

Chapter 02

Introduction to Management



Management, in a nutshell, is a set of activities and processes that aim to coordinate an organization's resources, including human, financial, physical, and informational, to achieve its goals effectively and efficiently. It's a dynamic process that adapts to the changing environment within which an organization operates.

Here are the key characteristics of management:

1. **Universality:** Management is applicable to all types of organizations, whether they're business enterprises, educational institutions, or social or political entities.
2. **Goal-Oriented:** The primary purpose of management is to guide the organization towards the achievement of its predefined goals.
3. **Continuous Process:** Management is an ongoing activity that persists as long as the organization exists.
4. **Integrative Process:** Management brings together various functions, activities, and resources, ensuring they work in harmony to achieve the desired outcomes.
5. **Intangibility:** While management can't be seen, its presence can be felt through the rules, regulations, productivity, and work environment it creates.

6. **Multi-Disciplinary:** Management draws principles and techniques from various fields of study, including engineering, economics, sociology, psychology, anthropology, mathematics, and statistics.
7. **Social Process:** Management involves handling people organized in work groups, focusing on their development, motivation, and satisfaction.
8. **Situational:** The effectiveness of management strategies and techniques can vary depending on the specific situation or context.

Function of Management

Management is a crucial aspect of any organization, and it involves several key functions.

1. **Planning:** This involves deciding in advance what needs to be done, when, how, and by whom. It includes setting goals, forecasting, establishing targets, and determining the most effective course of action.
2. **Organizing:** Once plans are in place, management organizes the activities and resources to carry out the plans successfully. This includes defining the roles and responsibilities within the organization to ensure smooth functioning and achievement of objectives.
3. **Staffing:** This function involves hiring the right people for the right roles. It includes recruitment, training and development, placement, remuneration, and performance appraisal.
4. **Directing:** Managers guide their subordinates, supervise their performance, communicate effectively, and motivate them. They should be good leaders, able to command and instruct without causing resentment, and help their subordinates when needed.
5. **Coordinating:** Management ensures that all activities contribute to the achievement of the business objectives. This requires integrating activities and synchronizing efforts across the organization. Managers should foster cooperation and harmony among different departments.

6. **Controlling:** This function involves ensuring that work performance aligns with the plans. It includes setting performance standards, measuring actual performance, and taking corrective steps if there are deviations.

These functions are not isolated; they interact and overlap, and successful management requires carrying out these functions effectively and efficiently. Remember, the specifics of these functions can vary depending on the nature and needs of the organization.

Principle of Management

Henry Fayol, a pioneer of modern management theory, proposed 14 principles of management that can guide managerial behavior. Here's a brief summary:

1. **Division of Work:** This principle advocates job specialization to make work more efficient. It implies that when employees specialize in specific tasks, the overall efficiency and productivity increase.
2. **Authority and Responsibility:** This principle suggests that managers must have the right to give orders, but they also must understand that with authority comes responsibility. They are accountable for their actions and the actions of their subordinates.
3. **Discipline:** This principle emphasizes the importance of rules and regulations for maintaining order within an organization. Employees need to respect these rules for a harmonious work environment.
4. **Unity of Command:** According to this principle, an employee should receive instructions from one superior only. This prevents confusion and ensures clear communication.
5. **Unity of Direction:** This principle states that all organizational activities aiming at the same objective should be guided by one manager using one plan. This ensures consistency and coordination of efforts.
6. **Subordination of Individual Interests to the General Interest:** The interests of the organization as a whole should take precedence over the interests of any one individual or group within the organization.

7. **Fair Remuneration:** Employees should receive fair compensation for their work. This includes not just monetary compensation, but also non-monetary benefits and rewards.
8. **Centralization and Decentralization:** This principle refers to the balance between the concentration of decision-making authority at the top (centralization) and its distribution throughout the organization (decentralization). The optimal balance depends on the specific circumstances of the organization.
9. **Scalar Chain:** This principle refers to the formal line of authority from highest to lowest ranks (the chain of command). It should be followed strictly for effective communication and decision-making.
10. **Order:** This principle emphasizes that there should be a place for everything and everything should be in its place. This applies to both physical resources and human resources.
11. **Equity:** Managers should treat all employees fairly and with justice and respect. This fosters loyalty and devotion among employees.
12. **Stability of Tenure of Personnel:** This principle suggests that employee turnover should be minimized to maintain organizational stability and productivity.
13. **Initiative:** Employees should be encouraged to take initiative in their work. This fosters creativity and innovation, and can lead to improved performance.
14. **Esprit de Corps:** This principle emphasizes the need for teamwork and the creation of a sense of unity and harmony among employees. It contributes to a positive work environment and increased productivity.

