

BUSINESS MANAGEMENT

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MEANING & DEFINITION

Management identifies a group of people whose job is to direct the efforts and activities of other people towards common objective.

George. R. Terry – “Management is a distinct process consisting of planning, organizing, activating and controlling performed to determine and accomplish the objective by the use of human beings and other resources”

- F.W.Taylor – “Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way”
- Lawrence A.Appley – “Management is getting things done through the efforts of other people.”

FUNCTIONS OF MANAGEMENT

- Planning : it is the determination in advance of a line of action by which certain results are to be obtained.
- Organizing : It is the process of identifying and grouping the work to be performed ,defining and delegating responsibility and authority and establishing relationship for the purpose of enabling people to work most effectively together in accomplishing the objective.
- Staffing : It is the function by which managers build an organisation through the recruitment ,selection, development of individuals as capable employees.

- Directing : It initiates organised and planned action and ensures effective performance by subordinates towards accomplishment of group activities. Directing is moving to action and supplying simulative power to the group. The main activities involved in directing are
 - * Leadership - It is the activity of influencing people to strive willingly for group of objectives.
 - * Communication – It means an exchange of facts, ideas, opinion, information or emotions by two or more persons.
 - * Motivation – It is the process of attempting to influence others to do their work through the possibility of gain or reward.
 - * Supervision – it is the function of assuring that the work is being done in accordance with the plan and instruction.

- Co-ordination : It is the essence of management for the achievement of harmony of individual efforts towards the accomplishment of group goals.
- Controlling : It is the process of determining what is to be accomplished ,what is being accomplished ,evaluating the performance and if necessary, applying corrective measures.

LEVELS OF MANAGEMENT

- Top Management : It consists of board of directors, CEO, General Manager who decides the plans ,policies and objectives of an organisation.
- Middle Management : It consist of different department heads and is basically concerned with the task of implementing the plans and policies laid down by Top level Management.
- Low Management : It consists of supervisors, foremen who are in actual operations.

PRINCIPLES OF MANAGEMENT

- Henry Fayols Principles of Management :
- Division of work(Specialisation)
- Parity between authority and responsibility(i.e. authority and responsibility should go side by side)
- Discipline(It means obedience and observance of established rules)
- Unity of command(i.e. for one person there should only be one superior)
- Unity of direction((i.e. one head and one plan for a group of activities having same objective)
- Subordination of individual interest to group interest(i.e. interest of the group should always prevail over individual interest)
- Fair remuneration to workers
- Effective Centralization(concentration of authority in the hands o f top management)
- Scalar chain(It refers to the chain of superiors ranging from the ultimate authority to the lowest ranks)
- Order(It implies right man in right job and right material in right place)
- Equity (i.e. fair treatment to all)
- Stability of tenure
- Initiative(i.e.to inspire and encourage the employees)
- Espirit de corps(Unity is strength)

F.W. Taylor - Scientific Management

He is called the father of scientific management and it means exactly what you want to do and seeing that they do it in the best and cheapest way. His principles include:

- Replacement of rule of thumb (i.e. the work should be planned properly before it is carried out)
- Development of workers
- Introduction of functional foremanship (i.e. Separation of planning and doing and appointing eight functional specialists, The first four attached with planning work and next four for shop work).
- Standardization of tools and equipments
- Scientific selection, placement and training
- Introduction of differential piece rate system (i.e. according to the work done payment should be given)
- Mental revolution (i.e. To bring mutual understanding and co-operation between management and workers)
- Introduction of scientific work study (It means reasonable time taken by a normal worker to complete his job. It is determined by undertaking time-motion-fatigue studies)

MBO AND MBE

- Management by Objectives(MBO) : Peter F. Drucker is rightly known as founder of MBO.It is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and that is consciously directed towards the effective and efficient achievement of organizational and individual objectives.
- Management by Exception(MBE) : It means that management should not be involved in each and every activity and that they should be given more time for planning activities and leave the day to day activities to the subordinates.