



Management intro (CS & CMA Foundation) Bcom & BBA semester

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TOPICS COVERED:-

1. INTRODUCTION TO MANAGEMENT
2. DEFINITION
3. MEANING OF MANAGEMENT
4. FUNCTIONS OF MANAGEMENT
5. NATURE OF MANAGEMENT
6. PRINCIPLES OF MANANGEMENT

MANAGEMENT

- One of the most important human activity.
- Essential to ensure coordination of individual efforts.



- Denotes the processes of conducting and managing various business activities.
- Art of securing maximum results with the minimum efforts for maximum prosperity and happiness for both employer and the employees and provide best service to the public.
- It is the art and science of organizing and directing human efforts applied to control the forces and utilize the materials of the nature for the benefit of man.

Management is a "SCIENCE"

because it:

- Proves
- Predicts
- Defines
- Measures &
- Utilizes knowledge

Management is an "ART"

because it:

- Feels
- Guesses
- Describes
- Expresses
- Communicates &
- Practices

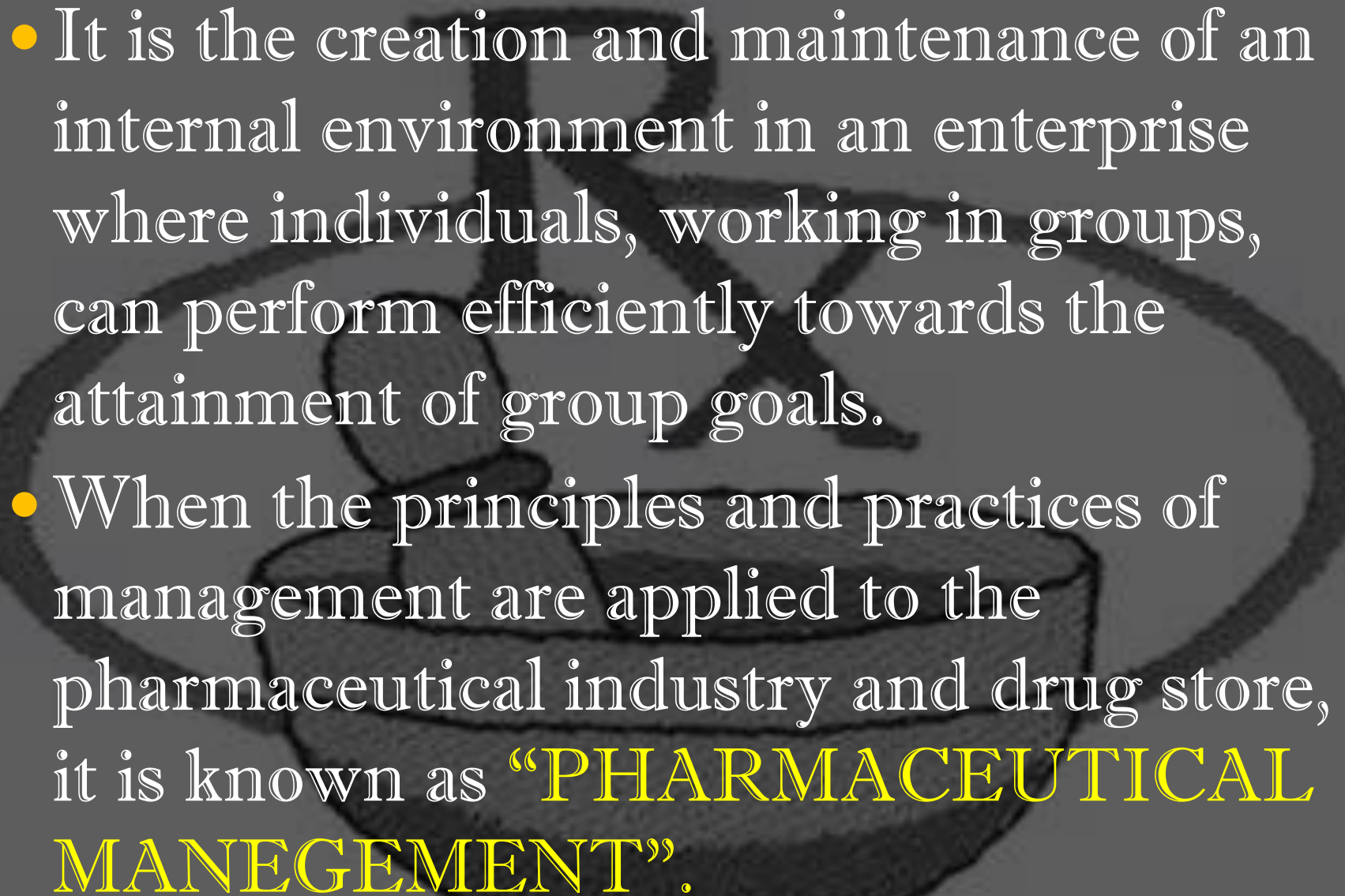


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Management is a "PROFESSION" because:

- It requires skill
- Knowledge
- Development of a positive attitude



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- It is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently towards the attainment of group goals.
 - When the principles and practices of management are applied to the pharmaceutical industry and drug store, it is known as “**PHARMACEUTICAL MANAGEMENT**”.

DEFINITION

It is a process of designing and maintaining an environment in which individuals, working together in groups, accomplish selected aims.

In other words, “It is the accomplishment of goals through others”.

Meaning of Management

- Means different in different aspects:
 - As a collective noun: group of person
 - As a verb: means a process.
- Interpreted as:
 1. An activity
 2. A process
 3. A discipline
 4. As a group

1. Management as an ACTIVITY

- Getting things done through and with people informally organized group.
- A manager performs the following activities:
 - i. Interpersonal activities: Interacts with his subordinates (motivates), his superiors and with people outside the organization (maintaining contacts with the clients).

