

CHAPTER-01

Nature And Significance of Management -

Management →

Management is co-ordination of all resources through the process of -
→ Planning, Organising, Directing, Controlling
→ in order to attain stated objectives.

Therefore,

Management is defined as a process of getting things done with the aim of achieving goals effectively & efficiently.

Definitions

3-words

- what - business
- how - effort/effec.
- why - to achieve goals

Effectiveness

in Time

Efficiency

in Cost

→ Time

effective - achieve the goals in time.

efficient - optimum utilization of resources to achieve the goals

Effective

It is good at achieving goals and accomplishing the desired result.

Efficient

It works in a way that does not waste resources.

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Importance of Management

Eg → 100% ← 1 hr.

↳ (2 hrs.)

↳ effective X

↳ efficient ✓

B. → 30 min.

↳ efficient X

↳ effective ✓

Q. Which concept shows optimum utilization?
= efficiency.

Q. Volant to its Prodⁿ Manager, to must produce 1000 AC, within Month of June, & within given cost 1000. On July Manager report, he could only produced 900 AC. What Management he is lacking?

- (ii) Prodⁿ Manager reported that he produced 1000 A.C. But he spend 1100 for Prodⁿ. What Management lacking?
- (iii) Prodⁿ Manager report that he able to produce 1000 AC, in 1000. but he needs 10 more day, what Management lacking?

- i) Not effective, nor efficient.
- ii) Not efficient but effective.
- iii) Not effective but efficient.

CHARACTERISTICS OF MANAGEMENT:-

- 1. Goal-Oriented
 - ↳ An organisation has a set of goals which are the basis reason for its existence.
 - Process
 - ↳ simple and clearly stated.
 - ↳ Management unites the efforts of different individuals in the organisation towards achieving these goals.
 - ↳ Different organisations have different goals.

eg → the goal of retail store may be to increase sales, but the goal of education of India is to impart education to children with special needs.

- 2. Pervasive
 - ↳ the activities in managing an enterprise are (spread throughout) common to all organisations whether economic, social or political.

eg → A petrol pump needs to be managed as much as a hospital or a school.

Teeraj Mogdgi has jagah k...
Tu hi bala -- jai to jai kaha...

- 3) Multi-Dimensional Management that has three main dimensions

i) Management of work - (what to do)

All organisations exist for the performance of some work. Management translates this work in terms of goal to be achieved and assigns the means to achieve it.

eg → Factory's work is to produce, school work is to provide teaching.

Work should be done effectively & efficiently.

ii) Management of people - (who will do)

Human resources or people are organisation's greatest asset. Despite all development in technology "getting work done through people" is still a major task for the manager.

G.O.P

(-: CHARACTERISTICS OF MANAGEMENT:)

iii) Management of operation - (How to do)

No matter what the organisation, it has some product or service to provide in order to survive. This requires a production process which entails the flow of input material & the technology for transforming this input into the desired output for consumption. This is interlinked with both the management of work and the management of people.

4) Continuous Process - The process of management is a series of continuous process.

(planning, organising, directing, staffing & controlling) - these functions are simultaneously performed by all managers all the time.

5) Group Activity - An organisation is a collection of individuals with different needs.

Every member of the group has a different purpose for joining the organisation. But as members of the org. they work towards fulfilling the common organisational goal. This requires team work & co-ordination of individual effort in a common direction.

6) Dynamic Function - Management has to adapt itself to the changing environment.

In order to be successful, an organisation must change itself and its goals according to the needs of the environment.

→ McDonalds, the fast food giant made major changes in its menu to be able to survive in the Indian market.

7) Intangible Force Management is an intangible force that cannot be seen but its presence can be felt in the way the organization functions. The effect of management is noticeable in an organisation where targets are met a/c to plans, employees are happy and satisfied & there is orderliness instead of chaos.

8) Balancing Effectiveness & Efficiency i.e. only one will not be enough.
 > Efficiency - achieving targets & objectives on time,
 > Effectiveness - optimum or best utilization of resources
 Try to balance both so that the task is done successfully.

9) Influences Manager do not perform all the functions but behaviours they guide the people how to do the work. They influence/guide the people in such a way that goals of the org. can be achieved.

- I : Intangible force
- M → Multi dimensional
- C → Continuous Process
- D → dynamic
- P → Pervasive
- E → effectiveness & Efficiency (Balance)
- G → Goal oriented
- G → Group Activity
- Burger → Behaviour influence

11) Mere Dil ki Ibadat ki chehra,
Paya Guanoon Bahut Ghera.