Managerial Roles and Skills

Managerial Roles:

1. **Interpersonal Roles:** These roles involve direct interactions with others.
 - o **Figurehead:** Managers perform ceremonial and symbolic duties, such as welcoming visitors and signing legal documents.

- o **Leader:** Managers are responsible for the work and performance of their team members. They motivate, coach, and influence others to achieve the team's goals.
 - o **Liaison:** Managers interact with peers and people outside the organization. The amount of time spent on this will vary depending on organizational level.
2. **Informational Roles:** These roles involve processing information.
- o **Monitor:** Managers constantly monitor their surroundings, looking for changes that can impact their team or organization. They also keep an eye on their team's performance.
 - o **Disseminator:** Managers share the information they have gathered with their team and other stakeholders, ensuring everyone is on the same page.
 - o **Spokesperson:** Managers represent their team to stakeholders, including higher management, sharing news and reports.
3. **Decisional Roles:** These roles involve making decisions.
- o **Entrepreneur:** Managers seek opportunities for improvement and initiate projects or procedures to bring about change.
 - o **Disturbance Handler:** When an organization or team hits an unexpected roadblock, it's the manager's responsibility to take charge and make quick decisions.
 - o **Resource Allocator:** Managers decide where to best use the organization's resources, including time, personnel, and equipment.
 - o **Negotiator:** Managers negotiate on behalf of their team or organization. This could be in handling contracts, resolving conflicts, or any other situation where an agreement is needed.

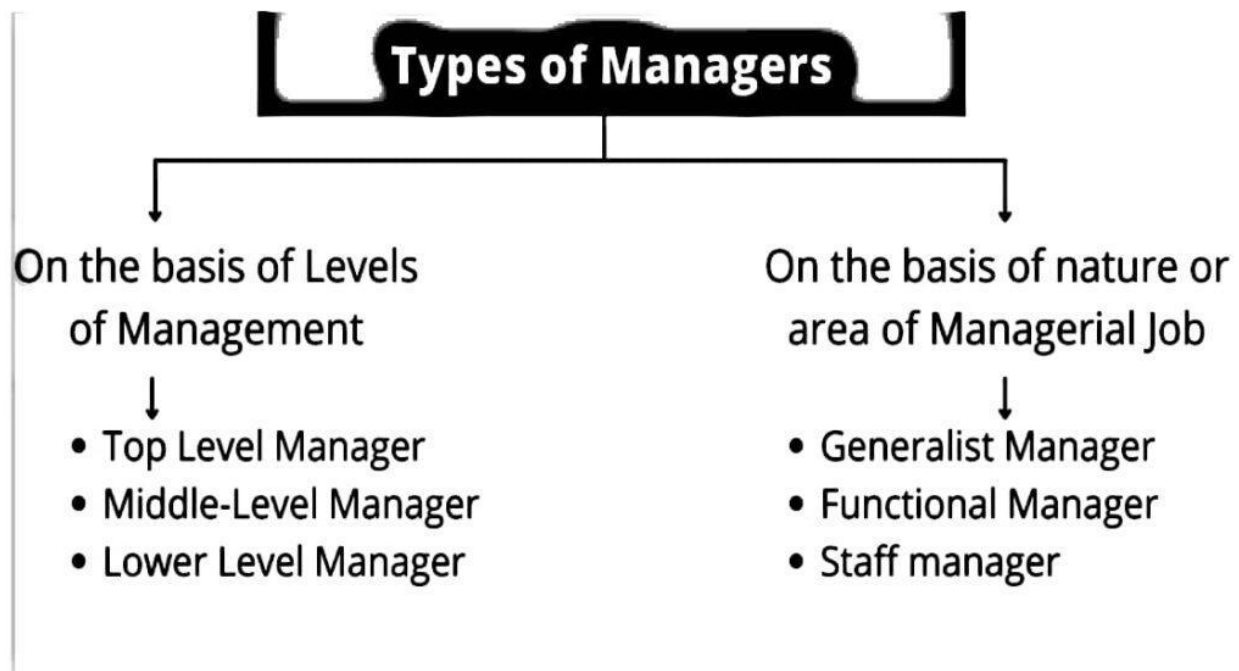
Managerial Skills:

1. **Technical Skills:** These are skills that involve the ability to perform tasks in a specific discipline or department. A software manager must have software development skills, for example.

2. **Human Skills:** These are ‘people skills’ – the ability to communicate, motivate, mentor and delegate. Managers with good human skills are able to get the best out of their team.
3. **Conceptual Skills:** These are the skills managers need to understand the complexities of the overall organization and where one’s own area of management fits into the overall organization.
4. **Design Skills:** The ability to solve problems and make decisions that benefit the enterprise. Managers need to see the issues and identify possible solutions that to benefit the enterprise.