ii. Decisional activities: Initiating new projects, allocating resources and bargaining with outsiders.

iii. Informative activities:

- Regular communication with people inside and outside the organization.
- Receives and gives information concerning the tasks, situation and persons.

2. Management as a PROCESS

- Involves series of interrelated functions.
- Consists of:
 - Setting the objectives of the organization.
 - Taking steps to achieve the objectives.
- Consists of planning, organizing, staffing, directing and controlling.

Management as a process has following implications:

- i. Social process: Interaction among people (relationship).
- ii. Integrated process: Brings together human physical and financial resources.
- iii. Continuous process: involves continuous identifying and solving problem.

3. Management as a DISCIPLINE

- Identified as an organized body of knowledge which can be learnt through teaching and training.
- Principles and practice of management being identified.
- Knowledge being imparted to others.
- Popularity being identified by the admissions into the institutes of training and management.
- Managers being educated and trained.

4. Management as a GROUP

- Refers to the group of persons occupying managerial positions.
- All the managers are collectively known as management.
- Types of managers:
 - i. Family managers: Have become managers by virtue of their being the owner or relatives of the owner of the company.

- ii. Professional managers: have become managers by appointment on account of their degree or diploma in pharmacy.
- iii. Civil servants: manage public sector undertakings.

KEY FEATURES OF MANAGEMENT

- Managerial functions include planning, organizing, staffing, leading & controlling.
- Applies to any kind of organization.
- Applies to managers at all organization.
- Aim: to achieve the objective.
- It is concerned with productivity: effectiveness & efficiency.

“Management is the integration of resources for exceeding the company goal by employing 4 principles:

- a. Objectives
- b. Effectiveness
- c. Resources
- d. Integration and Coordination

- “Management” should not be confused with “Administration”.
- ‘Management’ refers to private sector. Whereas administration refers to “public sector”.
- Administration refers to executive level of management. On the other hand, the Management refer to middle management level.

