

UNIT – 1

Nature and significance of Management

1. What is Management?

Ans: Management is the art of getting things done through and with the help of people in formally organized groups. In others words, management is the art of knowing exactly what you want your man to do and then seeing that they do it in the best and cheapest way.

According to Henry Fayol the term Management is defined as “To manage is to forecast and plan, to organized, to command, to co-ordinate and to control.”

2. Explain management as an activity?

Ans: Management is an activity like any other activity such as playing, studying, teaching etc. As an activity management consists of all activities, which are performed by management in the process of making systematic use of human and physical resources.

3. Explain management as a process.

Ans.: Management when used as process refers to all that a manager does. A manager undertakes various interrelated functions to make efficient use of available resources. Management sets the goals of the organization and takes steps to achieve them. The functions of planning, organizing, staffing, directing, coordinating and controlling fall under the process of management.

4. Explain management as a group/ group activity.

Ans: Management refers to group of persons involve in managerial activities. The group in management consists of chief executive, departmental manager, sectional officers, and supervisors and so on. Different individuals are assigned different activities and they perform their roles. The combined efforts of various persons help an organisation to reach its goals. So, Management is a group activity involving persons in the organisation.

5. Explain management as a discipline.

Ans: Management as a discipline refers to the principles and practices of management as a subject of study. The knowledge of management is generated by the scholars and it is being formally imparted to the students of management has grown as a separate discipline of study.

6. “Management is considered as a full fledged profession”- Do you agree with the statement? Comment.

Ans: A profession is defined as an occupation backed by specialized knowledge and training and in which entry is regulated by a specialized body. The main features of profession are:

- i) **Well defined body of knowledge:** Every profession has a systematic body

- of knowledge which helps professionals to gain proper knowledge of that field.
- ii) **Professional Association:** For all the professions, special associations are established and every professional has to get himself registered with the association before practicing that profession.
 - iii) **Restricted Entry:** The entry to a profession is controlled and restricted through an examination and degree.
 - iv) **Existence of code of conduct:** For every profession there are set of ethical codes fixed by professional bodies and are binding on all the professionals of that profession.
 - v) **Service Motive:** Basic motive of every profession is to serve the clients with dedication where as basic purpose of management is to achieve organisational goals.

On comparing the features of profession with management we will reach the conclusion that some of these requirements apply to the management while others do not. It may be concluded that management is not called profession as it exists at present but it is certainly emerging as a profession.

7. Briefly explain the features/ characteristics management.

Ans: Management is defined differently by various authors. An analysis of various definitions reveals the following features of Management:-

- i) **Management is group activity:** - Management always refers to a group of people involved in managerial activities. The management functions cannot be performed in isolation.
- ii) **Management is goal oriented:** The aim of the management is to achieve organizational objectives. All the efforts of the manager will be directed to reach the goals. The functions and activities undertaken by employees will help in achieving organizational objectives. Management is the efforts of different individuals in the organisation towards achieving their goals.
- iii) **Management is Pervasive (universal in character):** Management is a universal phenomenon. The use of management is not restricted to business firms only, it is applicable in profit making, non-profit making, business or non-business organizations such as schools, universities, hospitals, clubs etc as well. The concept of management is used in the whole world whether it is USA, UK or India.
- iv) **Management is a continuous process:** - Management is a continuous or never ending function. All the functions of management are performed continuously, for example planning, organizing, staffing, directing and controlling are performed by all the managers all the time. So,

- management activity is undertaken continuously in an organisation.
- v) **Management is intangible:** – Management is intangible i.e., it can be felt in the form of results and not seen. For example, when we are not able to produce the desired quantity, we say it is the result of poor management.
 - vi) **Management is a Dynamic Function:** Management has to change as per the requirement of the environment, both internal as well as external. There may be a need to change goals, objectives, policies and other activities according to the change in environment.

8. Explain the objectives of management.

Ans: The objective of management could be considered at two level :

- A. Micro level i.e., at the level of organization.
- B. Macro level i.e. at the level of society.

A. **Micro level objectives:** These objectives are related to organization and the people working within the organization. Hence it may be sub-divided as organizational objective and individual objective.

i) **Organizational objectives:** Organizational objectives aim at the growth and prosperity of the business. The organizational objectives may be described as follows:-

- a) **Survival:** The basic purpose of every organization is to survive and exist in the competition market for a long period of time and it is possible only when it is able to cover its cost and profit.
- b) **Profit:** The most important objective of every organisation is earning adequate amount profit. Profit is essential for survival, growth and expansion of business.
- c) **Growth:** Business organization must grow and expand their activities. The success of any organization is measured by the growth rate and growth is in terms of sales, number of branches, number of products, number of employees etc.

ii) **Individual objectives:** Individual objective are related to the employees of the organization. The main individual objectives of management are:

- a) Competitive salary.
- b) Personal growth and development.
- c) Good and healthy working conditions.
- d) Social recognition.

