

BCA 1ST Semester

BCA-102 : FUNDAMENTALS OF MANAGEMENT

UNIT: 1

INTRODUCTION TO MANAGEMENT:

In process of management, a manager uses human skills, material resources and scientific methods to perform all the activities leading to the achievement of goods.

When human beings start group activities for the attainment of same common objectives whenever a group is formed and a group activity is organized to achieve certain common objectives management is needed to direct, co-ordinate and integrate the individual activities of a group and secure team work to accomplish organizational objectives.

Definition: “Management knows exactly what you want men to see that they do it the best and cheapest ways”.

Nature of Management: The study and application of management techniques in managing the affairs of the organization have changed its nature over the period of time.

1. UNIVERSALITY

Management is a universal process and is essential for all organizations. If there is human activity, there is management. The principles of management are applicable irrespective of the size and location of a business. The universal principle also means that managerial skills can be developed over time and they're transferrable.

2. SOCIAL PROCESS

The nature of management involves organizing people in groups and managing them. It requires different levels of empathy, understanding and dynamism. In addition to taking care of social and emotional well-being, the process involves developing, motivating and retaining employees.

3. PURPOSEFUL

Management always has an end goal of achieving an organization's targets, mission and vision. The success of management can be measured by the extent to which an organization achieves its objectives. There is an underlying purpose of increasing efficiency and productivity. The objectives should be realistic, attainable and time-bound.

4. INTANGIBLE

There is no physical proof of the management process. Its success can be measured by the outcomes of its efforts. For example, lower turnover rates indicate there's high employee engagement and job satisfaction. This further shows that managers or individuals in managerial roles have taken proactive steps toward improving employee retention.

5. COORDINATION

Management coordinates all the functions of an organization by bringing together different teams and departments. Without coordination, there would be ambiguity and chaos. Therefore, by getting people on the same page, there is communication and minimized duplication of efforts.

6. CREATIVITY

Management is made up of individual components and is a composite process. Every independent component contributes in unique ways. For example, group efforts encourage creative ideas and imagination. The sum of individual efforts creates synergy and something new is born.

7. DYNAMIC FUNCTION

Management should be dynamic at its core because businesses are often influenced by economic, social, political and technological factors. With room for flexibility and adaptability, individuals can perform well even in stressful situations. There should be adequate training and facilitation within the process.

• SCOPE OF MANAGEMENT

Clearly defined responsibilities, concepts, theories and principles related to managerial functions define the scope of management. Let's look at the various aspects of this.

1. FINANCIAL MANAGEMENT

Every enterprise prioritizes financial management because finances can get extremely tricky if not managed properly. Effective financial management ensures there are fair returns to stakeholders, proper estimation of capital requirements and laying down optimal capital. It includes preparation and examination of financial statements, creating proper dividend policies and negotiations with external stakeholders.

2. MARKETING MANAGEMENT

The scope of management in marketing extends to planning, organizing, directing and controlling activities in the marketing department. Identifying customer requirements is crucial for providing business solutions. When a manager is fully aware of the benefits of the products and/or services the organization provides, they achieve better results. Marketing management ensures that available resources are properly utilized and the best possible outcomes are achieved.

3. PERSONNEL MANAGEMENT

Personnel management—as the name suggests—deals with personnel or individuals in a business environment. It includes the recruitment, transfer, termination, welfare and social security of employees. This aspect of management is extremely important as employees form teams and teams drive an organization's goals. Individual productivity also contributes to overall efficiency. Without attending to employee needs and wants, an organization is likely to struggle.

4. PRODUCTION MANAGEMENT

This type of management refers to the process of creating utilities. When you convert raw materials to finished products and oversee the planning and regulation, you're

engaging in production management. Without production, there isn't any finished good or service and without it, organizations can't generate interest or profits. The final product must fulfill customer requirements. The process includes quality control, research and development, plan layout and simplification.

5. OFFICE MANAGEMENT

This includes controlling and coordinating all office activities to achieve an organization's goals and targets. For example, an administration's efficiency impacts a business significantly. The more organized the departments and responsibilities are the more effective an organization is.

