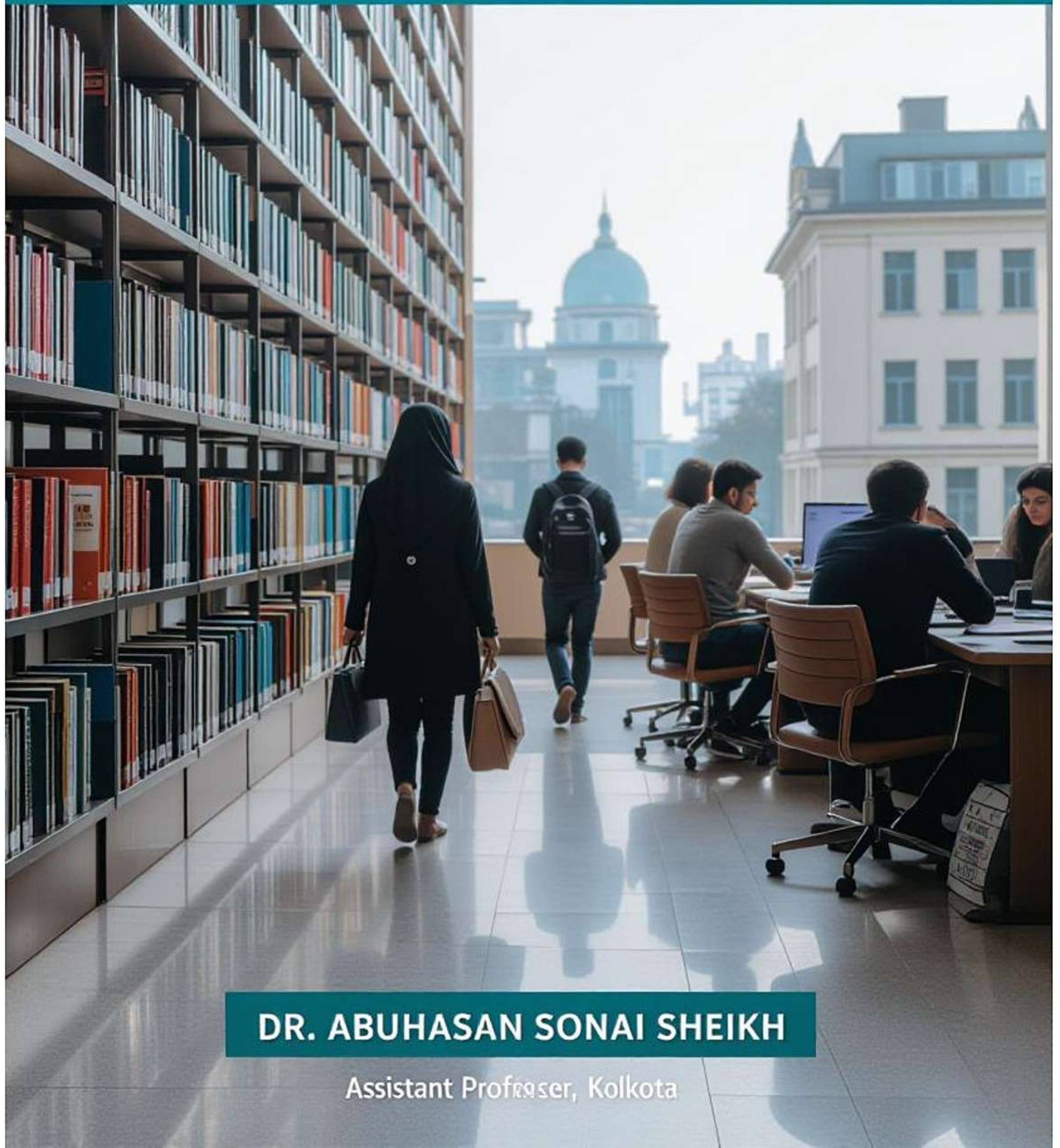


Semester 1– Minor Paper 1: Principles and Practice of Management



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Semester 1 – Minor Paper 1
Principles and Practice of Management
Credit of the Paper: 4

Examinations:

- Semester-end Examinations: 75 marks
- Tutorial Examinations: 25 marks
- **Total: 100 marks**

Unit 1: Introduction

- Management – definition, importance, functions, levels of management, managerial tasks and skills
- Management theories:
 - Classical (Taylor & Fayol)
 - Neo-classical (Elton Mayo & Mary Parker Follet)
 - Modern School of Management (Peter Drucker & Michael Porter)
- Managerial roles (Mintzberg)
- Social Responsibility of Management and its significance

Unit 2: Planning

- Meaning, nature, purpose, types, premises, elements and limitations of planning
- Strategic planning – concept, process and importance
- Decision Making – concept and importance
- Environment analysis and SWOT analysis (concept and elements)

Unit 3: Organizing

- Concept, need, principles and steps in organising
- Different organization structures: line, staff, functional, project, and new organisational structures (basic concepts)
- Departmentation – need and basis
- Delegation of Authority – elements and principles

- Centralization and Decentralization of Authority
- Span of Management – concept and factors determining span of management