B. **Macro-level objectives i.e. social objectives:** Social objectives deal with the commitment of a business towards society. A business uses resources of the society and earns profits out of it. It is the duty of a business to contribute for the welfare of the society. The main objectives are :-

- i) Supply quality goods at reasonable prices.

- ii) Generation of economic growth.
- iii) Generation of employment opportunities.
- iv) Controlling environment pollution.
- v) Financial support to community.

9. Briefly explain the importance/Significance of management in running a modern business.

Ans: The following points bring out the importance of management:-

- i) **Proper utilization of Resources:** - Management enables the best use of various factors of production such as land labour, capital, machinery. It finds out the ways of making best use of physical resources and motivates employees to give their best to the organization for achieving common business goals.
- ii) **Helps in achieving organisational goals:** Management tries to integrate the objectives of individuals along with organizational goal. Management directs the efforts of all the individuals in the common direction of achieving organization goal.
- iii) **Improves Efficiency:** Management tries to reduce the cost and improves productivity with minimum wastage of resources which improves the efficiency and effectiveness of work.
- iv) **Minimizing the element of risk:** Risk is an integral part of every business but an efficient management always tries to control or minimize it.
- v) **Development of human talent:** A good management gives proper emphasis on human resource development. The improvement in skill and technical competence of employee gives them confidence and boosts their morale.
- vi) **Development of Society:** Efficient management insists of providing quality goods, competitive salary, create employment opportunity. By increasing production management also contributes to increasing GDP and leads to growth of nation.

10. Explain the different levels of management and its functions.

Ans: An organization may have various levels of management. On the basis of authority and responsibility, we can identify three levels of management:

- A. **Top-level management:** - Top level management consists of Chairman, Board of Directors, Managing Directors, General Manager, and Chief Executive which establishes policies, plans and objectives.

Main functions of Top level Management re:

- i) **Determining the objectives of the enterprise:** It determines the long-term and short-term objectives of the enterprise. Main objectives of the enterprise are formed at this level of management.
- ii) **Forming plans and policies;** The top level managers prepare plans and policies for achieving organisational goals.

- iii) **Assigning jobs to middle-level management:** Top level management assign activities or jobs to various persons working at middle level management.
- iv) **Arranging resources for the enterprise:** It arranges financial, human and physical resources for the organisation so that various activities are taken up as per the plans.
- v) **Providing over-all leadership:** It provides over-all leadership to the organisation. They provide direction to persons at other levels of management and provide clarification on various plans and policies.

B. **Middle level management:** This level of management consists of departmental heads such as Purchase Department Head, Sales Department Head, Production Manager, Marketing Manager, Finance Manager, Divisional & Sectional Officer Etc. people of this group responsible for executing the plans and policies made by top level.

Main Functions of Middle-level Management are:

- i) **Interpretation of policies:** The plans and policies are formed at top level management. Middle level management interprets these policies and framed guidelines for the lower level management.
- ii) **Selecting employees for the department:** Middle level managers select suitable persons or employees to run their department.
- iii) **Motivating Employees:** Middle level managers motivate the employees of the organisation to undertake their work or jobs in best possible way.
- iv) **Implementing Policies:** The policies formed by top level management are implemented by middle level management.
- v) **Instructing and controlling employees:** Middle level managers give instructions to sub-ordinate for taking up their work properly and also control their performance.

C. **Lower Level/ Supervisory Level / Operational level:** This level consists of supervisors, superintendent, foreman sub department executive, clerk etc. Managers of this group actually carry on the work or perform the activities according to the plans of top and middle level management.

Main Functions of Supervisory Level are:

- i) **Maintaining good working condition:** It is required to provide good and healthy working condition at the factory level. This will motivate the employees to improve their performance.
- ii) **Maintaining Quality Goods:** It is the functions of the supervisory level of management to ensure proper quality of goods.
- iii) **Minimizing wastages of material:** The supervisor of the organisation should ensure that wastage of materials is minimized.
- iv) **Motivating workers:** Supervisor should ensure that employees are properly motivated to improve their performance.

- v) **Assisting in recruitment and selection of employees:** Supervisory level of management assist the middle level management in recruitment and selection of employees for the organisation.

11. Explain the functions of management.

Or,

"Management is a series of continuous inter related functions" – Comment.

