



ROHINI COLLEGE OF ENGINEERING & TECHNOLOGY

Near Anjugramam Junction, Kanyakumari Main Road, Palkulam, Variyoor P.O - 629401
Kanyakumari Dist, Tamilnadu., E-mail : admin@rcet.org.in, Website : www.rcet.org.in

An Autonomous Institution, Approved by AICTE and Affiliated to Anna University
Accredited by NAAC with A+ grade, Accredited by NBA for (ECE, EEE, MECH)

DEPARTMENT OF ELECTRONICS & COMMUNICATION ENGINEERING

NAME OF THE SUBJECT : PRINCIPLES OF MANAGEMENT

Subject code : GE3751

Regulation : 2021

OBSERVE OPTIMIZE OUTSPREAD

SYLLABUS

GE3751 PRINCIPLES OF MANAGEMENT

UNIT I INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS

Definition of Management – Science or Art – Manager Vs Entrepreneur - types of managers -managerial roles and skills – Evolution of Management – Scientific, human relations, system and contingency approaches – Types of Business organization - Sole proprietorship, partnership, company-public and private sector enterprises - Organization culture and Environment – Current trends and issues in Management.

UNIT II PLANNING

Nature and purpose of planning – planning process – types of planning – objectives – setting objectives – policies – Planning premises – Strategic Management – Planning Tools and Techniques – Decision making steps and process.

UNIT III ORGANISING

Nature and purpose – Formal and informal organization – organization chart – organization structure – types – Line and staff authority – departmentalization – delegation of authority – centralization and decentralization – Job Design - Human Resource Management – HR Planning, Recruitment, selection, Training and Development, Performance Management, Career planning and management.

UNIT IV DIRECTING

Foundations of individual and group behavior – motivation – motivation theories – motivational techniques – job satisfaction – job enrichment – leadership – types and theories of leadership – communication – process of communication – barrier in communication – effective communication –communication and IT.

UNIT V CONTROLLING

System and process of controlling – budgetary and non-budgetary control techniques – use of computers and IT in Management control – Productivity problems and management – control and performance – direct and preventive control – reporting.

TEXTBOOKS:

1. Stephen P. Robbins & Mary Coulter, —Management, Prentice Hall (India) Pvt. Ltd., 10th Edition, 2009. 3 2. JAF Stoner, Freeman R.E and Daniel R Gilbert —Management, Pearson Education, 6th Edition, 2004.

REFERENCES:

1. Stephen A. Robbins & David A. Decenzo & Mary Coulter, —Fundamentals of Management, Pearson Education, 7th Edition, 2011.

2. Robert Kreitner & Mamata Mohantra, — Management, Biztantra, 2008

UNIT I- INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS

MODULE I - INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS

Definition for Management

Management is the process of getting things done, effectively and efficiently, with and through other people. Management of an organization is the process of establishing objectives and goals of the organization periodically, designing the work system and the organization structure, and maintaining an environment in which individuals, working together in groups, accomplish their aims and objectives and goals of the organization effectively and efficiently

Knootz and Weirich define management in a simple form as “management is the process of designing and maintaining an environment in which individual working together in groups, efficiently accomplish selected goals.”

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

According to Henry Fayol “to manage is to forecast and to plan, to organize, to coordinate and to control”

LEVELS OF MANAGEMENT

The three levels of management are as follows

1. The Top Management

- It consists of board of directors, chief executive or managing director.
- The top management is the ultimate source of authority and it manages goals and policies for an enterprise.
- It devotes more time on planning and coordinating functions.
- The role of the top management can be summarized as follows –
 - a. Top management lays down the objectives and broad policies of the enterprise.
 - b. It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
 - c. It prepares strategic plans & policies for the enterprise.
 - d. It appoints the executive for middle level i.e. departmental managers.
 - e. It controls & coordinates the activities of all the departments.
 - f. It is also responsible for maintaining a contact with the outside world.
 - g. It provides guidance and direction.
 - h. The top management is also responsible towards the shareholders for the performance of the enterprise.

