UNIT - 2 : OFFICE ADMINISTRATION

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2.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- discuss the concept of administration
- discuss the administrative office and its role
- discuss the administrative functions
- explain the principles of scientific management

2.2 INTRODUCTION

In this unit, we are going to discuss the concept of office administration. Administration plays an important role in every organisation. The growth of the organisation depends on the functions of administration. In this unit we will discuss these functions besides the role of the administration.

2.3 CONCEPT OF ADMINISTRATION

In any organisation, whether it is a business, government, educational institution, club or any other organisation, certain day to day functions are need to be performed. These functions are related to the management of

the organisation. In general, administration refers to a set of rules and regulations, policies etc.

For smooth operation of the administration, an Office is essential. Irrespective of the nature of the organisation, office is the central point of any organisation. The functions of the office may vary depending upon the nature of the organisation. However, in any case, it facilitates decision-making.

2.4 ADMINISTRATIVE OFFICE AND ITS ROLE

Let us consider a business organisation. You are aware that the main objective of a business organisation is to earn profit. All its activities must be directed towards attaining this objective. To attain profitability, the business organisation have to mobilise the resources, both human and physical, provide direction and supervision as well as control these resources. In this connection, the administrators have to perform various types of activities for the smooth running of the organisation. This is essential in terms of ensuring internal efficiency and organisational profitability.

2.5 ADMINISTRATIVE FUNCTIONS

From the above sections, we get a fair idea of what administration is and the role of the administrative office. Now, let us concentrate on the administrative functions. We will continue with our example of a business organisation. It is very clear that there are multiple functions that a business organisation have to perform. Of course, out of these functions, some are of routine nature while some functions need to be performed over a gap of time. Some functions are performed by supervisor, some functions are performed by manager of a section or branch while some one monitor their functions. The multiplicity and peculiarity of functions makes administration of a business organisation a challenging task.

Let us discuss the functions-

PLANNING

Planning is concerned with the determination of objectives to be achieved and the course of action to be followed to achieve them. Before starting any action, one has to decide how and where it has to be performed. Thus planning implies decision-making as to what is to be done, how it is to be done, when it is to be done and by whom it is to be done. It involves selection of objectives, strategies, policies, programme and procedures for achieving them.

Planning function is performed by managers at every level because planning may be either for the entire enterprise or for any section or department thereof.

Approaches to Planning

Managers follow various approaches to planning based on the extent of participation, authority delegation and competency level of managers working at various levels, namely:

Top-down approach: In most family-owned enterprise, authority and responsibility for planning is centralized at the top. The top management defines the mission, lays down strategies, and specifies action plans to achieve the stated goals. The blueprint is then passed on to the people working at lower levels, who have very little to contribute to the process of planning. The success of this approach is wholly dependent on the qualifications, experience and capabilities of people working at the top level.

Bottom-up approach: Thinking and doing aspects in the planning process are two sides of the same coin. So, if lower level managers were drawn into the preparation and implementation of plans, their loyalty and commitment would go up automatically. Participation enables them to give their best to the plan document.

ORGANISING

According to Fayol, "to organize a business is to provide it with everything useful to its functioning- raw materials, tools, capital and personnel". Thus, organizing involves bringing together the manpower and material resources for the achievement of objectives laid down by the enterprise. Organizing involves the following processes:

a. Determining and defining the activities involved in achieving the objectives laid down by the management;
b. Grouping the activities in a logical pattern;
c. Assigning the activities to specific positions and people; and
d. Delegating authority to their positions and people so as to enable them to perform the activities assigned to them.

Organizing function helps in increasing the efficiency of the enterprise. Further, by avoiding repetition and duplication of activities, it reduces the operation cost of the enterprise.

But organizing function can be useful to the enterprise only when there are clear and verifiable objectives, clear understanding of the activities needed to achieve the objectives and clear definition of the authority assigned to the manager at every level.

STAFFING

Every enterprise is very much concerned with the quality of its people, especially its managers. According to Harold Koontz and Cyril O'Donell, "the managerial function of staffing involves manning the organizational structure through proper and effective selection, appraisal and development of personnel to fill the roles designed into structure", thus, the staffing function involves:

a. Proper selection of candidates for proper positions;
b. Proper remuneration;
c. Proper training and development so as to enable them to discharge their organizational functions effectively; and
d. Proper evaluation of personnel.

