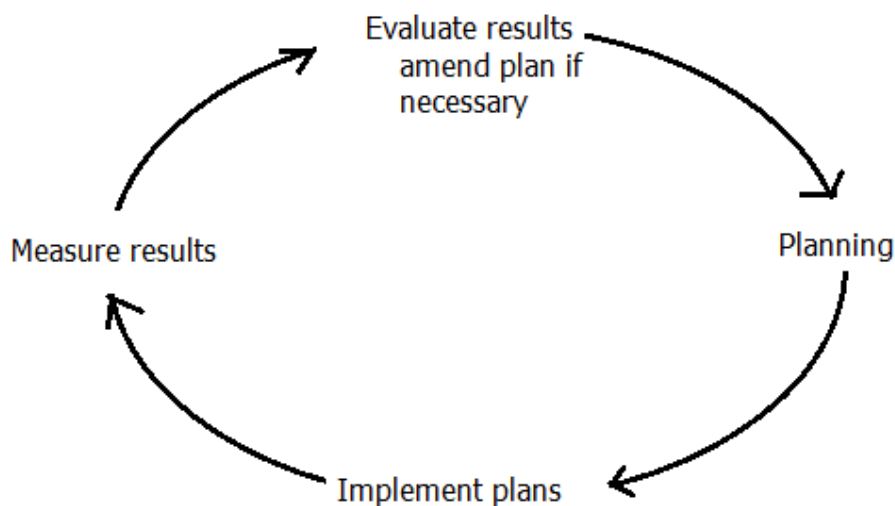
**Q. Give the functions of management.**



**(I) Planning**

1. **Planning:** "It can be defined as deciding in advance what to do, how to do, when to do and who will do it.
2. **Why planning is required?**
  - a. To reduce effects of uncertainty.
  - b. To find out the risks involved.
  - c. To focus real objectives of work.

- d. To make the process more economical.
- 3. Planning is essential not just for successful management but for the success of almost every activity under consideration.
- 4. Types of plans:
  - a. Corporate plans
  - b. Strategic plans
  - c. Management plans
  - d. Operational plans
- 5. Planning loop system: planning is the continuous function.



- 6. Why plan fails?
  - a. Wrong information for planning
  - b. Incorrect person to plan
  - c. Lack of knowledge
  - d. Less devotion to execute plan
  - e. Faulty system of work
  - f. Insufficient data
  - g. No feedback system
  - h. Overconfidence
- 7. Five point Check charts of planning/planning cycle:
  - a. Establishing the goals and objectives of the organization.
  - b. Formulating policies and strategies to carry out the objectives.



- c. Developing intermediate and short range plans to implement the policies.
  - d. Defining detailed procedure.
  - e. Comparing actual plan with standard plan. Adjusting it to reduce deviations from the original standard plan.
8. Objectives of a good plan:
- a. To use available resources effectively.
  - b. To avoid unnecessary delays.
  - c. To complete the work within expected time.
  - d. To achieve all levels of desired output.
  - e. To increase the productivity.
  - f. To reduce uncertainty.

## **(II) Organizing**

1. "It is the activity of coordinating and directing the company's resources in such a way that the company can carry out its objectives."
2. In organizing, roles of people in the given work must be structured properly.
3. Organizing involves:
  - a. Identifying the activities
  - b. Grouping these activities
  - c. Assigning the activities to managers
  - d. Delegation of authority to managers
  - e. Setting up structure of coordination for these activities
4. Assumptions in organizing:
  - a. Guidance and planning are always necessary for members in an organization.
  - b. If there are no boundaries of work, people may interfere in others work.
  - c. Members will try to avoid responsibilities unless and until they are given definite work.
  - d. Members generally prefer security of a definite task than freedom of undefined task.



5. Basic meaningful terms in organizing function:
  - a. Authority
  - b. Power
  - c. Loyalties

### **(III) Directing**

1. This function assists in providing correct way of working i.e. giving direction.
2. Employees with correct direction work efficiently.
3. Directing needs good vision in leadership.
4. Experience of work also helps in getting correct direction.
5. Directing involves giving instructions and orders to subordinates.
6. Suggestions and guidance are also important in directing the work.
7. Directing function needs good communication and motivation as a supportive function.
8. All resources and efforts will be useless if directing function is not properly executed.