FUNCTIONS OF MANAGEMENT

1. PLANNING
2. ORGANIZING
3. STAFFING
4. LEADING/DIRECTING
5. CONTROLLING
6. COORDINATION

I. PLANNING

- Includes defining goals, establishing strategy, and developing plans to coordinate activities.
- Also requires knowledge to create, develop & analyze opportunities in present as well as in future.
- Types:
 - a. Long run planning
 - b. Short range planning

II. ORGANIZING

Determining:

- What task has to be done?
- Who is to do them?
- How the tasks are to be grouped,
- Who reports to whom, and
- Where decisions are to be made.

III. LEADING

Includes:

- Motivating employees
- Directing others
- Selecting the most effective communication channel
- Resolving conflicts

IV. STAFFING

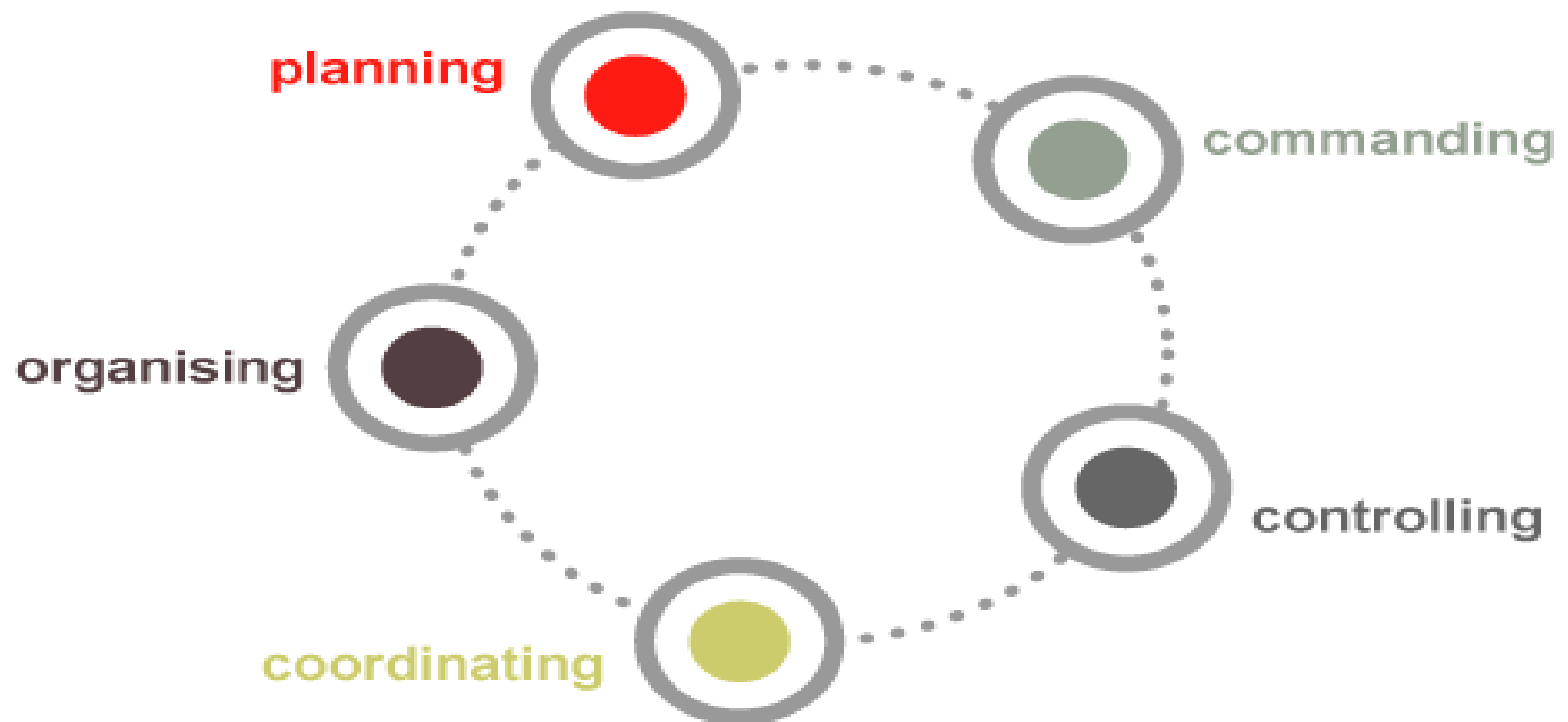
- Involves developing of qualified people in the various jobs in the organization.
- Needs constant reconsideration similar to planning.
- Also includes:
 - a. Manpower requirements
 - b. Appraisal and selection of candidates for position.
 - c. Training & development of both- candidates & incumbents on the job in order to improve their capability & potentiality.