2. Middle Level Management

- The branch managers and departmental managers constitute middle level.
- They are responsible to the top management for the functioning of their department.
- They devote more time to organizational and directional functions.
- In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management.
- Their role can be emphasized as –
 - a) They execute the plans of the organization in accordance with the policies and directives of the top management.
 - b) They make plans for the sub-units of the organization.
 - c) They participate in employment & training of lower level management.
 - d) They interpret and explain policies from top level management to lower level.
 - e) They are responsible for coordinating the activities within the division or department.
 - f) It also sends important reports and other important data to top level management.
 - g) They evaluate performance of junior managers.
 - h) They are also responsible for inspiring lower level managers towards better performance.

3. Lower Level Management

- Lower level is also known as supervisory / operative level of management.
- It consists of supervisors, foreman, section officers, superintendent etc.
- According to R.C. Davis, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management.
- Their activities include
 - a. Assigning of jobs and tasks to various workers.
 - b. They guide and instruct workers for day to day activities.
 - c. They are responsible for the quality as well as quantity of production.
 - d. They are also entrusted with the responsibility of maintaining good relation in the organization.
 - e. They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
 - f. They help to solve the grievances of the workers.
 - g. They supervise & guide the sub-ordinates.
 - h. They are responsible for providing training to the workers.
 - i. They arrange necessary materials, machines, tools etc for getting the things done.
 - j. They prepare periodical reports about the performance of the workers.
 - k. They ensure discipline in the enterprise.
 - l. They motivate workers.
 - m. They are the image builders of the enterprise because they are in direct contact with the workers.

FUNCTIONS OF MANAGEMENT

Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase etc. Rather these activities are common to each and

every manager irrespective of his level or status. Different experts have classified functions of management. According to George & Jerry, “There are four fundamental functions of management i.e. planning, organizing, actuating and controlling”. According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ‘POSDCORB’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O’DONNELL i.e. Planning, Organizing, Staffing, Directing and Controlling. For theoretical purposes, it may be convenient to separate the function of management but practically these functions are overlapping in nature i.e. they are highly inseparable. Each function blends into the other & each affects the performance of others.

1. PLANNING

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of predetermined goals. According to KOONTZ, “Planning is deciding in advance – what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of predetermined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

2. ORGANIZING

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

- Identification of activities.
- Classification of grouping of activities.
- Assignment of duties.
- Delegation of authority and creation of responsibility.
- Coordinating authority and responsibility relationships.

3. STAFFING

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz&O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure”. Staffing involves:

- Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
- Recruitment, selection & placement.
- Training & development.
- Remuneration.
- Performance appraisal.
- Promotions & transfer.

4. DIRECTING

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating subordinate for the achievement of organizational goals. Direction has following elements:

• Supervision • Motivation • Leadership • Communication

(i) Supervision- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

(ii) Motivation- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

(iii) Leadership- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

(iv) Communications- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

5. CONTROLLING

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, "Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation". According to Koontz & O'Donell "Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished". Therefore controlling has following steps:

(i) Establishment of standard performance.

(ii) Measurement of actual performance.

(iii) Comparison of actual performance with the standards and finding out deviation if any.

(iv) Corrective action

ROLE OF MANAGER/MANAGERIAL ROLE

Henry Mintzberg identified ten different roles, separated into three categories. The categories he defined are as follows



a) Interpersonal Roles

The ones that, like the name suggests, involve people and other ceremonial duties. It can be further classified as follows

- Leader: Responsible for staffing, training, and associated duties.
- Figurehead: The symbolic head of the organization.

Eg; Bill Gates to Microsoft, Steve Jobs to APPLE

- Liaison: Maintains the communication between all contacts and informers that compose the organizational network.

b) Informational Roles

Related to collecting, receiving, and disseminating information.