Characteristics of Management:

- **Setting goals for organizations:** Goals differ from organization to organization in business, the basic economic goal is to earn maximum profit, while in service organization like hospital and educational institution for the basic goal is to provide better service and better education.
- **Awareness of opportunities and resources:** Management has awareness of opportunities and resources like men, materials, money which assembles and integrates by management.
- **Management is transformation process:** Management is a transformation process consisting of planning, organizing, staffing, directing and controlling. Management is
- **Universal:** The principles and techniques of management are universally applicable to all group activities performed at any level of organization.
- **System of authority:** System of authority means a hierarchy of command and control. Managers at different levels possess varying degrees of authority.
- **Co – Ordination:** Various human beings organized in formal groups are endeavoring to achieve the common organizational objectives, so various departments in the organization must work in harmony with one another.
- **Management is Dynamic:** The ever changing social environment directly and indirectly effect the group activity thus changing environments provide a challenge to management. Efficient management cannot remain static it must adopt itself to changing conditions.
- **Management is decision making:** The managers are decision makers the marketing managers decide about how to market, when to market, where to market how to collect funds for organization.
- **Management is a profession:** Management is not only a science but also an art. Art means managers has to handle the person and things tactfully. Science means achieving objectives through procedures.

Importance of Management: “No ideology, no ism, or political the greater output with less efforts from a given complex of human and materials resource only sound management And it is on such greater output that a higher standard of life, more leisure, more amenities for all.

- **Effective utilization of resources:** Management tries to make effective utilization of various resources. The resources are scarce in nature and to meet the demand of the society, their contribution should be maximum for the general interests of the society. Management not only decides in which particular alternative a particular resource be used but also takes actions to utilize it in that particular alternative in the best way.
- **Development of resources:** Management develops various resources. This is true with human as well as non-human factors. Most of the researches for resource development are carried on in an organization way and management is involved in those activities.
- **To incorporate innovations:** Today changes are occurring at a very fast rate in
- both technology and social process and structure these changes need to be incorporated to keep the organizations alive and efficient. Therefore, they require high degree of specialization, high level of competence, and complex technology. All these require efficient management so that organizations work in the most efficient way.
- **Integrating various interest groups:** In the organized efforts, there are various
- interest groups and they put pressure over other groups for maximum share in the combined output. For example, in the case of business organization, there are various pressure groups such as shareholders, employees, government etc. These interest groups have pressure on an organization.
- **Stability in the society:** Management provides stability in the society by
- changing and modifying the resources in accordance with the changing
- environment of the society. In the modern age, more emphasis is on new inventions for the betterment of human beings. These inventions make old systems and factors mostly obsolete and inefficient. Management provides integration between traditions and new inventions and

safeguards, society from the unfavorable impact of these inventions so that continuity in social process is maintained.

Functions of Management:

1. **Planning:** Involves selecting the objectives and actions to achieve them. The planning stage involves decision making and choosing future courses of action from the various alternatives.
2. **Organizing:** Role of each person in any organization is fixed. The concept of role is who will be doing what should be known, to achieve organizational targets efficiently. It is intended that all the tasks necessary to achieve targets are assigned to people who can do the best.
3. **Staffing:** Staffing function includes keeping the various organizational positions fixed. This activity is done by identifying work force requirements, keeping the records of the performance of people working with the organization. So that suitable people can be prompted and at the same time people performing not up to the mark could be sent for training. If all the above activities are taking place in a nice way in any organization, it will give rise to minimum work force turnover.
4. **Directing:** Directing means influencing people, so that they will contribute to the organization targets. Directing involves motivation, leadership styles and proper communication.
5. **Controlling:** It is the process of comparing the plans with the results. If there is deviation, action is taken to bridge the gap between plan and actual results. Coordinating: The essence of management is the achievement of coordination among people. Coordination is a complex process following the principles by which organization activity can be accomplished. Coordination is possible only if all the personnel working in the organization accept the target of the organization. This target must be clearly defined and concerned.

