

MANAGEMENT

INTRODUCTION

2.1 MEANING

Managing is one of the most important activities of human life. To accomplish aims that could not be achieved individually, people started forming groups. Managing has become essential to ensure the coordination of individual efforts. Management applies to all kinds of organizations and to managers at all organizational levels. Principles of management are now used not only for managing business but in all walks of life viz., government, military, social and educational institutions. Essentially, management is same process in all forms of organization. But it may vary widely in its complexity with size and level of organization. Management is the life giving element of any organization.

Definitions suggested by some of the management experts are presented below:

Henri Fayol: “Management is conduct of affairs of business, moving towards its objective through a continuous process of improvement and optimization of resources”.

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

Mary Parker Follett: “Management is the art of getting things done through people”.

George R. Terry: “Management is a process consisting of planning, organizing, actuating and controlling, performed to determine and accomplish the objectives by use of people and resources”.

ILO: “Management is the complex of continuously coordinated activity by means of which any undertaking administration/public or private service conducts its business”.

Lawrence A. Appley: “Management is guiding human and physical resources into a dynamic, hard hitting organization until that attains its objectives to the satisfaction of those served and with a high degree of morale and sense of attainment on the part of those rendering the service”.

2.9 DEVELOPMENT OF MANAGEMENT THOUGHT

Management has emerged as a powerful and innovative force on which the today's society depends for material support from a unrecognized situation in the past one or two centuries. Seventeen and Eighteen centuries had seen Industrial Revolution. Lots of inventions and new technologies had emerged. The importance of management was focused. Division of labour concept was evolved. Importance of planning was identified. But management as a separate field of study had emerged only during early 20th century when new industrial era began. Business organizations had a stage shift from ownership towards joint stock companies. As an answer to the problems like insufficient systems, inefficiency of labour and discrepancy in wage payment, "management" has been recognized as a separate and important field of study. Subsequently, management has evolved as a scientific discipline of study and practice.

The evolution of management can be divided into two parts – Early management approach and Modern management approach.

2.10 EARLY MANAGEMENT APPROACHES

History of the management is as old as a man. Evidence of well organized principle of management can be seen in ancient Greece and India. Those Kings used the concepts of management like planning, organizing, leading and controlling the various activities.

The process of early management approaches are:

- Psychological development

- Scientific management
- Administrative management and
- Human relations movement.

2.10.1 Psychological development: (Before 17th century)

In olden days when there was no experience and knowledge of business, they had to depend upon their inborn abilities. This gave rise to management that was totally based on Psychological process. As a result, people were having universal belief that managers are born and cannot be made such as artists, directors, poets, kings etc.

2.10.2 Scientific management: (18th – 19th century)

During this time the development was brought about by the following two important factors.

- The effort of scientists to demonstrate the application of science and scientific methods.
- The effort of establishing standard practices.

Thus during this development, management was adopted with scientific approach. The work made use of scientific methods for achieving standard practice and higher efficiency. Thus, scientific management came into existence. Many pioneers have contributed for this development.

Frederik Winslow Taylor (1856 – 1915) has been considered to be father of scientific management. He had conducted series of experiments and promoted the development of management thought through his experiments and writings. Some of the contributions of F.W. Taylor for the scientific management are explained here.

(i) Work study

Work-study includes time and motion study. Taylor observed that the workers were not producing their full capacity for the fear that their piece rate would be cut with rise in production. Hence he started time and motion study. He recorded the time required for each motion of a job with the help of stop-watch. Shorter and fewer motions were developed. Unwanted motions were eliminated. The best way of doing a particular job was arrived at. With this, the time required to complete one job was calculated called standard time.

(ii) Differential payment

Motion and time study and establishment of standard time further helped in arriving at the production rate of a particular piece or job. Taylor also intro-

- (ii) He evolved principles of motion economy.
- (iii) He established Therbligs that are the fundamental motions involved in doing any activity.
- (iv) He had carried out study on fatigue due to repetitive work by conducting experiments.

Objectives of Scientific Management

The objectives of scientific management are:

- (i) To assess industrial and market tendencies and to regularize continuous operation.
- (ii) To earn a larger profit from a given expenditure on man and materials by minimizing waste work and waste movements.
- (iii) To provide healthy and safe working environment.
- (iv) To build character through proper work.
- (v) To develop self realization and self satisfaction among workers there by improving their morale.
- (vi) To give better opportunity for individual through scientific methods of working.
- (vii) To ensure happier and social life to workers.
- (viii) To promote justice among the workers by treating them equal.
- (ix) To perform planned and balanced operations.

The time and motion study of scientific management had created awareness of using right tools and minimizing waste movements while performing a work. Further the scientific management also insisted the scientific selection of workers and made the management to realize the training needs to do a job. The scientific management suggested the work design, that is, one best way of doing a job. The scientific management had developed a rational approach to solve the problems of an organization and contributed to the professionalisation of management.

But Taylor's concept of monetary benefits to motivate workers did not fetch expected results. Taylor's time and motion study was not accepted as entirely scientific because there is no "one best way" of doing a job. Separation of 'planning' and 'doing' functions coupled with greater specialization led to greater monotony of work.

