

Module 1 - Management.

Q Define Management and Explain functions, levels of Management?

Ans:- F.W. Taylor says Management is knowing exactly

What you want Men to do, & then seeing that they do it best and Cheapest way.

Functions of Management:-

Forecasting:-

Management helps to estimate future events.

Management helps in Analysis future activities like Sales, Cost,

Finance, purchase, profit or loss etc.

Planning:- This is a process of thinking before doing. It is preparation for actions.

Planning formulates policies and procedures so that objectives of organization can be attained most efficiently. It anticipates all difficulties during business operation & Analysis

Organizing:-

After planning next step is arranging Finance, Material, Man, Machinery etc.

This is a process of establishing relationship b/w People, work resources to get maximum output with low Cost of operation.

Staffing:

It is filling up positions in organization by appointing qualified skillful persons for job.

It involves: Recruitment, Selection, Placement, Training, Appraisal,

System for salary structure. Co-ordinating:-

Workers at different levels work in Co-ordination

to achieve a common goal. orderly arrangement of group effort to provide unity of action.

Communication and leadership:-

through communication, information is transferred and received by people working in organization. Good communication helps in avoiding misunderstandings. Confusion.

Decision Making:-

Course of action chosen from available alternatives for purpose of desired result. Every decision taken, affects the organization in positive or negative way.

Directing:

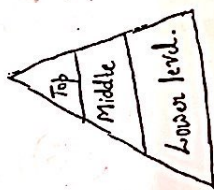
After recruitment, employees must need direction from

this is a process of guiding, supervising sub-ordinates in their activities.

also Motivating & Encouraging employees to improve

Effectiveness

Levels of Management



Top Management

Middle Management

Lower management

Middle Management:-

Production Manager

Finance Manager

Superintendents.

Departmental heads

Functions

- Selection, training of staff.
- Assigning duties to subordinates
- Planning details of organization
- Bridge b/w Top & lower level.

Top Management:-

• Managing Director

• CEO, CFO

• Board of Directors

• Chairman

Functions

- Determining goals of organization.
- Establish Policies
- Monitoring Performance
- Judging result
- Budget Approval.

Lower level Management:-

Foreman.

Supervisor

Project Engineer.

Trainee.

Labourers.

Functions

- Works directly with machinery
- To convert raw material to finished goods.
- Under supervision of middle management
- Arranging Tools, Material, facilities for production

F.W. Taylor Contribution to Scientific Management

Frederick Winslow Taylor (1856-1912) was known as father of Scientific Management.

He wrote 2 Books Shop Management (1903).

Principles of Scientific Management (1911).

According to him a factory must be organized and managed following lines to be efficient and productive.

Separation of Planning from Doing:

F.W.T. told Foremen were overburdened.

Planning and supervising work - so he suggested these two parts must be separated (doing and planning department).

Functional organization:-

He suggested workshop should be organized on basis of workers specialization not generalization.

Analysis of Jobs:- he developed Time Study: Principle of breaking a job into elements and then studying time required to complete each of these elements.

He concluded sum of all these and allowance is required to finish the task. He established "fair day's work" concept.

Differential Rate Plan:-

Taylor suggested efficient worker getting higher pay. More work, More pay motto.

Careful Selection & Systematic Training:-

Taylor observed different jobs required different physical and mental abilities so to increase efficiency, he recommended every employee carefully selected and placed on job for which he is best suited. Every worker must be thoroughly trained before placing him on job.

Standardization of Tools and Equipments:-

He suggested every employee

had to be given tools of uniform quality without any variety. He suggested setting up Tool Room in every workshop.

Modern Management Approaches:-

① Quantitative Approach:-

This approach believes of management is logical process, it can be expressed in terms of mathematical symbols.

It focuses on mathematical, statistical, ways to support managerial decision making. According to this managerial choices in any

situation depends on criteria such as costs, revenues, return on investment, Break even point etc.

Main areas of this approach are:-

- ① Operation Research
- ② Engineering Economy
- ③ Operation Management
- ④ Management Information System

Behavioral or Human Relations Management:-

This approach basically applies knowledge of Behavioral Science - Psychology, Sociology, & Philosophy to manage people.

Organizations should be designed to meet Maslow's hierarchy of needs.

and of human feelings & not just to resources.

Major contributors are Elton Mayo, Abraham Maslow, Chester Barnard.

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Systems Approach to Management:-

Was developed in 1960 by Kenneth, Johnson, Boulding &.

- This approach views organization as system, a system here is defined as

A purposeful collection of people, objects, procedure for operating within an environment so as to achieve a pre determined object.

- This approach says a organization is totality of many inter-related inter dependent parts put together for achieving certain objectives.

- Decisions in one area affects on other area.

Contingency Approach:-

is based on the fact that there is no one

best way to handle any of managerial problems.

because what is good today may not be good tomorrow.

Situation dictates managerial action.

Management principles are not fixed they vary with organisation.

This theory attempts to analyse and understand interrelationship between

various elements existing @ a point of time before dealing with issue.

developing practical solutions to problems.

End of year n	Depreciation (D) _t = k × B _{t-1}	Book value B _t = B _{t-1} - D _t
0	-	10000
1	1000.00	9000.00
2	900.00	8100.00
3	810.00	7290.00
4	729.00	6561.00
5	656.10	5904.90
6	590.49	5314.4
7	531.44	4782.97
8	478.29	4304.68

1. Let us consider the same example as in SL method

Where $P = \text{Rs. } 10,000$

$S = \text{Rs. } 2,000$

but $n = 10$ years

To find D_t and B_t for successive periods

When $t = 1, B_0 = 10,000$

$D_t = \text{Yearly rate } (P - S)$

$$D_t = \frac{10}{55} \times (10000 - 2000)$$

$D_t = \text{Rs. } 1454.54$ - depreciation for 1 year

$$B_t = B_{t-1} - D_t = 10000 - 1454.54$$

$B_t = \text{Rs. } 8545.45$ - Book value at the end of 1 year

... Table Showing Values of D_t and B_t for all years

End of year n	Depreciation $D_t = \text{year rate} \times (P - S)$	Book value $B_t = B_{t-1} - D_t$
0	-	10000.00
1	1454.54	8545.45
2	1309.09	7236.36
3	1163.63	6072.73
4	1018.18	5054.55
5	872.72	4181.83
6	727.27	3454.56
7	581.81	2872.75
8	436.36	2436.39
9	290.90	2145.49
10	145.45	2000.00

of year t	D_t	D_{ft}	B_t
0	-	-	10000.00
1	699.20	699.20	9300.00
2	699.20	769.12	8531.68
3	699.20	846.03	7685.65
4	699.20	930.63	6755.02
5	699.20	1023.69	5731.33
6	699.20	1126.06	4605.27
7	699.20	1238.67	3366.60
8	699.20	1362.54	2004.00