

MB0038 –Management Process and Organizational Behaviour**Assignment Set- 1****Q1. State the characteristics of management.****Answer:**

Management is a continuous, lively and fast developing science. Management is needed to convert the disorganized resources of men, machines, materials and methods into a useful and effective enterprise. Management is a pipeline, the inputs are fed at the end and they are proceeded through management functions and ultimately we get the end results or inputs in the form of goods, services, productivity, information and satisfaction. Management is a comprehensive word which is used in different sciences in the modern business and industrial world. In the narrow sense, it signifies the technique of taking work from others. In this way a person who can take work from others is called manager. In the wide sense, the management is an art, as well as science, which is concerned with the different human efforts so as achieve the desired objective.

Characteristics of Management:

Management is a distinct activity having the following salient features or characteristics:

1. Goal-oriented:

Management is goal oriented as it aims to achieve some definite goals and objectives. According to the Haimann, "Effective management is always management by objectives". Managers and other personnel officers apply their knowledge, experience and skills to achieve the desired objectives. Management is a purposeful activity. It co-ordinates the efforts of employees to achieve the goals of the organization. The success of management is measured by the extent to which the organizational goals are achieved. It is imperative that the organizational goals must be well-defined and properly understood by the managers at various levels.

2. Economic Resource:

Management is one of the factors of production together with land, labour and capital. It is the most critical input in the success of any organized group activity. It is the force which assembles and integrates other resources, namely, labour, capital and materials. These factors do not by themselves ensure production, they require the catalyst of management to produce goods and services required by the society. Thus, management is an essential ingredient of an organization.

3. Distinct Process:

Management is a distinct process consisting of such functions as planning, organizing, staffing, directing and controlling. These functions are so interwoven that it is not possible to lay down exactly the sequence of various functions or their relative significance. In essence, the process of management involves decision-making and putting of decisions into practice.

4. Integrative Force:

The essence of management is integration of human and other resources to achieve the desired objectives. All these resources are made available to those who manage. Managers apply knowledge, experience and management principles for getting the results from the workers by the use of non-human resources. Managers also seek to harmonize the individuals' goals with the organizational goals for the smooth working of the organization.

5. Intangible Force:

Management has been called an unseen force. Its presence is evidenced by the result of its efforts-orderliness, informed employees, buoyant spirit and adequate work output. Thus, feeling of management is result-oriented. One may not see with the naked eyes the functioning of management but its results are apparently known.

People often remark of the effectiveness (or ineffectiveness) of management on the basis of the end results, although they can't observe it during operation.

6. Results through Others:

The managers cannot do everything themselves. They must have the necessary ability and skills to get work accomplished through the efforts of others. They must motivate the subordinates for the accomplishment of the tasks assigned to them.

7. A Science and an Art:

Management has an organized body of knowledge consisting of well-defined concepts, principles and techniques which have wide applications. So it is treated as a science. The application of these concepts, principles and techniques requires specialized knowledge and skills on the part of the manager. Since the skills acquired by a manager are his personal possession, management is viewed as an art.

8. System of Authority:

Management as a team of managers represents a system of authority, a hierarchy of command and control. Managers at different levels possess varying degrees of authority. Generally, as we move down in the managerial hierarchy, the degree of authority gets gradually reduced. Authority enables the managers to perform their functions effectively.

9. Multi-disciplinary Subject:

Management has grown as a field of study (i.e. discipline) taking the help of so many other disciplines such as Engineering, Anthropology, Sociology and Psychology. Much of the management literature is the result of association of these disciplines. For instance, productivity orientation drew its inspiration from Industrial Engineering and human relations orientation from Psychology. Similarly, Sociology and Operations Research have also contributed to the development of management science.

10. Universal Application:

Management is universal in character. The principles and techniques of management are equally applicable in the fields of business, education, military, government and hospital. Henri Fayol suggested that principles of management would apply more or less in every

situation. The principles are working guidelines which are flexible and capable of adaptation to every organization where the efforts of human beings are to be co-ordinated.

Q2. What are the 14 principles of management of Henri Fayol?

