

MINISTERUL EDUCAȚIEI NAȚIONALE



ANGELA ON

# MANAGEMENT

2017

*The translation of this course is based upon work supported by the grant no.CNFIS-FDI-2017-0056, "Internationalization of education and scientific research - a strategic tool for increasing visibility and improving quality at "Petru Maior" University of Tirgu Mures" - INTECS-IS.*

# Contents

<b>1. BASICS OF MANAGEMENT .....</b>	<b>3</b>
<i>Importance of Management</i> .....	3
<i>Objectives of management</i> .....	4
<i>Features of Management</i> .....	4
<b>2. MANAGEMENT CATEGORIES .....</b>	<b>5</b>
<i>Management as a science</i> .....	5
<i>Management as an Art</i> .....	6
<i>Management as both Science and Art</i> .....	7
<i>Management as a Discipline</i> .....	8
<i>Management as a Process</i> .....	8
<i>Management as an Activity</i> .....	9
<i>Management as a Group</i> .....	9
<i>Management as a Profession</i> .....	10
<b>3. MANAGEMENT THEORIES.....</b>	<b>11</b>
<i>Scientific Management by Taylor</i> .....	11
<i>Principles of Scientific Management</i> .....	11
<i>Study of Fayol and Taylor</i> .....	13
<b>4. LEVELS AND FUNCTIONS OF MANAGEMENT.....</b>	<b>15</b>
<i>FUNCTIONS OF MANAGEMENT</i> .....	17
<b>5. PLANNING FUNCTION OF MANAGEMENT .....</b>	<b>19</b>
<i>Steps in Planning Function</i> .....	20
<b>6. ORGANIZING FUNCTION OF MANAGEMENT.....</b>	<b>21</b>
<i>Principles of Organizing</i> .....	22
<i>The 6 Building Blocks of Organizational Structure [Diagrams]</i> .....	24
<b>7. CLASSIFICATION OF ORGANIZATIONS .....</b>	<b>28</b>
<i>Relationship between Formal and Informal Organizations</i> .....	28
<i>The 5 Types of Organizational Structures</i> .....	29
<b>8. DELEGATION OF AUTHORITY - MEANING, IMPORTANCE AND ITS PRINCIPLES .....</b>	<b>35</b>
<i>Importance of Delegation</i> .....	37
<i>Principles of Delegation</i> .....	38
<b>9. STAFFING FUNCTION OF MANAGEMENT.....</b>	<b>39</b>

<i>Staffing Process - Steps involved in Staffing</i> .....	40
<i>Types of Recruitment</i> .....	41
<i>Employee Selection Process</i> .....	42
<i>Orientation and Placement</i> .....	43
<i>Training of Employees - Need and Importance of Training</i> .....	44
<i>Importance of Training</i> .....	44
<i>Ways/Methods of Training</i> .....	45
<i>Employee Remuneration</i> .....	45
<b>10. DIRECTING FUNCTION OF MANAGEMENT</b> .....	<b>46</b>
<i>Role of a Supervisor</i> .....	48
<i>Functions of a Supervisor</i> .....	49
<b>11. LEADERSHIP VS. MANAGEMENT</b> .....	<b>50</b>
<i>Managers have subordinates</i> .....	50
<i>Leadership without Management</i> .....	53
<i>Management without Leadership</i> .....	53
<i>Symbolic Leadership</i> .....	53
<i>Leadership Styles</i> .....	54
<i>Managing as a Leader</i> .....	55
<b>12. CONTROLLING FUNCTION OF MANAGEMENT</b> .....	<b>57</b>
<i>Relationship between planning and controlling</i> .....	59
<b>13. UNDERSTANDING ORGANIZATION AND ORGANIZATION CULTURE</b> .....	<b>60</b>
<i>Importance of Organization Culture</i> .....	61
<i>Role of Employees in Organization Culture</i> .....	62

# 1. BASICS OF MANAGEMENT

**Management** is a universal phenomenon. It is a very popular and widely used term. All organizations - business, political, cultural or social are involved in management because it is the management which helps and directs the various efforts towards a definite purpose. According to *Harold Koontz*, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals". According to *F.W. Taylor*, "Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way".

Management is a purposive activity. It is something that directs group efforts towards the attainment of certain pre - determined goals. It is the process of working with and through others to effectively achieve the goals of the organization, by efficiently using limited resources in the changing world. Of course, these goals may vary from one enterprise to another. E.g.: For one enterprise it may be launching of new products by conducting market surveys and for other it may be profit maximization by minimizing cost.

Management involves creating an internal environment: - It is the management which puts into use the various factors of production. Therefore, it is the responsibility of management to create such conditions which are conducive to maximum efforts so that people are able to perform their task efficiently and effectively. It includes ensuring availability of raw materials, determination of wages and salaries, formulation of rules & regulations etc.

Therefore, we can say that good management includes both being effective and efficient. Being effective means doing the appropriate task i.e, fitting the square pegs in square holes and round pegs in round holes. Being efficient means doing the task correctly, at least possible cost with minimum wastage of resources.

## *Importance of Management*

- **It helps in Achieving Group Goals** - It arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals. It directs group efforts towards achievement of pre-determined goals. By defining objective of organization clearly there would be no wastage of time, money and effort. Management converts disorganized resources of men, machines, money etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.
- **Optimum Utilization of Resources** - Management utilizes all the physical & human resources productively. This leads to efficacy in management. Management provides maximum utilization of scarce resources by selecting its best possible alternate use in industry from out of various uses. It makes use of experts, professional and these services leads to use of their skills, knowledge, and proper utilization and avoids wastage. If employees and machines are producing its maximum there is no under employment of any resources.
- **Reduces Costs** - It gets maximum results through minimum input by proper planning and by using minimum input & getting maximum output. Management uses physical, human