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**A Comprehensive and Authentic
Text Book on "Principles of Management"
for MBA/PGDM/PGPM/MCA/BBA &
other professional courses**

- ◆ Subject matter has been explained in simple and student friendly language.
- ◆ Tables have been used for comparative study and understanding of the concepts.
- ◆ Quotations at start of the chapter promote conceptual thought of the subject matter.
- ◆ Each paragraph is distinctly numbered and starts with relevant background of the subject.
- ◆ Questions are framed keeping in mind comprehensive understanding of the concepts.
- ◆ Case studies are meant to give practical insight into application of management concepts.

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Price : ₹ 795

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New Delhi-110 005 INDIA
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First Published : September 2022

Price : ₹ 795

Published by :

Taxmann Publications (P) Ltd.

Sales & Marketing :

59/32, New Rohtak Road, New Delhi-110 005 India

Phone : +91-11-45562222

Website : www.taxmann.com

E-mail : sales@taxmann.com

Regd. Office :

21/35, West Punjabi Bagh, New Delhi-110 026 India

Printed at :

Tan Prints (India) Pvt. Ltd.

44 Km. Mile Stone, National Highway, Rohtak Road

Village Rohad, Distt. Jhajjar (Haryana) India

E-mail : sales@tanprints.com

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Preface

In today's world of globalisation, where business enterprises are free to enter international markets, managers must have complete knowledge of management principles to withstand the international competition. Even within the country, in the light of changing economic scenario, study of management is necessary to create managers who can efficiently run the business.

The present book has been designed and written with a view to give the students of Management an indepth insight into the subject of business management. It explains the nature of management and the evolution of management theory from the traditional to modern application and highlights the importance of planning function in the business enterprises. The importance of organising and various organisational structures have also been explained in detail. The important role that human beings play in the efficient running of an enterprise, the directing function, covering various aspects of motivation, leadership and communication explain the dynamic nature of business management and the nature and techniques of control.

The business enterprises are working in the changing, dynamic environment consisting of social, cultural, technological, political and legal factors. Change in any of these factors has to be duly incorporated in the current business policies and procedures. How and to what extent it is done has been explained along with the nature of conflict management at different levels.

Business is no more an economic institution which maximises the interests of owners only. It is equally responsible to look after the interests of other sections of society. The concept of social responsibilities explains social responsiveness of business firms and how their adherence to Corporate Governance principles helps in making them socially acceptable units.

It is hoped the book will be of interest to its readers. Though best efforts are made to present the book in simple and understandable language, errors may have crept in. Errors are deeply regretted and suggestions and ideas for improving the current volume are welcome.

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1

MANAGEMENT
CONCEPT AND NATURE

"The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint to keep from meddling with them while they do it."

— Theodore Roosevelt

1.1 CONCEPT OF MANAGEMENT

Management helps in getting things done through others. It is the *process* that *optimises* human, material and financial resources of the organisation for effective achievement of its goals.

- *process* involves a series of actions (functions) by managers,
- *optimisation* means getting maximum output (goods and services) out of minimum inputs (men, materials, money, machine etc.), and
- *goals* are the results or ends that managers and other stakeholders (shareholders, consumers, suppliers, workers etc.) aim to achieve.

"Management is a distinct process consisting of activities of planning, organising, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources." — Terry and Franklin

"Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims." — Koontz and Weihrich

"Management is an art of knowing what is to be done and seeing that it is done in the best possible manner." — F. W. Taylor

"Management is to forecast, to plan, to organise, to command, to co-ordinate and control activities of others." — Henri Fayol