2.10.3 Administrative Management

Henri Fayol (1841-1925) is considered as father of administrative management. His theory was focused on the development of administrative principles

applicable to middle and top level managers. He used the word 'administration' which is otherwise known as management nowadays. He wrote a book titled "General and Industrial Administration", in which he explained the process of administration. His thinking is beyond the worker and shop level production but of a wider perspective, covering the common administrative and managerial functions and processes of the managers. He suggested that activity of any business organization could be divided into six groups viz., financial, technical, accounting, commercial, managerial and security. His main focus was on managerial or administrative activity. He divided the management function into five functions:- Planning, organizing, commanding, coordinating and controlling. These functions are very similar to what are being practical in today's management. He also told that these activities are same at all levels of any organization and are same for all organizations. Fayol had suggested 14 principles of management as a guideline to the process of management practice. They are given below:

Principles of Management:

- (i) Division of work
- (ii) Authority and responsibility
- (iii) Discipline
- (iv) Unity of command
- (v) Unity of direction
- (vi) Subordination of individual interest to general interest
- (vii) Union is strength
- (viii) Initiative
- (ix) Equity
- (x) Scalar chain
- (xi) Order
- (xii) Stability of tenure of personnel
- (xiii) Remuneration and
- (xiv) Centralisation.

2.10.4 Human Relations Movement

Taylor and Fayol's management techniques did not completely achieve the efficient production and harmony at work place. The unpredicted and irrational pattern of behaviour of workers made the task of managers more difficult. These two theories did not consider or focus on human side of the organization. Hence there was a need to focus on human side. Elton Mayo conducted series of experiments at Western Electric Company, which are commonly known as Hawthorne experiments. They are broadly classified as:

2.11.2 Quantitative Approach

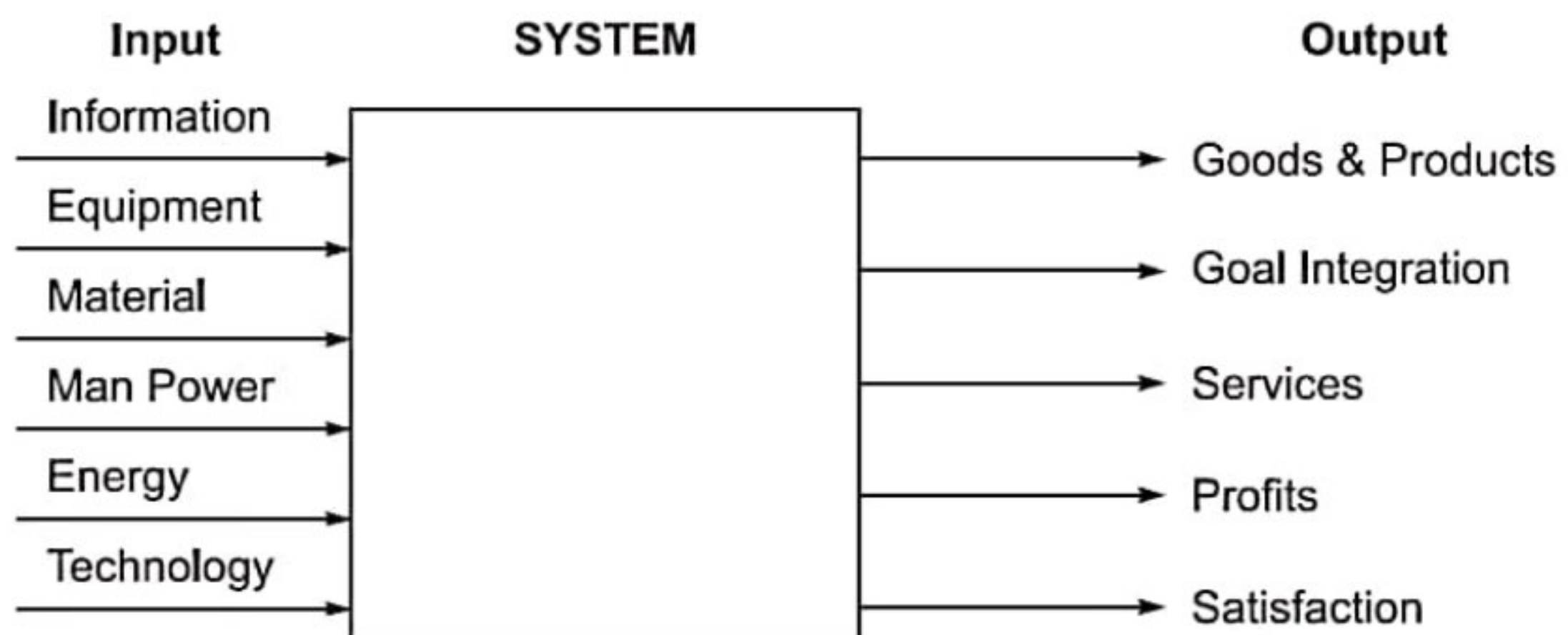
Quantitative approach is also known as management science approach which was developed during Second World War to find solutions to some complex new problems in warfare. As a result the quantitative approach called Operations Research (OR) was developed by a team of interdisciplinary members. This deals with formulating a mathematical model to simulate a given problem that includes the feasibilities, constraints, costs of events etc. An optimum mix of these critical variables is arrived at, either for minimizing time or cost, or maximizing profit or production or service etc., enabling the management to take up a logical decision.

OR techniques are widely used in project planning and control where better benefits have been obtained with its use.

2.11.3 Systems Approach

The classical approach emphasizes on the structure and task, the behavioural approach emphasizes on people and the quantitative approach on mathematical modeling and decision-making based on the model. But systems approach provides the management the integrated approach of problem solving.

A system is defined as a set of independent parts together form a unitary whole that performs a defined task. Organisation is a system that consists of people, task, structure and technology. Each part of the system has an independent relation with other part. The systems approach tries to emphasize to regard the organizations as a whole, rather than dealing the parts separately. A system can be either an open system or closed system. A system that interacts with outside environment is called open system and a system that works with in closed boundary is called closed systems.



Systems Approach