

# Management

## Definition

1. George R Terry, management is distinct process consisting of planning, organizing, actuating & controlling performance to determine & accomplish the objectives by the use of people & resources.
2. Management is that function of an enterprise which concern itself with the direction & control of various activities to attain the business objectives.

## Nature & characteristics of management

1. Management is an activity: Management is a process of organized activity which is concerned with the efficient use of resources of production. Resources include materials, money & people in the organization.
2. It is a purposeful activity: It is concerned with the achievement of an objectivity these functions such as planning, organizing, staffing, directing & controlling
3. It is concerned with the efforts of a group: management is concerned with management of people & not the direction of thugs. It inspires & motivates works to put forts their efforts to the maximum extent.
4. Management is getting things done: Management is the art of getting things done their & with people in formally organized groups.
5. It applies economic principles: Management is the art of applying the economic principles that underlie the control of men & materials in the enterprise under consideration.
6. Involves decision-making: Management in the decision making process & the decisions are involved in all the functions of management.

7. It Co-ordinates all activities & resource: It is concerned with the Co-ordination of all activities & resources it's various functions to attain the stated objectives.

8. It is a universal activity: It manager irrespective of the enterprise in which they are working & their place in the organization shuttered make use of the management principles.

9. IT is an integrating process: It integrates men, machines & materials for carrying out the operations of the enterprise & for achieving the stated objectives.

10.It is concerned with direction & control: It in concerned with the direction & control of various activating the enterprise to attain the business objectives.

11.It is intangible: It is abstract & cannot be seen with the eyes. It is evidenced by the quality of organization & results such as increased productivity.

12.Management is both science & an art: It has developed certain principle & laws which are applicable of to any group activity.

13.It is a proffers ion: Because there are established principles of management which are being applied in practice.

14.It is an interdisciplinary approach: Management as a body of discipline takes the help of other social sciences.

15. It is an economic resource: There are five factors of production land, labor, capital, management. The entrepreneur establishes the organization as owner & it is the management which transforms these resources these in to productive process.

16.It is a system authority: As management is a process of directing men to perform a task, authority to extract work from others, it is implied in the busy concept of management.

17. It is dynamic, not static: Management adopts itself to the social changes & also introduces in methodology.

### **Objectives of Management**

1. Proper utilization of resources: the main objective of management is to use various resources of the enterprise in most economical way. The proper use of men, machines, money will help a business to earn sufficient profits to satisfy various in assets.

2. Improving performance: Management should aim at improving the performance of each & every factor of production. The fixing of objectives of various factors of production will help them in improving their performance.

3. Mobilizing best talent: The management should try to employ person in various fields so that better results are possible. The employment of specialists in various fields will be increasing the efficiency of various factors of production. There should be a people environment which should encourage good persons to jay the enterprise.

4. Planning for future: No management should feel satisfied with today's work if it has not thought of tomorrow future plans should take in to consideration what should we do next. Future performance will depend upon present planning.

### **Scope of management**

Management is an all pervasive function since it is required in all types of organized Endeavour. The following activities are covered under the scope of management

1. Planning
2. Organization
3. Staffing
4. Directing
5. Co-coordinating
6. Controlling

## Administration V/S management

Administration is different from management: Admin is higher level activity while management is a lower level activity. It is concerned with the determination of overall objectives & policies of the enterprise while management with planning, coordinating & controlling of business activities for attaining the enterprise objectives. Admin is part of management: management is the generic term for the total process of an executive control involving responsibility for effective planning & guidance of the operations of an enterprise. Administration is the part of management which is concerned with the installation & carrying out of the procedures by which the programme is laid down & communicated & progress of activities is regulated & checked against plans.

| Basic difference       | Administration   | Management   |
|------------------------|--|--|
| Nature of work         | It is primary concerned with determination of objectives & policies<br>It is thinking function | It is does the implementation plans & policies,<br>Doing function.                 |
| Scope                  | It takes major decision  | It takes the decision within frame work of administration.                         |
| Level of authority     | IT is a top level function   | Lower level function   |
| Status                 | It consist of owners of an enterprise  | It consists of managerial personal with specialize knowledge who may be employees. |
| Nature of organization | It is used in relation to good military, educational & fuliginous organization.                | It is making in business forms.  |
| Influence              | Its decisions are influenced by external factors such as social, political labor               | The influence by internal factors such as values, beliefs, opinions.               |

## **Roles of management**

Manager in any organization plays variety of roles responding to a particular situation. The three important roles played by a manager are interpersonal roles, Decision roles & information roles.