The importance of these roles and skills can vary at different levels of the organization. For instance, technical skills may be more important at lower levels of management, but conceptual skills become more important at higher levels of management. However, human skills are important at all levels of an organization.

Type of Managers



Managerial Levels

A) Classification based on level of Management

1. **Top-Level Managers:** These are the strategic decision-makers and vision setters.
2. **Middle-Level Managers:** They act as a bridge between top-level and lower-level managers, implementing and overseeing plans.
3. **Lower-Level Managers:** These managers handle the day-to-day operations and supervise the workforce.

B) Classification based on the nature or area of the managerial role:

1. **Generalist Managers:** These managers are jacks-of-all-trades. They oversee a variety of tasks and possess a broad skill set. Their roles are flexible and adapt to the organization's needs. Examples include CEOs, Executive Directors, General Managers, Managing Directors, Presidents, Vice Presidents, etc.
2. **Functional Managers:** These managers are specialists in a specific function or area. They have well-defined duties and responsibilities. Examples include Production Managers, Finance Managers, Marketing Managers, Department Heads, etc.
3. **Staff Managers:** These are professionals and experts in a specific area who play an advisory or facilitative role to line or functional managers. They have advisory authority but no functional authority. They provide information, suggestions, and guidance to solve problems. Examples include Legal Advisors, Economists, Technical Officers, etc.

Level of Management/ Managerial Hierarchy

Managerial Hierarchy/Levels of Management

- **Top Level Management:** This is the key level, often referred to as the brain or apex body of the organization. It includes the Board of Directors (BOD), Chairman, Vice-Chairman, General Manager (GM), Managing Director (MD), and Chief Executive Officer (CEO). They are responsible for the welfare, development, and continuity of the organization, and are accountable to shareholders and society.
- **Middle Level Management:** This level serves as a mediator, creating a link between the top and lower levels. It includes departmental, divisional, and branch heads. They are responsible for

implementing the plans, policies, and strategies formulated by the top level, and spend more time in organizing and directing functions.

• **Lower-Level Management:** Also known as the operating or supervisory level, this level consists of supervisors, foremen, section officers, and superintendents. They directly interact with the workers and act as mediators between management and non-managers (i.e., Workers). This is the entry level and is also referred to as the first line of management.

Management Careers

A **career in management** refers to the progression of positions, responsibilities, and achievements an individual accrues over their professional lifespan. This field is comprehensive, challenging, and engaging, offering a broad scope of opportunities. Various business entities, including industries, hospitals, banks, insurance companies, and educational institutions, provide numerous avenues for managerial careers. In an organizational structure, managers serve as representatives for all employees, extending from the top-level to the bottom-level management. This makes a career in management not only diverse but also pivotal to the functioning of any organization.

Emerging challenges for management

The emerging challenges of management are:

1. **Globalization of Business:** Globalization has made the world a smaller place, leading to an exchange of ideas, methods, and techniques across nations. This presents both opportunities and threats to businesses. Managers need to understand the process of globalization and the competition it creates, and act effectively to overcome these challenges.
2. **Technology:** Technological advancements have revolutionized managerial functions like planning, decision making, organizing, motivating, and controlling. Managers need to recognize and anticipate technological changes and capitalize on the opportunities they present while neutralizing the threats.
3. **Quality Assurance and Productivity:** Today, quality is defined by the ability to satisfy the customer. Managers face the challenge of meeting growing human wants and

expectations in terms of cost, time, and services delivered. They also focus on reducing waste and enhancing productivity in the face of extreme competition.

4. **Ethics and Social Responsibility:** Managers must ensure that their businesses follow ethical norms and values in their policies and practices. They also have a duty towards society, which includes all stakeholders such as customers, suppliers, creditors, employees, owners, and the government. Environmental issues like global warming, pollution, and ecological distortion are major challenges that need to be addressed effectively.
5. **Empowerment:** Delegating power to employees is a major challenge for managers today. People desire autonomy and want to participate in decision making. Managers should create self-managed teams or autonomous work groups to empower employees.
6. **Work-Force Diversity:** Today's workforce is a mix of people from various backgrounds in terms of gender, race, ethnicity, etc. Managers face the challenge of accommodating these diverse groups of people by addressing different lifestyles, family needs, and work styles.
7. **Learning Organization:** Organizations must be able to learn from the past and present scenarios and formulate policies and practices accordingly. A learning organization is one that has developed the capacity to continuously learn, adapt, and change. Managers face the challenge of changing their behavioral style and transforming from bosses to team leaders.