Unit 4: Directing and Leadership

Directing: Concept, elements and importance

Leadership: Concept, importance, types, major theories:

- Likert's System Four Theory
- Blake and Mouton's Managerial Grid Theory
- Fred Fiedler's Situational Leadership Theory
- Tannenbaum & Schmidt's Behavioural Model
- Trait Theory of Leadership

Unit 5: Motivation, Coordination and Control

Motivation: Concept, steps, importance, theories:

- Maslow's Need-Hierarchy Theory
- Herzberg's Two-Factor Theory
- McGregor's Theory X and Theory Y

Coordination: Concept, importance, principles

Control: Concept, importance, and managerial tools of control

Suggested Readings

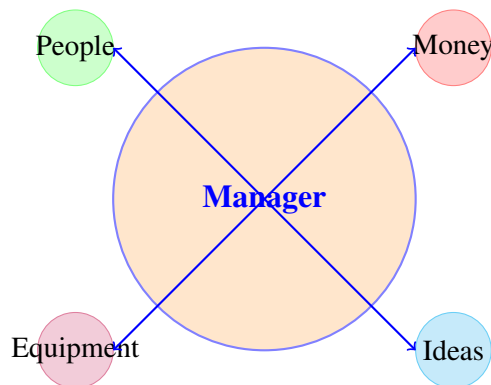
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1 Unit 1: Introduction to Management

1.1 What is Management?

Management is like being the captain of a ship. It's about guiding a team to reach a goal by planning, organizing, leading, and checking progress. Think of it as organizing a school event: you decide what needs to happen, gather people and resources, motivate everyone, and make sure everything goes smoothly.

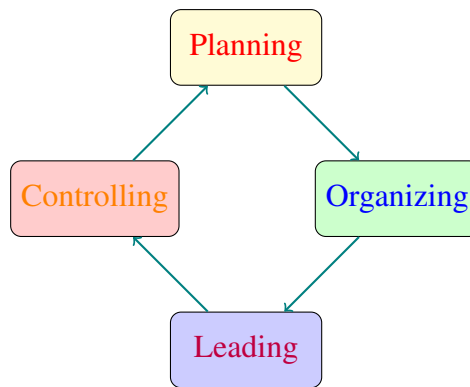
- **Definition:** Management is the process of using resources (like people, money, or equipment) to achieve a goal in the best way possible quickly and without wasting anything.
- **Why Its Important:** Without management, things get messy! It helps teams work together, saves time and money, and makes sure everyone knows what to do. For example, a restaurant manager ensures the chefs cook, waiters serve, and customers are happy.
- **Example:** Imagine running a lemonade stand. You decide how much lemonade to make (planning), buy lemons and sugar (organizing), encourage your friends to sell (leading), and check if you made a profit (controlling).



1.2 Functions of Management

Managers do four main jobs, like steps in a cycle:

- **Planning:** Deciding what you want to achieve and how to do it. Example: A teacher plans a class trip by choosing the place, date, and activities.
- **Organizing:** Getting everything ready: people, tools, and tasks. Example: For the trip, the teacher assigns students to buses and packs snacks.
- **Leading:** Guiding and motivating people to do their best. Example: The teacher encourages students to stay excited and follow rules on the trip.
- **Controlling:** Checking if things are going as planned and fixing problems. Example: The teacher counts students to ensure no one is left behind.



1.3 Levels of Management

Think of a company like a ladder with different levels of managers:

- **Top-Level Managers:** The big bosses, like the CEO of a company (e.g., the head of a school principal). They make big decisions, like starting a new school branch.
- **Middle-Level Managers:** They're like department heads (e.g., a store manager at a supermarket). They make sure the CEO's plans happen, like organizing a new product launch.
- **Lower-Level Managers:** They're like team leaders (e.g., a shift supervisor at a café). They handle daily tasks, like making sure the coffee is ready on time.

Top Managers (CEO)

Middle Managers (Dept. Heads)

Lower Managers (Supervisors)

1.4 Managerial Tasks and Skills

Managers have specific jobs and need certain skills to do them well:

- **Tasks:**
 - Making decisions (e.g., choosing which supplier to use).
 - Solving problems (e.g., fixing a delayed delivery).
 - Communicating (e.g., explaining tasks to a team).
 - Allocating resources (e.g., deciding how much budget goes to marketing).
- **Skills:**
 - **Technical Skills:** Knowing how to use tools or processes (e.g., a manager using Excel to track sales).

- **Human Skills:** Getting along with people and motivating them (e.g., cheering up a stressed employee).
- **Conceptual Skills:** Thinking big and solving complex problems (e.g., planning a company's growth for the next 5 years).

