

**Department of Business Administration**  
**GENERIC ELECTIVE COURSE**

**BASICS OF MANAGEMENT**

**UNIT –I**

**Management :** Management defined as all the activities and tasks undertaken for archiving goals by continuous activities like; planning, organizing, leading and controlling. Management is a process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical, and information resources of an organization to reach its goals efficiently and effectively.

**Modern Definitions of Management**

“Management is the creation of an internal environment where individuals working in a group can perform effectively and efficiently for the achievement of organisational goals.” – Koontz and Donnell

“Management is defined as the process of planning, organising, actuating, and controlling of an organisation’s operations in order to achieve coordination of the human and material resources essential in the effective and efficient attainment of objectives.”– Trewelly and Newport

“Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment.”– Kreitner

**Nature of Management :**

The nature of management encompasses several dimensions that reflect its complexity and the various ways it impacts organizations. Here's a detailed exploration:

**1. Management as a Process :** Management is fundamentally a process involving a series of interrelated activities aimed at achieving organizational goals. This process includes:

- **Planning:** Establishing objectives and outlining the best ways to achieve them. This involves setting goals, developing strategies, and determining the actions required.
- **Organizing:** Arranging resources and tasks in a structured manner to implement the plans. This involves creating an organizational structure, defining roles, and allocating resources.
- **Leading:** Motivating, directing, and influencing people to work towards organizational goals. It focuses on leadership, communication, and motivation.
- **Controlling:** Monitoring and evaluating performance to ensure that goals are being met. This involves setting performance standards, measuring actual performance, and making adjustments as needed.

**2. Management as a Social Process :** Management is deeply social, involving interactions among people within and outside the organization crucial for coordinating activities, resolving conflicts, and ensuring that everyone is aligned with organizational goals.

**3. Management as an Art and Science :** Management is both an art and a science, blending systematic knowledge with personal skills

- **Science:** Involves applying established principles, theories, and data-driven methods. It focuses on systematic approaches to solving problems and improving efficiency.
- **Art:** Involves personal judgment, creativity, and intuition. Effective managers use their experience and insight to adapt principles to unique situations and make decisions.

**4. Management as a Universal Activity :** Management principles are universal and apply across various types of organizations and levels:

- **Across Organizations:** Whether in businesses, non-profits, or government entities, management practices are relevant.
- **Across Levels:** From top executives setting strategic directions to lower-level managers handling day-to-day operations, management principles apply universally.

**5. Management as a Multidisciplinary Field :** Management integrates knowledge from various disciplines:

- **Economics:** Provides insights into resource allocation, financial decision-making, and market dynamics.
- **Psychology:** Helps understand motivation, leadership, and interpersonal dynamics.
- **Sociology:** Offers perspectives on organizational behavior, culture, and social interactions.
- **Engineering:** Contributes to process optimization and efficiency improvements.
- **Political Science:** Informs on governance, public administration, and policy impacts.

**6. Management as a Goal-Oriented Activity :** Management is inherently focused on achieving specific goals:

- **Objective Setting:** Establishing clear, measurable goals and aligning resources and efforts to achieve them.
- **Performance Measurement:** Continuously assessing progress towards goals and making necessary adjustments.

**7. Management as a Continuous Process :** Management is an ongoing activity that involves:

- **Adaptation:** Continuously adjusting strategies and practices in response to changes in the internal and external environment.
- **Feedback:** Incorporating feedback to improve processes and outcomes, ensuring the organization remains responsive and effective.

**8. Management as a Function of Leadership :** Leadership is a critical component of management:

- **Inspiration and Motivation:** Managers must inspire and motivate their teams to achieve organizational objectives.
- **Decision Making:** Effective management involves making strategic decisions that guide the organization's direction and performance.

**9. Management as a Resource Utilization :** Effective management involves optimizing the use of resources:

- **Human Resources:** Recruiting, training, and developing people to maximize their potential.
- **Financial Resources:** Managing budgets, investments, and expenditures to achieve financial goals.
- **Material Resources:** Efficiently using physical assets and technologies to support operations.

**10. Management as a System of Control :** Management includes establishing systems to ensure performance:

- **Standards:** Setting performance standards and benchmarks.
- **Monitoring:** Tracking progress and performance against these standards.
- **Corrective Actions:** Implementing changes to address deviations and improve performance.

### Principles of Scientific Management by Taylor:

F.W. Taylor or Fredrick Winslow Taylor, also known as the 'Father of scientific management' proved with his practical theories that a scientific method can be implemented to management. Taylor gave much concentration on the supervisory level of management and performance of managers and workers at an operational level. Let's discuss in detail the five principles of management by F.W Taylor.

**1. Science, not the Rule of Thumb-** This rule focuses on increasing the efficiency of an organisation through scientific analysis of work and not with the 'Rule of Thumb' method. Taylor believed that even a small activity like loading paper sheets into boxcars can be planned scientifically. This will save time and also human energy. This decision should be based on scientific analysis and cause and effect relationships rather than 'Rule of Thumb' where the decision is taken according to the manager's personal judgement.

**2. Harmony, Not Discord-** Taylor indicated and believed that the relationship between the workers and management should be cordial and completely harmonious. Difference between the two will never be beneficial to either side. Management and workers should acknowledge and understand each other's importance. Taylor also suggested the mental revolution for both management and workers to achieve total harmony.

**3. Mental Revolution-** This technique involves a shift of attitude of management and workers towards each other. Both should understand the value of each other and work with full participation and cooperation. The aim of both should be to improve and

boost the profits of the organisation. Mental Revolution demands a complete change in the outlook of both the workers and management; both should have a sense of togetherness.

**4. Cooperation, not Individualism-** It is similar to 'Harmony, not discord' and believes in mutual collaboration between workers and the management. Managers and workers should have mutual cooperation and confidence and a sense of goodwill. The main purpose is to substitute internal competition with cooperation.

**5. Development of Every Person to his Greatest Efficiency-** The effectiveness of a company also relies on the abilities and skills of its employees. Thus, implementing training, learning best practices and technology, is the scientific approach to brush up the employee skill. To assure that the training is given to the right employee, the right steps should be taken at the time of selection and recruiting candidates based on a scientific selection.

**Henry Fayol was notable contributors who had written book on General and Industrial Management.** These 14 principles of management serve as general guidelines to the management process and management practice. His principles of management are described below.

**1. Division of work:** This is the principle of specialization which is detailed by economists as an important to efficiency in the utilization of labour. Fayol goes beyond shop labour to apply the principle to all kinds of work, managerial as well as technical.

**2. Authority and responsibility:** In this principle, Fayol discovers authority and responsibility to be linked with the letter, the consequence of the former and arising from the latter.

**3. Discipline:** This discipline denotes "respect for agreements which are directed at achieving obedience, application, energy and the outward marks of respect". Fayol declares that discipline requires good superiors at all levels, clear and fair agreement, and judicious application of penalties.

