

**18ES51 :**

**Technological Innovation Management & Entrepreneurship**

**Module 01**

**Part 1a : Management**

# What is Management?

- According to Mary Parker Follett: **“the art of getting things done through people”**.
- According to George R Terry **“a process consisting of planning, organizing, actuating and controlling performed to determine and accomplish the objectives by the use of people and resources”**.
- Ross Moore states **“Management means decision-making”**.

# 18ES51 : Technological Innovation Management & Entrepreneurship - Syllabus

## Module-1

**Part-1a: Management:** Nature and Functions of Management – Importance, Definition, Management Functions, Levels of Management, Roles of Manager, Managerial Skills, Management & Administration, Management as a Science, Art & Profession (Selected topics of Chapter 1, Text 1).

**Part-1b: Planning:** Planning-Nature, Importance, Types, Steps and Limitations of Planning; Decision Making – Meaning, Types and Steps in Decision Making (Selected topics from Chapters 4 & 5, Text 1). **L1, L2**

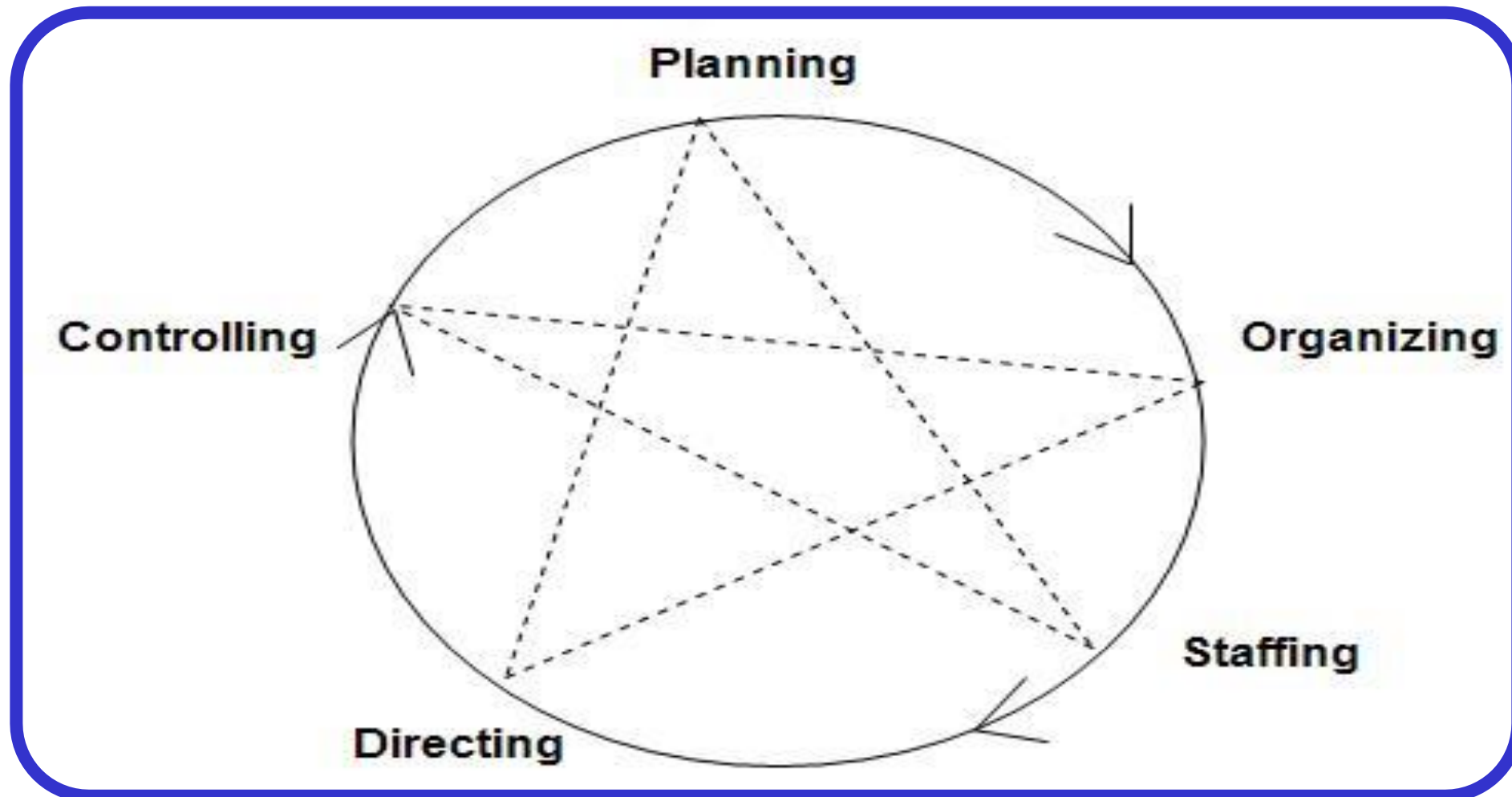
# Characteristics of Management

- Management is a continuous process
- Management is an art as well as science
- Management aims at achieving predetermined objectives
- Management is a factor of production
- Management is decision-making
- Management is needed at all levels
- Management aims at maximum profit
- Management is a dynamic function
- Management is a profession
- Management as a career

# Importance of Management

- Management is a critical element in country's growth
- Management enables a country's economic development by bringing the 4 factors of production (men, materials, money and machines) together.
- Without management, the country's resources will remain resources and never become produced goods.
- Not only in business, it is applied in education, social, military and Govt.
- It follows the same pattern irrespective of the size of the organization.
- Management is dynamic and life giving element in every organization.
- It co-ordinates current activities, plans future ones, arbitrates disputes and provides leadership.
- Adapts to environment, determine success, also the very survival.

# MANAGEMENT FUNCTIONS OR THE PROCESS OF MANAGEMENT



Directing

# Planning

- Planning is the primary function of management.
- It is looking ahead and **preparing for the future**.
- It determines in advance **What, How, When** should be done.
- It involves determination of specific **objectives, programs, setting policies, strategies, rules and procedures and preparing budgets**.
