

Chapter - 1

Nature and Significance of Management

Management → It is art of getting things done through others.

Characteristics / features of management

- (a) Goal oriented process
↳ organisational goal
- (b) Continuous process
- (c) Group activity
- (d) Tangible
- (e) Dynamic → Frequent changes
- (f) Pervasive → Universal
- (g) Multi dimensional :
 - (a) management of work
 - (i) Planning
 - (ii) organising
 - (iii) Controlling
 - (b) management of people
 - (i) Staffing
 - (ii) Directing
 - (c) management of operations
 - (i) Production
 - (ii) Sales
 - (iii) Purchases

Objectives of Management

(a) Organisational objective

- (i) Survival
- (ii) Profit
- (iii) Growth

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(b) Social objective

- (i) Supply of quality product at reasonable price
- (ii) Generation of employment opportunities for weaker section of the society
- (iii) Using environmental friendly methods of production
- (iv) Participating in social activity
- (v) Ethical code of conduct.

(c) Personal objective

- (i) Competitive salary to fulfill financial needs of the employees
- (ii) Respect and recognition
- (iii) Healthy working condition.

Importance of management

1) It helps in achieving group goals :- The task of a manager is to give a common direction to the individual effort in achieving the overall goal of the organisation.

2) Management ~~creates~~ increases ^{low cost, more production} efficiency :- reduce cost and increase productivity through better planning, organising, directing, staffing and controlling the activities.

different functional levels, heading finance, marketing etc. [Chief finance officer, vice president marketing]
→ Basic task → To integrate diverse elements and coordinate the activities of different departments.

(ii) Middle Management (Division heads)

→ Link between top and lower level managers.

→ Production manager

responsible for → implementing and controlling plans & strategies developed by top management

for all activities of first line managers.

(iii) Supervisory or Operational Management

→ Foremen and supervisors → Directly ~~see~~ oversee the efforts of the workforce.

→ Authority and responsibility is limited.

Functions of Management

Planning → Determining in advance what is to be done and who is to do it

Organising → Function of assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.

→ Determines what activities and resources are required

→ Decides who will do a particular task, where it

3) Management creates a dynamic organisation :
Management helps people to adapt to the changing environment and maintain its competitive edge.

4) Management helps in achieving personal objective :-
→ Through motivation and leadership
→ Individual members are able to achieve personal goals while contributing to the overall organisational objective.

5) Management helps in the development of society :-
→ Provides good quality products and services
→ Creates employment opportunities
→ Adopts new technology for greater good of people
→ Leads the path towards growth and development.

Levels of Management

→ This authority - responsibility relationship binds individuals as superiors and subordinates and gives rise to different levels in an organisation.
→ To be able to fulfill that responsibility he is assigned a certain amount of authority by the right to take a decision.

(i) Top management → They consist of the senior-most executives of the organisation by whatever name they are called.

→ chairman, chief executive officer, chief operating officer, president and vice president.
→ It is a team consisting of managers from

The process by which a manager synchronises the activities of different departments is known as coordination.

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Characteristics of Coordination

- (i) Coordination integrates group efforts
→ Coordination unifies unrelated or diverse interests into purposeful work activity.
- (ii) Coordination ensures unity of action
→ It acts as the binding force b/w departments and ensure that all action is aimed at achieving the goals of the organisation
- (iii) Coordination is a continuous process
→ It is not a one time function but a continuous process.
- (iv) Coordination is an all pervasive function
→ Coordination is required at all levels of management due to the interdependent nature of activities of various departments
- (v) Coordination is the responsibility of all members
→ Function of every manager in the organisation
- (vi) Coordination is a deliberate function
→ Coordinate the efforts of different people in a conscious and in deliberate manner.

Note → Cooperation in the absence of coordination may lead to wasted efforts.
Coordination without cooperation may lead to dissatisfaction among employees.

Importance of management.

- (i) **Growth in size** :- As organisation grows in size, the number of people ~~are~~ employed by the organisation also increases.
 - It becomes necessary to ensure that all individuals work together towards the same goal of the organisation. But employees may have their own individual goals also.
 - It is important to harmonise individual goals and organisational goals through coordination.
- (ii) **Functional differentiation** :- The process of linking the activities of various departments is accomplished by coordination.
- (iii) **Specialisation** :- Specialisation arises out of the complexities of modern technology and the diversity of tasks to be performed.
 - Organisation needs to employ a number of specialists.
 - Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria.
 - This often leads to conflict amongst different specialists as well as others in the organisation.

Management has some characteristics of science.

- (i) Management has a systematised body of knowledge.
→ Management has its own vocabulary of terms and concepts.
- (ii) Principles of management have evolved over a period of time based on repeated experimentation and observation.
→ Management can be called an inexact science.
- (iii) Use and application is not universal.
→ They have to be modified according to a given situation.

Management As A Profession.

Characteristics :-

- (i) Well-defined body of knowledge.
 - (ii) Restricted entry.
 - (iii) Professional association
 - (iv) Ethical code of conduct
 - (v) Service motive.
- Management does not meet the exact criteria of a profession.
- (i) Based on systematic body of knowledge comprising well defined principles based on a variety of business situations.
 - (ii) No restriction on anyone being designated or appointed as manager in any business enterprise. Second criterion has not been strictly met.
 - (iii) No compulsion for managers to be members of such an association.
 - (iv) Basic purpose - help the organisation achieve its stated goal. → Profit maximisation & service.

will be done, and when it will be done.

Staffing (Human resource function)

- Right people for right job
- right people with the right qualifications are available at the right places and time to accomplish the organisational goal.
- It involves activities such as recruitment, selection, placement and training of personnel.

Directing

- involves leading, influencing and motivating employees.
- Key components → Motivation and Leadership
- also involves → communicating effectively & supervising

What a Leadership?

- Influencing others to do what the leader want them to do.

Controlling

- Monitoring organisational performance towards the attainment of organisational goals.
- Task → establishing standards of performance
measuring current performance
comparing this with established standards
↳ taking corrective action where any deviation is found

Coordination → The essence of management.

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Nature of Management

- Management as an art
- Art is the skillful and personal application of existing knowledge to achieve desired results.
- acquired through study, observation and experience.

Features of Art :-

- (i) Existence of theoretical knowledge.
- (ii) Personalised application :- Use varies
- (iii) Based on practice and creativity.

→ Management can be said to be an art.

- (i) Based on study, observation and experience. There is existence of theoretical knowledge.

- (ii) A manager applies these scientific methods and body of knowledge to a given situation, an issue or a problem, in his own unique manner.
- (iii) A person is involved in the activities of the organisation, studies critical situations and formulates his own theories for use in a given situation.

Management As a Science

- Science is a systematised body of knowledge that explains certain general truth or the operation of general laws.

Features :-

- (i) Systematised body of knowledge → Its principles are based on cause and effect.
- (ii) Principles based on experimentation :- First developed through observation, then tested through repeated experimentation.
- (iii) Universal validity