Q. In 1991, Nokia made 1st mobile call & in 2013 Microsoft take over it, which characteristics Nokia was lacking?
 ⇒ They were not dynamic

Q. Result of Management can be noticed as successful & unsuccessful organisation. Identify the characteristics.
 ⇒ Intangible

Q. Samsung produced new phones with new features after every 3 month. Identify character.
 ⇒ Dynamic nature

Q. McO add Mcallo tikki Burger to attract Indian customer. Identify the character.
 ⇒ Dynamic

Q. In 1988, Kotak invested camera, in 1995 it invented digital camera. But in 2012 the company was insolvent. Which feature of management Kotak was lacking.
 ⇒ They were not dynamic.

Q. Management Principal applies to all type of organisation. Which character it is?
 ⇒ Pervasive

Q. In an org. employees are happy & there is the chaos, it is clearly visible. What character it is?
 ⇒ Intangible

▶ IMPORTANT OF MANAGEMENT :-)

- 1) Achieving Group Goals : Management is required for achieving the goals of the organisation.
Management combines individual goals with organizational goals. Both must move in same direction.
- 2) Increase Efficiency The aim of a manager is to
 - reduce costs & increase productivity
 - Optimum utilization of resources
- 3) Creates a Dynamic Organisation All org. have to function in an environment which is constantly changing. Therefore Business has to adapt itself as per environment.
- 4) Achieving Personal Objectives A manager motivates and leads his team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective.
Eg: High salary by high production.
- 5) Development of Society : Mgmt. must have aim to develop the society.
Development of society includes -
 - good quality of products & services.
 - Creates employment opportunities.
 - adopts new technology for the greater good of the people.
 - and leads the path towards growth & development.

Secret Code -

G → Group Goal D → Dynamic Org.
 P → Personal Objectives S → Social Development (Imp.)
 Balmail → Harmony Zita → efficiency → Increase.

to
 Book
 Skill
 Practice
 BSP

MANAGEMENT AS AN ART

Art is the skillful and personal application of existing knowledge to achieve desired results.

Since, art is concerned with personal application of knowledge some kind of ingenuity & creativity is required to practice the basic principles learnt. The basic features of an art are as follows:-

- i) Existence of Art pre-supposes the existence of theoretical knowledge. For eg:- literature or dancing, public speaking, acting or music is widely recognised.
 - ⇒ A successful manager practices the art of management in the day-to-day job of managing an enterprise based on study, observation and experience.
- ii) Personalised Application The use of this basic knowledge varies from individual to individual. Art, (SKILL) therefore, is a very personalised concept. For eg:- two dancers, two speakers, two actors, or two writers will always differ in demonstrating their art.
- iii) Based on Practice and Creativity All art is practical. Art involves the creative practice of existing theoretical knowledge. We know that all music is based on seven basic notes. However, what makes the composition of a musician unique or diff. in his use of these notes in a creative manner that is entirely his own interpretation.

Therefore, Management is an art.

SEU → Universal
↓
Systematised → Experimentation

MANAGEMENT AS A SCIENCE: INEXACT

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

The basic features of science are as follows:—

i) Principle of Science is a systematic body of knowledge, systematised body of relationship. Its principles are based on a cause & effect knowledge. eg. the phenomenon of an apple falling from a tree towards the ground is explained by the law of gravity.

Management has a systematised body of knowledge. It has its own theory & principles that have developed over a period of time.

ii) Principles based on experimentation. Scientific principles are first developed through observation & then tested through repeated experimentation under controlled conditions.

The principles of management have evolved over a period of time based on repeated experimentation & observation in diff. types of org.

However, since management deals with behaviour, the outcomes of these experiments are not capable of being accurately predicted or replicated.

Therefore, management can be called an inexact science.

iii) Universal scientific principles have universal validity & application.

Since the principles of management are not as exact as the principles of science, their application and use is not universal.

B P R E S → service
↓ ↓
Body profession → ethical
restricted

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MANAGEMENT AS PROFESSION - I

i) Well-defined all professions are based on a well-defined body of knowledge that can be acquired through instruction.

↳ Management also based on a systematic body of knowledge. This knowledge can be acquired at diff. colleges & professional institutes & through a number of books & journals.

ii) Restricted Entry The entry to a profession is restricted through an examination or through acquiring an educational degree.