1.5 Management Theories

These are like recipes for managing well. Different people came up with ideas on how to manage better:

- **Classical Theories:**

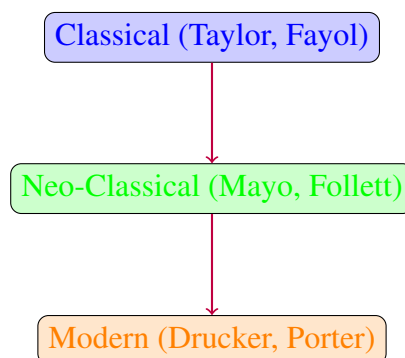
- **Frederick Taylors Scientific Management:** Focus on making work faster and easier. Example: In a factory, Taylor would time workers to find the quickest way to assemble a product, like a car.
- **Henri Fayols Administrative Theory:** He listed 14 rules, like dividing work clearly or giving orders from one boss only. Example: A school principal ensures teachers have clear roles (math teacher, science teacher, etc.).

- **Neo-Classical Theories:**

- **Elton Mayos Human Relations Movement:** He found that workers do better when they feel cared for. Example: A company gives employees breaks and listens to their ideas, making them happier and more productive.
- **Mary Parker Follett:** She said managers and workers should work together, not fight. Example: A manager and employee discuss a problem and find a solution together, like adjusting work hours.

- **Modern School of Management:**

- **Peter Drucker:** He said managers should set clear goals with employees (Management by Objectives). Example: A sales team aims to sell 100 phones this month and tracks progress weekly.
- **Michael Porter:** He created tools like the Five Forces to help companies compete. Example: A coffee shop studies competitors to decide whether to lower prices or add new drinks.



1.6 Managerial Roles (Mintzberg)

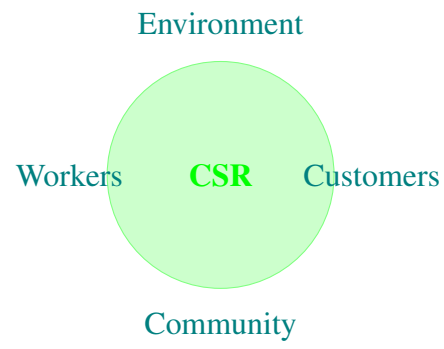
Henry Mintzberg said managers wear many hats. He grouped their roles into three types:

- **Interpersonal Roles:**
 - **Figurehead:** Representing the company (e.g., a manager attends a schools award ceremony).
 - **Leader:** Motivating the team (e.g., praising workers for good sales).
 - **Liaison:** Connecting with others outside the team (e.g., meeting with suppliers).
- **Informational Roles:**
 - **Monitor:** Keeping track of whats happening (e.g., checking sales reports).
 - **Disseminator:** Sharing info with the team (e.g., telling employees about a new policy).
 - **Spokesperson:** Speaking for the company (e.g., talking to the media about a new product).
- **Decisional Roles:**
 - **Entrepreneur:** Starting new projects (e.g., launching a new app).
 - **Disturbance Handler:** Fixing problems (e.g., solving a customer complaint).
 - **Resource Allocator:** Deciding where money or time goes (e.g., budgeting for a team party).
 - **Negotiator:** Making deals (e.g., agreeing on a price with a supplier).

1.7 Social Responsibility of Management

This is about companies doing good for society, not just making money.

- **Definition:** Managers make choices that help people, the environment, and the community, not just the company. Example: A factory reduces waste to protect the environment.
- **Why It Matters:**
 - Builds trust: Customers like companies that care (e.g., a brand donating to schools).
 - Helps the planet: Using less plastic saves nature (e.g., a store switches to paper bags).
 - Keeps things fair: Treating workers well (e.g., paying fair wages) makes the company respected.
- **Examples:** A company plants trees, gives employees time off to volunteer, or supports local charities.

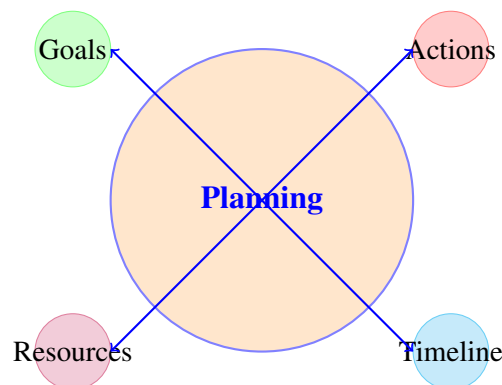


1 Unit 2: Planning

1.1 What is Planning?

Planning is like making a roadmap for a trip. Its about deciding where you want to go and how to get there before you start. In a business, planning helps you set goals and figure out the best way to achieve them.

- **Definition:** Planning is the process of setting goals, deciding what needs to be done, and choosing the best way to do it. Its thinking ahead to avoid problems.
- **Nature:** Planning is forward-looking (thinking about the future), goal-oriented (aiming for something specific), and continuous (you keep updating plans). Its like planning a birthday partyyou think about guests, food, and games in advance.
- **Purpose:** To make things smooth, save time, and avoid mistakes. Example: A bakery plans how many cakes to bake for a holiday to meet demand without wasting ingredients.
- **Example:** Imagine planning a school project. You decide the topic, assign tasks to group members, set deadlines, and check what resources (like books or internet) you need.



1.2 Types of Planning

There are different types of plans, depending on what youre trying to achieve:

- **Strategic Plans:** Big, long-term plans for the whole organization. Example: A company plans to open 10 new stores in 5 years.
- **Tactical Plans:** Medium-term plans to support strategic plans. Example: The marketing team plans a campaign to promote the new stores.
- **Operational Plans:** Short-term, day-to-day plans. Example: A store manager plans the weekly staff schedule.
- **Contingency Plans:** Backup plans for when things go wrong. Example: A school plans online classes in case of heavy rain.