Staffing function is performed by every manager of the enterprise, as he is actively associated with the recruitment, selection, training and appraisal of his Subordinates. For example, the Board of Directors of the enterprise undertakes the staffing function by selecting and apprising the Chief Executive who, in turn, performs these functions in relation to his sub-ordinates like divisional heads of the enterprise. Similarly, departmental heads or their sub-ordinates also perform the staffing function.

CONTROLLING

Controlling is related to all other management functions. It is concerned with seeing whether the activities have been or being performed in conformity with the plans. According to Haimann, "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 deviation". Koontz and O'Donell have defined controlling" as the measurement and correction of the performance of activities of subordinates in order to make sure that enterprise objectives and plans devised to attain them are being accomplished". Thus, controlling involves the following sub-functions:

a. Determination of standards for measuring work performance,
b. Measurement of actual performance,
c. Comparing actual performance with standards,
d. Finding variances between the two and reasons for variances,
e. Taking corrective actions to ensure attainment of objectives

For control to be effective and fruitful it must be based on a plan; there must be measurement of actual performance to ascertain deviations and to take action to remedy the deviations.

Accordingly, controls can be of three types:

1. **Feed-forward Control:** Feed-forward control, as the name suggest, is taken before an activity commences so that the anticipated problems are prevented. Thus, it is future directed. For example, a company may hire additional manpower as soon as the company is sanctioned some new project.
2. **Concurrent Control:** Concurrent control takes place when an activity is in progress. Direct supervision of activity is the commonly used form of concurrent control enacted while work is going on.
3. **Feedback Control:** Control implemented after the work is over is called feedback control. The major drawback of this type of control is that by the time the information is available, the damage is already caused.

COORDINATION

Some authorities consider coordination to be a separate function of the manager. It seems more accurate, however, to regard it as the essence of managership, for achieving harmony among individual efforts toward the accomplishment of group goals. Each of the managerial functions is an exercise contributing to coordination. It is the central task of the manager to reconcile differences in approach, timing, effort, or interest and to harmonize individual goals to contribute to organization goals

A modern enterprise consists of a number of departments such as production, purchase, sales, finance, personnel, etc., and there is need for the management to see that all the departments function in such a way that they move harmoniously towards the realization of the stated objectives of the enterprise. This function of management i.e. the harmonious blending of the activities of the different specialists and also of the different departments for the achievement of desired ends, is called desired co-ordination.

Planning and execution in spite of the best efforts by the management cannot be effective if there is no co-ordination of activities of different specialists and also of different departments of the concern.



CHECK YOUR PROGRESS

Q 1: Write true or false for the following sentences

(i) In top- down approach, authority and responsibility for planning is centralized at the top.

(ii) Long range planning is uncommon in stable industries.

(iii) Staffing involves grouping the activities in a logical pattern.

(iv) Feed forward control is taken to prevent the problem.

(v) Co-ordination is the orderly arrangement of group efforts.

2.6 SCIENTIFIC MANAGEMENT

F.W Taylor, Gilberth, Lillian Gilberth, Gantt and others have made tremendous contributions to the concept of scientific management. Of all these persons, Taylor's contribution is the most significant and because of this, he is considered as the father of scientific management.

Taylor, the founder of scientific management movement, states that the object of management should be to secure the maximum prosperity for each employer, coupled with the maximum prosperity of each employee. According to Taylor, scientific management, in its essence, consists of a certain philosophy which results in the combination of four great principles of management, viz., the development of true science, the scientific selection of workers, their scientific selection and development, intimate and friendly co-operation between the management and their workmen. When management of a business unit is based on a systematic study and analysis of various aspects of work involved with a view to find out the best way of doing things, we call it scientific management of business. Broadly speaking, scientific management is the art of knowing exactly what is to be done and the best way of doing it.

Taylor observed that inefficiency prevails in the organization because of three causes, viz., (a) workers feel that any increase in output would lead to unemployment, (b) defective systems of management and because of these, each worker restricts his output in order to safeguard his interests, and (c) inefficient rule of thumb efforts and wasting methods of work.

The elements of scientific management are: (a) determination of the task, (b) planning of industrial operations, (c) proper selection and training of workers, (d) improvement in methods of work, (e) modification of organization, and (f) mental revolution.