**4. Unity of command:** This is the principle that an employee should receive orders from one superior only.

**5. Unity of direction:** Fayol asserted that unity of direction is the principle that each group of activities having the same objective must have one head and one plan. As distinguished from the principle of unity of command, Fayol observes unity of direction as related to the functioning of personnel.

**6. Subordination of individual interest to general interest:** In any group, the interest of the group should supersede that of the individual. When these are found to differ, it is the function of management to reconcile them.

**7. Remuneration of personnel:** Fayol recognizes that salary and methods of payment should be fair and give the utmost satisfaction to worker and boss.

**8. Centralization:** Fayol principle of centralization refers to the extent to which authority is concentrated or dispersed in an enterprise. Individual circumstances will determine the degree of centralization that will give the best overall yield.

**9. Scalar chain:** Fayol believe of the scalar chain as a line of authority, a ‘Chain of Superiors’ from the highest to the lowest ranks and held that, while it is an error of subordinate to depart ‘needlessly’ from lines of authority, the chain should be short-circuited when scrupulous following of it would be detrimental.

**10. Order:** Breaking this principle into ‘Material order’ and ‘Social Order’, Fayol thinks of it as the simple edge of “a place for everything (everyone), and everything (everyone) in its (his) place”. This is a principle of organization in the arrangement of things and persons.

**11. Equity:** Fayol perceives this principle as one of eliciting loyalty and devotion from personnel by a combination of kindness and justice in managers dealing with subordinates.

**12. Stability of tenure of personnel:** Finding that such instability is both the cause and effect of bad management, Fayol indicated the dangers and costs of unnecessary turnover.

**13. Initiative:** Initiative is envisaged as the thinking out and execution of a plan. Since it is one of the “Keenest satisfactions for an intelligent man to experience”, Fayol exhorts managers to “Sacrifice Personal Vanity” to permit subordinates to exercise it.

**14. Esprit de corps:** This is the principle that ‘union is strength’ an extension of the principle of unity of command. Fayol here emphasizes the need for teamwork and the importance of communication in obtaining it.

### Management By Objective (MBO)

This concept was originated by “**Peter F. Drucker**” in the year 1954 in his book – The Practice of Management and he is also known as the **Father of MBO** (Management by Objectives). MBO guides the subordinates to fulfil the specified objectives within the given time deadline. It critically reviews organizational performance on a regular basis.

According to Koontz and Weihrich, “Management by Objectives is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and it consciously directed toward the effective and efficient achievement of organizational and individual objectives.”

### Features of Management by Objectives (MBO)

- 1. Goal-Oriented:** Focuses on achieving specific objectives rather than just tasks.
- 2. Participation of All:** Involves all managers in setting goals to enhance commitment and contribution.

- 3. Focuses on KRAs:** Targets measurable goals in key result areas to ensure balanced objectives.
- 4. Dynamic:** Adapts to align with the company's evolving needs.
- 5. Managerial Philosophy:** More than a technique, it shapes overall management practices.
- 6. Performance Evaluation:** Uses goals as criteria for assessing performance at various levels.
- 7. Continuous Process:** Involves ongoing goal setting, appraisals, and adjustments.

### Objectives of Management by Objectives (MBO)

- 1. Clarify Responsibilities:** Helps employees understand their specific roles and expectations.
- 2. Enhance Employee Value:** Promotes a sense of importance and loyalty among employees.
- 3. Boost Effectiveness:** Creates a motivating work environment leading to greater dedication.
- 4. Define Hierarchies:** Establishes clear reporting lines and organizational structure.
- 5. Set Benchmarks:** Provides specific goals for each employee to reduce ambiguity.
- 6. Organizational Control:** Integrates control and coordination across the organization.
- 7. Basis for Rewards:** Uses performance against objectives to guide salary and promotion decisions.

### Advantages of Management by Objectives (MBO)

- 1. Clarity on Objectives:** Defines roles and responsibilities, aligns authority with tasks, and identifies organizational weaknesses.
- 2. Better Management:** Enhances planning and coordination, sets performance standards, and promotes strategic planning.
- 3. Enhanced Commitment:** Motivates employees by involving them in goal-setting and aligning their personal goals with organizational objectives.
- 4. Effective Controls:** Establishes clear performance standards and helps identify and address performance gaps.
- 5. Improved Communication:** Fosters regular interaction between managers and staff, enhancing productivity and job satisfaction.
- 6. Increased Motivation and Morale:** Encourages involvement and responsibility, leading to higher commitment and morale.

### Disadvantages of Management by Objectives (MBO)

- 1. Goal-Setting Challenges:** Setting and verifying goals can be complex and may not always be feasible.

- 2. Time-Consuming:** The goal-setting process requires significant time and frequent meetings.
- 3. Short-Term Focus:** May lead to an overemphasis on short-term goals at the expense of long-term objectives.
- 4. Lack of Guidance:** Success depends on effective goal-setting instructions and understanding by managers.
- 5. Inflexibility:** Once goals are set, altering them can be challenging due to resistance.
- 6. Increased Paperwork:** Generates substantial documentation, which can detract from effectiveness.

## Management by Exception

Management by Exception (MBE) is a management style where managers focus on handling only significant deviations from expected performance, rather than getting involved in routine tasks. This approach allows managers to concentrate on critical issues, enhancing efficiency and effectiveness.

### Key Concepts of Management by Exception (MBE):

MBE operates on the principle that management should not spend time on areas that are running smoothly. Instead, they should focus on areas where performance deviates significantly from the norm or plan.

## Types of MBE

- 1. Deviations from Standards:** When actual performance deviates from predetermined standards.
- 2. Deviations from Policies and Procedures:** When actions do not align with established policies or procedures
- 3. Unusual Occurrences:** Any unusual or unforeseen events that could impact the organization.
- 4. Set Standards and Objective:** Define what is considered normal or acceptable performance.
- 5. Measure Actual Performance:** Regularly monitor and measure the actual performance against the set standards.
- 6. Identify Exceptions:** Detect significant deviations that warrant managerial attention.
- 7. Analyze Causes:** Investigate the reasons behind the deviations.
- 8. Take Corrective Action:** Implement necessary changes to address the issues.
  
- 9. Monitor and Review:** After corrective actions are taken, continue to monitor performance to ensure issues are resolved.

## Advantages of MBE

- 1. Efficiency:** Managers can allocate their time and resources to critical areas, avoiding unnecessary involvement in routine matters.

**2. Focus:** Allows managers to focus on areas that require attention, improving overall decision-making.

**3. Empowerment:** Encourages lower-level employees to handle routine tasks, fostering empowerment and autonomy.

**4. Quick Decision-Making:** Helps in making quicker decisions on important matters as the focus is on significant deviations.

### Disadvantages of MBE

**1. Reactive Approach:** MBE is often seen as reactive rather than proactive since it only addresses issues after they occur.