- Monitor: Personally seek and receive information, to be able to understand the organization.
- Disseminator: Transmits all important information received from outsiders to the members of the organization.
- Spokesperson: On the contrary to the above role, here the manager transmits the organization's plans,

policies and actions to outsiders.

c) Decisional Roles

Roles that revolve around making choices

- Entrepreneur: Seeks opportunities. Basically they search for change, respond to it, and exploit it.
- Negotiator: Represents the organization at major negotiations.
- Resource Allocator: Makes or approves all significant decisions related to the allocation of resources.
- Disturbance Handler: Responsible for corrective action when the organization faces

MANAGERIAL SKILLS

Technical Skills

As the name of these skills tells us, they give the manager's knowledge and ability to use different techniques to achieve what they want to achieve. Technical skills are not related only for machines, production tools or other equipment, but also they are skills that will be required to increase sales, design different types of products and services, market the products and services. Technical skills are most important for the first-level managers, but for the top managers, these skills are not something with high significance level. As we go through a hierarchy from the bottom to higher levels, the technical skills lose their importance.

Conceptual Skills

Conceptual skills present knowledge or ability of a manager for more abstract thinking. That means he can easily see the whole through analysis and diagnosis of different states in order to predict the future of the business or department as a whole. Why managers need these skills? Conceptual skills are vital for top managers, less important for mid-level managers, and not required for first-level managers. As we go from a bottom of the managerial hierarchy to the top, the importance of these skills will rise.

Human or Interpersonal Managerial Skills

Human or interpersonal managerial skills present a manager's knowledge and ability to work with people. One of the most important management tasks is to work with people. Without people, there will not be a need for existence of management and managers. These skills will enable managers to become leaders, to motivate employees for better accomplishments, to make more effective use of human potential in the company and so on. 10 Simply, they are the most important skills for managers. Interpersonal managerial skills are important for all hierarchical levels in the company.

- **MANAGEMENT IS ART OR SCIENCE?**

According to the nature of management, there is a controversy that whether management is a science or an art. This controversy is very old & is yet to be settled. It should be noted that, learning process of science is different from that of art. Learning of science includes principles while learning of art involves

its continuous practice.

Management as a Science

Science is characterized by following main features:

1. Universally accepted principles – Management contains some fundamental principles which can be applied universally like the Principle of Unity of Command i.e. one man, one boss. This principle is applicable to all type of organization – business or non business.

2. Experimentation & Observation – Management principles are also based on scientific enquiry & observation and not only on the opinion of Henry Fayol. They have been developed through experiments & practical experiences of large no. of managers. E.g. it is observed that fair remuneration to personal helps in creating a satisfied work force.

3. Cause & Effect Relationship – Principles of science lay down cause and effect relationship between various variables. The same is true for management; therefore, it also establishes cause and effect relationship. E.g. lack of parity (balance) between authority & responsibility will lead to ineffectiveness. If you know the cause i.e. lack of balance, the effect can be ascertained easily i.e. ineffectiveness. Similarly, if workers are given bonuses, fair wages they will work hard but when not treated in fair and just manner, reduces productivity of organization.

4. Test of Validity & Predictability – Validity of scientific principles can be tested at any time or any number of times i.e. they stand the time of test. Each time these tests will give same result. Moreover, future events can be predicted with reasonable accuracy by using scientific principles. Principles of management can also be tested for validity. E.g. principle of unity of command can be tested by comparing two persons – one having single boss and one having 2 bosses. The performance of 1st person will be better than 2nd.

Management as an Art

Art means application of knowledge & skill to get the desired results. An art may be defined as personalized application of general theoretical principles for achieving best possible results. Art has the following characters – Practical Knowledge: Every art requires practical knowledge therefore learning of theory is not sufficient. It is very important to know practical application of theoretical principles. A manager can never be successful just by obtaining degree or diploma in management; he must have also known how to apply various principles in real situations, by functioning as a manager.