Determination of task or workload to each employee is on the basis of method study, routing, motion study, time study, fatigue study and differential piece- wage system. After setting the task to workers, the next step is to plan production, which requires the planning of industrial operations. This involves further considerations, viz., what work shall be

done, how the work shall be done, where the work shall be done and when the work shall be done. Proper selection and training of workers and also their correct placement have to be done by the management. Further, in order to make the workers complete the task as per the conditions set by the management, there is need for improvement in the methods of work. This involves standardization of tools and equipment, speed, conditions of work and materials. Taylor also suggested modification in the organization.

For the success of scientific management, there should be a thorough change in the mental outlook of both the employees and the employer and their mutual hostility and suspicion should give place to co-operation and goodwill.

Process Management (Henry Fayol 1841-1925)

Around 1910, H.Fayol, a French engineer, initiated the administrative theory of management (process management) in Europe. Sheldon, Mooney and Railey, L.F .Urwick and L.Gulick also contributed a lot to the administrative theory of management. This theory is called process (functional) management and advocates of this theory belong to the process school of management.

In 1916, Fayol published his book "General and Industrial Management" in French, of which later and English edition was brought out. Fayol identified management as a separate set of skills or functions performed by a supervisor in an organization. He clearly distinguished the difference between technical and managerial skills an emphasized that supervisor should be efficient in both. He stated that technical ability is more dominant at the lower level of management, whereas managerial ability is more important at the higher level of management.

Fayol, in his famous book, stated fourteen management principles that can capture the entire flavor of the process management theory.

The fourteen principles of management are:

Subordination of individual interests to organisational interests, authority and responsibility, discipline, division of work, remuneration of personnel, centralization, scalar chain, order, equity, initiative, stability of tenure of personnel, unity of command, unity of direction and espirit de corps.

Fayol also stated that all operations in business organizations can be classified under six heads, viz., (a) technical production and manufacturing, (b) commercial (purchases and sales), (c) financial (financing and controlling of capital for its optimum use), (d) security (protection of property and persons), (e) accounting (stock-taking, balance sheet, costing and statistics), and (f) managerial (planning, organizing, communicating, co-coordinating and controlling).



CHECK YOUR PROGRESS

Q 2: Fill in the blanks with appropriate words:

i) Planning, organizing, staffing, directing and controlling are functions of ----------.

ii) ---------- is concerned with policy making while ------is concerned with implementation of policy.

iii) The process of dividing authority and responsibility among executive is called the creation of ---------.

iv) ------ was the founder of scientific management movement.



2.7 LET US SUM UP

In this unit we have discussed the following aspects-

- Administration refers to a set of rules and regulations, policies etc.
- Administrative functions are related to the management of the organisation.
- The different functions of administration are-
  - Planning
  - Organising
  - Staffing
  - Directing
  - Coordinating
  - Controlling

- F. W. Taylor is considered as the father of scientific management.
- The fourteen principles of management are:
- Subordination of individual interests to organisational interests, authority and responsibility, discipline, division of work, remuneration of personnel, centralization, scalar chain, order, equity, initiative, stability of tenure of personnel, unity of command, unity of direction and espirit de corps.



2.8 FURTHER READING

1) Management: Text and Cases, by VSP Rao & V Hari Krishna,Excel Books,New Delhi
2) Essential of Management, by Harold Koontz & Heinz Weihrich, Tata McGraw Hills, New Delhi
3) Practice of Management, by Peter F Drucker, Allied Publications, New Delhi
4) Organizational Behavior, by Stephen P Robbins, Timothy A Judge & Seema Sanghi, Prentice Hall, Delhi



2.9 ANSWERS TO CHECK YOUR PROGRESS

Ans. To Q. No. 1: (i) true (ii) false (iii) false (iv) true (v)true.

Ans. To Q. No. 2: (i) Management (ii) Administration, management, (iii) levels of management, (iv) F.W. Taylor



2.10 MODEL QUESTIONS

Q 1: What is administration?

Q 2: Discuss the scope of administration.

Q 3: What is scientific management? Explain its basic elements.

Q 4: What is the top- down approach to planning?

Q 5: What is coordination?

Q 6: Define controlling.

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