- Planning is a function which is performed by managers at all levels – **top, middle and supervisory**.
- Plans made by top management for the organization may cover periods as long as **five to ten years**, whereas plans made by low level managers cover much shorter periods.

# Organizing

- It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals.
- Organizing involves dividing work into:
  - Identification of activities.
  - Classification of grouping of activities.
  - Assignment of duties.
  - Delegation of authority and creation of responsibility.
  - Coordinating authority and responsibility relationships
- According to Koonz O'Donnel, “**Organization consists of conscious coordination of people towards a desired goal**”. E.g. an organization for scientific research will have to be very different from one manufacturing automobiles.



# Staffing

- Staffing involves managing various positions of the organizational structure.
- It involves selecting and placing the right person at the right position
- Staffing involves:
  - Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
  - Recruitment, selection & placement.
  - Training & development.
  - Remuneration.
  - Performance appraisal.
  - Promotions & transfer

# Directing

- The actual performance of the task starts with the function of direction.
- It is also called by various names namely “leading”, “motivating”, “activating”.
- Directing involves these sub functions:
  - (a) **Communicating**: It is the process of passing information from one person to another.
  - (b) **Leading**: It is a process by which a manager guides and influences the work of his subordinates.
  - (c) **Motivating**: It is arousing desire in the minds of workers to give their best to the enterprise.

# Controlling

- Control is the process of checking to determine whether or not proper progress is being made towards the objectives and goals and acting if necessary to correct any deviations.
- Control involves three elements:
  - (a) Establishing standards of performance.
  - (b) Measuring current performance and comparing it against the established standards.
  - (c) Taking action to correct any performance that does not meet those standards.

• Henri Fayol in his book titled "**Industrial and General Administration**" published in 1916, gave following 14 principles of management :-

1. Division of Work,
2. Authority and responsibility,
3. Discipline,
4. Unity of Command,
5. Centralization & decentralization,
6. Unity of Direction,
7. Scalar Chain,
8. Stability of Tenure,
9. Remuneration,
10. Order,
11. Initiative,
12. Subordination of Individual Interest to General Interest,
13. Equity,
14. Esprit De Corps.

