

DegreeLive

# **MANAGEMENT PRINCIPLES AND APPLICATION**

B.Com Semester 1 – Calicut University

# MODULE 1: INTRODUCTION TO MANAGEMENT

## Concept of Management

1. Management is the process of getting work done through and with people to achieve organizational goals.
2. It involves planning, organizing, leading and controlling resources.
3. Management exists in business, government, education and non-profit organizations.
4. It is both a science (uses principles) and an art (requires skill).

## Nature of Management

1. Goal-oriented.
2. Continuous process.
3. Universal activity.
4. Group activity.
5. Dynamic and adaptable.
6. Decision-making process.

## Significance of Management

1. Helps achieve organizational goals.
2. Improves efficiency and productivity.
3. Ensures optimum use of resources.
4. Coordinates activities and people.
5. Helps organizations adapt to change.

## Functions of Management

1. **Planning:** Deciding what to do, how to do it and when to do it.
2. **Organizing:** Arranging resources and assigning responsibilities.
3. **Leading:** Influencing and guiding employees toward goals.
4. **Controlling:** Comparing actual performance with planned performance and taking corrective action.

## Evolution of Management Theories

### F.W. Taylor – Scientific Management

1. Known as the Father of Scientific Management.
2. Focused on improving worker efficiency.
3. Suggested scientific methods instead of rule-of-thumb methods.
4. Emphasized training and proper selection of workers.
5. Introduced time and motion studies.

### Henry Fayol – Administrative Management

1. Known as the Father of Modern Management.
2. Focused on management at the organizational level.
3. Proposed 14 Principles of Management.
4. Important Principles:
  - a. Division of Work.
  - b. Authority and Responsibility.
  - c. Unity of Command.
  - d. Unity of Direction.
  - e. Discipline.

f. Equity.

## Difference

Taylor	Fayol
Focused on workers	Focused on managers
Shop-floor efficiency	Overall administration
Scientific Management	Administrative Management

## Elton Mayo, Mary Parker Follett and C.K. Prahalad

### Elton Mayo

1. Conducted Hawthorne Studies.
2. Found that social and psychological factors affect productivity.
3. Emphasized employee welfare and teamwork.

### Mary Parker Follett

1. Known as the Mother of Modern Management.
2. Supported cooperation rather than domination.
3. Emphasized participation and teamwork.
4. Introduced the idea of conflict resolution through integration.

### C.K. Prahalad

1. Indian management thinker.
2. Developed the concept of Core Competency.
3. Suggested firms should focus on strengths that competitors cannot easily copy.
4. Highlighted innovation and customer value.

## Planning

1. Planning means deciding future actions in advance.
2. It reduces uncertainty and provides direction.

## Types of Plans

1. **Strategic Plans:** Long-term plans for overall organization.
2. **Tactical Plans:** Plans for departments and middle managers.
3. **Operational Plans:** Day-to-day plans.

## Planning Process

1. Set objectives.
2. Identify alternatives.
3. Evaluate alternatives.
4. Select best option.
5. Implement plan.
6. Review results.

## Challenges in Planning

1. Uncertainty.
2. Rapid environmental changes.
3. Lack of information.
4. Resistance to change.
5. Limited resources.

## Decision Making, MBO and Problem Solving

### Decision Making Process

1. Identify problem.
2. Gather information.
3. Develop alternatives.
4. Evaluate alternatives.
5. Choose best alternative.
6. Implement decision.
7. Review results.

