

# Management

## Definition:

- Mary Parker Follet stated, “Management is the art of getting things done through the people”
- Harold Koontz wrote, “Management is the art of getting things done through and with the people in formally organized groups.”
- Henri Fayol, “To Manage is to forecast and to plan, to organize, to command, to coordinate and to control.”

# Nature and Characteristics

- Management is a process
- It is all Pervasive
- It needs a Professional Approach
- It's a Group Activity
- It involves Getting things done
- It's Result Oriented
- It is an Art as well as a Science
- Does not need Ownership
- It's Dynamic in nature
- It is based on Established Principles
- It's Multi-disciplinary

# Functions of Management

1930's Lurthier Gullick, who coined a term, "**PODSCORB**" to make everyone understand the various functions of Management

- Planning
- Organising
- Directing
- Staffing
- Co-ordinating
- Reporting
- Budgeting

# Planning

- “If you fail to plan, you plan to fail”
- Planning every day means to make a “To-Do list”
- Planning is the first activity
- Whenever a game is played, it is first played in the mind and then played on the ground.
- Expressing a plan makes a difference.
- Proper planning helps capture the market.
- Setting up of goals helps to plan better.
- We must be ready with alternate plans and execute the best.
- Implementation and review of plans is very important.

# Organising

- Proper things at proper place.
- Lack of proper organising leads to improper presentation
- Proper organising of things and people ensures smooth conduct of the event
- In an organisation, various departments are formed on the basis of work involved
- Various processes are decided on the basis of nature of work
- Proper person on the proper work allotment is a part of Organising.

# Directing

- Directing is guiding
- To make the things move through proper channel, it is important to give proper direction.
- Directing includes controlling the activities also it includes the balance of Authority and Responsibility.
- The most important work allotted under directing is
  - Leadership
  - Communication
  - Motivation
  - Controlling

# Staffing

- Appointing right person for the right job
  - Based on the qualities needed
  - Based on Job specifications
  - Based on the working atmosphere
- When right person is appointed for the right job, he will be satisfied, work will be completed and productivity will increase.

# Co-ordination

- Co-ordination is the essence of all other functions of management
- Proper planning, proper organising, proper directing, proper staffing will be a failure without proper coordination.

Top Level Management – Thinking

Middle Level Management – Co-ordination

Lower Level Management – Execution



# Reporting

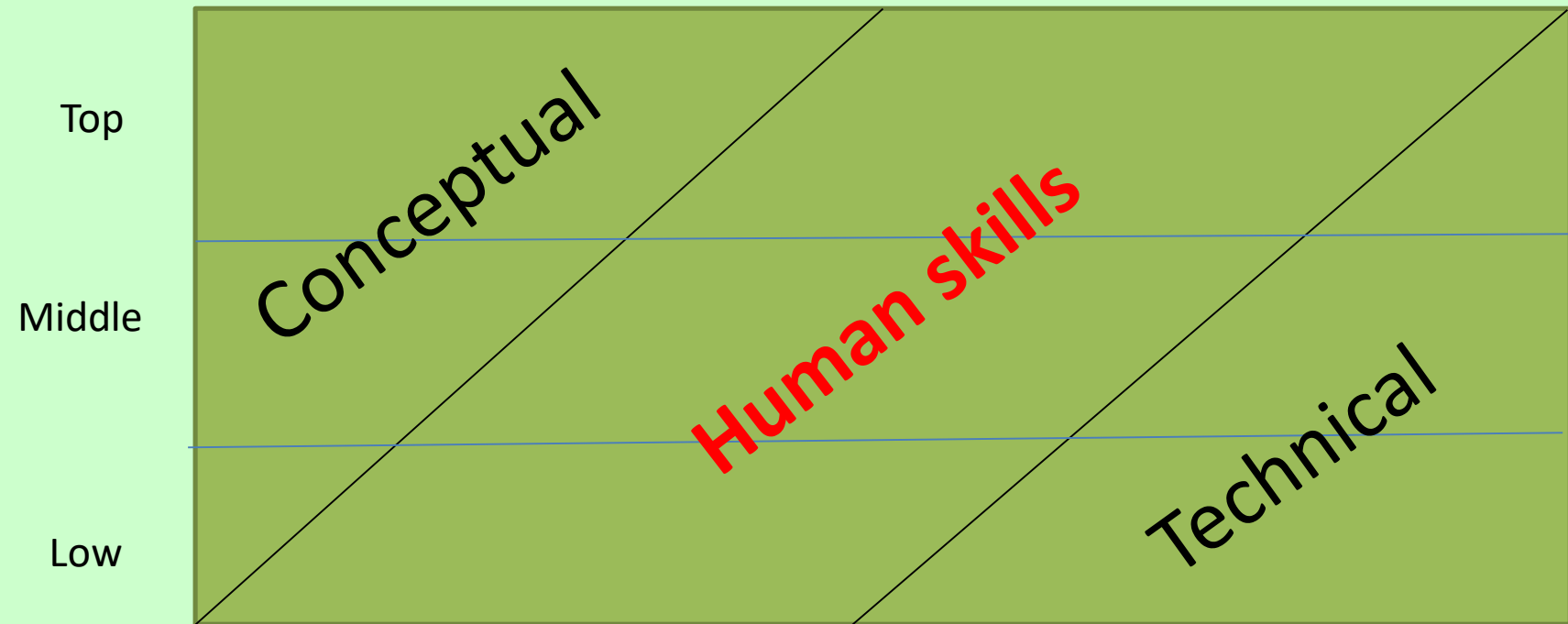
- Reporting is an important management function.
- It helps to provide data from the past.
- It creates a proof of the activity done by the person.
- It can be used as a reference tool in future
- It can be used during Performance Appraisal of an employee.