Answer: Henri Fayol, a mining engineer and manager by profession, defined the nature and working patterns of the twentieth-century organization in his book, General and Industrial Management, published in 1916. In it, he laid down what he called 14 principles of management. This theory is also called the Administrative Theory. The principles of the theory are:

1. Division of work: tasks should be divided up with employees specializing in a limited set of tasks so that expertise is developed and productivity increased.
2. Authority and responsibility: authority is the right to give orders and entails enforcing them with rewards and penalties; authority should be matched with corresponding responsibility.
3. Discipline: this is essential for the smooth running of business and is dependent on good leadership, clear and fair arguments, and the judicious application of penalties.
4. Unity of command: for any action whatsoever, an employee should receive orders from one superior only; otherwise authority, discipline, order, and stability are threatened.
5. Unity of direction: a group of activities concerned with a single objective should be co-ordinated by a single plan under one head.
6. Subordination of individual interest to general interest: individual or group goals must not be allowed to override those of the business.
7. Remuneration of personnel: this may be achieved by various methods but it should be fair, encourage effort, and not lead to overpayment.
8. Centralization: the extent to which orders should be issued only from the top of the organization is a problem which should take into account its characteristics, such as size and the capabilities of the personnel.
9. Scalar chain (line of authority): communications should normally flow up and down the line of authority running from the top to the bottom of the organization, but sideways communication between those of equivalent rank in different departments can be desirable so long as superiors are kept informed.
10. Order: both materials and personnel must always be in their proper place; people must be suited to their posts so there must be careful organization of work and selection of personnel.

11. Equity: personnel must be treated with kindness and justice.

12. Stability of tenure of personnel: rapid turnover of personnel should be avoided because of the time required for the development of expertise.

13. Initiative: all employees should be encouraged to exercise initiative within limits imposed by the requirements of authority and discipline.

14. Esprit de corps: efforts must be made to promote harmony within the organization and prevent dissension and divisiveness.

The management functions, that Fayol stated, consisted of planning, organizing, commanding, co-coordinating and controlling. Many practicing managers, even today, list these functions as the core of their activities. Fayol was also one of the first people to characterize a commercial organization's activities into its basic components. He suggested that organizations could be sub-divided into six main areas of activity:

1. Technical
2. Commercial
3. Financial
4. Security
5. Accounting
6. Management.

In defining the core principles governing how organizations worked and the contribution of management to that process, Fayol laid down a blueprint that has shaped organization thinking for almost a century.

Q3. Distinguish between internal and external forces of change.

Answer: Forces for change are of two types:

- Internal forces
- External forces.

Internal forces

Any change in organization's internal factors may also necessitate change. Such a change is required because of two reasons: change in managerial personnel and deficiency in existing organizational practices.

Change in the top management: Change in the top management and consequent change in the ideas to run the organization also leads to change in the system, structure and processes. Old managers are replaced by new managers which are necessitated because of retirement, promotion, transfer or dismissal. Each new manager brings his own ideas and way of working into the organization. The formal or informal relationships may change

because of changes in top management. Moreover, attitudes, ideology, leadership style of the person may be different from the earlier one, this will reflect in their actions and decisions. The result is that an organization has to change accordingly.

Change in size of the organization: Change in the organization's size leads to change in the internal structure and complexity of the operations in the organization.

Performance gaps:

When a gap between set target and actual results (in terms of market share, employee productivity and profit) is identified, organizations face the forces to change and reduce the gap.

Employee needs and values: With changing needs and values of the employees, organizations change their policies. For example, attractive financial incentives, challenging assignments, vertical growth opportunities and autonomy at work may be provided in an organization to attract and retain its effective employees.

Deficiency in existing organization: Sometimes, changes are necessary because of deficiency in the present organizational arrangement and process. These deficiencies may be in the form of unmanageable span of management, large number of managerial levels, lack of co-ordination between various departments, obstacles in communication, multiplicity of committees, lack of uniformity in policy decisions, lack of co-operation between line and staff and so on.

External forces

Each organization has goals and responsibility related to others in its environment. Thus, an organization must not only deal with its environment in conducting its affairs, but also give consideration to the goals of others, as it establishes its goals and conducts its operations. The present-day environment is dynamic and will continue to be dynamic. Changes in social, political, economic, technological, and legal environment force organizations to change themselves. Such changes may result in organizational changes like major functions, production process, labour-management relations, nature of competition, economic constraints, organization methods, etc. In order to survive in the changing environment, organization must change.

Technology:

Technological changes are responsible for changing the nature of the job performed at all levels in an organization. When there is a change in technology in the organization's environment and other organizations adopt the new technology, the organization under focus becomes less cost-effective and its competitive position weakens. Therefore, it has to

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