### Management by Objectives (MBO)

1. Developed by Peter Drucker.
2. Managers and employees jointly set goals.

3. Performance measured against agreed objectives.

### Advantages of MBO

1. Clear goals.
2. Better communication.
3. Higher motivation.
4. Improved performance.

### Effective Decision Making

1. Gather accurate information.
2. Consider alternatives.
3. Think logically.
4. Evaluate risks.
5. Monitor outcomes.

## MODULE 2: ORGANIZING

### Organizing and Organizational Structure

1. Organizing means arranging resources and assigning responsibilities.
2. Converts plans into action.

### Steps in Organizing

1. Identify activities.
2. Group activities.
3. Assign duties.
4. Delegate authority.
5. Coordinate efforts.

### Organizational Structure

1. Framework showing authority and responsibility relationships.
2. Defines reporting relationships.

### Benefits

1. Clear roles.
2. Better coordination.
3. Efficient communication.

### Factors Affecting Organizational Design

1. Organizational size.
2. Business strategy.
3. Technology.
4. Environment.
5. Organizational culture.

### Contemporary Organizational Designs

#### Matrix Structure

1. Employees report to two managers.
2. Combines functional and project structures.
3. Advantage: Better coordination.
4. Limitation: Role confusion.

#### Team-Based Structure

1. Work organized around teams.

2. Encourages collaboration and flexibility.
3. Advantage: Faster decisions.
4. Limitation: Possible conflicts within teams.

### Departmentalization, Authority and Responsibility

#### Departmentalization

1. Grouping activities into departments.
2. Types:
  - a. Functional.
  - b. Product.
  - c. Geographic.
  - d. Customer.
  - e. Process.

#### Authority

1. Right to give orders and make decisions.

#### Responsibility

1. Obligation to perform assigned duties.

#### Principle

1. Authority and responsibility should go together.

### Delegation, Decentralization and Span of Management

#### Delegation

1. Transfer of authority to subordinates while retaining accountability.

#### Benefits

1. Faster decisions.
2. Employee development.
3. Reduced manager workload.

#### Decentralization

1. Decision-making power distributed throughout the organization.

#### Advantages

1. Flexibility.

2. Quick response.
3. Better local decisions.

### Span of Management

1. Number of employees directly supervised by a manager.

2. **Wide Span:** More employees per manager.
3. **Narrow Span:** Fewer employees per manager.

## MODULE 3: LEADERSHIP AND MOTIVATION

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### Leadership and Leadership Traits

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#### Leadership

1. Ability to influence people towards organizational goals.

#### Leadership Traits

1. Confidence.
2. Integrity.
3. Communication skills.
4. Decision-making ability.
5. Emotional stability.
6. Vision.

#### Importance

1. Provides direction.
2. Motivates employees.
3. Improves teamwork.
4. Helps achieve goals.

### Leadership Theories

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#### Trait Theory

1. Leaders possess certain personal qualities.
2. Focuses on characteristics of successful leaders.

#### Behavioral Theory

1. Leadership depends on behavior rather than traits.
2. Effective leadership can be learned.

#### Contingency Theory

1. No single leadership style works everywhere.
2. Best style depends on situation.

### Leadership Styles

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#### Authoritarian Leadership

1. Leader makes decisions alone.
2. **Advantages:** Quick decisions, Clear direction.
3. **Limitations:** Low employee participation.

#### Democratic Leadership

1. Employees participate in decisions.
2. **Advantages:** Higher motivation, Better teamwork.

#### Laissez-Faire Leadership

1. Employees have high freedom.
2. **Advantages:** Encourages creativity.
3. **Limitations:** Lack of control.

### Motivation and Characteristics

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#### Motivation

1. Process of encouraging people to perform better.

#### Characteristics

1. Goal-oriented.
2. Continuous process.
3. Psychological in nature.
4. Varies from person to person.

#### Importance

1. Improves productivity.
2. Increases job satisfaction.
3. Reduces absenteeism.

### Motivation Theories

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#### Maslow's Hierarchy of Needs

Five levels:

1. Physiological Needs.
2. Safety Needs.
3. Social Needs.
4. Esteem Needs.
5. Self-Actualization Needs.

#### Herzberg's Two-Factor Theory

##### 1. Hygiene Factors:

- a. Salary.
- b. Working conditions.
- c. Company policies.
- d. Prevent dissatisfaction but do not motivate.