# Budgeting

- The most critical function of management is Budgeting.
- Budgeting means allotting funds for a particular activity or a process.
- Every other management function involves budgeting as a part of its multi-fold.
- Budgeting is an activity which needs to be done before the activity actually commences.
- The best part of budgeting is it helps to know and analyze the variances (differences)

# Management Skills

- Robert Katz

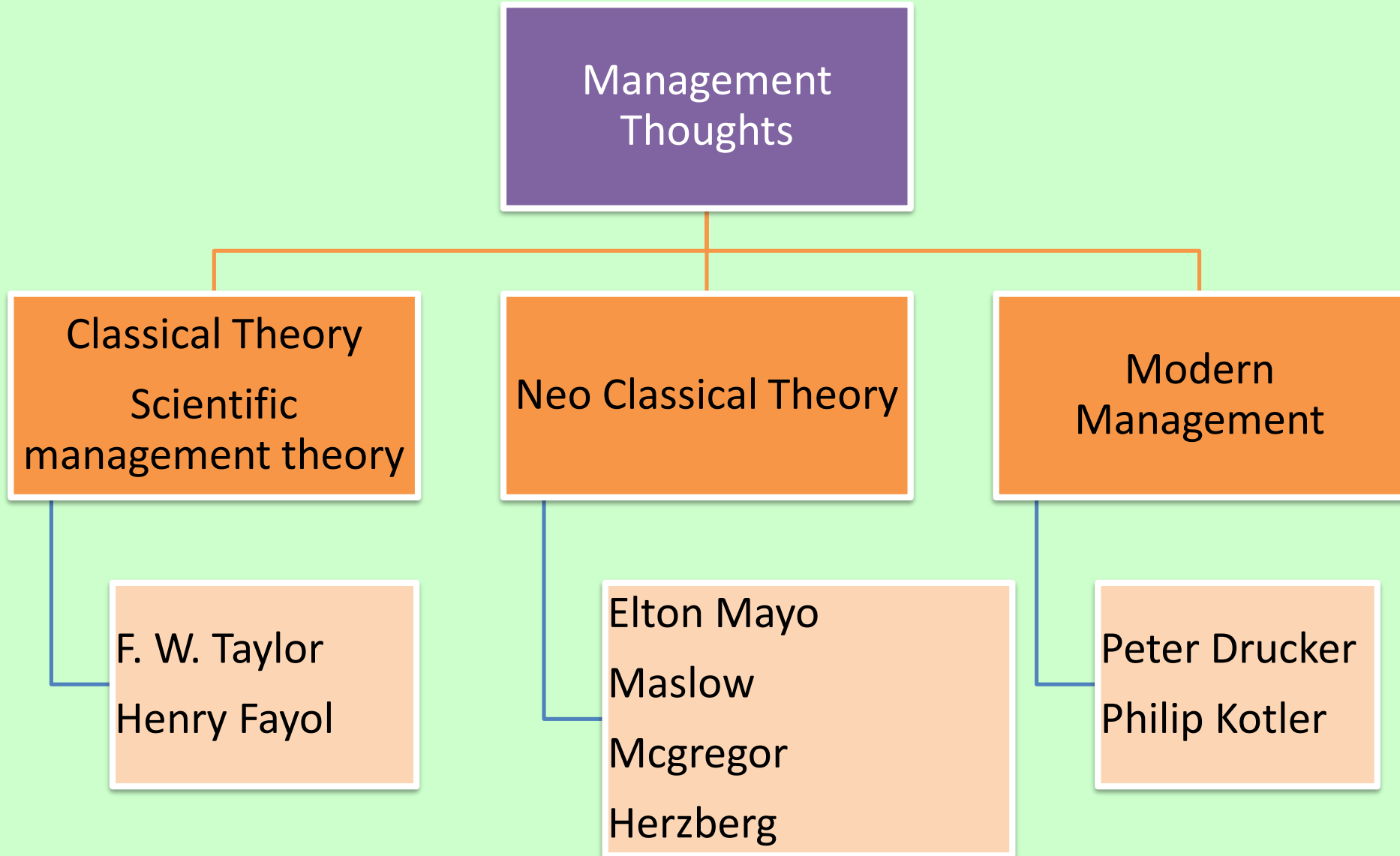


- Other skills required by a Manager:
  - Decision making skills
  - Negotiating Skills
  - Motivating skills
  - Communication Skills
  - Leadership Skills
  - Administrative Skills (Analytics)
  - Creative Skills (Designing)

