

**BUSINESS
MANAGEMENT
(BCM 53)
UNIT 1**

Concept

- Management is a very popular term and has been used extensively for all types of activities and mainly for taking charge of different activities in any enterprise.
- Thus, management has to see that tasks are completed and goals are achieved (i.e., effectiveness) with the least amount of resources at a minimum cost (i.e., efficiency).

Management, has therefore, been defined as a process of getting things done with the aim of achieving goals effectively and efficiently.

“Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.”

Harold Koontz and Heinz Weihrich

“Management is defined as the process of planning, organising, actuating and controlling an organisation’s operations in order to achieve coordination of the human and material resources essential in the effective and efficient attainment of objectives.”

Robert L. Trewelly and M. Gene Newport

Characteristics of Management

- **Management is a goal-oriented process**
- **Management is all pervasive**
- **Management is multidimensional**
 - *Management of work*
 - *Management of people*
 - *Management of operations*
- **Management is a continuous process**
- **Management is a group activity**
- **Management is a dynamic function**
- **Management is an intangible force**

Importance of Management

- Management helps in achieving group goals
- Management increases efficiency
- Management creates a dynamic organisation
- Management helps in achieving personal objectives
- Management helps in the development of society

Interpersonal roles

1. Figurehead - Symbolic leader of the organization performing duties of social and legal character
2. Leader - Motivating subordinates, interaction with them, selection and training of employees
3. Liaison - Establishing contacts with managers and specialists of other divisions and organizations, informing subordinates of these contacts

Informational roles

1. Monitor (receiver) - Collecting various data relevant to adequate work
2. Disseminator of information - Transmitting information obtained from both external sources and employees to interested people inside the organization
3. Spokesperson - Transmitting information on the organization's plan's, current situation and achievements of the divisions to outsiders

Decisional roles

1. Entrepreneur - Seeking opportunities to develop processes
2. Disturbance handler - Taking care of the organizations, correcting ongoing activities,
3. Resource allocator - Deciding on expenditure of the organization's physical, financial and human resources
4. Negotiator (mediator) - Representing the organization in all important negotiations

Functions of the Manager

Regardless of the type of the industry, the functions involved in an organization, or the organizational level at which one functions; every manager has to perform certain basic managerial functions such as *planning, organizing, staffing, leading and controlling*

Planning is the process of setting goals, and charting the best way of action for achieving the goals. This function also includes, considering the various steps to be taken to encourage the necessary levels of change and innovation.

Organizing is the process of allocating and arranging work, authority and resources, to the members of the organization so that they can successfully execute the plans.

Staffing consists of recruiting, training and developing people, who form part of the organized efforts to contribute towards organizational growth.

Leading involves directing, influencing and motivating employees to perform essential tasks. This function involves display of leadership qualities, different leadership styles, different influencing powers, with excellent abilities of communication and motivation.

Controlling is the process of devising various checks to ensure that planned performance is actually achieved. It involves ensuring that actual activities confirm to the planned activities. Monitoring the financial statements, checking the cash registers to avoid overdraft etc., form part of this process.

The Essentials of control activities are:

- Setting performance standards
- Determining the yard-stick for measuring performance
- Measuring the actual performance
- Comparing actuals with the standard
- Taking corrective actions, if actuals do not match with standards

The Levels of Management

- **Top management** sets the goals of the organization, evaluates the overall performance of various departments involved in selection of key personnel and consults subordinate managers on subjects or problems of general scope.
- **Middle level management** is responsible for developing departmental goals and initiate actions that are required to achieve organizational objectives.
- **Supervisory management** takes charge of day-to-day operations at the floor level and is involved in preparing detailed short-range plans.

❖ **Types of Managers**

There are three types of managers in an organization. They are:

- Top level managers,
- middle level managers and
- first-level managers.

Scientific Management

- F.W. Taylor - Principles of Scientific Management
 - use of scientific methods to define the “one best way” for a job to be done
 - perspective of improving the productivity and efficiency of manual workers
 - applied the scientific method to shop floor jobs

FAYOL'S 14 PRINCIPLES OF MANAGEMENT

1. Division of work. Specialization increases output by making employees more efficient.
2. Authority. Managers must be able to give orders. Authority gives them this right. Along with authority, however, goes responsibility.
3. Discipline. Employees must obey and respect the rules that govern the organization.
4. Unity of command. Every employee should receive orders from only one superior.
5. Unity of direction. The organization should have a single plan of action to guide managers and workers.
6. Subordination of individual interests to the general interest. The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole.
7. Remuneration. Workers must be paid a fair wage for their services.
8. Centralization. This term refers to the degree to which subordinates are involved in decision making.
9. Scalar chain. The line of authority from top management to the lowest ranks is the scalar chain.
10. Order. People and materials should be in the right place at the right time.
11. Equity. Managers should be kind and fair to their subordinates.
12. Stability of tenure of personnel. Management should provide orderly personnel planning and ensure that replacements are available to fill vacancies.
13. Initiative. Employees who are allowed to originate and carry out plans will exert high levels of effort.
14. Esprit de corps. Promoting team spirit will build harmony and unity within the organization.