Strategic Plans

Tactical Plans

Operational Plans

Contingency Plans

1.3 Premises of Planning

Planning is based on certain assumptions or premises about the future:

- **Internal Premises:** Things inside the organization, like budget or staff skills. Example: A café assumes it has enough baristas to handle a busy weekend.
- **External Premises:** Things outside, like market trends or weather. Example: The café predicts more customers in summer due to tourists.
- **Example:** A farmer plans crop planting based on weather forecasts (external) and the number of workers available (internal).

1.4 Elements of Planning

Planning has key parts, like ingredients in a recipe:

- **Objectives:** What you want to achieve. Example: A student aims to score 90% in exams.
- **Strategies:** Big ideas to reach goals. Example: Studying 2 hours daily.
- **Policies:** Rules to guide actions. Example: No distractions during study time.
- **Procedures:** Step-by-step instructions. Example: Read notes, solve past papers, revise.
- **Budgets:** Money planned for tasks. Example: Buying study guides within \$20.

1.5 Limitations of Planning

Planning isn't perfect. Sometimes things don't go as planned:

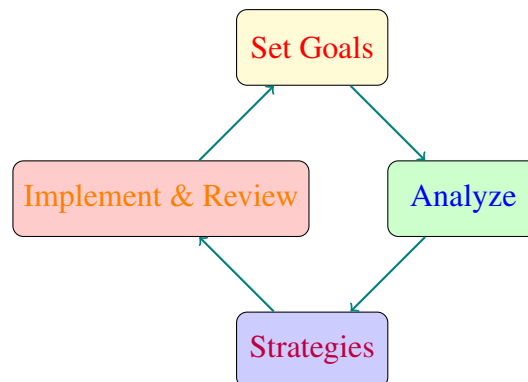
- **Time-Consuming:** Planning takes effort. Example: Planning a wedding can take months.
- **Uncertain Future:** Things change unexpectedly. Example: A picnic plan fails due to sudden rain.
- **Rigidity:** Sticking too strictly to a plan can cause problems. Example: A company misses new trends because it follows an old plan.

- **Example:** A restaurant plans a big event but faces a food shortage due to a delivery delay.

1.6 Strategic Planning

Strategic planning is like plotting a long journey for a company.

- **Concept:** Its about setting big, long-term goals and deciding how to achieve them. Example: A tech company plans to launch a new smartphone in 3 years.
- **Process:**
 - Set goals (e.g., increase sales by 20%).
 - Analyze the situation (e.g., check competitors).
 - Make strategies (e.g., improve product quality).
 - Implement and review (e.g., launch the product and track sales).
- **Importance:** It keeps the company focused, competitive, and ready for the future. Example: A clothing brand plans to go eco-friendly to attract young customers.



1.7 Decision Making

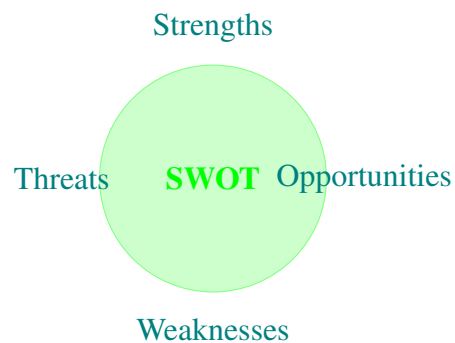
Decision making is choosing the best option from many possibilities.

- **Concept:** Its about picking a path after thinking about pros and cons. Example: A student decides whether to join a sports team or a debate club.
- **Importance:** Good decisions lead to success, while bad ones cause problems. Example: A shop owner decides to stock more umbrellas before the rainy season, boosting sales.
- **Example:** A manager chooses between hiring a new employee or training the current team to handle more work.

1.8 Environment Analysis and SWOT Analysis

- **Environment Analysis:** Looking at whats happening inside and outside the organization to make better plans.
 - **Internal Environment:** Things like company culture or resources. Example: A café checks if its staff is trained well.

- **External Environment:** Things like competitors or customer preferences. Example: The café studies if people prefer coffee or tea.
- **SWOT Analysis:** A tool to understand strengths, weaknesses, opportunities, and threats.
 - **Strengths:** What the company does well. Example: A bakery's tasty cakes.
 - **Weaknesses:** What needs improvement. Example: The bakery's slow delivery.
 - **Opportunities:** Possibilities to grow. Example: Selling cakes online.
 - **Threats:** Risks from outside. Example: A new bakery opening nearby.