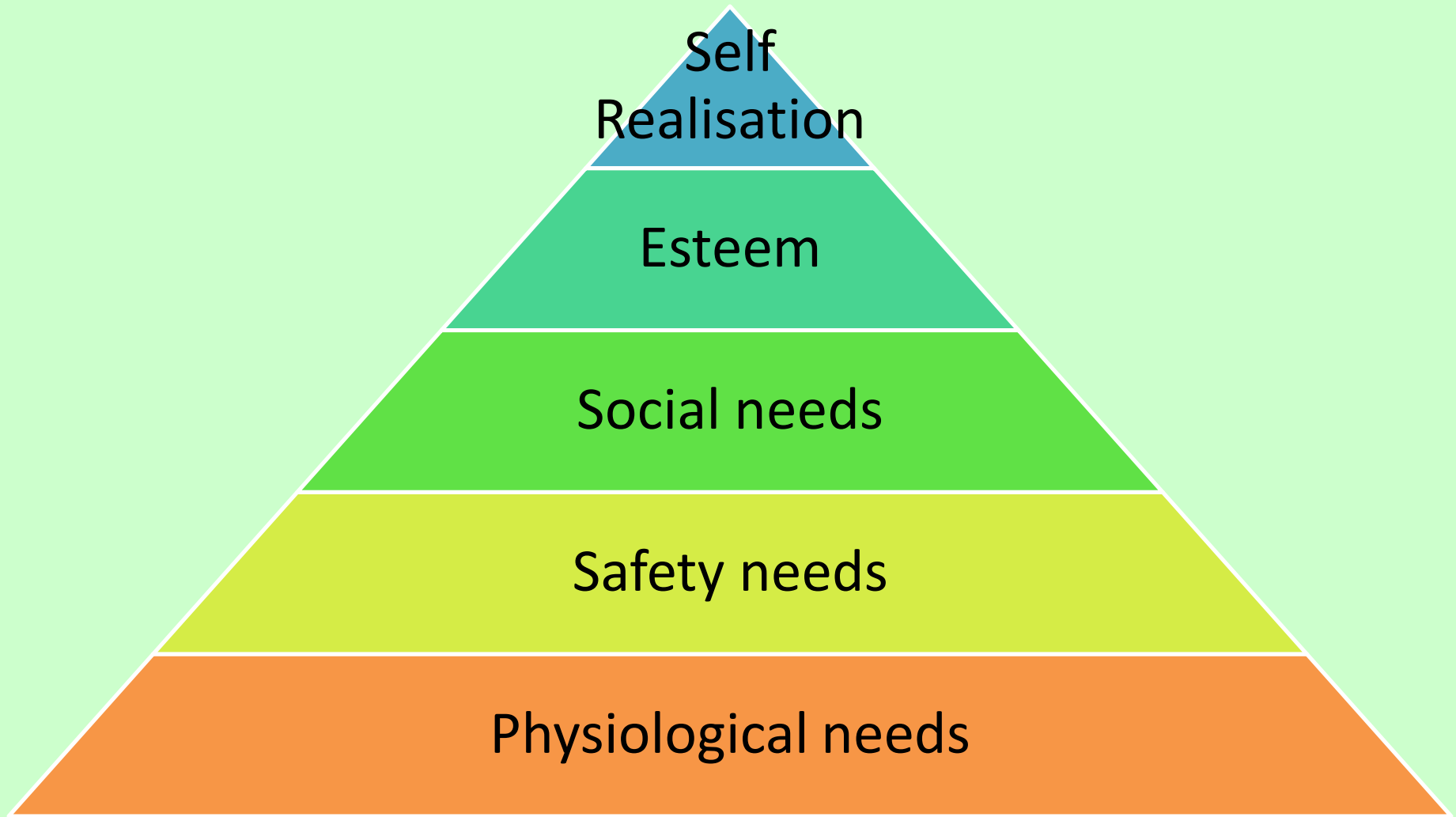
# Henry Fayol's 14 principles of Mgmt

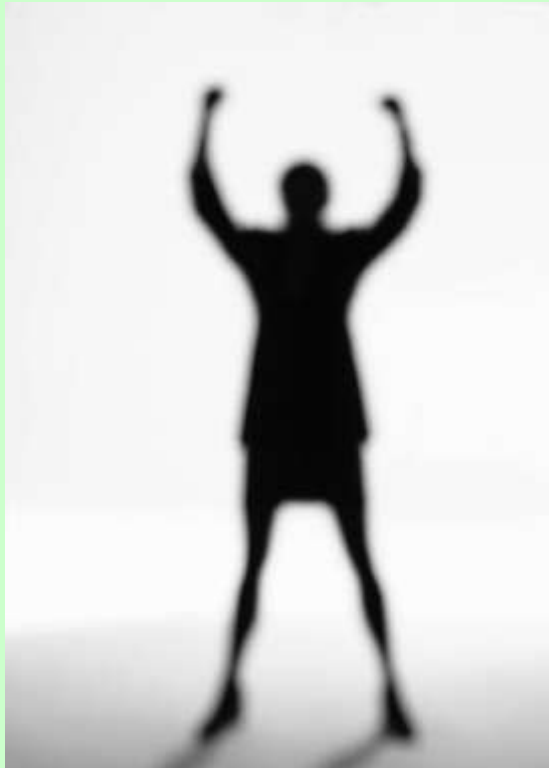
- Division of Work
- Authority and Responsibility
- Unity of Command
- Unity of Direction
- Subordination of Interest
- Remuneration
- Centralization
- Scalar Chain
- Order (Orderliness)
- Equity (This is different from Equality)
- Stability of Tenure
- Initiative
- Esprit de corps

# Evolution of Management Thoughts



# Maslow's Hierarchy based Theory





Mr. X

## Self Realisation Stage (EGO)

Esteem needs

Social needs

Safety

Job



# Mcgreor's Theory X and Theory Y

| Theory X  | Theory Y   |
|---|--|
| Negative Motivation   | Positive Motivation  |
| Theory X managers tend to take a pessimistic view of the people and they are naturally unmotivated and dislike people.  | Theory Y managers have an optimistic, positive opinion of their people and they use a decentralized and participative management style.  |
| Such managers are authoritative   | Such managers practice democracy.  |
| <p><u>Basic assumptions of the managers are:</u></p> <ol style="list-style-type: none"> <li>1. People dislike their work</li> <li>2. They avoid responsibility</li> <li>3. They need constant direction</li> <li>4. They have to be controlled, forced and threatened to deliver work.</li> <li>5. They need to be supervised at every step</li> <li>6. They have no incentive to work and they to deliver</li> </ol> | <p><u>Basic assumptions of the manager are:</u></p> <ol style="list-style-type: none"> <li>1. People are self-motivated and happy to work.</li> <li>2. They can be involved in decision making.</li> <li>3. They are ready to take ownership</li> <li>4. They seek and accept responsibility and need little direction.</li> <li>5. They look at their work as challenges and try to achieve the same</li> </ol> |