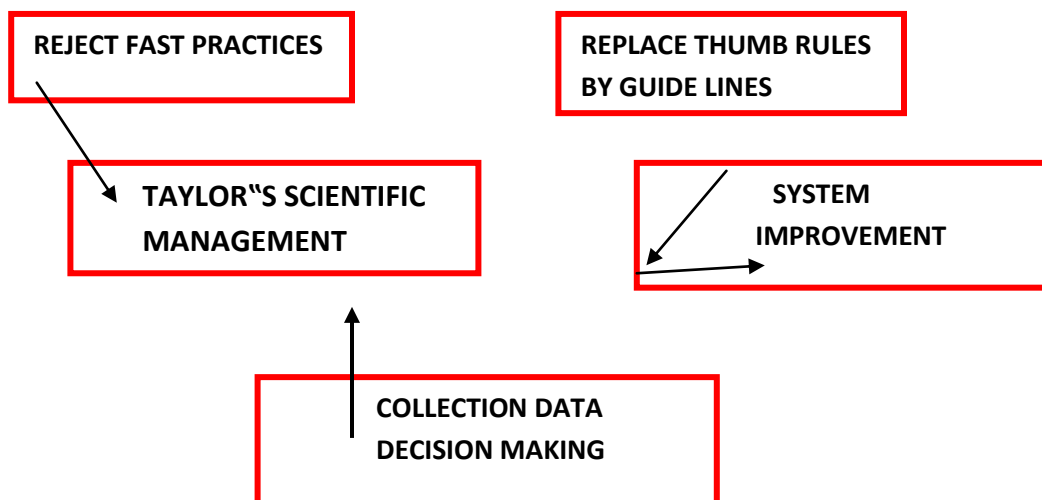
Evolution of Management Theory: Good management intends to achieve an objective with the least use of man, machine, money and material and at the same time maximum satisfaction of the participants.

Taylor's Scientific Management: The utility of scientific methods to problems of management was first introduced by **F.W.Taylor**

Definition: Scientific management may be defined as the "Mgmt is an art of knowing what the others want and after knowing do it in the best and cheapest way".

Scientific management is the result of applying scientific knowledge and scientific methods to the various aspects of management and the problems that arise from them.

Principles of Scientific Management: Taylor through his principles of scientific management initiated a system in which there would be an effective and fruitful coordination and cooperation between the management and the workers.



Development of Science for each element of work: Analyze the work scientifically, rather than using thumb rule. It means that an attempt is made to find out what is to be done by a particular worker, how he is to do it, what equipment will be necessary to do it. This information is provided to the worker, so as to reduce wastage of time, material etc. and improve the quality of work. Scientific selection, placement and training of workers: This principle states that select the workers best suited to perform the specific task, and then train them within the industry in order to attain the objectives of the enterprise workers.

should also be trained from time to time to keep them informed of latest development in the techniques of production.

Division of Labour: division of work in smaller tasks and separation of thinking element of job from doing element of the job, this is the principle of specialization. It is essential for efficiency in all sphere of activities as well as in supervision work.

Standardization of methods, procedures, tools and equipment: Standardization helps in reducing time, labour and cost of production. The success of scientific management largely depends upon standardization of system, depends upon standardization of system, tools, equipments and techniques of production

Use of time and motion study: Taylor's introduced time and motion determine standard work. Taylor's undertook, incurred by studies the on fa workers and the time necessary to complete task.

Differential wage system: Taylor's differential piece rate scheme incentive for a worker to achieve high level of optimum output. It distinguishes the more productive workers from less productive workers and motivates them to produce more.

Cooperation between labour and management: Mutual respect and cooperation between the workers and management helps in providing proper and effective leadership. The labour starts thinking that it is their work and they must put their heart in the work assigned to him.

Principle of Management by Exception: Taylor suggested that only major or significant deviations between the actual performance and standard performance should be brought to the notice of top management. Top management should pay more attention to those areas of work where standards and procedures could not be established and where there is a significant variation between standard performance and actual performance.

Administrative Management Theory

Henri Fayol :

Henri Fayol is called as father of Modern Management.

He established the pattern of management and the pyramidal form of organization. He pointed out that technical ability is more dominating on the lower level of management managerial ability is more important on the higher level of management.

Henri Fayol analyzed the process of management and divided the activities of an industrial undertaking into six groups

1. Technical activities
2. Commercial activities
3. Financial activities
4. Security activities
5. Accounting activities
6. Managerial activities