# INTRODUCTION TO MANAGEMENT

**Definition:**

Management is the process of achieving organization goals through co-coordinated performance of five specific functions: planning, organizing, staffing, directing and controlling.

**Overview of the management process**

**Planning** this the process by which the organization determines what is to be done. It involves the following processes:

* Forecasting-analyzing known information within and external to the organization in order to predict future conditions;
* Goal setting-determining, in light of forecasts and other imperatives, of what the organization wishes to achieve in the relevant time span;
* Decision making-making choices between different goals and courses of action, including the identification and resolution of problems, conflicts and priorities
* One of the key to this process is an understanding of where the organization is coming from and what the future may be like.

[**Organizing**](http://managementstudyguide.com/organizing_function.htm)**-** is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

1. Identification of activities.
2. Classification of grouping of activities.
3. Assignment of duties.
4. Delegation of authority and creation of responsibility.
5. Coordinating authority and responsibility relationships.

[**Staffing**](http://managementstudyguide.com/staffing-function.htm)

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behaviour etc. The main purpose o staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection; appraisal & development of personnel to fill the roles designed and the structure”. Staffing involves:

1. [Manpower Planning](http://www.managementstudyguide.com/manpower-planning.htm) (estimating man power in terms of searching, choose the person and giving the right place).
2. Recruitment, Selection & Placement.
3. [Training & Development](http://managementstudyguide.com/training-and-development.htm).
4. [Remuneration](http://managementstudyguide.com/employee-remuneration.htm).
5. [Performance Appraisal](http://managementstudyguide.com/performance-appraisal.htm).
6. Promotions & Transfer.

[**Directing**](http://managementstudyguide.com/directing_function.htm)

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered the life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Directing has following elements:

1. **Supervision-** implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.
2. **Motivation-** means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.
3. **Leadership-** may be defined as a process by which manager guides and influences the work of subordinates in desired direction.
4. **Communications-** is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

[**Controlling**](http://managementstudyguide.com/controlling_function.htm)

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to *Theo Haimann*, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”. According to Koontz & O’Donell “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 are being accomplished”. Therefore controlling has the following steps:

* Establishment of standard performance.
* Measurement of actual performance.
* Comparison of actual performance with the standards and finding out deviation if any.
* Taking corrective action

**Features of management**

The fundamental features of management are: -

1. Management is universal – principals of management can be applied universally.
2. Management applies to all levels of organization
3. Management is purposeful – it aims to achieve a specific objective
4. Management is concerned with productivity – this implies effectiveness and efficiency
5. Management is an integrative process; the essence of management lies in the co-ordination of individual effort into a team.
6. As managers, people carry out the managerial process of planning, organizing, staffing, directing and controlling
7. Management involves the allocation and control of resources, human, money and other physical resources.
8. Management is a social process – management is done by people, through people and for people
9. Management is multi-disciplinary – it depends upon wide knowledge derived from several disciplines
10. Management is a continuous process – it is dynamic and an ongoing process. Management is an art as well as a science.

**Importance of management**

* Achievement of group goals.
* Optimum utilization of resources.
* Minimization of costs.
* Survival and growth.
* Generation of employment.
* Development of the nation.

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# THEORIES OF MANAGEMENT

**Ancient origins of management**

The art of management is as old as human civilization. Instances of the application of management principles are found in ancient civilizations like Athenian commonwealth of Greece, the Roman Empire, the states of Egypt and China e.t.c. the pyramids of Egypt, the architectures, the iron pillars of ancient Greece, the Great Wall of China are all manifestations of the administrative skill of those times. The bible contains references to effective public administration. In the holy bible, Moses of Israel is advised by the father in-law to follow the principles of span of control. Socrates’ definition of management as a skill separate from technical knowledge and experience is remarkably close to current understanding of management.

In antiquity, management developed largely in the Roman Catholic Church, government and military organizations. The hierarchy of authority, functional specialization, staff specialists and so on, were employed successfully in the Roman Catholic Church. Many management principles including scalar principles, unity of command, effective communication had their origin in the administration of armies. A group of Austrian and German public administrators known as Cameralists advocated the principles of functional specialization, careful selection and training of administrators, simplifications of administrative procedures etc. for effective administration of the state.

The techniques of management, like the art of administration and the science of organization, has ancient roots and medieval branches

**Management theories**

The systematic development of management thinking is viewed as dating from the end of the 19th century with the emergence of large industrial organizations, and the ensuing problems associated with their structure and management. A central part of the study of management is the development of the management thinking and what might be termed as management theory. The application of theory brings about change in actual behaviour.

The following are the main approaches to organization, structure and management

1. **Classical Approaches** – Underlying assumptions of classical theory are:

* There is “one best way” to organize.
* There are “universal” principles of management.
* Organizations are “mechanical” and “closed-systems“. They ignore human factors, cultural dimensions and external environment.
* Organizations exist for “production related” goals, thus the emphasis is on “Internal efficiency“.
* Structures of “formal organizations” are defined.

1. **Classical approaches are:**

* Scientific Management**,**
* Administrative Process**,**
* Bureaucracy**.**

1. **Neo –classical approaches represented by** human relations movement and behavioural approach. Attention is given to social factors at work, groups, leadership, the informal organization and the behaviour of people.
2. **Modern approaches,** represented by quantitative approach, systems approach and contingency approach.