**2. Overlooked Details:** Important details might be missed if they don't immediately appear as significant exceptions.

**3. Dependency on Accurate Reporting:** MBE relies heavily on accurate and timely reporting of data and performance metrics. Any failure in reporting can lead to missed issues.

### Application of MBE:

MBE is particularly useful in environments where tasks are repetitive and predictable, allowing managers to focus on exceptions without needing to micromanage every detail. Commonly used in manufacturing, production, finance, and other industries where standards and performance metrics are well-defined.

### Development of Management Thoughts

Management is studied in business academics since earlier times, and it is considered as an integral part to understanding business operations. People have been changing and redesigning organizations for centuries. Though the 20th century is noticeable in history as an 'Era of scientific management', still it does not indicate that management tactics were not used in yester years. Many studies indicated that Management theory evolved with "scientific" and "bureaucratic" management that used measurement, procedures and routines as the basis for operations. Firms developed hierarchies to apply standardized rules to the place of work and penalized labour for violating rules. With the "human relations" movement, companies emphasized individual workers. Modern management theories, including system theory, contingency theory and chaos theory, focus on the whole organization, with employees as a key part of the system.

The evaluation of management can be categorized into different parts:

- **Pre-Scientific Management Era (before 1880),**
- **Classical management Era (1880-1930),**
- **Neo-classical Management Era (1930-1950),**
- **Modern Management era (1950-on word).**



## **Early Management Thought**

The period of 1700 to 1800 emphasizes the industrial revolution and the factory system highlights the industrial revolution and the importance of direction as a managerial purpose. Thus, the development of management theory can be recognized as the way people have struggled with relationships at particular times in olden periods. Many economic theorists during this period described the notion of management. Adam Smith and James Watt have been recognized as two theorists who launched the world toward industrialization. Adam Smith brought about the revolution in financial thought, and James Watt's steam engine provided cheaper power that revolutionized English commerce and industry. Both provided the base for modern concepts of business management theory and practice. Adam Smith explicated the concept of division of labour, and Jacques Turgot described the importance of direction and control. Smith stated that market and competition should be the controllers of economic activity and that tax policies were destructive. The specialization of labour was the basis of Smith's market system. According to Smith, a division of labour provided managers with the maximum opportunity for improved output. From 1771 to 1858, Robert Owens studied for concern for the workers. He was repulsed by the working conditions and poor treatment of the workers in the factories across Scotland. Owen became a reformer. He reduced the use of child labour and used ethical influence rather than physical punishment in his factories. He reproached his fellow factory owners for treating their equipment better than they treated their workers.

Classical Management includes Scientific Management School, Administration Management School, and Bureaucracy Management. Neoclassical Management includes Human relation school and Behavioural Management School. Modern Management includes Social system school, Decision theory school, Quantitative Management School, System Management School, and Contingency Management School.

## **EVOLUTION OF MANAGEMENT THOUGHTS**

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In the quantitative approach of early management thought, Charles Babbage (1792–1871) is recognized as the supporter of operations research and management science. Babbage's scientific innovations are a mechanical calculator, a versatile computer, and a punch-card machine. His projects never became a commercial reality. However, Babbage is considered the creator of the concepts behind the present day computer. The most popular book of Babbage, *On the Economy of Machinery and Manufacturers*, described the tools and machinery used in English factories. It discussed the economic principles of manufacturing and analysed the operations and the skills used and suggested improved practices. Babbage considered in the benefits of division of labour and was a supporter of profit sharing. He developed a method of observing manufacturing that is the same approach utilized today by operations analysts and consultants analysing manufacturing operations. Other theorists who contributed to the quantitative approach to early management thought were Robert Owen, Andrew Ure and Charles Dupin, Henry Robinson Towne.

**The Classical Approach :** The classical approach is the earliest thought of management. The classical approach was associated with the ways to manage work.

**I. Scientific Management:** Scientific management which is also referred to Taylorism or the Taylor system is a theory of management that evaluates and synthesizes workflows, with the aim of improving labour productivity. In other words, conventional rules of thumb are substituted by accurate procedures developed after careful study of an individual at work. Universal approaches to Scientific management are developed for Efficiency of workers, Standardization of job roles/activities and Discipline – the role of managers and the business hierarchy. The scientific management theory had an enormous impact on the business industry at the beginning of the 20th century. Many big and victorious organizations, such as McDonald's hamburger chain or call centres, utilised a modern version of scientific management. Among famous theorist, Taylor's contribution in the area of scientific management is invaluable. The components of the classical approach are categorized into three groups namely, scientific management, administrative management, and bureaucratic management.

of scientific management are a determination of the task, planning, proper selection and training of workers improvement in methods, modification of organization and mental revolution such as 'job specialization'. As a result, it became more concerned with physical things than towards the people even though increased the output.

Scientific Management focuses on worker and machine relationships. Organizational productivity can be increased by enhancing the competence of production processes.

- **Taylor's Scientific Management:** Academic records indicated that F.W. Taylor and his colleagues developed the first systematic study in management. He initiated an innovative movement in 1910 which is identified as scientific management. Frederick Taylor is known as the father of Scientific Management, and he published *Principals of Scientific Management* in which he proposed work methods designed to boost worker productivity. Taylor asserted that to succeed in these principles, it is necessary to transform the part of management and labour completely. His philosophy was based on some basic principles. The first principle is a separation of planning and doing. In the pre-Taylor era, an employee himself used to choose or plan how he had to do his work and what machines and equipment would be necessary to perform the work. But Taylor divided the two functions of planning and doing; he stressed that planning should be delegated to specialists. The second principle of Taylor's management approach is functional foremanship. Taylor launched functional foremanship for administration and direction. Under eight-boss-scheme of functional foremanship, four persons like route clerk, instruction card clerk, time and cost clerk and disciplinarian are associated with planning function, and the remaining four-speed boss, inspector, maintenance foreman, and gang boss are concerned with operating function. The third principle is elements of scientific management. The main constituents of scientific management are work-study involving work important and work measurement using method and time study, standardization of tools and equipment for workers and improving working conditions, scientific Selection, placement and training of workers by a centralized personal department. The fourth principle is a bilateral mental revolution. Scientific management involves a complete mental change of employees towards their work, toward their fellow-men and their employers. Mental revolution is also necessary on the part of management's side, the foreman, the superintendent, the owners and board of directions. The fifth principle is financial incentives. To encourage workers to give better performance, Taylor introduced the differential piece-rate system.
- **Administrative Management:** Administrative Management emphasizes the manager and the functions of management. The main objective of Administrative management is to describe the management process and philosophy of management. In contradiction of scientific management, which deals mainly with jobs and works at the individual level of scrutiny, administrative management gives a universal theory of management.
- **Henry Fayol's Administrative Management (1841–1925):** Henri fayol is known as the father of Modern Management. He was a popular industrialist and victorious manager. Fayol considered that good management practice falls into certain patterns that can be recognized and analysed. From this basic perspective, he devised a

blueprint for a consistent policy of managers one that retains much of its force to this day. His five function of managers was the plan, organize, command, co-ordinate, and control. The principal of administrative management: **1.Division of labour, 2.Authority & responsibility, 3.Discipline, 4.Unity of command, 5.Unity of direction, 6.Subordination of individual interests to the general interest, 7.Remuneration of personnel, 8.Centralization, 9.Scalar chain, 10.Order, 11.Equity, 12.Stability of tenure, 13.Initiative and 14 .Esprit de corps (union of strength).**

