

Principles and Practices of Management

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Unit 1: Introduction to Management

Definition

1. Product or Efficiency oriented definition by F.W. Taylor

Management is the art of knowing what you want to do and then seeing that it is done in a best and cheapest way.

2. Decision oriented definition

Management is simply the process of decision making and control over the action of human being for the achievement of predefined objective.

3. People oriented:

Management is the art of getting things done through and with people in formally organized group.

4. Function oriented

Management is a process involving planning, organizing, staffing, directing, and controlling human efforts to achieve stated objective in organization.

5. According to Mary Parker Follett "Management is the art of getting things done through people."

1. Functions of Management

No.	Function	One-line Explanation
1.	Planning	Deciding in advance what to do, how to do it, when to do it, and who will do it.
2.	Organizing	To give authority and responsibility
3.	Staffing	Recruiting, selecting, training, developing, and placing the right people in the right jobs.

No.	Function	One-line Explanation
4.	Directing	Guiding, instructing, supervising, and leading employees to perform their work effectively.
5.	Co-ordinations	Working together for the achievement of common goal
6.	Reporting	Providing timely and accurate information about organizational activities, progress, and performance to management.
7.	Budgeting	Estimation of future income and expenses.
8.	Controlling	1. Set standards, 2. Actual performance, 3. Compare set standards with actual performance, 4. If required take corrective measures.
9.	Motivation	Encouraging employees through incentives, recognition, and support to improve their performance and achieve goals.

2. Features (Characteristics) of Management

No.	Feature	One-line Explanation
1.	Goal-Oriented Process	Management directs organizational activities toward achieving predetermined goals efficiently and effectively.
2.	Universal Process	Management is required and applicable in all types of organizations and at all levels.
3.	Continuous Process	Management involves continuous functions such as planning, organizing, staffing, directing, and controlling.

No.	Feature	One-line Explanation
4.	Group Activity	Management coordinates the efforts of individuals and groups to achieve common objectives.
5.	Dynamic Function	Management continuously adapts to changes in the internal and external business environment.
6.	Multidisciplinary Approach	Management uses knowledge and principles from various disciplines such as economics, psychology, sociology, and statistics.
7.	Intangible Force	Management cannot be physically seen but its effectiveness can be observed through organizational performance and results.
8.	Decision-Making Process	Management involves selecting the best course of action from available alternatives to achieve objectives.
9.	Coordination-Oriented Process	Management coordinates human, financial, physical, and other resources toward common organizational goals.
10.	Management as a Science and an Art	Management applies systematic principles like a science and practical skills, experience, and creativity like an art.
11.	Social Process	Management involves working with and through people by developing relationships, communication,

No.	Feature	One-line Explanation
		cooperation, and teamwork.
12.	Optimum Utilization of Resources	Management ensures the best possible use of available resources with minimum waste and maximum productivity.(4M (Man, Machine, Money, Material))

3. Henri Fayol's 14 Principles of Management

OR

3. Henry Fayol's Administrative Management Approach

No.	Principle	One-line Explanation
1.	Division of Work	Dividing work according to specialization improves efficiency, productivity, and expertise.
2.	Authority and Responsibility	Managers should have the authority to give orders along with responsibility for the results.
3.	Discipline	Employees should respect organizational rules, policies, and agreements.
4.	Unity of Command	Each employee should receive orders from only one superior to avoid confusion.
5.	Unity of Direction	Activities with the same objective should

No.	Principle	One-line Explanation
		follow one plan under one manager.
6.	Subordination of Individual Interest to General Interest	Organizational interests should be given priority over individual interests.
7.	Remuneration	Employees should receive fair and satisfactory compensation for their services.
8.	Centralization	Decision-making authority should be appropriately balanced between top management and lower levels.
9.	Scalar Chain	There should be a clear chain of authority from the highest to the lowest level of the organization.
10.	Order	The right person and the right resources should be placed in the right place at the right time.
11.	Equity	Managers should treat employees fairly, kindly, and impartially.
12.	Stability of Tenure of Personnel	Employees should be provided reasonable job security and sufficient time to perform effectively.
13.	Initiative	Employees should be encouraged to take initiative and contribute useful ideas.