# Learn it, the easy way!

## DAD U C USSR

- D - Division of work
- A - Authority & Responsibility
- D - Discipline
- U - Unity of Command
- C - Centralisation & Decentralisation
- U - Unity of Direction
- S - Scalar Chain
- S - Stability of Tenure
- R - Remuneration

## O I SEE

- O - Order
- I - Initiative
- S - Subordination of individual interest to general interest
- E - Equity
- E - Esprit de corps

# 1.(D)Division of work

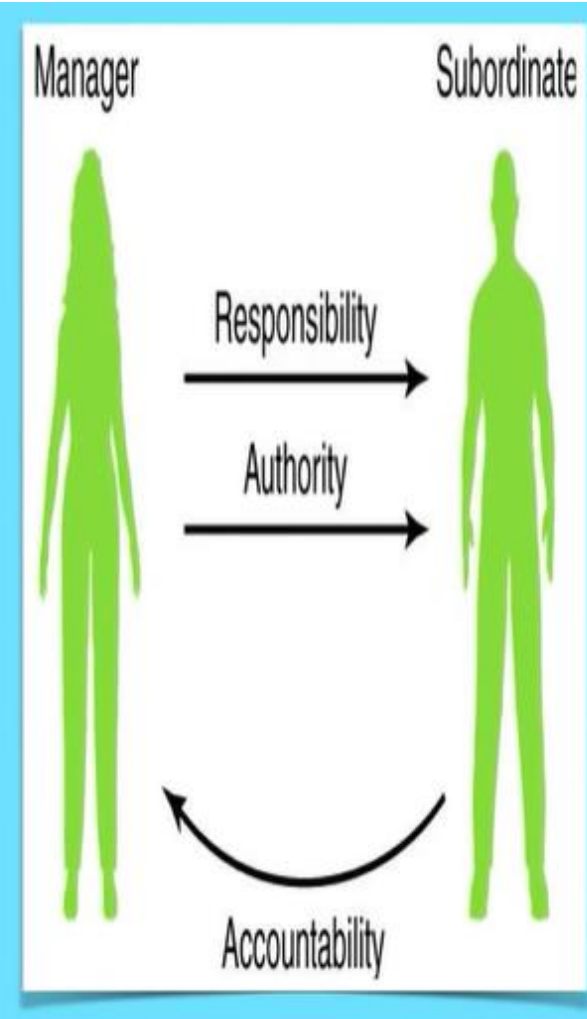
- This principle suggests that total work should be sub - divided into small parts
- Each part of the work should be allocated who is expert in that part of the work
- This leads to specialisation
- Less wastage



Division of Work

## 2.(A) Authority and responsibility

- Authority means power to take decisions
- Responsibility means obligation to complete the assigned job on time
- Authority comes from official and personal factors
- Official authority comes from manager's position
- Personal authority comes from qualities like intelligence, experience, moral worth and past services
- Authority without responsibility results in irresponsible behavior
- Responsibility without authority makes people ineffective
- Both must go together



## 3.(D)Discipline

- Discipline is obedience, application, energy, behaviour and respect shown by employees
- It is of 2 types –
  1. Self imposed discipline: comes from within the individual
  2. Command discipline: comes from some authority, expressed through rules, regulations and customs
- All the personnel serving in organisation should be disciplined

**DISCIPLINE**

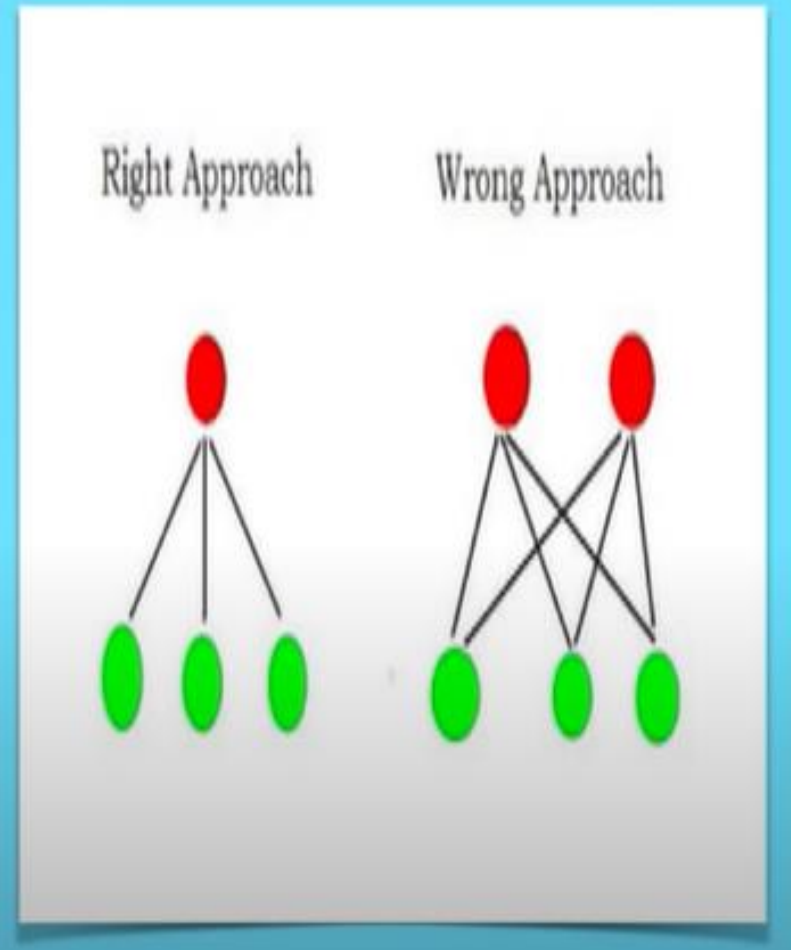
is doing what you know  
needs to be  
**DONE**,  
even when you don't want  
to do it.