## **ii) Bureaucratic Management:**

Bureaucratic management denotes to the perfect type of organization. The principal of Bureaucracy include defined and specialized functions, use of legal authority, hierarchical form, written rules and procedures, technically trained bureaucrats, appointment to positions based on technical expertise, promotions based on competence and defined career paths. The German sociologist, Max Weber recognized as the father of modern Sociology who appraised bureaucracy as the most logical and structure for the big organization. With this observation in the business world, Weber summarized that earlier business firms were unproductively managed, with decisions based on personal relationships and faithfulness. He proposed that a form of organization, called a bureaucracy, characterized by division of labour, hierarchy, formalized rules, impersonality, and the selection and promotion of employees based on ability, would lead to more well-organised management. Weber also argued that authoritative position of managers in an organization should be based not on tradition or personality but the position held by managers in the organizational hierarchy.

Max Weber (1864-1920) devised a theory of bureaucratic management that emphasized the need for a firmly defined hierarchy governed by clearly defined regulations and lines of authority. He considered the perfect organization to be a bureaucracy whose activities and objectives were reasonably thought out and whose divisions of labour were defined. Weber also believed that technical capability should be emphasized and that performance evaluations should be made completely by merit. Presently, it is considered that bureaucracies are huge, impersonal organizations that put impersonal competence ahead of human needs. Like the scientific management theorists, Weber sought to advance the performance of socially important organizations by making their operations predictable and productive. Although we now value innovation and flexibility as much as efficiency and predictability, Weber's model of bureaucratic management evidently advanced the development of vast corporations such as Ford. The bureaucracy was a particular pattern of relationships for which Weber saw great promise. Although bureaucracy has been successful for many companies, in the competitive global market of the 1990s organizations such as General Electric and Xerox, have adopted bureaucracy, throwing away the organization chart and replacing it with ever-changing constellations of teams, projects, and alliances with the goal of unleashing employee creativeness.

## Modern Management Approaches

- **Behavioural Approach:** Numerous theorists developed the behavioural approach of management thought as they observed weaknesses in the assumptions of the classical approach. The classical approach emphasized efficiency, process, and principles. Some management scholars considered that this thought ignored important aspects of organizational life, particularly as it related to human behaviour. Therefore the behavioural approach concentrated on the understanding of the factors that affect human behaviour at work. This is an improved and more matured description of human relations approach. The various theorists who have great contribution in developing principles of management in this are Douglas Mc Gregor, Abraham Maslow, Curt Levin, Mary Parker Follett, Rensis Likert. Behavioural Scientists hold the classical approach as highly mechanistic, which tends to degrade the human spirit. They choose more flexible organization structures and jobs built around the capabilities and talent of average employees. The behavioural approach has based the numerous principles.
  1. Decision-making is done in a sub-optimal manner, because of practical and situational constraints on the human rationality of decision-making. The behaviourists attach great weight on participative and group decision-making.
  2. Behavioural Scientists promote self-direction and control instead of imposed control.
  3. Behavioural Scientists believe the organization as a group of individuals with certain goals.
  4. Behavioural scientists perceive that the democratic-participative styles of leadership are enviable, the autocratic, task-oriented styles may also be appropriate in the certain situation.
  5. Behavioural scientists propose that different people react differently to the same situation. No two people are exactly similar, and manager should tailor his attempts to influence his people according to their needs.
  6. Behavioural scientists identify that organizational variance and change are predictable.
- **Human Relations Approach:** The human rationalists which also denote to neo-classicists, focused as human aspect of the business. These theorists emphasize that organization is a social system and the human factor is the most vital element within it.
  1. **Decentralization:** The concept of hierarchy employed by classical management theorists is replaced with the idea that individual workers and functional areas (i.e., departments) should be given greater autonomy and decision-making power. This needs greater emphasis on lateral communication so that coordination of efforts and resources can occur. This communication occurs via informal communication channels rather than the formal, hierarchical ones.

2. **Participatory Decision-Making:** Decision-making is participatory in the sense that those making decisions on a day-to-day basis include line workers not normally considered to be “management.” The greater sovereignty afforded individual employees and the subsequent reduction in “height” and increased in the span of control of the organizational structure requires that they have the knowledge and ability to make their own decisions and the communication skills to coordinate their efforts with others without a nearby supervisor.
  3. **Concern for Developing Self-Motivated Employees:** The importance of a system of decentralized and autonomous decision-making by members of the organization necessitates that those members be extremely “self-motivated”. The goal of managers in such an organization is to design and implement organizational structures that reward such self-motivation and autonomy. Another is to negotiate working relationships with subordinates that foster effective communication in both directions.
- **Behavioural Science:** Behavioural science and the study of organizational behaviour emanated during 1950s and 1960s. The behavioural science approach was a natural development of the human relations movement. It concentrated on applying conceptual and analytical tools to the problem of understanding and foresees behaviour in the place of work. The behavioural science approach has contributed to the study of management through its elements of personality, attitudes, values, motivation, group behaviour, leadership, communication, and conflict, among other issues.
  - **Contingency Approach:** This approach of management thought focuses on management principles and concepts that have no general and universal application under all conditions. Joan Woodward in the 1950s has contributed to developing this approach in management. Contingency school states that management is situational and the study of management recognize the important variables in the situation. It distinguishes that all the subsystem of the environment is interconnected and interrelated. By studying their interrelationship, the management can find a resolution to the specific situation. Theorists stated that there is no effective way of doing things under all business conditions. Methods and techniques which are extremely effective in one situation may not give the same results in another situation.
  - **Quantitative Approach :** The quantitative approach aimed at enhancing the process of decision-making through the use of quantitative techniques. It is evolved from the principles of scientific management.

1. **Management Science (Operations Research):** Management science which is also known as operations research utilized mathematical and statistical approaches to resolve management issues. It was developed during World War II as strategists attempted to apply scientific knowledge and methods to the intricate troubles of war. The industry started to apply management science after the war. The introduction of the computer technology made many management science tools and concepts more practical for industry
2. **Production and Operations Management:** W. Edwards Deming exercised a great influence in developing contemporary ideas to improve productivity and quality. Major areas of study within operations management include capacity planning, facilities location, facilities layout, materials requirement planning, scheduling, purchasing and inventory control, quality control, the computer integrated manufacturing, just-in-time inventory systems, and flexible manufacturing systems.

