

## ① -> Concepts of Management

- (i) Management as a discipline
- (ii) Management as a group of people
- (iii) Management as a process.

## ② Management of Discipline

→ Management as an Art :- Art can be defined as a systematic body of knowledge which requires skills, creativity and practice to get perfection.

### Features :-

- (i) Systematic body of knowledge / Existence of theoretical knowledge :- In every art there is a systematic and organised study material available to acquire theoretical knowledge of the art. In management also there is a systematic and organised body of knowledge available which helps in acquiring managerial skills.
- (ii) Personal Application :- In the field of art only theoretical knowledge is not enough. Every artist must have personal skills and creativity to apply that knowledge. For ex:- all musicians learn same ragas but they apply these ragas according to their personal skills and creativity which makes them different. In management also all managers learn same management theories, but their efficiency depends on how well they use these principles under different situations.

(ii) Based on Practice and Creativity :- The artist requires regular practice of art to become more fine and perfect. Without practice artists lose their perfection. Art requires creative practice i.e., artists must add his creativity to the theoretical knowledge he has learned. Same way with experienced managers also improve their managerial skills and efficiency.

→ Management as a Science :- Science can be defined as a systematic and organized body of knowledge based on logically observed findings, facts, events and certain general truths. Science <sup>(consist)</sup> comprises of exact principles ~~that which~~ can be verified, and it can establish cause and effect relations.

### Features :-

- 1.) Systematic Body of knowledge :- In science, systematic and organized study material is available ~~which is~~ for ~~used to~~ acquiring the knowledge of science. Its principles are based on a cause and effect relationship.
- 2.) Principles are based on repeated experiments :- Before developing scientific principles, scientists test these principles under different conditions and places. Similarly, managers also test and experiment managerial skills under different conditions in different organizations.
- 3.) Universal validity :- Scientific principles have universal application and applicability. Management principles are not exact like scientific principles so their application and use is not universal. They have to be modified according to situation.

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Management as a Profession :- Profession can be defined as an occupation backed by specialised knowledge and training in which entry is restricted.

### Features

- 1) Well defined body of knowledge :- All professions are well defined body of knowledge that can be acquired through instructions.
- 2) Restricted Entry :- The entry to the profession is restricted through an examination or through acquiring an educational degree.
- 3) Ethical Code of Conduct :- All professions are bound by a code of conduct which guides the behaviour of its members. All doctors for example take the oath of ethical practice at the time they enter the profession.

### Forms of Different Organisation

- (i) Sole Proprietorship
- (ii) Partnership
- (iii) Joint Stock Company

(i) Sole Proprietorship :- A sole proprietorship can be defined as a kind of business or an organisation that is owned, controlled and operated by a single individual who is the sole beneficiary of all profits and loss or responsible for all risks.

(ii) Partnership :- Partnership is a kind of business where a formal

agreement is made between two or more people who agrees to be co-owners, distribute responsibilities for running an organisation and share the incomes and losses that the business generates.

(iii) Joint Stock Company :- A joint stock company is an organization which is owned jointly by all its shareholders. Hence, all the shareholders have a specific portion of stock owned, usually displayed as a share.

## Managerial Skills

- 1.) Technical Skills (Deal with Job)
- 2.) Human Relation Skills (Deal with person)
- 3.) Conceptual Skills (Deal with ideas)

1.) Technical Skills :- Specialized area of knowledge and expertise and the ability to apply that knowledge make up manager's technical skills. Preparing financial statements, programming a computer are all example of technical skills.

2.) Human Relation Skills :- These are the <sup>Communication</sup> interpersonal skills managers uses to accomplish goals through the use of human resources. This set of skills includes the ability to understand human behaviour, to communicate effectively with others and to motivate individuals to accomplish their goals.

3.) Conceptual Skills :- It includes the ability to view the organization as a whole, understand how the various parts are interdependent and assess how the organization relates to its external environment.

These skills allows managers to evaluate situations and develop alternative courses of action.

→ Thoughts OF Management :-

### I Classical Thoughts

- Scientific Management Thoughts (F.W Taylor)
- Administrative Thoughts (Henry Fayol)
- Bureaucratic Thoughts (Max Weber)

- Scientific Management Thoughts [F.W Taylor] [5 Principles]  
(Low Level Management)

- (i) Replacing Thumb of Rule.
- (ii) Harmony, Not Discord
- (iii) Cooperation, Not Individualism
- (iv) Maximum Output
- (v) Development of Workers.

i) Replacing Thumb of Rule :- This rule focuses on increasing the efficiency of an organization through scientific analysis of work and not with the 'Rule of Thumb' method. The decisions should be based on scientific analysis and cause and effect relationship rather than 'Rule of Thumb' when decision are taken according to the manager's personal judgement.

ii) Harmony, Not Discord :- Taylor believed and indicated that managers should be cordial and workers should have cordial and harmonious relationship. Differences between both of them has negative relation for each other and for the

organization. Management and workers should know and acknowledge each other's importance.