- a) **Interpersonal roles:** These include figure head, leader & liaison roles. In the figurehead role, the manager performs some duties that are casual & informal ones like, receiving and greeting visiting dignitaries, attending to social functions of employees, entertaining customers by offering parties & winches etc. As a leader, the manager motivates, directs & encourages his subordinates. He also reconciles the needs with the goals of the organization.
  - b) **Decision roles:** There are four decision roles played by a manager. They are resource provider, arbitrator, entrepreneur & negotiator. As a resource allocator, the manager divides the work, provides required resources & facilities to carry out the allocated work and delegates authority among his subordinates. He decides who has to do what & who gets what. As an entrepreneur, a manager continuously looks for new ideas & tries to improve the organization by going along with changing work environment. He also acts as a negotiator, negotiates with employees & tries to resolve any internal problems like trade agreements, strikes & grievances of employees.
  - c) **Information role:** A manager plays as monitor, spokesman and disseminator. A manager monitors his environment & collects information through his personal contacts with colleagues & subordinates. As a spokesman, he communicates the information/goals of organization to his staff & the progress of work to his superiors. He also communicates the performance of company to shareholders & the rules & responsibility to his subordinates. As a disseminator, the manager passes some of the information directly to his subordinates & to his bosses.
- Manager in any organization plays variety of roles responding to a particular situation.

### Level of management

| Top management     | Middle management  | Supervisor management |
|--------------------|--------------------|-----------------------|
| Board of directors | Departmental heads | Senior Supervisor     |
| Chairman           | Decisional heads   | Immediate Supervisor  |
| Chief Executive    | Schlock heads      | Front Line Supervisor |

The process of dividing authority & responsibility among the various executives is called the creation of level of management.

**Top management:** Head of organization

### Functions of Top Management

- Determine objective of the organization. They relate to profit, business growth, survival, prestige, competitive pricing, marketing method.
- Frame the policy: To frame policies & check out plans to carry out the objectives & policies, policies may relate to different aspects of the organization.
- Organizational frame work: Top management determines the organization structure for the purpose of executing the plans
- Assemble the resource: Execute the plans; the resources of men, machines, materials & money have to assemble.
- Control the operations the organization: Top management also controls operations their budget cost & statistical quality control & accounting device.

**Middle management:** It consists of departmental divisional or sectional heads other executive officers attached to the different departments. This department is responsible for implementing policies & plans decided by management.

### Functions of Middle Management

- To execute the various functions of organization so that the top management gets enough time to look after their responsibilities.
- To cooperate among themselves, with the top management & the supervisors so that the organization functions smoothly

- To achieve coordination between the different parts of organization
- To develop & train employees in the organization for better functioning & for filling up vacancies that may arise in future.
- To build company spirit where all are working to provide a product or service wanted by consumer.

**Supervisory management:** It consists of senior supervisors. The executives at this level are in direct touch with the workers & have to see the work is properly carried out. The effective implementation of the plans & policies, the quality of coordination ship quality of output & overall success of the organization very much dependent on the hard labor, discipline, loyalty of the personal at this level of management.

### **Functions of supervisors**

- To issue order & instructions to the workers & to supervise & control their work.
- To plan activities of the section.
- To assign jobs to the workers
- To direct & guide the workers about work procedure.
- To arrange for the necessary tools, equipment, material etc.
- To solve the problems of workers
- To maintain discipline among the workers & to develop them the right approach to work.
- To inform the management about the problems of workers which are not solved at this level?
- To maintain good human relations.
- To build a high group morale among workers.

## **Planning**

Planning: It is the scientific direction to managers to move in a direction by which objectives will be met with ease.

Uses:

1. minimizes the risk, reduces uncertainties surrounding business conditions.
2. Increases the degree of success
3. It establishes Co-ordinate effort in the organization.
4. It helps managers to organize people & resources properly. While planning - managerial function should be performed first.

**How to plan:**

1. Profit thinking & analysis of information.
2. Predetermined course of action.
3. Objectives to be attained in the future.
4. Study of alternative courses.
5. Involves decision making.
6. Try to achieve better results.
7. Continuous process & integrated work.