- **Systems Approach Of Management Thought**

The systems approach deals with the thoroughly understanding the organization as an open system that converts inputs into outputs. The systems approach has a great impact on management thought in the 1960s. During this period, thinking about managing practices allowed managers to relate different specialities and parts of the company to one another, as well as to external environmental factors. The system approach focuses on the organization as a whole, its communication with the environment, and its need to achieve equilibrium.

## UNIT II

**Functions of Management :** Companies and organisations need effective management to achieve business goals. There are different levels of management that aim to organise and coordinate the business functions of a company. If you're interested in becoming a manager, knowing about what a manager does can help you get an idea about the role. In this article, we discuss what management is and its unique characteristics, objectives, levels and functions. The main functions of management are planning, organizing, directing, coordinating, and controlling.

### Planning

**Planning :** Definition: Planning is the process of setting objectives and determining the best course of action to achieve them. It involves deciding what to do, how to do it, and who will do it. Planning is a primary function of management that involves setting objectives and determining a course of action to achieve those objectives. It's a mental exercise that requires imagination, foresight, and sound judgment. Planning is important because it can help

#### Steps in Planning:

- 1. Setting Objectives:** Define the goals the organization wants to achieve.
- 2. Analyzing the Environment:** Assess internal and external factors that could impact the plan.
- 3. Developing Alternatives:** Create different strategies or plans to achieve the objectives.
- 4. Evaluating Alternatives:** Assess the pros and cons of each alternative.
- 5. Selecting the Best Alternative:** Choose the most appropriate plan that aligns with the organization's objectives and resources.
- 6. Implementing the Plan:** Put the chosen plan into action.
- 7. Monitoring and Adjusting:** Continuously monitor the plan's progress and make necessary adjustments.

### Importance of Planning

- 1. Provides Direction:** Clearly outlines the organization's goals and the steps needed to achieve them, ensuring all efforts are aligned.



2. **Reduces Uncertainty:** Anticipates potential problems and prepares for unexpected events, making the organization more adaptable.
3. **Facilitates Decision-Making:** Offers a clear framework within which decisions can be made, reducing ambiguity.
4. **Promotes Efficient Use of Resources:** Ensures that resources (time, money, manpower) are allocated effectively to meet objectives.
4. **Sets Standards for Control:** Establishes benchmarks against which actual performance can be measured, aiding in the control process.

## Types of Planning

### Strategic Planning:

- Long-term in nature (typically 3-5 years or more).
- Focuses on the entire organization and its long-term goals.
- Examples: Entering new markets, launching new product lines, or mergers and acquisitions.

### Tactical Planning:

- Shorter-term (usually 1-3 years).
- Focuses on specific departments or functions within the organization.
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- Focuses on specific departments or functions within the organization.
- Examples: Developing a marketing campaign, improving operational efficiency, or implementing a new technology.

### Operational Planning:

- Very short-term (daily, weekly, or monthly).
- Focuses on the day-to-day operations and routine tasks.
- Examples: Scheduling shifts, ordering inventory, or meeting production targets.

### Contingency Planning:

- Plans for unexpected events or emergencies.
- Examples: Disaster recovery plans, crisis management strategies, or backup systems.

## Characteristics of a Good Plan

1. **Clarity:** The plan should be clear and understandable to all stakeholders.
2. **Flexibility:** The plan should be adaptable to changes in the environment.
3. **Comprehensive:** The plan should cover all relevant aspects of the organization.
4. **Consistency:** The plan should align with the organization's mission, vision, and other plans.
5. **Realistic:** The plan should be achievable with the available resources and within the given timeframe.

## Barriers to Effective Planning

- 1. Lack of Information:** Insufficient data can lead to poor decision-making.
- 2. Resistance to Change:** Employees or managers may resist changes proposed by the plan.
- 3. Overcomplexity:** Plans that are too complex can be difficult to implement or understand.
- 4. Inflexibility:** Rigid plans can fail to adapt to unforeseen changes in the environment.
- 5. Time Constraints:** Inadequate time for thorough planning can result in suboptimal plans.

## Tools and Techniques in Planning

- **SWOT Analysis:** Identifying strengths, weaknesses, opportunities, and threats.
- **PEST Analysis:** Analyzing the political, economic, social, and technological environment.
- **Scenario Planning:** Developing different scenarios and planning responses for each.
- **Gantt Charts:** Visualizing the timeline of a project.
- **Critical Path Method (CPM):** Identifying the longest stretch of dependent activities and measuring the time required to complete them

## Organising

Organizing is a core function of management that involves structuring and arranging resources to achieve organizational goals effectively. Organizing, is the management function that follows after planning, it involves the assignment of tasks, the grouping of tasks into departments and the assignment of authority with adequate responsibility and allocation of resources across the organization to achieve common goals. Here are the key points:

- 1. Defining Roles and Responsibilities:** Organizing involves clearly defining roles, responsibilities, and authority levels within the organization. This ensures that everyone knows what is expected of them and who they report to.
- 2. Establishing a Hierarchical Structure:** It includes creating an organizational structure that dictates the flow of information and the chain of command. This structure can be hierarchical, flat, or matrix, depending on the organization's needs.
- 3. Resource Allocation:** Effective organizing ensures that resources (human, financial, physical, and informational) are allocated efficiently and effectively to various tasks and departments.
- 4. Coordination:** Organizing facilitates coordination among different departments and teams, ensuring that their efforts are aligned and contribute to the organization's overall objectives.

**5. Departmentalization:** This involves grouping activities and tasks into departments based on functions, products, geography, or customer segments, making management more focused and specialized.

**6. Span of Control:** Determining the number of subordinates a manager can effectively manage is part of organizing. A wider span of control allows for more autonomy, while a narrower span ensures closer supervision.

**7. Creating Communication Channels:** Organizing establishes formal communication channels to ensure that information flows efficiently across different levels of the organization.

**8. Adaptability and Flexibility:** An organized structure should be flexible enough to adapt to changes in the external environment, such as market dynamics or technological advancements.

**9. Delegation of Authority:** Organizing involves delegating authority to lower levels, empowering managers and employees to make decisions within their scope, which improves efficiency and accountability.

**10. Effective organizing aligns** the organization's resources and efforts with its goals, ensuring that all parts of the organization work together harmoniously and efficiently.

## Directing

Organising refers to a process consisting of a series of steps to identify and group various activities, collect or assemble various resources and establish authority relationships with responsibility amongst job positions. It can be mentioned as collecting and utilizing human and non-human resources to implement plans in a highly effective and efficient manner. It is to achieve the overall plan of the organisation. In other words, it refers to the process of arranging people to work together and accomplish a common goal. It is a process of identifying activities to be performed, grouping these activities into work units, assembling tasks for the various job positions, defining rules, and establishing the authority, responsibility, and relationship amongst them.

### Characteristics:

**1. Guidance:** Directing involves leading and guiding employees to accomplish organizational goals. It requires managers to provide clear instructions, support, and feedback.

**2. Supervision:** Managers oversee the work of their subordinates to ensure tasks are being performed correctly and efficiently.