(iii) Co-operation, not Individualism :- It is similar to 'Harmony, Not Discord' and believes in mutual collaboration between workers and the managers. Managers and workers should have mutual collaboration, confidence and a sense of goodwill. The main purpose is to substitute internal competition with co-operation.

(iv) Maximum Output :- Maximum output and optimum utilization of resources will bring higher profits for the employers and better wages for the workers. Both management and workers should try to achieve maximum output in place of restricted output.

(v) Development of workers :- The effectiveness of a company also relies on the ability and skills of its employees. Thus implementing training, learning best practices and technology is the scientific approach to brush up the employee skills.

### - Administrative Management of Thoughts (Henry Fayol) (Top Level Management) [14 Principles]

- (i) Division of work
- (ii) Authority
- (iii) Discipline
- (iv) Unity of Command
- (v) Unity of Direction
- (vi) Collective Interest Over Individual Interest

- (vii) Remuneration of Employees
- (viii) Centralization
- (ix) Scalar Chain
- (x) Order
- (xi) Equity
- (xii) Stability of Personnel
- (xiii) Initiative
- (xiv) Esprit de Corps

(i) ~~Order~~ Division of Work :- Assign each employee a task that they can become skilled at. Productivity increases as employees become more skilled, assured, efficient.

(ii) Authority :- Managers must possess powers to give orders, and recognize that with authority comes responsibility. As well as rank, Fayol argues that manager's skills, experience and values should command respect.

(iii) Discipline :- Everyone should follow the rules. Discipline is the obedience to organizational rules and employment agreement which are necessary for the working of the organization.

(iv) Unity of Command :- Fayol wrote that "an employee should receive orders from one superior only." Otherwise, authority, stability and discipline are threatened.

(v) Unity of direction :- A team with same goal should be working under one manager with one plan. That Fayol wrote, is the condition essential to unity of action, coordination of strength, focus of effort.

- (vi) Collective Interest over Individual Interest :- Individual should focus on team interest over personal ones for ex-managers.
- (vii) Remuneration of Employees :- The employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time it should be within the paying capacity of the company.
- (viii) Centralization :- Balancing centralization decision making (from the top) with letting employees make decisions, Or as Fayol wrote "A place for everyone and everyone in his place".
- (ix) Scalar Chain :- An organization consists of superior and subordinates. The formal line of authority from highest to lowest ranks are called "Scalar Chain". According to Fayol, "Organization should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates.
- (x) Order :- According to Fayol, humans and materials should be at a suitable place at appropriate time for maximum efficiency.
- (xi) Equity :- Managers should be fair to all employees, through a combination of kindness and justice, only then the team will carry out its duty with devotion and loyalty.
- (xii) Stability of Personnel :- Organization should minimize staff turnover and role changes to maximize efficiency. If people are secure and good at their jobs, they are happier and more productive.



(xiii) Initiative :- Employees should be encouraged to develop and carry out plans for improvement. Initiative means taking the first step with self-motivation.

(xio) Espirit de Corps :- Management should promote a team spirit of unity and harmony among employees according to Fayol. A manager should replace 'I' with 'we' in all his conversation.

### - Bureaucratic Thoughts [Max Weber] [6 Principles]

- ① Authority Hierarchy
- ② Formal Rules & Regulations
- ③ Division of Labour
- ④ Career Orientation
- ⑤ Impersonality
- ⑥ Formal Selection Process

① Authority Hierarchy :- Weber proposed that there should be a systematic hierarchy in the organization, defining the position of each employee from top to the lowest level. In such a system, each employee knows how who they have to report, whose orders they have to follow, and what is the role of different personnel in the organization.

① Authority Hierarchy :- Weber proposed that there should be a systematic hierarchy in the organization, which shows the positions of managers from top to the lowest level. In this system, employees will easily know who they have to report, whose orders they have to follow and

which personnel is at which rank.

- ② Formal Rules & Regulations :- There should be a clear set of principles, procedures, rules and regulations in written form, to be followed universally by everyone working in the organization irrespective of their position.
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- ③ Division of Labour :- The whole work should be assorted into smaller task sets to ascertain that every set of tasks is assigned to the right person, i.e., the one who has the capability of fulfilling it. This not only improves the work efficiency but also ensures proper allocation of job responsibility.
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- ④ Career Orientation :- Another essential principle is that the management should motivate employees to build a long-term career in the organization by providing job securities and performance based incentive to them.

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- ③ Impersonality :- In an organization, the impersonal relations develop among the employees, which may lead to favouritism or nepotism. These decision should be based on rational and practical grounds rather than emotional or impersonal influence.
- ⑥ Formal Selection Process :- Weber believed that the workers should be recruited through their technical skills and experience instead of 'first come, first selected bases'. Even the promotion should be based on performance and merits.