No.	Principle	One-line Explanation
14.	Esprit de Corps	Management should promote teamwork, unity, cooperation, and team spirit among employees.

4. Different approaches of management

1. Empirical Approach

The **Empirical Approach** is based on learning management from past experiences and actual practices. Managers study the successes, failures, and decisions of other managers and apply useful lessons to similar situations. In simple words, “**learn from experience.**” For example, a manager may study how another company successfully handled employee turnover and adopt a similar practice.

Advantage: It provides practical knowledge based on real-life experience.

Limitation: A method that worked in one situation may not work in a different situation.

2. Frederick Taylor’s Scientific Management Approach

Frederick Winslow Taylor’s Scientific Management Approach focuses on improving efficiency and productivity through scientific study of work rather than guesswork. It involves analyzing jobs, selecting and training workers, standardizing work methods, and providing appropriate incentives. In simple words, “**find the best way to do a job.**” For example, a factory may study the time and movements involved in production to identify the most efficient method.

Advantage: It improves productivity and efficiency.

Limitation: Excessive focus on efficiency may make work repetitive and reduce employee creativity and satisfaction.

3. Henry Fayol’s Administrative Management Approach

Henry Fayol’s Administrative Management Approach focuses on managing the organization as a whole through systematic management principles and functions. It emphasizes principles such as division of work, authority and responsibility, unity of command, discipline, equity, initiative, and teamwork, along with functions such as planning, organizing, directing,

coordinating, and controlling. In simple words, **“manage the organization through proper principles and functions.”** For example, a college principal uses these functions to manage academic and administrative activities.

Advantage: It provides a systematic framework for effective management.

Limitation: Its principles may not always suit every organization or situation in exactly the same way.

4. Social System Approach

The **Social System Approach** views an organization as a social system in which people interact and work together to achieve common objectives. It emphasizes human relationships, communication, cooperation, teamwork, and social behavior. In simple words, **“people working well together make the organization work well.”** For example, a manager encourages teamwork and maintains positive relationships among employees.

Advantage: It improves cooperation, teamwork, and employee relationships.

Limitation: Excessive focus on social relationships may sometimes reduce attention to productivity and organizational targets.

5. Decision Theory Approach

The **Decision Theory Approach** considers management primarily as a process of making decisions. Managers identify problems, collect information, evaluate alternatives, and select the most suitable course of action. In simple words, **“management means making the right decision.”** For example, a manager compares the price, quality, and reliability of different suppliers before selecting one.

Advantage: It promotes logical and systematic decision-making.

Limitation: Managers may not always have complete and accurate information for making decisions.

6. Systems Approach

The **Systems Approach** views an organization as a system consisting of interconnected parts such as marketing, finance, human resources, and production that work together to achieve common goals. A change in one part can affect other parts of the organization. In simple words, **“all parts are connected and must work together.”** For example, increasing production without coordinating with the sales department may result in excess inventory.

Advantage: It provides a holistic view of the organization and improves coordination.

Limitation: The interrelationships among different organizational parts can make analysis and management complex.

7. Contingency Approach

The **Contingency Approach** states that there is **no single best way to manage** because the appropriate management method depends on the situation. Managers consider factors such as employees, technology, organizational size, environment, and the nature of the problem before selecting a suitable approach. In simple words, **“the best management method depends on the situation.”** For example, a manager may closely supervise inexperienced employees but give experienced employees greater freedom.

Advantage: It provides flexibility and allows managers to adapt to changing situations.

Limitation: It can be difficult to identify the exact situation and determine which management method will work best.