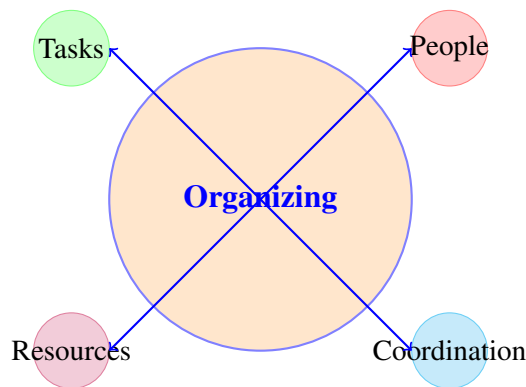


1 Unit 3: Organizing

1.1 What is Organizing?

Organizing is like setting up a team for a group project. Its about deciding who does what, arranging resources, and making sure everyone works together smoothly to achieve a goal.

- **Concept:** Organizing is the process of dividing work into tasks, assigning those tasks to people, and providing the resources they need. Its like planning a school playyou assign roles (actors, stage crew), gather props, and set a schedule.
- **Need:** Organizing prevents chaos, saves time, and makes work efficient. Example: A restaurant organizes its staff (chefs, waiters, cleaners) so food is served quickly.
- **Example:** Imagine organizing a family picnic. You assign someone to bring food, another to pick the location, and someone else to plan games.



1.2 Principles of Organizing

These are like rules to make organizing work well:

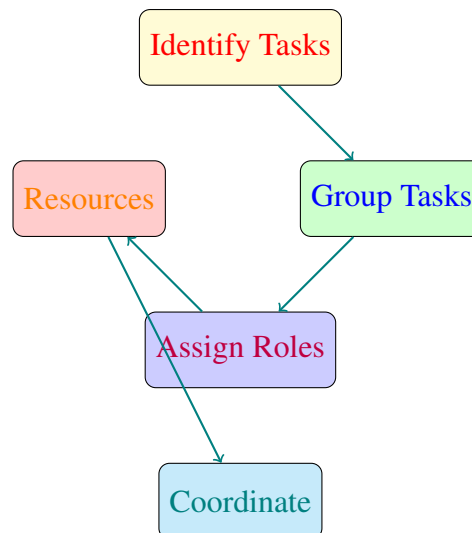
- **Clear Objectives:** Everyone should know the goal. Example: A team organizing a charity event knows the aim is to raise \$500.
- **Division of Work:** Split tasks to avoid confusion. Example: In a bakery, one person bakes, another decorates cakes.
- **Unity of Command:** Each person reports to one boss. Example: A waiter takes orders from one manager, not two.
- **Coordination:** Everyone works together. Example: In a school event, teachers and students coordinate to set up decorations.

1.3 Steps in Organizing

Organizing follows a step-by-step process:

- **Identify Tasks:** List what needs to be done. Example: For a school fair, tasks include setting up stalls and selling tickets.
- **Group Tasks:** Put similar tasks together. Example: Group all food-related tasks (cooking, serving) under one team.

- **Assign Roles:** Give tasks to people. Example: Assign a student to manage the ticket booth.
- **Provide Resources:** Give tools or money needed. Example: Provide tables and chairs for the fair.
- **Coordinate:** Ensure everyone works together. Example: Hold a meeting to check everyone's progress.



1.4 Different Organization Structures

An organization structure is like a blueprint showing who reports to whom. Here are the main types:

- **Line Structure:** Simple, with a clear chain of command. Example: A small shop where the owner tells workers what to do directly.
- **Staff Structure:** Adds experts to help managers. Example: A company hires a lawyer to advise the boss but not manage workers.
- **Functional Structure:** Groups people by their skills. Example: A company has separate departments for marketing, sales, and production.
- **Project Structure:** Teams formed for specific projects. Example: A tech company creates a team to build a new app, which dissolves after completion.
- **New Structures (e.g., Matrix, Flat):** Modern setups where people report to multiple bosses (matrix) or there are fewer layers (flat). Example: A startup with a flat structure has no middle managers, so everyone talks directly to the CEO.

Line Structure

Functional Structure

Project Structure

Matrix/Flat Structure

1.5 Departmentation

Departmentation is grouping similar tasks into departments to make work easier.

- **Need:** It organizes large companies so tasks are manageable. Example: A supermarket has departments for groceries, electronics, and clothing.
- **Basis of Departmentation:**
 - **Function:** Group by job type (e.g., marketing, finance). Example: A hospital has a surgery department and a pharmacy.
 - **Product:** Group by product line. Example: A car company has departments for sedans and SUVs.
 - **Geography:** Group by location. Example: A chain restaurant has separate teams for each city.
 - **Customer:** Group by customer type. Example: A bank has teams for personal and business clients.

1.6 Delegation of Authority

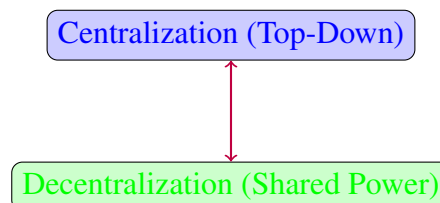
Delegation is like a teacher asking a student to lead a class activity its giving someone the power to do a job.

- **Elements:**
 - **Authority:** The right to make decisions. Example: A store manager lets a cashier handle returns.
 - **Responsibility:** The duty to complete the task. Example: The cashier must process returns correctly.
 - **Accountability:** Being answerable for results. Example: The cashier reports to the manager if something goes wrong.
- **Principles:**

- Give clear instructions. Example: Tell the cashier exactly how to handle refunds.
- Match tasks to skills. Example: Don't ask a new employee to handle complex tasks.
- Check progress but don't interfere too much. Example: The manager reviews the cashiers work weekly.