# Herzberg's Two Factor theory

- Motivational Factors (Motivators)
  - Recognition of work done
  - Give challenging jobs
  - Opportunity to do something unique
  - Involvement in decision making
  - Sense of importance in the organization
- Hygiene Factors
  - Cleanliness in the area of work
  - Job security
  - Salary
  - Insurance
  - Vacations
  - Weekly off (Holiday)

Based on Herzberg's theory the following 4 combinations are possible:

- 1) High Hygiene + High motivation – Ideal situation
- 2) High Hygiene + Low motivation – Lower productivity with better comforts
- 3) Low Hygiene + High motivation - High productivity but with lots of complaints
- 4) Low Hygiene + Low motivation – Worst scenario

Hygiene – maintenance factors\*

# Peter Drucker's 5 dimensions of Management

- Purpose and Mission/Vision
- Productive Work and Worker Achievement
- Social Impact and Social Responsibilities
- Time Dimension
- Administration and Entrepreneurship

# Ethos

- Ethos refers to '*character*'
- It describes the guiding beliefs or ideas that characterize a community or a nation.
- Effects of Indian Ethos in Modern day management:
  - Respect for elderly person rather than focus on work merit.
  - Accommodation spirit rather than conflicting spirit.
  - Concept of duties rather than concept of rights.

- Belief in self-control rather than external control.
- Desire for spirituality rather than material possessions.
- Trust rather than skepticism
- Greater emphasis on team achievement rather than individual achievement.
- Flexible order than Unchanging order
- Ethics in functional areas like production, marketing, finance and Human Resource Management.
- Authority and Responsibility

- Discipline
- Loyalty
- Humility
- Passion
- Law of Dharma
- Law of Karma