##### 2. Motivators:

- a. Achievement.
- b. Recognition.
- c. Growth.
- d. Create satisfaction and motivation.

#### McGregor's Theory X and Theory Y

1. **Theory X:** Employees dislike work, Need close supervision.
2. **Theory Y:** Employees enjoy responsibility, Can be self-motivated.

### Contemporary Motivation Theories

1. Expectancy Theory.
2. Equity Theory.
3. Goal Setting Theory.

## Employee Motivation and Self-Motivation

### Methods of Employee Motivation

1. Financial rewards.
2. Promotions.
3. Recognition.
4. Training opportunities.
5. Participation in decision-making.

### Self-Motivation Techniques

1. Set clear goals.
2. Maintain positive attitude.
3. Track progress.
4. Develop discipline.
5. Learn continuously.

### Goal Persistence

1. Stay committed to goals despite obstacles.
2. Focus on long-term benefits.

## Controlling and Control Process

### Controlling

1. Ensures actual performance matches planned performance.

### Control Process

1. Set standards.

2. Measure performance.
3. Compare results.
4. Identify deviations.
5. Take corrective action.

### Importance

1. Improves efficiency.
2. Detects mistakes.
3. Supports goal achievement.

## Types of Control and Management by Exception

### Types of Control

1. **Feedforward Control:** Before activity begins.
2. **Concurrent Control:** During activity.
3. **Feedback Control:** After activity.

### Management by Exception (MBE)

1. Managers focus only on significant deviations from standards.
2. Routine matters handled by subordinates.

### Benefits

1. Saves managerial time.
2. Improves efficiency.
3. Focuses attention on important issues.

## MODULE 4: CONTEMPORARY THEMES IN MANAGEMENT

## Conflict Management

### Conflict

1. Disagreement between individuals or groups.

### Types

1. Intrapersonal Conflict.
2. Interpersonal Conflict.
3. Intergroup Conflict.

### Sources of Conflict

1. Poor communication.
2. Competition for resources.
3. Differences in goals.
4. Personality differences.

### Communication Skills for Conflict Management

1. Active listening.
2. Clear communication.
3. Empathy.
4. Feedback.

### Conflict Resolution Strategies

1. **Negotiation:** Parties discuss and reach agreement.
2. **Mediation:** Neutral third party helps resolve dispute.
3. **Arbitration:** Third party gives binding decision.

### Constructive Conflict

1. Encourages innovation.
2. Improves decision-making.
3. Promotes healthy discussion.

### Managing Conflict

1. Focus on issues, not personalities.
2. Encourage communication.
3. Seek win-win solutions.

## Inclusive Leadership and Diversity Management

### Inclusive Leadership

1. Leadership that values and includes diverse individuals.

### Principles

1. Respect.
2. Fairness.
3. Equal opportunity.
4. Participation.

### Managing Diversity

1. Recognizing differences in gender, culture, age, religion and background.
2. Creating an inclusive workplace.

### Benefits

1. Better creativity.
2. Improved decision-making.
3. Higher employee satisfaction.

## Emotional Intelligence and Employee Well-being

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### Emotional Intelligence (EI)

1. Ability to understand and manage emotions.

### Components

1. Self-awareness.
2. Self-regulation.
3. Motivation.
4. Empathy.
5. Social skills.

### Employee Well-being

1. Physical, mental and emotional health of employees.

### Benefits

1. Better performance.

2. Reduced stress.
3. Higher job satisfaction.

## Sustainable Development and Environmental Responsibility

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### Sustainable Development

1. Meeting present needs without harming future generations.

### Environmental Responsibility

1. Protecting natural resources and reducing environmental impact.

### Practices

1. Waste reduction.
2. Energy conservation.
3. Recycling.
4. Sustainable production.

### Benefits

1. Better reputation.
2. Cost savings.
3. Long-term business sustainability.