5. Management and Administration

No.	Basis	Administration	Management
1	Meaning	Administration is concerned with setting objectives, policies, and strategic direction of the organization.	Management is concerned with implementing policies and achieving objectives through planning and coordination.
2	Nature of Work	Determinative in nature; decides what is to be done.	Executive in nature; decides how the work will be done.
3	Main Function	Policy formulation and strategic decision-making.	Execution of policies and operational activities.
4	Level in Organization	Operates at the top level of the organization.	Operates mainly at middle and lower levels.
5	Focus	Focuses on organizational goals and future direction.	Focuses on achieving goals through efficient operations.
6	Authority	Possesses ultimate authority and power.	Exercises authority delegated by administration.

No.	Basis	Administration	Management
7	Scope	Wider scope covering the entire organization.	Comparatively narrower scope focused on implementation.
8	Decision-Making	Makes major and strategic decisions.	Makes routine and operational decisions.
9	Time Horizon	Concerned with long-term planning.	Concerned with short-term and medium-term planning.
10	Responsibility	Responsible for determining objectives and policies.	Responsible for carrying out plans and policies.
11	Orientation	Policy-oriented.	Action-oriented.
12	Risk Involved	Higher level of risk due to strategic decisions.	Lower level of risk as decisions are operational.
13	Relationship with Employees	Usually has indirect contact with employees.	Maintains direct contact with employees and supervisors.
14	Resource Allocation	Determines overall allocation of organizational resources.	Utilizes resources efficiently to achieve targets.
15	Applicability	Commonly used in government, educational, and public institutions.	Commonly used in business and industrial organizations.
16	Example Positions	Board of Directors, Trustees, Vice-Chancellor, Governing Body.	CEO, General Manager, Department Manager, Supervisor.

6. Role of Managers – Henry Mintzberg’s Managerial Roles

A. Interpersonal Roles

No.	Role	One-line Explanation
1.	Figurehead	Performs ceremonial and official duties and represents the organization.
2.	Leader	Guides, motivates, supervises, and influences employees to achieve organizational goals.
3.	Liaison	Maintains relationships and communication with people and groups inside and outside the organization.

B. Informational Roles

No.	Role	One-line Explanation
4.	Monitor	Collects and analyzes relevant information about the organization and its environment.
5.	Disseminator	Shares important information with employees and departments within the organization.
6.	Spokesperson	Communicates organizational information and performance to external stakeholders.

C. Decisional Roles

No.	Role	One-line Explanation
7.	Entrepreneur	Initiates innovation, improvement, and new opportunities for the organization.
8.	Disturbance Handler	Resolves conflicts, crises, and unexpected problems affecting the organization.
9.	Resource Allocator	Decides how organizational resources such as money, people, time, and equipment should be distributed.
10.	Negotiator	Represents the organization in negotiations with employees, customers, suppliers, and other stakeholders.

7. Managerial Skills

No.	Skill	One-line Explanation
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No.	Skill	One-line Explanation
1.	Technical Skills	The ability to use specialized knowledge, methods, techniques, and tools to perform specific work effectively; these are especially important for lower-level managers .
2.	Human Skills	The ability to communicate, motivate, cooperate, resolve conflicts, and build effective relationships with people at all levels of management .
3.	Conceptual Skills	The ability to understand the organization as a whole, analyze complex situations, and develop strategic plans, making them especially important for top-level managers .

8. Management as a Science and an Art

Management is both a science and an art because it uses established principles and systematic knowledge while also requiring practical skills, experience, creativity, and judgment to achieve organizational goals.

Management as Science

1. **Universally Accepted Principles** – Management is based on principles that can be applied across different organizations and situations.
2. **Experimentation and Observation** – Management principles are developed and tested through observation, experience, and experimentation.
3. **Cause-and-Effect Relationship** – Management establishes relationships between managerial actions and their expected results.

Management as Art

1. **Practical Knowledge** – Management requires applying theoretical knowledge to solve real-world organizational problems.

2. **Personal Skill** – Effective management depends on the manager's individual skills, experience, and judgment.
3. **Creativity** – Managers use creativity and innovative thinking to handle different situations and challenges.
4. **Perfection through Practice** – Managerial skills improve through continuous practice, experience, and learning.
5. **Goal-Oriented** – Management uses practical skills and knowledge to achieve specific organizational objectives.

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