V. CONTROLLING

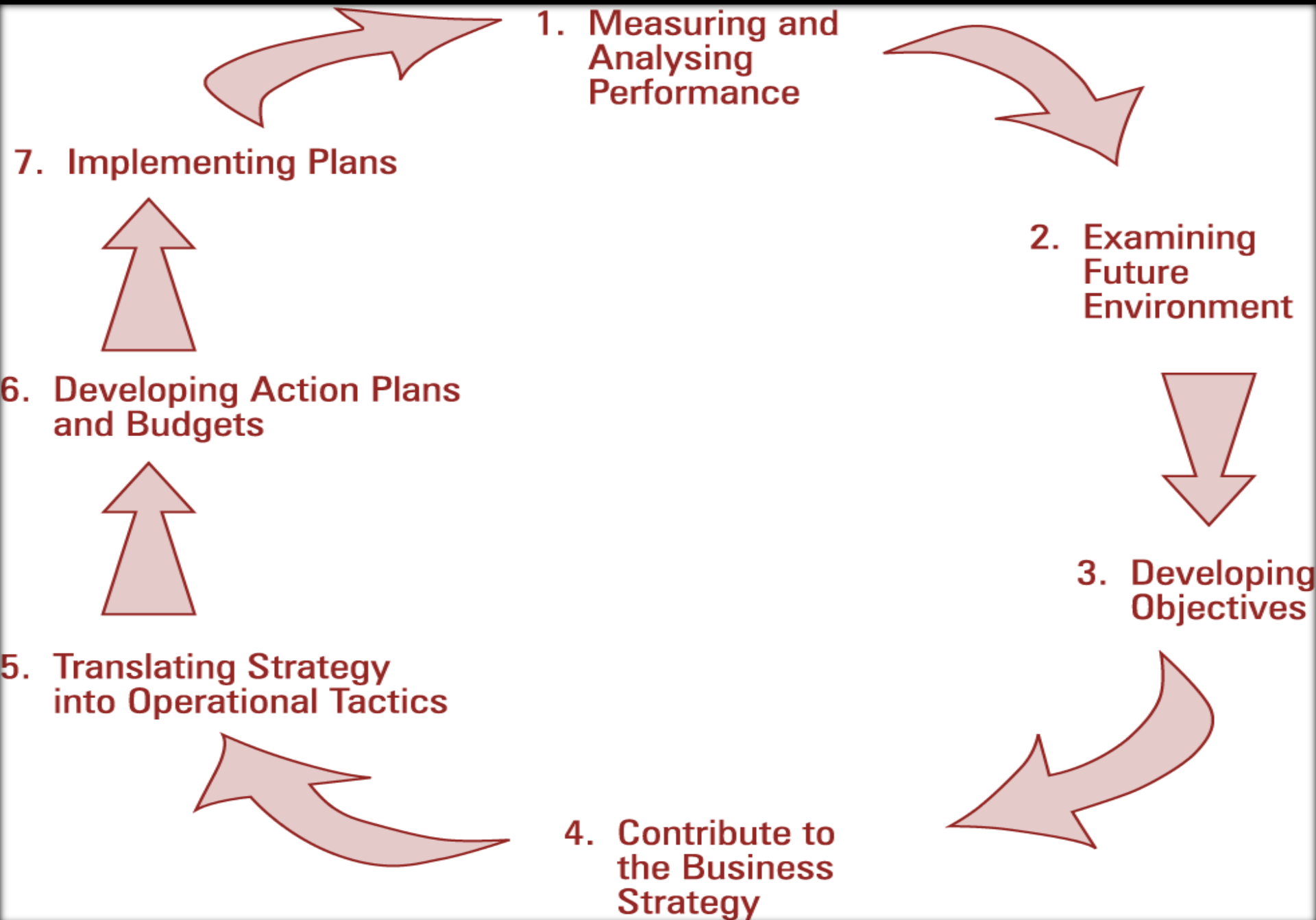
- Monitoring activities to ensure objectives are achieved as planned and correcting any significant deviations.