1. Personal Skill:

Although theoretical base may be same for every artist, but each one has his own style and approach towards his job. That is why the level of success and quality of performance differs from one person to another. Every manager has his own way of managing things based on his knowledge, experience and personality, that is why some managers are known as good managers (like Aditya Birla, Rahul Bajaj) whereas others as bad.

2. Creativity:

Every artist has an element of creativity in line. That is why he aims at producing something that has

never existed before which requires combination of intelligence & imagination. Management is also creative in nature like any other art. It combines human and 11 non-human resources in a useful way so as to achieve desired results. It tries to produce sweet music by combining chords in an efficient manner.

3.Perfection through practice:

Practice makes a man perfect. Every artist becomes more and more proficient through constant practice. Similarly, managers learn through an art of trial and error initially but application of management principles over the years makes them perfect in the job of managing.

4.Goal-Oriented:

Every art is result oriented as it seeks to achieve concrete results. In the same manner, management is also directed towards accomplishment of pre-determined goals. Managers use various resources like men, money, material, machinery & methods to help in the growth of an organization.

Management as both Science and Art

Management is both an art and a science. The above-mentioned points clearly reveal that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge & art deals with the application of knowledge and skills. A manager to be successful in his profession must acquire the knowledge of science & the art of applying it. Therefore management is a well-judged combination of science as well as an art because it proves the principles and the way these principles are applied is a matter of art. Science teaches to 'know' and art teaches to 'do'. E.g. a person cannot become a good singer unless he has knowledge about various ragas & he also applies his personal skill in the art of singing. Same way it is not sufficient for manager to first know the principles but he must also apply them in solving various managerial problems that is why, science and art are not mutually exclusive but they are complementary to each other (like tea and biscuit, bread and butter etc.). To conclude, we can say that science is the root and art is the fruit.

DIFFERENCE BETWEEN ENTREPRENEUR AND MANAGER

➤ ENTREPRENEUR-

- He runs entrepreneurship
- He is essentially a leader and an initiator
- He is responsible for the success or the failure of his venture
- Since he is the only one person in charge,he is automatically the leader

➤ MANAGER-

- He is not an owner of enterprise
 - He is the one responsible for the management and administration of a group of people
 - A manager possess some of the same qualities as an entrepreneur like leadership,accountability,decisiveness etc.
- The key **difference between an entrepreneur and a manager** is their standing in the company. An entrepreneur is a visionary that converts an idea into a business. He is the owner of the business, so

he bears all the financial and other risks. A manager, on the other hand, is an employee, he works for a salary. So he does not have to bear any risks.

- The focus of an entrepreneur lies in starting the business and later expanding the business. A manager will focus on the daily smooth functioning of the business.
- For an entrepreneur the key motivation is achievements. But for the managers, the motivation comes from the power that comes with their position.
- The reward for all the efforts of an entrepreneur is the profit he earns from the enterprise. The manager is an employee, so his remuneration is the salary he draws from the company.
- The entrepreneur can be informal and casual in his role. However, a manager's approach to every problem is very formal.
- The entrepreneur by nature is a risk taker. He has to take calculated risks to drive the company further. A manager, on the other hand, is risk-averse. His job is to maintain the status quo of the company. So he cannot afford risks.

Entrepreneur vs Manager	
Entrepreneur	Manager
Entrepreneur is visionary and bears all financial risks.	Manager works for salary, and does not have to bear any risks.
Focuses on starting and expanding the business ideas	Focus on daily smooth functioning of business
Key motivation for Entrepreneur is achievements	Manager's motivation comes from the power that comes with their position
Reward for all the efforts is profit he earns from the enterprise	Remuneration is the salary he draws from the company
Entrepreneur can be informal and casual	Manager's approach to every problem is very formal

Management as a Profession:

The main features of profession are:

1. Well defined Body of knowledge: In every profession there is practice of systematic body of knowledge which helps the professionals to gain specialized knowledge of that profession. 2. Restricted Entry: The entry to a profession is restricted through an examination or degree. For example, a person can practice as Doctor only when he is having MBBS degree. Whereas there is no legal restriction on appointment of a manager, anyone can become a manager irrespective of the educational qualification. But now many companies prefer to appoint managers only with MBA degree.