Nature or characteristics of planning

1. Focus in objectives: Plan starts with setting up of objectives long term & short term objectives should be prepared. The main aim is to utilize the financial resources in the best possible manner. & take the best advantage of prevailing economic situation.
2. It is important in developing procedures to ensure consistency of actions. The procedures follow the formulation of policies & strategies etc.



3. It is an intellectual process: The intellectual process requires mental exercise, forecasting future developments, making forecasts & the determination of the best course of action.
4. Planning is a selective process: It involves careful study of analysis of various alternative courses of action. For alternatives to decide & make decision it requires to know what is to be done. How it is done, when it is to be done & by whom it is done.
5. Planning is pervasive: which is an activity to cover all the levels of enterprise. In the levels of management, the top level is concerned with strategic planning, middle & the lower are concerned with administrative & operational planning.
6. Planning is an integrated process: It involves not only determination of objectives to formulate sound policies, programmes, procedures & strategies for the meeting these objectives.
7. Planning is directed towards efficiency: Planning is basically to increase the efficiency. Good plan will give maximum output & profit at minimal cost. Planning is foundation.
8. Planning is flexible: Planning should be adaptable to the changes in the environment. Kuntz & O'Donnell emphasizes on effective planning which requires continual checking on events & forecasts and redrawing of plans to maintain a course towards designated goal.
9. First function in the process of management: Planning is important part of the process management. Manager takes the responsibility to organize staff directly & control them without planning.
10. It is a decision making process: Decision making is an integral part of planning; it is defined as the process of choosing among alternatives.

11. It is a continuous process: The manager should constantly monitor the progress of his plans. The must monitors within & outside the organization to determine if changes are required in his plans.

### **Essentials of Good plan**

1. Clearly defined objective.
2. Simple
3. Comprehensive
4. It should be rationale & appropriate.
5. It should provide proper analysis & classification
6. It must be flexible.
7. Balanced
8. It must use all available resources & opportunities to the utmost before creating new authorities of new resources.
9. It should be flue from social & psychological biases of the planners as well as subordinates.
10. These should be proper co-ordination among short term & long term plans.

### **Advantages or benefits of planning.**

The following points emphasis the importance & benefits.

1. Planning offsets future uncertainty & change
2. It helps manager in carrying out the future course of action & brings degree of certainty & order into the organization than would be present without planning.
3. It tackles increasing complexity in modern business. People in different field of specialization are required for running a business with complex machine.

4. It helps in co-ordination. Refined objectives well published policies, programmers & procedures help the management in the Co-ordination process.
5. It helps in exercising effective control
6. It helps in determine advance of the work done, person responsible to do it. The time to be taken to do the work & the costs incurred.
7. It helps in the proper utilization of companies resources:
8. It involves deciding in advance of what is to be done, where & by whom it is to be done.
9. It facilitates unity of action:
10. Under planning, policies, procedures & programmers are predetermined & every decision & action should be within the frame work of predetermined policies & procedures & programmes.
11. It helps in a rounding business Failures, Unity of action, Coordination of activities, economy in operation & offsetting of future uncertainty & change will avoid business failures.
12. Focuses attention on organization goals
13. Easy to apply & coordinate the resources of the organization more efficiently.
14. Improves competitive strength
15. It facilitates in discovering new opportunities & there by shape its own future.
16. Improves adaptability
17. It helps in coping up changing environment by anticipating the future events & changing conditions prepare the organization to meet then & manage efficiently.
18. Guides decision making: It involves making a choice from the various available alternatives.
19. Secures economy in junction: It involves selection of the most profitable course of action after evaluating the alternatives.

## Disadvantages

1. Limitations of forecasts: because the information data available are not reliable. It causes the stab.
2. Rigidity: It restricts individual freedom, initiative & desire for creativity because of predetermined policies.
3. Time-consuming: It takes time & hence delays action. It makes it realistic sufficient time should be given to planning process.
4. Costly: It exercises a lot of money for preparing estimates, collecting information & facts for analysis.
5. Influence of external factor: Like natural calamities, break-out of war, changes in political & economic situations limit the effectiveness of planning.
6. Limited scope: For organizations to change rapidly planning is limited especially for those engaged in publication of text books & fashionable articles manufacturing industry.
7. People's resistance: A new plan is simply not executed because of unwillingness or inability of people.

## Planning process

Various steps:

1. Awareness of opportunities or problems:
  - a. What business opportunities or problems are likely to come?
  - b. What are the plans for exploiting the opportunities?
  - c. Whether it is necessary to devise a new plan or is it sufficient to execute existing plan.
  - d. By making changes in the plan, what is the benefit to the organization?