**3. Motivation:** Directing includes motivating employees to perform at their best. This can be through intrinsic and extrinsic rewards, recognition, or creating a positive work environment.

**4. Leadership:** Effective directing requires strong leadership skills, enabling managers to influence and inspire employees towards achieving organizational objectives.

**5. Communication:** Open and effective communication is vital in directing, ensuring that information flows smoothly between all levels of the organization.

**6. Coordination:** Directing involves coordinating the activities of various departments and individuals to ensure that everyone is working towards the same goals.

### Importance:

**1. Goal Achievement:** Directing ensures that all organizational activities are aligned with the overall goals, leading to their effective achievement.

**2. Employee Performance:** Through proper guidance, motivation, and supervision, directing improves employee performance and productivity.

**3. Team Building:** Directing fosters a sense of teamwork and cooperation among employees enhancing collaboration and reducing conflicts.

**4. Adaptability:** Directing helps the organization adapt to changes by guiding employees through transitions and maintaining morale during challenging times.

**5. Resource Utilization:** Proper directing ensures that human resources are used efficiently, minimizing waste and maximizing output.

### Key Aspects:

- **Leadership Styles:** Different leadership styles (e.g., autocratic, democratic, laissez-faire) impact how directing is executed and the effectiveness of guiding and motivating employees.
- **Communication Channels:** Establishing formal and informal communication channels is crucial for ensuring that information is shared timely and accurately.
- **Motivation Techniques:** Managers use various motivational techniques (e.g., incentives, recognition, career development opportunities) to encourage employees to perform at their best.
- **Supervision and Monitoring:** Regular supervision and monitoring are essential to ensure that tasks are completed according to plan and standards are maintained.
- **Feedback Mechanisms:** Providing constructive feedback helps employees understand their performance and areas for improvement, fostering continuous growth.

- **Decision-Making:** Directing often involves making quick and effective decisions to guide employees and resolve issues as they arise.
- **Conflict Resolution:** Managers must be skilled in resolving conflicts that may arise within teams, ensuring a harmonious and productive work environment.

Directing is a dynamic and continuous process that integrates leadership, communication, and motivation to ensure that organizational goals are met efficiently and effectively.

## Decision Making

Decision-making typically involves a logical and systematic process where options are evaluated based on available information and potential outcomes. Decision-making in management is the process by which managers choose actions to resolve issues, guide staff, and meet the goals of their employer. It's a crucial aspect of running a business or organization effectively.

### Characteristics of Decision Making:

- **Goal-Oriented:** Decisions are made with the intent of achieving specific objectives, whether they are personal, organizational, or societal.
- **Involves Choice:** At its core, decision-making involves choosing from among various alternatives. The selected option is the one deemed most effective for achieving the desired outcome.
- **Based on Information:** Effective decision-making relies on accurate, relevant, and sufficient information. The quality of the decision often depends on the quality of the information available.
- **Dynamic:** Decision-making is not a one-time event but a dynamic process that can evolve as new information becomes available or as situations change.
- **Involves Risk and Uncertainty:** Decision-making often requires dealing with uncertainty and risk, as the outcomes of decisions can rarely be predicted with complete certainty.
- **Commitment to Action:** Decision-making results in a commitment to action, where resources are allocated, and specific steps are taken to implement the decision.

### Importance of Decision Making:

**Strategic Impact:** Decision-making is crucial in shaping the strategic direction of an organization. Strategic decisions influence the long-term success and sustainability of the organization.

- **Problem Solving:** Effective decision-making is essential for problem-solving. It helps identify the best solutions to challenges faced by individuals or organizations.
- **Resource Allocation:** Decision-making is vital in determining how resources (time, money, personnel) are allocated. This ensures that resources are used efficiently and effectively.
- **Organizational Success:** The overall success of an organization is largely determined by the quality of decisions made by its leaders. Good decisions lead to growth and profitability, while poor decisions can result in failure.
- **Employee Morale:** Decisions that affect employees (e.g., policies, work conditions) can significantly impact their morale and productivity. Fair and transparent decision-making fosters a positive work environment.
- **Adaptability:** In a constantly changing environment, decision-making allows organizations and individuals to adapt to new circumstances, technologies, and market conditions.
- **Conflict Resolution:** Decision-making plays a key role in resolving conflicts within organizations, as it helps in choosing the best course of action to address disputes.

### Functions of Decision Making:

- **Identifying Opportunities and Problems:** Decision-making helps in recognizing opportunities for growth or improvement and identifying problems that need to be addressed.
- **Setting Objectives:** Through decision-making, clear objectives are established, guiding the organization or individual toward achieving specific goals.
- **Generating Alternatives:** Decision-making involves brainstorming and generating a range of possible solutions or actions that can be taken.
- **Evaluating Alternatives:** Each potential decision is evaluated based on its feasibility, risks, benefits, and alignment with the organization's goals or personal values.
- **Making the Choice:** After evaluating alternatives, the best option is selected. This choice is made based on the criteria of effectiveness, efficiency, and alignment with goals.
- **Implementation:** Once a decision is made, it is implemented through specific actions. This involves allocating resources, assigning responsibilities, and setting timelines.

### Coordinating

Coordinating ensures that the activities and efforts of various departments, teams, and individuals are integrated and aligned towards common organizational goals. Coordination in management is the process of ensuring that different departments and groups work together to achieve a common goal. It involves coordinating multiple functions, such as planning, organizing, directing, controlling, and staffing, to ensure success. Coordination also involves allocating resources efficiently and strategizing for long-term goals.

### Characteristics of Coordinating

- **Continuous Process:** Coordination is an ongoing activity that requires continuous attention to ensure that all parts of the organization are working together effectively.
- **Interdependence:** Coordinating recognizes the interdependence of different organizational units. It ensures that their activities are harmonized and that conflicts are minimized.
- **Timeliness:** Effective coordination requires that tasks and activities are synchronized in a timely manner, ensuring that work flows smoothly and deadlines are met.
- **Flexibility:** Coordination must be flexible to adapt to changes in the internal and external environment, allowing for quick adjustments to maintain alignment and effectiveness.
- **Communication-Based:** Open and effective communication is critical for coordination. It ensures that everyone involved is informed, aligned, and working towards the same objectives.
- **Hierarchical and Horizontal:** Coordination occurs both vertically, across different levels of the organizational hierarchy, and horizontally, across different departments and teams.

### Importance of Coordinating:

- 1.Goal Achievement:** Coordination ensures that all organizational activities are aligned with the overall objectives, making it easier to achieve the set goals efficiently.
- 2. Efficient Resource Utilization:** By coordinating efforts, organizations can avoid duplication of work, minimize waste, and ensure that resources are used in the most effective manner.
- 3. Enhanced Productivity:** Coordination leads to better workflow management, reducing delays and improving the productivity of both individuals and teams.
- 4. Improved Communication:** Coordination fosters clear and open communication across all levels and units of the organization, reducing misunderstandings and improving collaboration.