VI. COORDINATION

- Achievement of harmony of individual efforts towards the accomplishment of organizational goals.



NATURE OF MANAGEMENT



1. **Universality**: Irrespective of the size nature & location of the organization

2. **Purposeful**: Attainment of organizational goals

3. **Social process**: Motivation

4. **Coordinating force**: Orderly management and avoiding duplicating and overlapping.

5. **Intangible**: Unseen force

6. **Continuous process**: Cycle of management continues for achievement of objectives.

7. **Composite process**:

- Made up of individual ingredients
- The whole process is integrative and performed in a network fashion.

8. **Creative organ**: Provides creative ideas, new imaginations and visions to group efforts.

Importance of management

- Required for successful functioning of every organization.
- Effective stimulus for every business.
- Includes the following:
 - a. Achievement of group goals:
 - ✓ Mutual coordination & cooperation.
 - ✓ Identification and defining of goals.
 - ✓ Effective leadership.

b. Optimum utilization of resources:

- ✓ Forecast of the need for machinery, material, money and manpower.
- ✓ It utilizes the resources, more effectively to achieve best results.

c. Reducing cost:

- ✓ Effective management leads to reduce cost and increase the output.

d. Generation of employment:

- ✓ Management helps to satisfy the economic and social needs of the employees.

e. Maintenance of discipline:

- ✓ Due to proper supervision at all levels of the organization.

f. Designing new products:

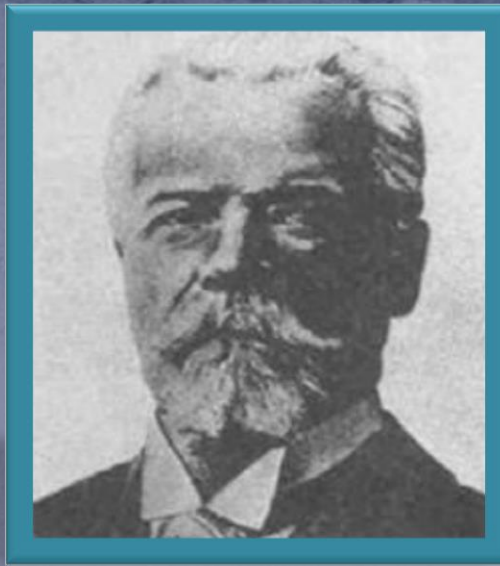
- ✓ Helps design new products by adopting new techniques.

e. Development of the nation:

- ✓ Plays an important role in economic and social development of the country.
- ✓ Can help in development of new products, adopt new technology, utilize the resources efficiently and earn wealth.
- ✓ Wealth increases, the income increases and so does the standard of living of the people.

PRINCIPLES OF MANAGEMENT





- Henry Fayol (1841-1925), a French industrialist suggested the following 14 principles of management in order to make the job of managing more effective:-

14 Principles of Management

1

Specialization of labor

2

Authority

3

Discipline

4

Unity of Command

5

Unity of Direction

6

Subordination of Individual Interests

7

Remuneration

8

Centralization

9

Scalar Chain (Line of Authority)

10

Order

11

Equity

12

Personnel Tenure

13

Initiative

14

Esprit de Corps

1) Division of Work:

- ✓ Specialization allows the individual to build up experience, and to continuously improve his skills. Thereby he can be more productive.