1.7 Centralization and Decentralization of Authority

- **Centralization:** When top managers make all decisions. Example: A small café owner decides the menu and prices alone.
- **Decentralization:** When lower managers or employees make decisions. Example: A chain restaurant lets each branch manager choose local specials.
- **Example:** A school principal (centralized) decides all rules, but letting teachers choose classroom activities (decentralized) gives them freedom.



1.8 Span of Management

Span of management is how many people a manager supervises directly.

- **Concept:** A wide span means managing many people (e.g., a teacher with 30 students). A narrow span means managing fewer (e.g., a coach with 5 athletes).
- **Factors Determining Span:**
 - **Task Complexity:** Simple tasks allow a wider span. Example: A manager can supervise 20 cashiers but only 5 engineers.
 - **Employee Skills:** Skilled workers need less supervision, allowing a wider span. Example: Experienced chefs need less oversight.
 - **Managers Ability:** A skilled manager can handle more people. Example: A confident principal manages multiple teachers.
 - **Technology:** Tools like email or apps allow wider spans. Example: A manager uses software to track 15 employees work.

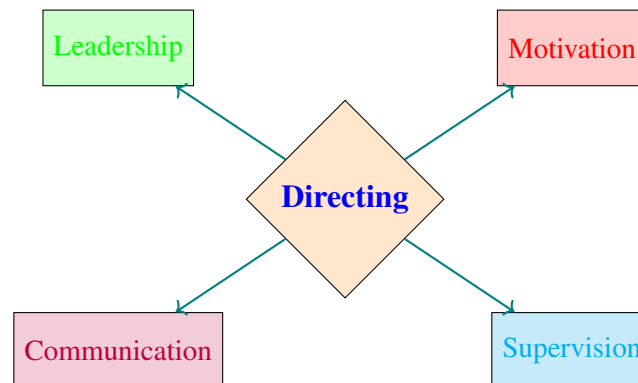


1 Unit 4: Directing and Leadership

1.1 What is Directing?

Directing is like being a coach who guides a team during a game. Its about telling people what to do, motivating them, and keeping them focused to achieve goals.

- **Concept:** Directing is the process of guiding, motivating, and supervising employees to work towards the organizations goals. Its like a teacher helping students understand a lesson by explaining and encouraging them.
- **Elements:**
 - **Leadership:** Inspiring people to do their best. Example: A manager encourages a sales team to meet targets.
 - **Motivation:** Giving reasons to work hard. Example: Offering bonuses for good performance.
 - **Communication:** Sharing clear instructions. Example: A chef tells the kitchen staff exactly how to prepare a dish.
 - **Supervision:** Checking work is done right. Example: A store manager watches cashiers to ensure theyre polite to customers.
- **Importance:** Directing keeps everyone on the same page, boosts morale, and ensures work gets done. Example: A movie director guides actors and crew to create a great film.
- **Example:** In a school play, the director tells actors where to stand, motivates them to practice, and checks their performance.



1.2 What is Leadership?

Leadership is like being the captain of a sports team, inspiring everyone to give their all and work together to win.

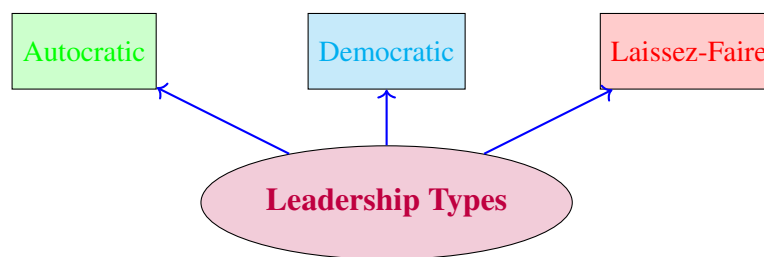
- **Concept:** Leadership is the ability to influence and guide people to achieve a common goal. A leader shows the way and motivates others. Example: A team leader inspires a group to finish a project on time.
- **Importance:** Leaders create a positive work environment, solve problems, and drive success. Example: A school principal leads teachers to improve student performance.

- **Example:** In a café, a manager leads by setting an example, like helping during a busy hour to motivate the staff.

1.3 Types of Leadership

Leaders have different styles, like teachers with different teaching methods:

- **Autocratic:** The leader makes all decisions. Example: A chef decides the menu without asking the team.
- **Democratic:** The leader involves the team in decisions. Example: A manager asks employees for ideas on improving service.
- **Laissez-Faire:** The leader gives freedom to the team. Example: A project leader lets skilled workers decide how to complete tasks.