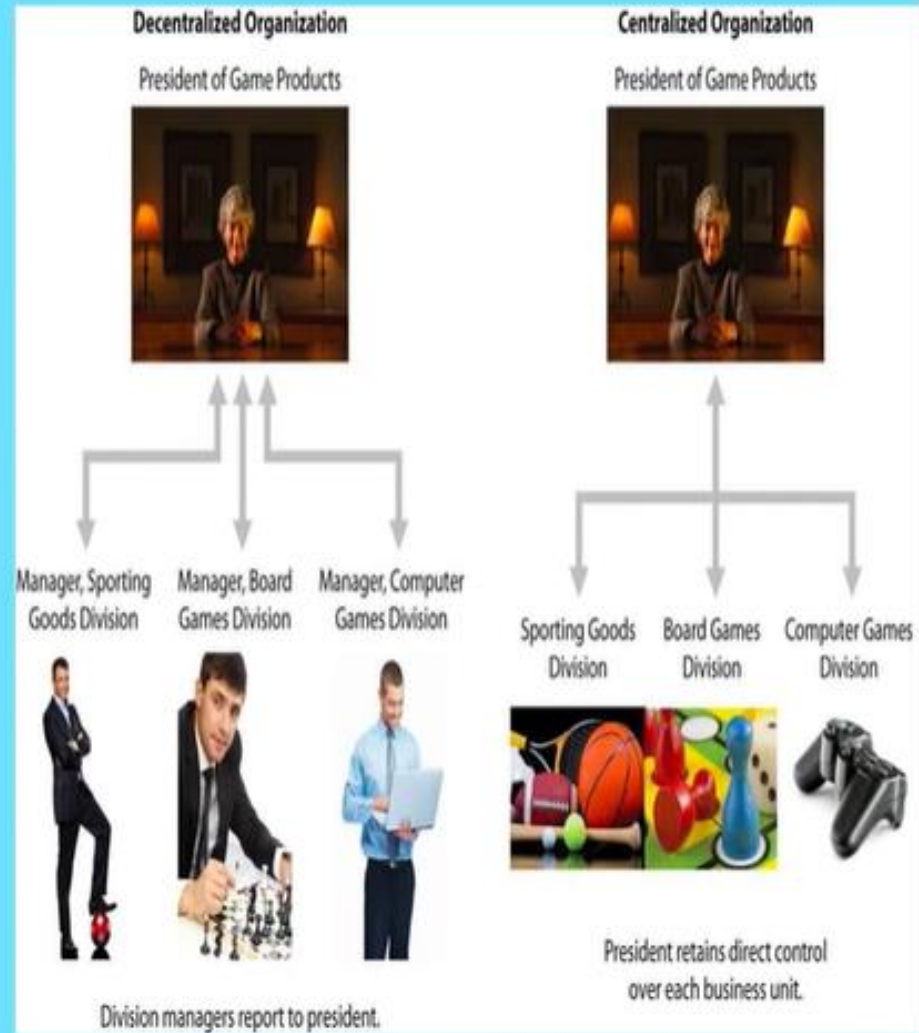
## 4.(U)Unity of command

- It means that a person should get orders/ instructions from only one superior
- An individual cannot serve 2 bosses at the same time
- This leads to confusion, misunderstandings and conflicts