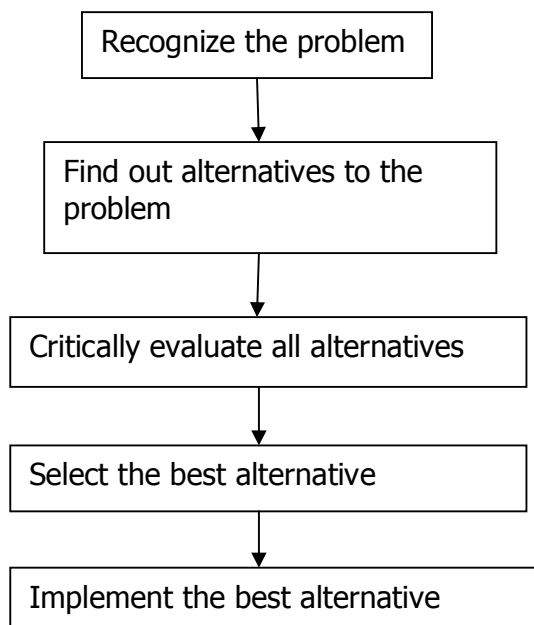
### **(IV) Controlling**

1. It is like a brake system in automobiles. But the main purpose is to avoid deviation in work. It helps to control extra efforts, wastages of resources by various methods of checking and correcting.
2. Controlling function primarily needs standards, objectives and goals.
3. It decides criteria of performance.
4. It defines and designs system of reporting. So it is easier to understand what is actually going on.
5. Whenever it finds deviations from the standard performance, then immediate corrective action are taken and control on unnecessary part of work is possible.
6. As brakes avoid accidents and damages in vehicles, controlling function takes care of time loss, manpower loss, resources wastages etc.
7. Due to controlling, the systems of organization work for the desired goals only.



**(V) Decision making**

1. Decision making is one of the very important skills of management.
2. Managers are effective officials when they are excellent in decision making.
3. Making decision correctly and within the given time is the part of skill.
4. Now-a-days, decision making is not based only on judgments. The scientific methods, use of computers, mathematical models, operation research concepts made decision making quite accurate and fast process.

**5. Steps in decision making /problem analysis:**

By using above steps in decision making can be simplified. This methodology is also called as “problem solving”.

**Advantages of effective decision making:**

1. Pending issues are sorted out.
2. No confusion of “to be” or “not to be”.
3. Processes become faster.
4. No delay in projects.
5. Quick actions are possible.



**Techniques used for Decision making:**

1. Linear programming
2. Transportation models
3. Decision tree
4. Break even analysis
5. Dynamic programming

All the above operation research tools can be used for effective decision making.

**HELPFUL LINES FOR ONLINE EXAM**

1. **Management** is getting the things (work) done by the other people with the help of optimum **resources** to achieve the **desired goals**.
2. **Human resources, technology and financial resources** are the inputs of management.
3. **Goal satisfaction, desired results and growth of business** are the outputs of management.
4. **People, skills, knowledge and materials** are the resources of management.
5. **To motivate staff** is one of the duties of management.
6. **Overlapping of duties, underutilization of resources, poor functioning of executives, repetition of mistakes** are the result of mismanagement.
7. **Planning, innovating, operating and controlling** are the role played by management.
8. **Progress, development and changes** in the concept of management with change in the time are termed as **Evolution of management**.
9. **In 1881**, first Business school was started at the University of **Pennsylvania**.
10. **Japanese management** techniques are more successful than that of Western nations.