1.4 Major Theories of Leadership

These are like different guides on how to be a great leader:

- **Likerts System Four Theory:**
 - Suggests four leadership styles, from bossy to team-focused.
 - **Systems:** Exploitative (strict control), Benevolent (kind but controlling), Consultative (asks for input), Participative (team-based decisions).
 - **Example:** A participative manager in a tech company involves the team in designing a new app, making them feel valued.
- **Blake and Moutons Managerial Grid Theory:**
 - Focuses on two things: concern for people (team happiness) and concern for tasks (getting work done).
 - Uses a grid to show leadership styles, like Team Management (high people and task focus) or Country Club (high people, low task).
 - **Example:** A restaurant manager balances keeping staff happy (people) with ensuring fast service (tasks).
- **Fred Fiedlers Situational Leadership Theory:**
 - Says the best leadership style depends on the situation (e.g., team skills, task urgency).
 - Leaders are either task-oriented (focus on goals) or relationship-oriented (focus on team bonds).

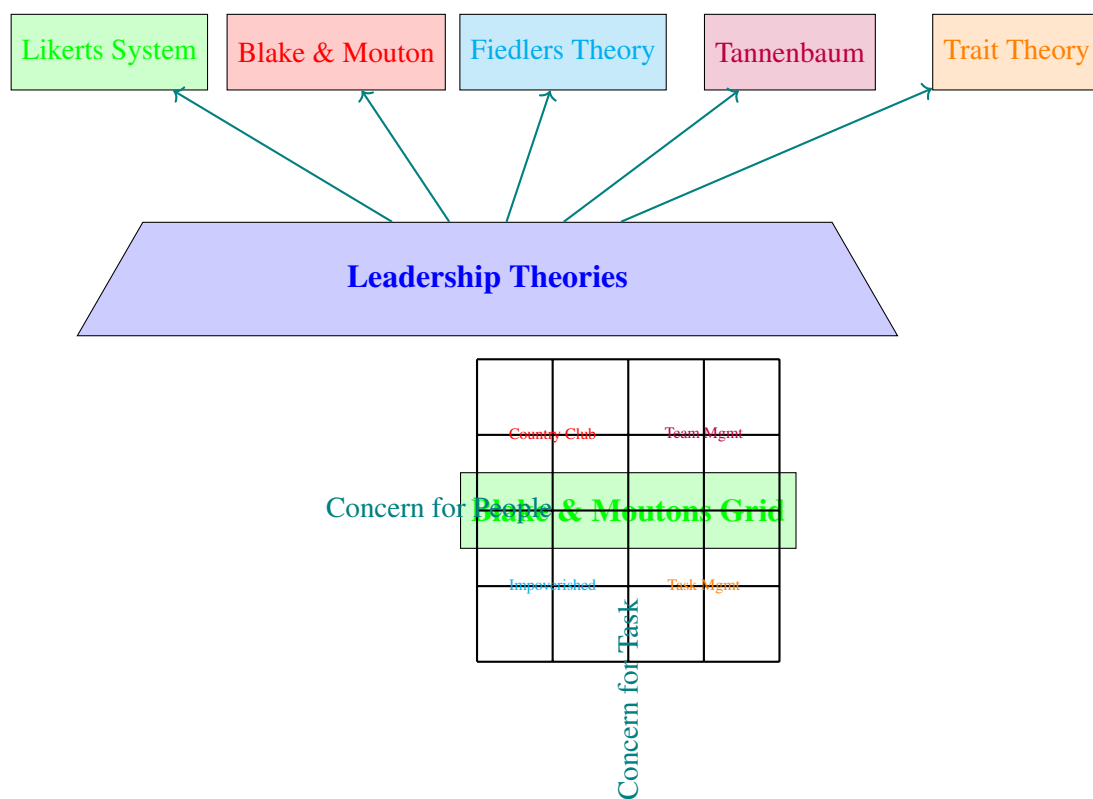
- **Example:** In a crisis (like a store running out of stock), a task-oriented leader focuses on restocking quickly.

- **Tannenbaum & Schmidt's Behavioural Model:**

- Shows a range of leadership styles, from telling (boss decides) to delegating (team decides).
- Leaders choose based on the teams needs. Example: A new team needs a telling style, while an experienced team gets more freedom.

- **Trait Theory of Leadership:**

- Says leaders have special qualities, like confidence, intelligence, or charisma.
- **Example:** A school captain with strong communication skills inspires classmates to join events.

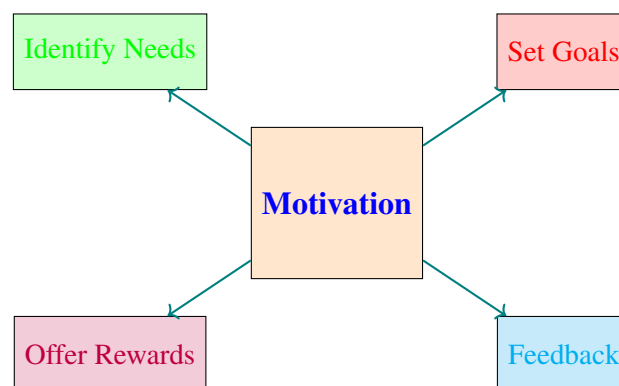


1 Unit 5: Motivation, Coordination, and Control

1.1 Motivation

Motivation is like giving someone a reason to get out of bed and do their best. Its about inspiring people to work hard and achieve goals.