# 5.(C) Centralization and decentralization

- Everything which goes to increase the importance of subordinate's role is decentralisation
- And everything which goes to decrease it is centralisation
- In smaller firms, centralisation is usually observed
- But in larger firms, a series of intermediaries are required
- Its degree varies due to –
  1. Character of manager
  2. His moral worth
  3. Reliability of his subordinates
  4. Conditions of the business



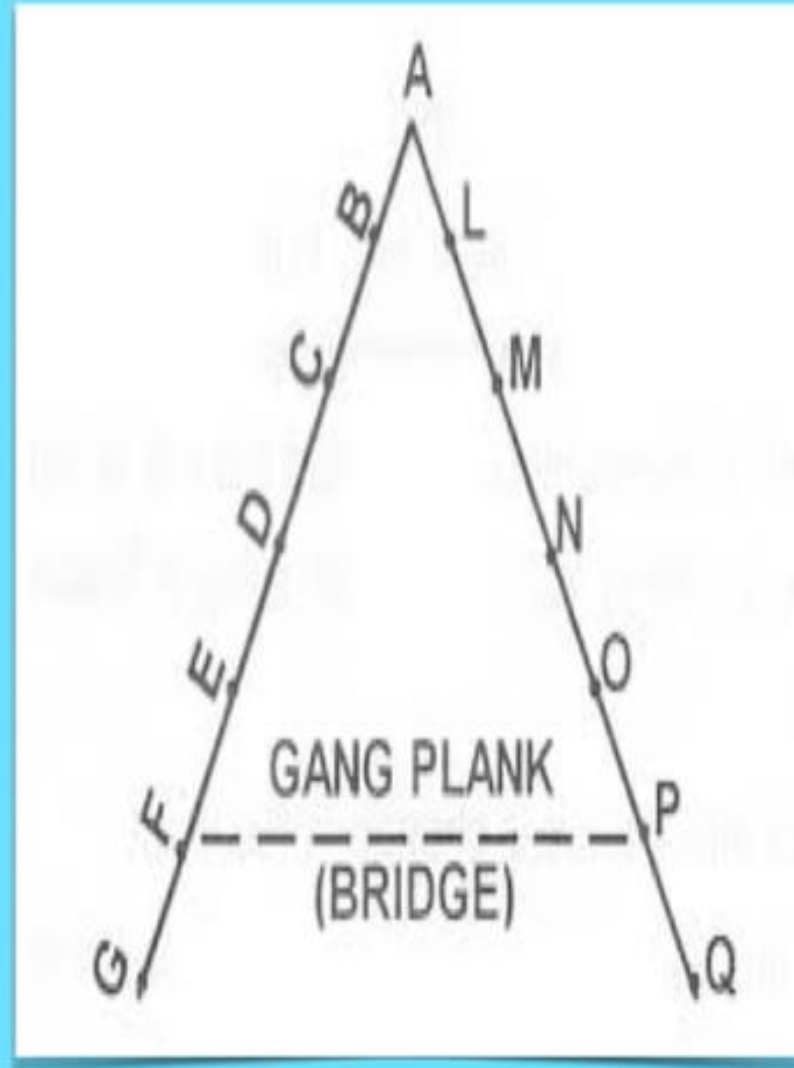
## 6.(U)Unity of direction

- Each group of activities with the same objective must have one head and one plan
- Unity of command talks about the reporting relationship of the personnel at all levels
- Unity of direction talks about functioning of organisation in terms of grouping of activities



## 7.(S)Scalar chain

- There should be a scalar chain of authority and of communication ranging from the highest to the lowest level
- Each communication going up or coming down must flow through each position in the line of authority
- Fayol also suggested the concept of gangplank
- It suggested that the scalar chain can be short circuited in special cases when rigid following of the scalar chain can get detrimental to the organisation



## 8.(S) Stability of tenure

- No employee should be removed within short time
- There should be reasonable security of job
- Unnecessary turnover is bad for the organisation
- Stability in tenure is important to get employee accustomed to new work and succeed in doing well