3. Presence of professional associations: For all the professions, special associations are established and

every professional has to get himself registered with his association before practicing that profession.

4. Existence of ethical codes: For every profession there is set of ethical codes fixed by professional organizations and are binding on all the professionals of that profession. In case of management there is growing emphasis on ethical behavior of managers. All India Management Association (AIMA) has devised a code of conduct for Indian managers.

5. Service Motive: The basic motive of every profession is to serve the clients with dedication. Whereas basic purpose of management is achievement of management goal, for example for a business organization the goal can be profit maximization. But nowadays only profit maximization cannot be the sole goal of an enterprise. To survive in market for a long period of time, a businessman must give due importance to social objectives along with economic objectives. So presently this feature of profession is not present but very soon it will be included.

Types of Managers

Based on Competencies:

1. **The Problem-Solving Manager:** This boss is task-driven and focused on achieving goals. These problem solvers are constantly putting out fires and leading by chaos. It is often the manager who creates the very problems and situations that they work so hard to avoid.

2. **The Pitchfork Manager:** People who manage by a pitchfork are doing so with a heavy and often controlling hand: demanding progress, forcing accountability, prodding and pushing for results through the use of consequence, threats, scarcity, and fear tactics. This style of tough, ruthless management is painful for people who are put in a position where they are pushed to avoid consequences rather than pulled toward a desired goal.

3. **The Pontificating Manager:** These managers will readily admit they don't follow any particular type of management strategy. Instead, they shoot from the hip, making it up as they go along often generating sporadic, inconsistent results. As a result, they often find themselves in situations that they are unprepared for.

4. **The Presumptuous Manager:** Presumptuous Managers focus more on themselves than anything else. To them, their personal production, recognition, sales quotas and bonuses take precedence over their people and the value they are responsible for building within each person on their team. Presumptuous Managers often put their personal needs and objectives above the needs of their team. As you can imagine, Presumptuous Managers experience more attrition, turnover, and problems relating to managing a team than any other type of manager.

5. **The Perfect Manager:** These managers are open to change, innovation, training, and personal growth with the underlying commitment to continually improve and evolve as sales managers, almost to a fault. This wonderful trait often becomes their weakness. In their search for the latest and greatest approach, like Pontificating Managers, Perfect Managers never get to experience the benefit of consistency.

6. **The Passive Manager:** Also referred to as Parenting Managers or Pleasing Managers, Passive Managers take the concept of developing close relationships with their team and coworkers to a new level. These managers have one ultimate goal: to make people happy. While this is certainly an

admirable trait, it can quickly become a barrier to leadership efforts if not managed effectively. Although wholesome and charming, this type of boss is viewed as incompetent, inconsistent and clueless often lacking the respect they need from their employees in order to effectively build a championship team.

7. **The Proactive Manager:** The Proactive Manager encompasses all of the good qualities that the other types of managers possess, yet without all of their pitfalls. Here are the characteristics that this ideal manager embodies, as well as the ones for you to be mindful of and develop yourself. The Proactive Manager possesses the:

Persistence, edge, and genuine authenticity of the Pitchfork Manager

- Confidence of the Presumptuous Manager
- Enthusiasm, passion, charm, and presence of the Pontificating Manager
- Drive to support others and spearhead solutions like the Problem-Solving Manager
- Desire to serve, respectfulness, sensitivity, nurturing ability, and humanity of the Passive
- Manager Product and industry knowledge, sales acumen, efficiency, focus, organisation, and
- Passion for continued growth just like the Perfect Manager

The Proactive Manager is the ultimate manager and coach, and a testimonial to the additional skills and coaching competencies that every manager needs to develop in order to build a world class team.

Based on Level and Department