**5. Conflict Reduction:** Effective coordination helps in identifying and resolving conflicts between departments or individuals, ensuring smooth operations and a positive work environment.

**6. Adaptability and Flexibility:** Coordination enables the organization to adapt quickly to changes in the external environment, such as market shifts or new regulations, by ensuring that all parts of the organization can respond cohesively.

**7. Quality and Consistency:** By ensuring that all activities are aligned, coordination helps maintain the quality and consistency of products, services, and processes.

### Functions of Coordinating:

**1. Aligning Objectives:** Coordination involves ensuring that the objectives of different departments and individuals are aligned with the overall goals of the organization.

**2. Synchronizing Activities:** Coordinating ensures that tasks and activities across the organization are scheduled and executed in a way that optimizes workflow and meets deadlines.

**3. Balancing Resource Allocation:** Balancing Resource Allocation: Through coordination, resources (time, money, personnel) are allocated in a way that balances the needs of various departments, avoiding bottlenecks and shortages.

**4. Facilitating Communication:** Coordination enhances communication across departments and teams, ensuring that everyone is informed and that information flows efficiently.

**5. Harmonizing Efforts:** Coordination ensures that the efforts of different departments and teams are harmonized, reducing conflicts and ensuring that all parts of the organization work together effectively.

**6. Problem Solving:** Coordination plays a key role in identifying potential problems arising from interdependencies between departments and developing solutions to address them.

**7. Monitoring and Adjusting:** Continuous monitoring is a function of coordination, ensuring that plans are being followed and making adjustments as necessary to keep everything on track.

### Communication

Communication refers to the process of transmitting information, messages, and directives within an organization's managerial structure. At its core, it involves the transmission of crucial information, directives, and messages within the organization's managerial structure. Communication is a process that involves sending and receiving messages through the verbal and non-verbal methods. Communication is a two-way means of communicating information



in the form of thoughts, opinions, and ideas between two or more individuals with the purpose of building an understanding.

### **Characteristics of Communication:**

1. **Two-Way Process:** Communication involves both a sender and a receiver. It requires the transmission of a message and the receipt and understanding of that message by the recipient.
2. **Dynamic and Continuous:** Communication is a dynamic and ongoing process that occurs in various forms and channels throughout the day in personal and professional settings.
3. **Purposeful:** Communication is often goal-oriented, whether it's to inform, persuade, entertain, or build relationships.
4. **Involves Symbols and Signs:** Communication utilizes language, symbols, signs, and non-verbal cues to convey messages. This includes spoken and written words, gestures, facial expressions, and body language.
5. **Influenced by Context:** The context in which communication occurs—cultural, social, and organizational—affects how the message is interpreted and understood.
6. **Requires Feedback:** Effective communication includes feedback, where the receiver responds to the sender, confirming receipt and understanding of the message.
7. **Subject to Perception:** How a message is interpreted depends on the receiver's perceptions, experiences, and emotions, which can influence the effectiveness of the communication.

### **Importance of Communication:**

1. **Facilitates Coordination:** Communication is essential for coordinating activities within an organization, ensuring that all parts work together towards common goals.
2. **Decision-Making:** Effective communication provides the necessary information for making informed decisions. It ensures that decision-makers are well-informed and that decisions are communicated clearly.
3. **Builds Relationships:** Communication is fundamental in building and maintaining personal and professional relationships, fostering trust, cooperation, and understanding.
4. **Promotes Employee Engagement:** Open communication in an organization engages employees, making them feel valued and involved in the company's processes.
5. **Conflict Resolution:** Effective communication is key to resolving conflicts by facilitating understanding, negotiation, and compromise.

6. **Enhances Productivity:** Clear communication ensures that everyone understands their roles and responsibilities, reducing errors and increasing efficiency.
7. **Supports Change Management:** Communication is critical during times of change, helping to guide employees through transitions and minimizing resistance.

### Barriers to Communication:

1. **Physical Barriers:** Environmental factors such as noise, distance, and physical obstructions can hinder effective communication.
2. **Language Barriers:** Differences in language, jargon, or technical terms can lead to misunderstandings or misinterpretation of the message.
3. **Cultural Barriers:** Cultural differences can affect how messages are perceived and understood, leading to miscommunication if not properly managed.
4. **Emotional Barriers:** Personal feelings, emotions, and psychological states can distort communication. For example, stress, anger, or anxiety can impact how a message is received.
5. **Perceptual Barriers:** Different perceptions and interpretations of the same message can lead to misunderstandings, especially if individuals have different viewpoints or backgrounds.
6. **Organizational Barriers:** In a workplace, hierarchical structures, organizational policies, or rigid communication channels can impede open and effective communication.
7. **Lack of Feedback:** Without feedback, the sender may not know whether the message was understood correctly, leading to potential errors or confusion.
8. **Information Overload:** When too much information is communicated at once, it can overwhelm the receiver, leading to important details being missed or ignored.

### Types of Communication:

- **Verbal Communication:**
  1. **Oral Communication:** Spoken words, including face-to-face conversations, meetings, phone calls, and presentations.
  2. **Written Communication:** Written words, including emails, reports, memos, letters, and social media posts.
- **Non-Verbal Communication:**
  1. **Body Language:** Gestures, posture, and facial expressions that convey messages without words.

**2. Eye Contact:** The way people use eye contact to communicate interest, confidence, or other emotions.

**3. Paralinguistic:** The tone, pitch, and volume of voice that affect the message being communicated.

**4. Proxemics:** The use of space and distance in communication, which can signify intimacy

## Motivation

Motivation is a person's internal state that drives them to act in a certain way, often in pursuit of a goal. It can be a crucial element in achieving goals, whether they are personal, competitive, or based on society. Motivation can also fuel competition and social connection. Motivation is the desire to act in service of a goal. It's the crucial element in setting and attaining our objectives. Motivation is one of the driving forces behind human behavior. It fuels competition and sparks social connection. Its absence can lead to mental illnesses such as depression.

### Characteristics of Motivation :

Turner and Paris' Six C's of Motivation (1995) identify six characteristics of motivating contexts, namely, choice, challenge, control, collaboration, constructing meaning, and consequences.

- Interaction between the individual and the situation: Motivation is not a personal trait but an interaction between the individual and the situation.
- Goal-directed behaviour: ...
- Systems oriented: ...
- Positive or negative: ...
- Dynamic and complex in nature

## Theories of Motivation:

- **Maslow's Hierarchy of Needs:**

Theory: Proposes that human needs are arranged in a hierarchy. Individuals are motivated to fulfill basic needs (physiological, safety) before moving on to higher-level needs (belonging, esteem, self-actualization).

Levels: Physiological needs → Safety needs → Love and belonging → Esteem → Self-actualization.

- **Herzberg's Two-Factor Theory:**

Theory: Differentiates between hygiene factors (which prevent dissatisfaction) and motivators (which encourage satisfaction). Hygiene factors include salary, company policies, and working conditions, while motivators include achievement, recognition, and personal growth.