↳ There is no restriction on anyone being designated & appointed as manager in any business enterprise. Anyone can be called a manager irrespective of the educational qualifications possessed.

iii) Professional Association all professions are affiliated to a professional association which regulates entry, grants certificate of practice & formulates & enforces a code of conduct. However, no compulsion for managers to be members of such an association nor does it have any statutory backing.

iv) Ethical Code all professions are bound by a code of conduct which guides the behaviour of its members.
→ The basic purpose of management is to help the org. achieve its stated goal. This may be profit maximisation for a business enterprise.

v) Service The basic motive of a profession is to serve their clients' Motive interests by rendering dedicated & committed service.
The basic objective of management is to serve the interests of the organization.

OBJECTIVES OF MANAGEMENT:-

1) Organisational Objective

i) Survival • Management must strive to ensure the survival of the org.
 • In order to survive, an org. must earn enough revenues to cover costs.

ii) Profit • Management has to ensure that the org. makes a profit.
 • Profit is essential for covering costs & risks of the business.



iii) Growth • A business needs to add to its prospects in the long run, for this it is important for the business to grow.

a) Social Objective • creation of benefit for society.
 • Environmental friendly methods of prodn.
 • Giving employment opportunities.
 (Human betterment & social justice) • Provides basic amenities like skills & creches to employees.
 • Quality products at reasonable price.
 • Generation of economic wealth.

b) Personal Objective • Related to employees.
 > competitive salaries
 > social recognition (self-respect)
 > peer recognition
 > good & healthy working conditions
 > personal growth & development (promotion training)
 • Management has to reconcile personal goals with organisational objectives for success in the org.

FUNCTION OF MANAGEMENT

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1. **Planning**

Planning is the function of determining in advance what is to be done and who is to do it.

2. **Organising**

Organising is the mngt. of assigning duties, grouping tasks, establishing authority & allocating resources to carry out a specific plan.

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3. **Staffing**

Staffing is the job of selecting people for the jobs.

4. **Directing**

Directing involves leading, influencing and motivating employees to perform the tasks assigned to them.

5. **Controlling**

Controlling is the management of monitoring organisational performance towards the attainment of organisational goals.

Five Levels of Management

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1. Top Management

- Senior most executives of the organisation,
- referred to as the chairman, the chief executives officers, chief operating officers, president & vice-president.
 - To determine overall objectives of the org.
 - To formulate broader policies, programme & budget.
 - To take decision or important decision.
 - To establish relationship with external or outer world.
 - To supervise, motivate & provide guidelines to middle management.
 - Provide Community service or CSR (Corporate social responsibility).

2. Middle Management

They are usually known as:

→ Division Leads → Operations managers → plant superintendent
 → Production Managers, → HR Managers → Finance managers

They are subordinate to top management and superior to the first line managers.

- To execute or implement the decision or planning taken by top mns.
- To determine/formulate departmental planning.
- To create co-ordination among different departments.
- To supervise, motivate & lead lower management.
- To assign duties & responsibilities to lower management.
- To establish link b/w top & lower management.
- Recruitment & selection of employees.

3. Supervisory or Operational or Lower Management

Supervision means instructing, guiding & assisting people at work in order to get the work done.

- To supervise, motivate & lead the workers to get the work done.
- To create an atmosphere of discipline, team spirit & co-operation among workers.
- To establish link b/w workers & management.
- To solve the problems, grievances & dissatisfaction of workers amicably.
- To monitor & control the work done by workers.
- To establish friendly & human relationship with the workers.

COORDINATION - The Essence of Management

It means bringing together the activities & resources of organisations & bringing harmony in them.

It is the essence of management.

Nature of Co-ordination

i) Co-ordinates Co-ordination brings together the efforts of different groups.
Integrates group efforts: Its requires when more people are working.

ii) Ensures unity It acts as the binding force b/w departments & of action: ensures that all action is aimed at achieving the goals of the org.

iii) Continuous Process Co-ordination is not a one-time job but a continuous process. It begins at the planning stage & continues till controlling.

iv) Pervasive Co-ordination is req. at all levels of management - (Top-level, Middle level, lower level)

v) Responsibility of all coordination is the fn of every manager in the org.

Top level co-ordinates different plans.

Middle level co-ordinates diff. departments.

Lower level co-ordinates diff activities of workers.

vi) Deliberate Function: A manager has to co-ordinate the efforts of diff people in a conscious & deliberate manner. It cannot be achieved by force.

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