Ans: Regardless of size, nature and type of organization, all the managers have to perform some basic functions which are:-

- i) **Planning:** – Planning is a basic managerial function. It is a decision in advance, what to do, when to do, how to do and who will do a particular task. Planning is a process which involves thinking before doing. Planning involves selection of organizational objectives and developing policies, Procedures, programmes, budgets and strategies.
- ii) **Organising:** Organising is an important management function by which manager brings together the manpower and material resources for the achievement of certain objectives. Organising as a function of management involves identification and grouping the activities to be performed and dividing them among the individual and creating authority and responsibility relationship among them.
- iii) **Staffing :** It refers to recruiting, selecting, appointing the employees, assigning them duties, maintaining cordial relations and taking care of grievances of employees. It also includes training and developing the employees, deciding their remuneration, promotion, increments etc. evaluating the performance, maintaining personal records of employees.
- iv) **Directing:** Directing refers to giving directions or instructions to employees by motivating them, supervising the activities of employees, communicating with them. Directing function includes, supervising, motivating communicating and leadership.
- v) **Controlling:** Controlling is the process of measuring and comparing results with the plans and standards and norms and taking corrective as well as preventive action when result deviate from plans.

12. What is meant by PODSCORB?

Ans: Luther Gullick used PODSCORB to describe various function undertaken by management . The abbreviation stands for.

P- Planning; O – Organising; D- Directing; S- Staffing; Co- Controlling; R- Reporting; B- Budgeting.

13. What is Co-ordination?

Ans: Co-ordination means integrating or bringing together different activities of an enterprise. Coordination is the base or primary function of every manager because various departments of an organization are working independently and there is need to relate and integrate their activities. It is not only function but it is the essence of

management.

14. Briefly explain the features of co-ordination.

Ans: The nature/ features of co-ordination are:

- i) **Part of Every Function:** Co-ordination is not a separate function but is inherent in every function. The activities of every function need co-ordination to complete them.
- ii) **Coordination Integrate Group Efforts:** The concept of co-ordination always applies to group efforts. There is no need for co-ordination when only single individual is working.
- iii) **Continuous process:** Co-ordination is non-ending function. It is a continuous function although its degree may vary.

15. "Co-ordination is the essence of Management". Explain.

Ans: Co-ordination is considered as the essence of management because of following reasons:-

A. Co-ordination is needed to perform all the functions of management:-

- i) In planning Co-ordination is required between main plans and sub-plans.
- ii) In organizing Co-ordination is required between authority, responsibility and accountability at different levels.
- iii) In staffing co-ordination is required between nature of jobs and qualification of employees, between efficiency and compensation etc.
- iv) In directing, Co-ordination is required between superior and subordinates, between order, instructions, guidelines etc.
- v) In controlling co-ordination is required between standards and actual performance.

B. Co-ordination is required at all levels:

- i) At top level coordination is required to integrate all the activities of organization for achieving overall goals of the firm.
- ii) At Middle level Co-ordination is required to balance the activities of different departments.
- iii) At lower level, co-ordination is required to integrate the activities of workers.

C. Co-ordination is most important function of an organization:

Any company which fails to co-ordinate its activities cannot survive and run successful for a long period of time. After analyzing the above features we can say that co-ordination is not a simple function of management but it is the essence of management.

16. Briefly explain the need and importance of co-ordination.

Ans: The need and importance of Co-ordination are given below:-

- i) **Size of the organization:** – The need of co-ordinations increases with the increase in size of organization because in large organization these are more number of persons working, each individual has his own needs and objectives. For organizational efficiency it is important to harmonise individual goals and organizational goals through coordination.
- ii) **Unity of Direction:** Co-ordination helps in creating unity of direction. Different segments of the business may set different goals. The co-ordination process helps in bringing together various efforts.
- iii) **Efficiency and Economy:** Co-ordination promotes efficiency and economy in the organization. By coordinating activities the efficiency is brought in the working. It also helps in avoiding delays and eliminating duplication of efforts.

17. "Planning is looking ahead and controlling is looking backwards" – Discuss.

Ans: Planning is a function concerned with future. Planning is for the coming period. Controlling on the other hand deals with what has been going on. The work which has been undertaken is controlled.

Planning process deals with the following:-

- (i) Deciding the objectives.
- (ii) Estimating future.
- (iii) Identifying ways to achieve the objectives.
- (iv) Selecting the best course for future action.
- (v) Preparing policies, programmes, procedures, for undertaking activities.

Controlling on the other hand deals with following:-

- (i) Measuring performance.
- (ii) Comparing performance with targets.
- (iii) Finding out deviations, if any .
- (iv) Finding out reasons.
- (v) Taking corrective action to achieve targets.

It may be said that planning is concerned with future or looking ahead whereas controlling is concerned with backward or looking the performance.

18. Explain the distinction between Effectiveness and Efficiency.

Ans: Following are the differences between Effectiveness and Efficiency:

Effectiveness	Efficiency
Effectiveness means achieving the pre-determined goals	Efficiency means achieving the pre-determined goals at minimum cost.
It refers to accomplishment of goals or end results.	It refers to efficient utilization of resources to accomplish goals.
It focuses on end results.	It focuses on getting output by

	using minimum of resources.
A management is said to be effective if it accomplished the given task.	A manager is said to be efficient if he accomplished his given task with the use of minimum inputs.



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