- **McGregor's Theory X and Theory Y:**

Theory: Theory X assumes employees are inherently lazy and require strict supervision. Theory Y assumes employees are motivated, seek responsibility, and are capable of self-direction.

Focus: Managers' assumptions about employee motivation influence management style and organizational culture.

- **Expectancy Theory:**

Theory: Suggests that motivation is based on the expectation that effort will lead to performance and that performance will lead to desired rewards. Key components are expectancy (effort → performance), instrumentality (performance → rewards), and valence (value of rewards).

- **Equity Theory:**

Theory: Focuses on the fairness of work outcomes relative to inputs. Employees are motivated when they perceive fairness in the distribution of rewards and equity in comparison with others.

- **Goal-Setting Theory:**

Theory: Proposes that setting specific and challenging goals leads to higher performance. Goals should be clear, measurable, and attainable, and feedback on progress should be provided.

- **Self-Determination Theory:**

Theory: Emphasizes intrinsic motivation and the fulfillment of three basic psychological needs: autonomy, competence, and relatedness. When these needs are met, motivation and well-being are enhanced.

### **Types of Motivation:**

- **Intrinsic Motivation:** Motivation driven by internal rewards, such as personal satisfaction, interest, or a sense of accomplishment. It originates from within the individual.
- **Extrinsic Motivation:** Motivation driven by external rewards or factors, such as money, recognition, or praise. It comes from outside the individual and is often used to encourage specific behaviors or performance.
- **Achievement Motivation:** Focuses on the desire to achieve goals and surpass challenges. Individuals with high achievement motivation seek success and enjoy overcoming obstacles.

- **Affiliation Motivation:** Driven by the need for social interaction and relationships. Individuals motivated by affiliation seek approval, acceptance, and connection with others.
- **Power Motivation:** Driven by the desire to influence, control, or lead others. Individuals motivated by power seek positions of authority and influence.

### Characteristics of Motivation:

1. **Goal-Oriented:** Motivation is typically directed towards achieving specific goals or outcomes.
2. **Dynamic:** Motivation can change over time based on experiences, circumstances, and changes in needs or desires.
3. **Personal:** Motivation is often influenced by individual needs, values, and preferences, making it a highly personal and subjective experience.
4. **Influenced by Rewards and Punishments:** Both positive rewards and negative consequences can impact motivation levels, affecting how individuals approach tasks and goals.
5. **Varies in Intensity:** Motivation can vary in strength and intensity, influencing how much effort individuals put into achieving their goals.
6. **Cultural and Social Influences:** Cultural background and social environment play significant roles in shaping what motivates individuals and how they respond to different motivational strategies.

### Functions of Motivation:

1. **Enhances Performance:** Motivation increases individuals' efforts and engagement, leading to improved performance and productivity.
2. **Drives Goal Achievement:** Motivation helps individuals set and pursue goals, increasing the likelihood of achieving desired outcomes.
3. **Promotes Persistence:** Motivated individuals are more likely to persist through challenges and setbacks, demonstrating resilience and determination.
4. **Encourages Learning and Growth:** Motivation fosters a desire for personal and professional development, leading to continuous learning and skill enhancement.
5. **Boosts Job Satisfaction:** When employees are motivated, they are more likely to be satisfied with their work, leading to higher morale and lower turnover rates.
6. **Facilitates Innovation and Creativity:** Motivation stimulates creative thinking and problem-solving, encouraging individuals to explore new ideas and approaches.

**7. Improves Organizational Culture:** Motivated employees contribute to a positive work environment, fostering teamwork, collaboration, and a sense of community.

## Authority, Power, Responsibility, and Delegation of Authority

### Authority

Authority is a key part of a manager's job, and it gives them the power to make decisions, issue orders, and get subordinates to comply. It also allows managers to act or refrain from acting based on the organization's objectives. Authority is not unlimited power, but rather a set of specific rights and permissions to act on behalf of the organization in certain areas.

#### Characteristics:

1. **Formal:** Authority is granted based on the organizational structure and is recognized officially.
2. **Hierarchical:** It flows from higher to lower levels in the organization.
3. **Legitimate:** Authority is considered legitimate when it is given by the organization and aligns with its rules and regulations.
4. **Inherent in Position:** Authority is tied to a specific role or position, not to individuals.

#### Importance:

1. **Decision-Making:** Allows managers to make decisions and issue instructions.
2. **Order and Control:** Helps maintain order and control within the organization.
3. **Clarity:** Clarifies roles and responsibilities, reducing confusion and overlap.
4. **Accountability:** Ensures that those with authority are accountable for their actions and decisions.

### Power

Power in management is a manager's ability to influence others to respond in a certain way. There are several types of power that managers can use, power, in political science and sociology, the capacity to influence, lead, dominate, or otherwise have an impact on the life and actions of others in society. The concept of power encompasses, but is not limited to, the notion of authority.

#### Characteristics:

1. **Influence:** Power involves the ability to influence others' behavior and decisions.
2. **Derived from Various Sources:** Includes positional power (formal authority), expert power (knowledge and skills), and referent power (charisma and respect).
3. **Personal or Organizational:** Can be held by individuals or derived from organizational roles.

#### **Importance:**

1. **Leadership:** Essential for effective leadership and management.
2. **Influence:** Affects how decisions are made and how changes are implemented.
3. **Conflict Resolution:** Helps in resolving conflicts and negotiating outcomes.

#### **Responsibility**

In management, responsibility is the obligation of individuals to perform specific tasks, roles, or functions in order to achieve certain results. It's also the accountability for successfully carrying out these responsibilities and delivering the expected results

#### **Characteristics:**

- **Accountability:** Involves being accountable for performing tasks and achieving objectives.
- **Role-Specific:** Responsibility is tied to specific roles and tasks assigned to individuals.
- **Obligatory:** It is an obligation that comes with a position or role.
- **Importance:** Responsibility provides importance in organisation
- **Task Completion:** Ensures that tasks are completed and goals are achieved.
- **Performance Measurement:** Provides a basis for evaluating individual and team performance.
- **Trust:** Builds trust and reliability within teams and organizations.

#### **Delegation of Authority**

Delegation of authority is a management technique that involves transferring decision-making power and tasks from a superior to a subordinate. The superior can reclaim the authority if needed, and the delegation can be either temporary or permanent.

#### **Characteristics:**

- **Transfer of Authority:** Involves transferring decision-making power from one person to another.
- **Accountability Remains:** The person delegating authority remains ultimately accountable for the outcomes.
- **Empowerment:** Empowers subordinates by giving them the authority to make decisions within their area of responsibility.

**Importance:**

- **Efficiency:** Enhances organizational efficiency by allowing managers to focus on higher-level tasks.
- **Skill Development:** Helps in developing the skills and capabilities of subordinates.
- **Motivation:** Can improve employee motivation and engagement by providing them with more responsibility.