2. Collecting & analyzing information

To collect the information & data related to planning should be made & analyzed.

3. Determination of objectives:

Analysis & interpretation of data facilitates in determining the enterprise objectives. Objectives should be specific & clean.

4. Determining planning premises & constraints

Premises are planning assumptions on the basis of which planning takes place. Some premises like population growth & political environment are uncontrollable while some degree of control can be exercised on the technology used. Some constraints like government control affect the plans.

5. Finding out the alternative courses action

For every plan there are number of alternatives & hence all possible alternatives to work out a plan for achieving the desired objectives should be found out for then evaluation.

6. Evaluation of alternatives & selection

Alternatives are in reference to cost, speed, quality & select best course of action.

7. Determining secondary plans

This is to support the basic plan. For example, a number of secondary plans for purchasing of raw materials, acquisition of plant & machinery & aiming of workers have to be prepared for successful operation of the basic plan.

8. Securing participation of employees.

The successful execution of plan depends on the extent of Co-operation of the employees. Management involves employees in planning the communication.

## Steps in planning:

- Step-1 Stating organizational objectives
- Step-2 List the alternative channels of reacting the objectives
- Step-3 Develop premises on which each alternative is listed
- Step-4 Select the best alternative which first in to organizational objectives.
- Step-5 Prepare a sound plan out of selected alternative This will be a master plan which contains various functional Plans.
- Step-6 Implement the designed plan

## Types of plans

Planning can be classified in different forms.

- |  |   |
|--|---|
| 1. Time  | 2. Managerial level   |
| <ul style="list-style-type: none"><li>• Long range planning</li><li>• Medium range planning</li><li>• Short range planning</li></ul> | <ul style="list-style-type: none"><li>• Strategic</li><li>• Administrative</li><li>• Operational</li></ul>              |
| 3. Repetitiveness of operations  | 4. Scope.   |
| <ul style="list-style-type: none"><li>• Standing plan</li><li>• Single use plan.</li></ul>   | <ul style="list-style-type: none"><li>• Company wise or master plan</li><li>• Functional or departmental plan</li></ul> |

A. Standing plans are to be used over & again to lead to the development of policies, procedures, methods, rules and strategies.

B. Single use plans are used in specific situations only to produce programmer & budgets.

Classifications based on the Scope and Degree of Details

Based on the scope & details, planning can be classified into 3 categories as follows

Strategic plans

### **Planning premises:**

Planning premises are certain assumptions about the future on the basis of which the plan will be ultimately formulated. Planning premises are vital to the success of planning as they supply pertinent facts & infrastructure relating to the future such as Population trends, general economic conditions, Production costs & prices, probable competitive behaviour, capital & material availability, Government control & so on.

### **Decision-making**

Decision - making can be defined as the selection based on some criteria of over behaviours choosing alternative from two or more possible alternatives. To decide means to cut off or in practical content to come to a conclusion.

#### *Importance of decision-making*

Decision making permeates the all managerial functions. Management & decision-making are inseparable activities. Managers use the tool of decision-making for discharging their duties. Decision-making is an important tool in the management functions of direction & control. In direction, decisions relate to determine the course of action, deciding the type of motivation, deciding the order & instructions to be given, whereas in control, the decisions relate to deciding of standards, control points, procedures etc.

Decision-making is necessary in a business concern because there are many alternative courses of action to most business situations. For instance, for establishing a business, the entrepreneur may salute one of the forms of organization.

All management functions such as planning, organization direction & control are settled by managers with the tool of decision-making.

### **Classification of planning premises**

#### *1. Internal & external premises*

Premises may exist within & without the company. Premises include forecasts, Policies & programmer of organization, capital investment in plant & equipment competence of management skill of the lab our forces;

- External premises are classified as baroness environment,
- Factors which influence the demand for the products of the enterprise
- Factors which affect the resources available to the enterprise.

#### *2. Tangible & intangible premises*

Tangible are those which can be quantitatively measured while intangible premises are those which being qualitative in character cannot be so measured.

#### *3. Controllable & non-controllable*

Planning premises are controllable some these one non- controllable Because of pressure of uncontrollable factors there is need for the organization to revise the plans periodically in accordance with current developments uncontrollable factors are strikes was natural calamities, emergency, legislation.



