

Q. Define Management and describe the labels of management.

Ans:-

Management:- Management is the coordination and administration of tasks to achieve a goal. Such administration activities include setting the organization's strategy and coordinating the efforts of staff to accomplish these objectives through the application of available resources.

Levels of Management

The term "Levels of Management" refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories:

- 1. Top level / Administrative level**
- 2. Middle level / Executory**
- 3. Low level / Supervisory / Operative / First-line managers**

Managers at all these levels perform different functions. The role of managers at all the three levels is discussed below:



1. Top Level of Management

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows -

- (a) Top management lays down the objectives and broad policies of the enterprise.
- (b) It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
- (c) It prepares strategic plans & policies for the enterprise.
- (d) It appoints the executive for middle level i.e. departmental managers.
- (e) It controls & coordinates the activities of all the departments.
- (f) It is also responsible for maintaining a contact with the outside world.
- (g) It provides guidance and direction.
- (h) The top management is also responsible towards the shareholders for the performance of the enterprise.

2. Middle Level of Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management.

Their role can be emphasized as -

- (a) They execute the plans of the organization in accordance with the policies and directives of the top management.
- (b) They make plans for the sub-units of the organization.
- (c) They participate in employment & training of lower level management.
- (d) They interpret and explain policies from top level management to lower level.
- (e) They are responsible for coordinating the activities within the division or department.
- (f) It also sends important reports and other important data to top level management.
- (g) They evaluate performance of junior managers.
- (h) They are also responsible for inspiring lower level managers towards better performance.

3. Lower Level of Management

Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to R.C. Davis, "Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees". In other words, they are concerned with direction and controlling function of management.

Their activities include -

- (a) Assigning of jobs and tasks to various workers.
- (b) They guide and instruct workers for day to day activities.
- (c) They are responsible for the quality as well as quantity of production.
- (d) They are also entrusted with the responsibility of maintaining good relation in the organization.

- (e) They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
- (f) They help to solve the grievances of the workers.
- (g) They supervise & guide the sub-ordinates.
- (h) They are responsible for providing training to the workers.
- (i) They arrange necessary materials, machines, tools etc for getting the things done.
- (j) They prepare periodical reports about the performance of the workers.
- (k) They ensure discipline in the enterprise.
- (l) They motivate workers.
- (m) They are the image builders of the enterprise because they are in direct contact with the workers.

Q. What are the contributions of Henry Fayol in management ?

Ans:-

Henry Fayol (1841-1925) started his career as a junior engineer in a coal mine company in France and became its general manager in 1880.

He not only saved a large coal and steel company from bankruptcy, but also led to crowning success.

His ideas on management have been summed up as the Administrative Management Theory, which later evolved into the Management Process School. A contemporary of Taylor, Fayol for the first time attempted a systematic analysis of the overall management process. In 1916, he published his famous book in French language 'Administration Industrielle Generale.'

It was reprinted several times in French and later published in English language under the title, General and Industrial Management in 1929.

Fayol's contribution to management can be discussed under the following four heads:

1. Division of Industrial Activities:

Fayol observed the organizational functioning from manager's point of view.

He found that all activities of the industrial enterprise could be divided into six groups:

- (i) Technical (relating to production);
- (ii) Commercial (buying, selling and exchange);
- (iii) Financial (search for capital and its optimum use) ;
- (iv) Security (protection of property and persons);
- (v) Accounting (Preparation of various statements, accounts, returns etc.) and
- (vi) Managerial (planning, organisation, command, co-ordination and control)

He pointed out that these activities exist in every enterprise. He further said that the first five activities are well known to a manager and consequently devoted most of his book to analyse managerial activities.

2. Qualities of an Effective Manager:

Henry Fayol was the first person to recognise the different qualities for manager.

According to him these qualities are:

- (i) Physical (health, vigour, and address);
- (ii) Mental (ability to understand and learn, judgement, mental vigour, and adaptability) ;

- iii) Moral (energy, firmness, willingness to accept responsibility, initiative, loyalty, tact and dignity);
- (iv) Educational (acquaintance with matters related to general functioning) ;
- (v) Technical (peculiar to the functions being performed); and
- (vi) Experience (arising from the work).

3. Functions of Management:

Fayol classified the elements of management into five and all such elements were considered by him as the functions of management.

According to him following are the functions of management:

(i) Planning:

Deciding in advance what to do. It involves thought and decision relating to a future course of action.

(ii) Organizing:

Providing everything that is useful to a business enterprise for its operation i.e., men, materials, machines and money etc.

(iii) Commanding:

Maintaining activity among personnel (lead the personnel in a better way).

(iv) Co-ordinating:

The channelisation of group efforts in the direction of achieving the desired objective of the enterprise (binding together-unifying and harmonizing all activity).

(v) Controlling:

Seeing that everything is being carried out according to the plan which has been adopted, the orders which have been given, and the principles which have been laid down. Its object is to point out

mistakes in order that they may be rectified and prevented from occurring again.

Fayol observed that these principles apply not only to business enterprise, but also to political, religious, philanthropic or other undertakings.

4. Principles of Management:

Hentry Fayol evolved 14 principles that can be applied in all management situations irrespective of the types of organization. He named Division of work (Specialisation), Parity between Authority and Responsibility, Discipline, Unity of Command, Unity of Direction, Subordination of Individual Interest to General Interest, Fair Remuneration to workers.

Effective Centralisation, Scalar Chain, Order, Equity, Stability in the tenure of personnel, Initiative and Esprit de Corps (Union is Strength) principles which he himself used on most occasions. Fayol made distinction between management principles and management elements.

The management principle is a fundamental truth and establishes cause-effect relationship while management element gives the functions performed by a manager. (These have already been explained in a separate chapter The Management Process). These principles not only influenced but also dominated management thought.