- **Concept:** Motivation is the process of encouraging people to take action to meet goals by fulfilling their needs or desires. Example: A teacher motivates students by praising their good work.
- **Steps:**
 - Identify needs: Understand what employees want (e.g., better pay, recognition).
 - Set goals: Give clear targets (e.g., finish a project by Friday).
 - Offer rewards: Provide incentives (e.g., a bonus for meeting sales targets).
 - Provide feedback: Tell people how theyre doing (e.g., Great job on the presentation!).
- **Importance:** Motivation boosts effort, improves performance, and keeps people happy. Example: A motivated café worker serves customers faster, making them happy.
- **Example:** In a school, a principal motivates teachers by offering training workshops to improve their skills.

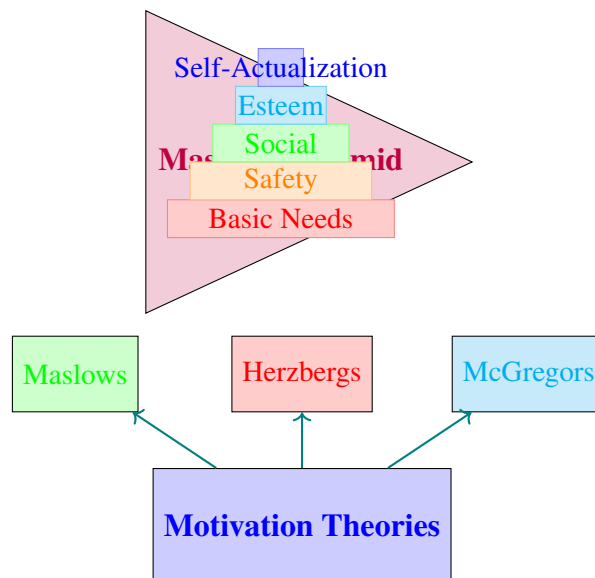


1.2 Motivation Theories

These are like guidebooks explaining why people feel motivated:

- **Maslows Need-Hierarchy Theory:**
 - Says people have five levels of needs, like a pyramid. You must meet lower needs before higher ones.
 - Levels: Basic (food, water), Safety (security, job), Social (friends, belonging), Esteem (respect, achievement), Self-Actualization (reaching full potential).
 - **Example:** A worker needs a fair salary (basic) before caring about recognition (esteem).
- **Herzbergs Two-Factor Theory:**

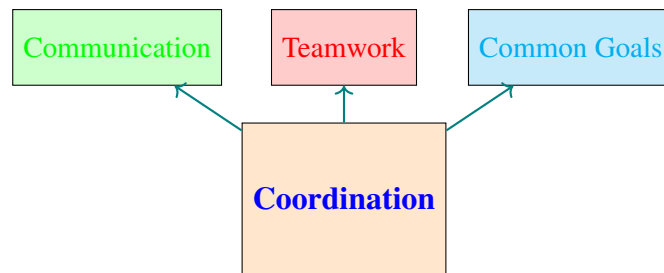
- Divides factors into motivators (make people happy, like achievement) and hygiene factors (prevent unhappiness, like good salary).
- **Example:** A clean office (hygiene) prevents complaints, but praise for good work (motivator) makes employees excited.
- **McGregors Theory X and Theory Y:**
 - Theory X: Assumes people are lazy and need strict control. Example: A manager closely watches workers to ensure they work.
 - Theory Y: Assumes people are self-motivated and creative. Example: A manager trusts employees to work without micromanaging.



1.3 Coordination

Coordination is like making sure everyone in a band plays the same song at the right time.

- **Concept:** Coordination is the process of connecting different tasks and people so they work together smoothly to achieve goals. Example: In a restaurant, chefs, waiters, and cleaners work together to serve customers.
- **Importance:** It prevents confusion, saves time, and ensures success. Example: In a school event, coordination ensures decorations, food, and activities are ready on time.
- **Principles:**
 - **Clear Communication:** Share plans clearly. Example: A manager holds a meeting to explain tasks.
 - **Teamwork:** Encourage people to work together. Example: A project team shares ideas to solve problems.
 - **Common Goals:** Everyone focuses on the same objective. Example: A store team aims to increase sales during a festival.
- **Example:** During a charity run, organizers coordinate volunteers, runners, and sponsors to ensure everything runs smoothly.



1.4 Control

Control is like checking if your cake is baking properly you keep an eye on it and adjust if needed.

- **Concept:** Control is the process of checking if work is going as planned and fixing problems to meet goals. Example: A teacher checks students homework to ensure they understand the lesson.
- **Importance:** Control keeps things on track, prevents mistakes, and ensures goals are met. Example: A store manager checks sales daily to meet monthly targets.
- **Managerial Tools of Control:** ekit
- **Budgets:** Planning money use. Example: A school budgets for books and events.
- **Reports:** Written updates on progress. Example: A sales team submits weekly sales reports.
- **Audits:** Checking records for accuracy. Example: A company audits its finances to avoid errors.
- **Performance Reviews:** Evaluating employee work. Example: A manager reviews a workers customer service skills.
- **Example:** A bakery manager checks if cakes are baked on time and adjusts schedules if theres a delay.