11. **Management** is the main pillar of technological progresses as well as all organizational developments.
12. **Henri Fayol** defines management as “to forecast and plan, to organize, to command, to co-ordinate and to control”.
13. **Blanchard** defines “management is working through individuals and groups to accomplish organizational goals.
14. **Mescon** defines “management is the process of planning, organizing, leading and controlling the efforts of organization members and of using all organizational resources to achieve stated organization goals”.
15. **Mary Parker** defines “it is getting things done by others.”
16. **Robinson** says “management is the process of optimizing human, material and financial contributions for the achievement of organizational goals.
17. **Drucker** says “the systematic organization of economic resources.”
18. **Harbison and Myers** observe management as an economic resource, a system of authority and class or elite.
19. Levels of management in any organization are described by **the pyramid.**
20. **Top level management** is also called as strategic level management.
21. **Top level management** handles companywide overall functions.
22. **Top management** is the highest authority of the organization.
23. **Middle level management** is also called as Tactical level of management.
24. **Middle management** works on wider areas compared to lower management.
25. **Middle management** informs ground reality of the system to higher authorities and also assist in finding solutions to problems at execution level.
26. **Lower level management** is also called as operational level management.
27. **Lower level management** has direct responsibility of machinery and materials.
28. Skilled workers, operators and workforce work below **lower level management.**



29. **Lower level management** is skilled at both supervision and doing the work.
30. **Lower level management** plan and execute daily work schedule.
31. **Lower level management** executes plans given by middle management.
32. **Lower level management** reports higher authorities about the production function and related matter.
33. **Lower level management** is also called as actual face of management or fighting chaps.
34. The overall execution of the given task is called as **Administration**.
35. **Administration** keeps and maintains documentation.
36. **In India, management** is considered at the higher authority position of an organization than the **administration**.
37. **Management** decides policies and **administrators** execute those policies.
38. **Management** group has unlimited powers whereas **Administration** people are just binding to their higher authorities.
39. **Management** is concerned with directions and control whereas Administration is concerned with operations and execution.
40. **F. W. Taylor** is known to us as the **father of scientific management**.
41. **Scientific management** distinguishes the progressive management practices from the traditional systems of management.
42. **Scientific management** developed ways for solving problems which are very impossible for the ordinary managerial processes.
43. Use of **computers** is also involved in today's **scientific management practices**.
44. Plan prepared by **scientific management** is more realistic.
45. **Handling complexity and optimization** are the main advantages of scientific management.
46. For cost, optimum value is **minimum** cost.
47. For profit, optimum value is **maximum** cost.
48. **Scientific management** uses methods like linear programming, dynamic programming, and assignment models to get optimum solutions.



49. Position, designation, seniority defines **authority**.
50. **Authority and responsibility** are the two sides of coin.
51. **Higher authority** has higher responsibility.
52. **Discipline** is required for smooth functioning of any organization.
53. Following rules and regulations, being honest, trustworthy and following protocols of the system are expected as **discipline requirements**.
54. When many functions are controlled by a central authority, it is called as **centralization**.
55. Control from different positions is called as **decentralization**.
56. **Division of work** is also called as delegation of work.
57. Due to **division of work**, people get less variation in work.
58. To start with enthusiasm is called as **initiative**.
59. Many people work for better **remuneration**.
60. Qualification, designation, responsibility, dedication, experience etc are counted while giving **remuneration**.
61. **Good team work** is always better than the best individual performance.
62. **Unity of command** is called as one man- one boss.
63. Management should not forget **equity and humanity**.
64. In **Esprit de corps**, importance is given to communication in team work.
65. Deciding in advance what to do, how to do, when to do and who will do it is called as **planning**.
66. Plan fails because of **wrong information for planning, incorrect person to plan, lack of knowledge, less devotion to execute plan, faulty system of work, insufficient data, no feedback system** and **overconfidence**.
67. **Organizing** is the activity of coordinating and directing the company's resources.
68. **Organizing** involves identifying and grouping the activities.
69. **Directing** assists in providing correct way of working i.e. giving direction.
70. **Directing** involves giving instructions and orders to subordinates.
71. **Controlling** is like a brake system in automobiles.
72. **Controlling** helps to control extra efforts and wastages of resources.



73. Work on correct track with correct speed is possible by **controlling** function only.
74. The scientific methods, use of computers, mathematical models, and operation research concepts made **decision making** quite accurate and fast process.
75. Decision making is also called as **problem analysis**.
76. With help of **effective decision making** pending issues are sorted out and there is no confusion of to be or not to be.