2) Authority:

- ✓ The right to issue commands, along with which must go the balanced responsibility for its function.

3) **Discipline:**

- ✓ Employees must obey, but this is two-sided: employees will only obey orders if management play their part by providing good leadership.

4) **Unity of Command:**

- ✓ Each worker should have only one boss with no other conflicting lines of command.

5) Unity of Direction:

- ✓ People engaged in the same kind of activities must have the same objectives in a single plan.
- ✓ This is essential to ensure unity and coordination in the enterprise.
- ✓ Unity of command does not exist without unity of direction but does not necessarily flow from it.

6) **Subordination of individual interest** (to the general interest):

- ✓ Management must see that the goals of the firms are always paramount.

7) **Remuneration:**

- ✓ Payment is an important motivator although by analyzing a number of possibilities.

8) Centralization (or Decentralization):

This is a matter of degree depending on the condition of the business and the quality of its personnel.

9) Scalar chain (Line of Authority):

- ✓ A hierarchy necessary for unity of direction.
- ✓ Scalar chain refers to the number of levels in the hierarchy from the ultimate authority to the lowest level in the organization.
- ✓ It should not be over-stretched and consist of too-many levels.

10) Order:

- ✓ Both material order and social order are necessary.
- ✓ The former minimizes lost time and useless handling of materials.
- ✓ The latter is achieved through organization and selection.

11) Equity:

- ✓ In running a business a 'combination of kindness and justice' is needed.
- ✓ Treating employees well is important to achieve equity.

12) Stability of Tenure of Personnel:

- ✓ Employees work better if job security and career progress are assured to them.
- ✓ An insecure tenure and a high rate of employee turnover will affect the organization adversely.

13) Initiative:

- ✓ Allowing all personnel to show their initiative in some way is a source of strength for the organization.
- ✓ Even though it may well involve a sacrifice of 'personal vanity' on the part of many managers.