**Evolution of Management Thoughts**

**INTRODUCTION**

The origin of management in the organized way can be traced as back as the origin of human beings. They earned their livelihood by hunting that was carried out in groups. Later possession of land mass became important hence the arising of conflict between the groups. Local conflicts were resolved by power using primitive weapon system. Management practices were undertaken in a scientific way early 18th century when industrial revolution took place. World War I saw a marked development in evolution of management concepts. Various systems that evolved in those days can be seen even today. Management of education, eradication of social evils and various religious systems are evidence of existence of proper management. Management as a field of study was considered early 20Th century. Management principles like delegation of authority, empowerment, leadership, scalar chain, unity of command and motivation were clearly demonstrated in Roman Umpire and their ability to organize can be seen from its expansion. People have displayed tremendous amount of ability and skill in planning, organising, and directing people as to what is to be done, how it is to be done and anticipating future plans. They also evolved various models of controlling the planned work being executed properly. Various wars have been fought where use of human resources, heavy weapon system, its procurement and use and shifting it to various theatres of war based on threat perceptions are the examples of management. Egyptian pyramids, Great Wall of China are the tangible examples where hundreds

**CLASSICAL THEORIES OF MANAGEMENT**

**SCIENTIFIC MANAGEMENT – F. W. TAYLOR**

Fredrick Winslow Taylor (1856-1915), Frank Gilberth his wife Lillan Gilberth and Henry Gantt have done pioneering work in the field of management. They evolved methods and techniques and transformed the field of management in which all works were to be done in the scientific way.

Taylor’s work was so unique that he eventually came to be known as the father of scientific management.

Taylor joined Midvale steel company as a worker and later he was promoted as supervisor. While working, he completed post graduation in industrial engineering and subsequently joined Bethlehem Steel Company.

Salient points of scientific management propagated by Taylor are given as under:

1. Effective use of human beings in industrial organizations particularly at the shop floor. He introduced various systems to improve the efficiency of workers.
2. Taylor stated that managing workforce is an art. He further defined managing as ‘knowing exactly what you want men to do and then see that they do it the best and cheapest way’
3. He standardized the work and introduced better methods of doing it.(Time and motion study(
4. Introduction of differential piece- rate system of payment offering additional reward for production beyond the standard laid down.(Functional foremanship), creating supervisors having direct authority over the workers

**Features of Scientific Management**

1. Separation of Planning and doing- Earlier entire work was done by workers. There were no separate teams for planning and executing the work. Taylor divided the entire work into two parts namely planning and doing. It was the responsibility of supervisors to plan the work that an individual worker is required to do and ensure that the tools required by them are made available to them.

1. Functional foremanship. Separation of planning from doing resulted in introduction of supervisory staff system, which could undertake planning work separately. This has led to introduction of Functional foremanship though it went against the principle of unity of command. The entire work was divided into two parts i.e. planning and doing. Supervisors headed these departments. Each of the departments was further divided into four functional parts. Planning department therefore consisted of route clerk, instrument card clerk, time and cost clerk and disciplinarian. Supervisor “doing” department work had under him speed boss, inspector, maintenance foreman and gang boss.

1. Scientific selection and training of workers. Workers selection should be carried out on scientific basis. Taylor suggested that workers should be given adequate training and work allotted based on their physical and technical aptitude.

1. Financial incentives Taylor was a visionary in his approach. He always balanced organizational responsibilities and worker’s responsibilities towards the organization. In his approach he tried to introduce scientific way of doing a job and went in details as to how it could be improved at the same time keeping interests of the workers in mind. He introduced various methods to motivate workers by introducing differential piece- rate of payment system. He fixed targets for each work and pay based on efficiency. Anybody who worked beyond the laid down target were paid higher rate of wages and any employee who could not meet allotted target was paid below the laid down rate. He also introduced various incentive systems in the organization so that higher productivity was achieved.

1. Economies. Taylor insisted that internal economy must be ensured by each worker ensuring that there was no wastage in time and material while carrying out the job. Adequate care must be taken at all levels that the work was carried out as per the planning done by the supervisors. Organizations must ensure adequate profitability, which was necessary for survival, he maintained.

1. Mental revolution. Taylor was a firm believer that there must be sound relations between the management and the workers. All disputes should be resolved by mutual discussion within the organization. Close supervision therefore was a part of supervisor’s job. Gang boss was responsible for the smooth flow of the work. Workers were provided necessary tools, instructions pertaining to the job, perfect work environment and advise when necessary.

**Principles of Scientific Management**

1. Replacing Rule of Thumb with Science: Taylor introduced standardization, differential piece-rate of payment and carried out detailed work-study about each job in industry. He was the first engineer who separated planning and execution of work in the scientific way and allotted specific responsibilities to each of the persons involved in planning and doing.
2. Harmony in Group Action: All work groups should work in harmony. They must develop the spirit of give and take.
3. Co-operation: Taylor recommended “co-operation among workers as against chaotic individualism. He insisted peace for war; replace suspicion with mutual confidence, friends for enemy”. From these principles one can find out and imagine that there was a shadow of World War I prevailing at the time he carried out his work. He carried out tremendous work to put the organizations on scientific footing and evolved methods to develop harmonious relations among workers.
4. Maximum output and development of workers: Taylor was of the opinion that development of workers was central to improvement of productivity. He incorporated Gantt graphics in industrial operations. He disliked estimation and insisted precision in measuring the job. Work of Taylor brought near revolution in management and therefore was called the “father of Scientific Management”