## 9.(R) Remuneration

- Remuneration of employees should be fair, reasonable and satisfactory
- It should provide maximum satisfaction to employees and employers
- Dissatisfaction will lead to increase in employee turnover



# 10.(O)Order

- This principle relates to arrangement of things and people
- There should be a place for everything and everything should be in place
- Likewise right man should be in right place
- Bigger the organisation, more difficult the order



# 11.(I) Initiative

- Managers should encourage their subordinates to take initiative, within the limits of authority and discipline
- Initiative is concerned with thinking out and execution of a plan
- It encourages energy and zeal





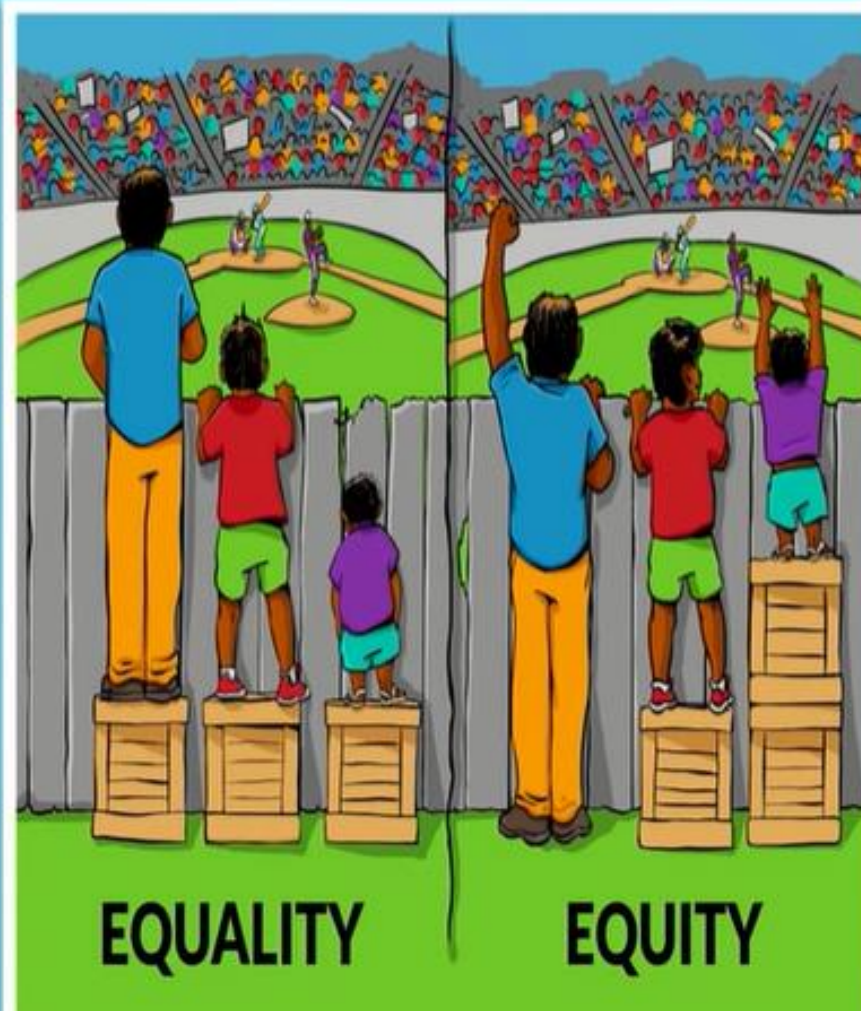
# 12.(S)Subordination of individual interest to general interests

- Interest of the organisation should take priority over individual interest
- If individual and organisational interests are different then managers must try to reconcile them
- If not, then individual interest should be sacrificed
- Factors like laziness, ambition, selfishness, carelessness, etc tend to reduce organisational interest



# 13.(E)Equity

- It is a combination of justice and kindness
- Equity in treatment and behaviour is liked by everyone
- It brings loyalty to the organisation
- Its application requires good sense, experience and good nature



## 14.(D)Esprit the corps

- This is the principle of 'union is strength'
- The manager must encourage esprit de corps among his employees
- Every employee in the organisation must consider him as a part of a team and try to achieve the team goal because team contribution is always better than individual contribution



Link to “14 Principles of Management”

[https://www.youtube.com/watch?v=RlozYN\\_rhkA](https://www.youtube.com/watch?v=RlozYN_rhkA)