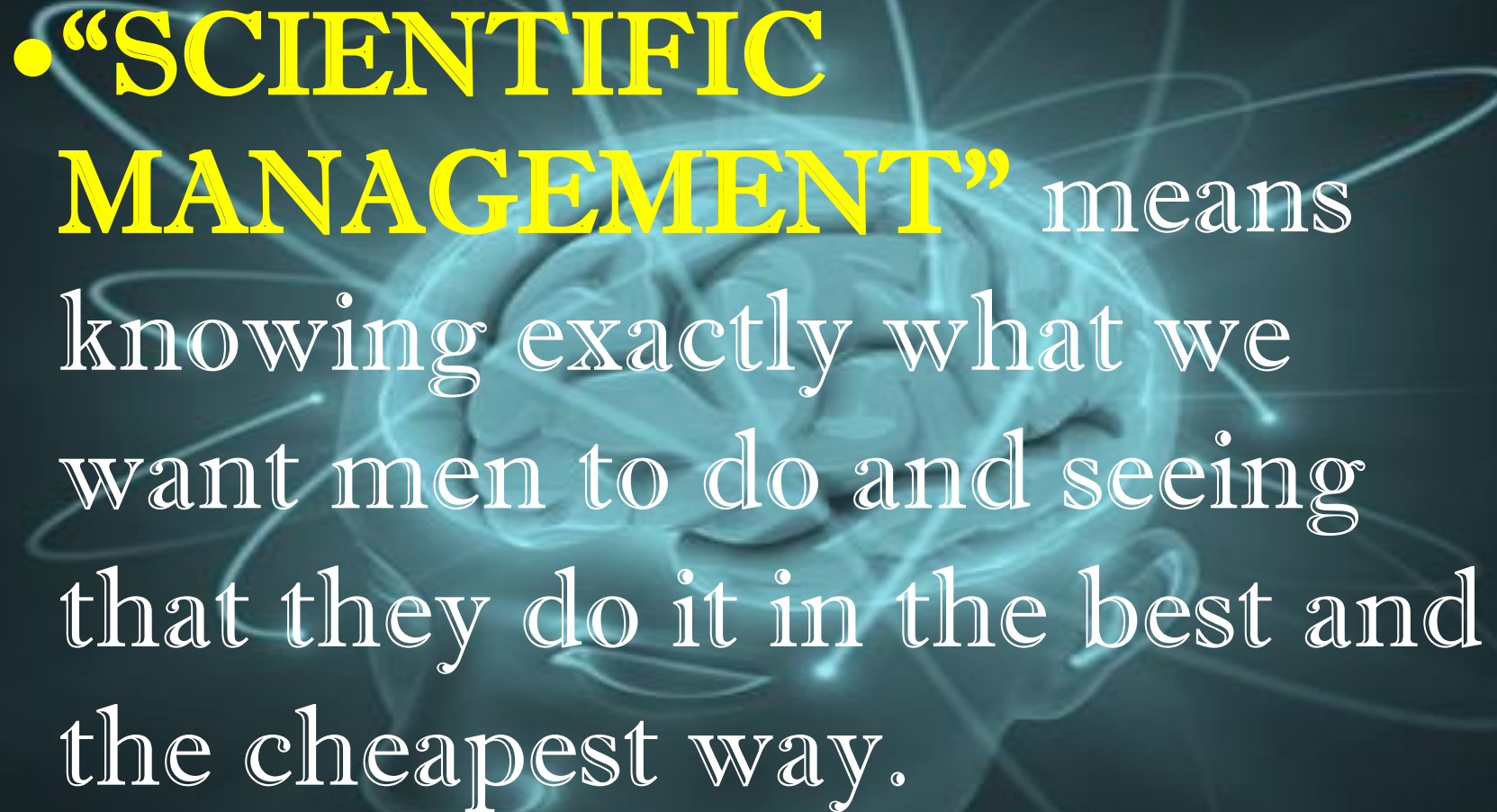
14) Esprit de Corps:

- ✓ Management must foster the morale of its employees.
- ✓ “Real talent is needed to coordinate effort, encourage keenness, use each person’s abilities, and reward each one’s merit without arousing possible jealousies and disturbing harmonious relations.”

PRINCIPLES OF SCIENTIFIC MANAGEMENT



F.W.Taylor (1856-1915), “father of scientific management”
defined the principles of scientific management.

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- **“SCIENTIFIC MANAGEMENT”** means knowing exactly what we want men to do and seeing that they do it in the best and the cheapest way.

Various principles of scientific management:

1. Development of true science for each element of work:

- ✓ Requires scientific study and analysis of each element of the job.
- ✓ Through scientific management the best way of doing the work can be developed.
- ✓ Decisions should be made on the basis of facts rather than opinions and beliefs.

2. Scientific selection, training and development of workers

- ✓ Workers should be selected and trained in accordance with the requirements of the job, to be entrusted to them.
- ✓ Physical, mental and other requirements should be specified for each job.
- ✓ Systematic training and development programmes should be designed to improve their skill and efficiency.

3. Close cooperation between worker and management

- ✓ Interest of employer and employees should be fully harmonized.
- ✓ Close cooperation ensures the work is in accordance with the scientific principle.

4. Equal division of work and responsibility

- ✓ Management should decide the methods of work, working conditions, time for completion of work etc.

- ✓ Management is responsible for the supervision of the work whereas workers should be concerned with the execution of the plan.

5. **Maximum prosperity for both employer and employees:**

- ✓ Aim of management should be to secure maximum prosperity for each employee along with the employer.
- ✓ More output, more profits and more salaries for the employees.

6. Mental revolution:

- ✓ It means a complete change in the outlook of both management and workers w.r.t their mutual relations and in relation to their work.

SUMMARY

