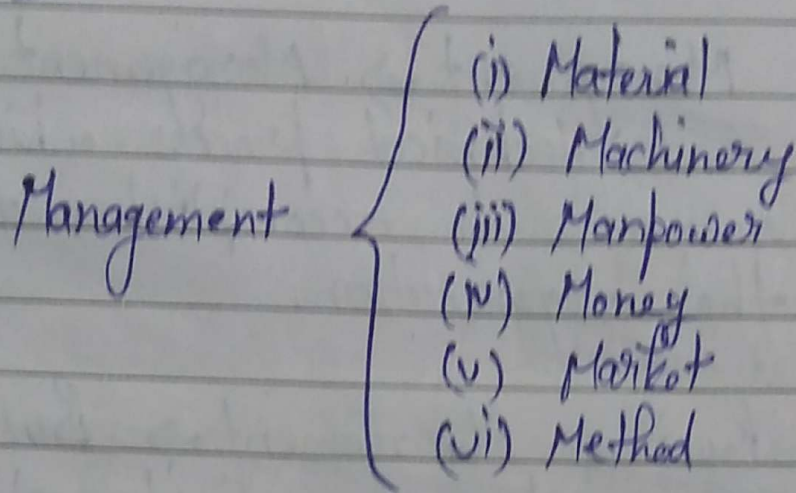


* Management as an Economical Resource :-

Factor of Production \rightarrow 6 M's



- (i) Management is one of the factor of production.
- (ii) Management is most active factor of production and it integrates the other factor such as - Capital, workers, Machinery.

* Functions of Management :-

- (i) Planning
- (ii) Organisation
- (iii) Staffing
- (iv) Directing
- (v) Controlling

* Definitions of Management :-

- (i) Management \rightarrow Management involves getting things done through others and

a manager is a person who accomplishes objectives by directing the efforts of other people.

(ii) Management \Rightarrow Management is a social and technical process which utilizes the resources to accomplish the goals of the organisation.

Business Management \Rightarrow Business Management is a human activity which directs and control the organisation and its operations of the enterprises.

* Concepts of Management :-

- (i) Mgt. as economic resource.
- (ii) Mgt. as a class.
 - Mgt has its self position/status.
- (iii) Mgt. as a separate discipline.
- (iv) Mgt. as a system of authority.
- (v) Mgt. as a process.
 - It means that all of the functions of Management are Co-related.

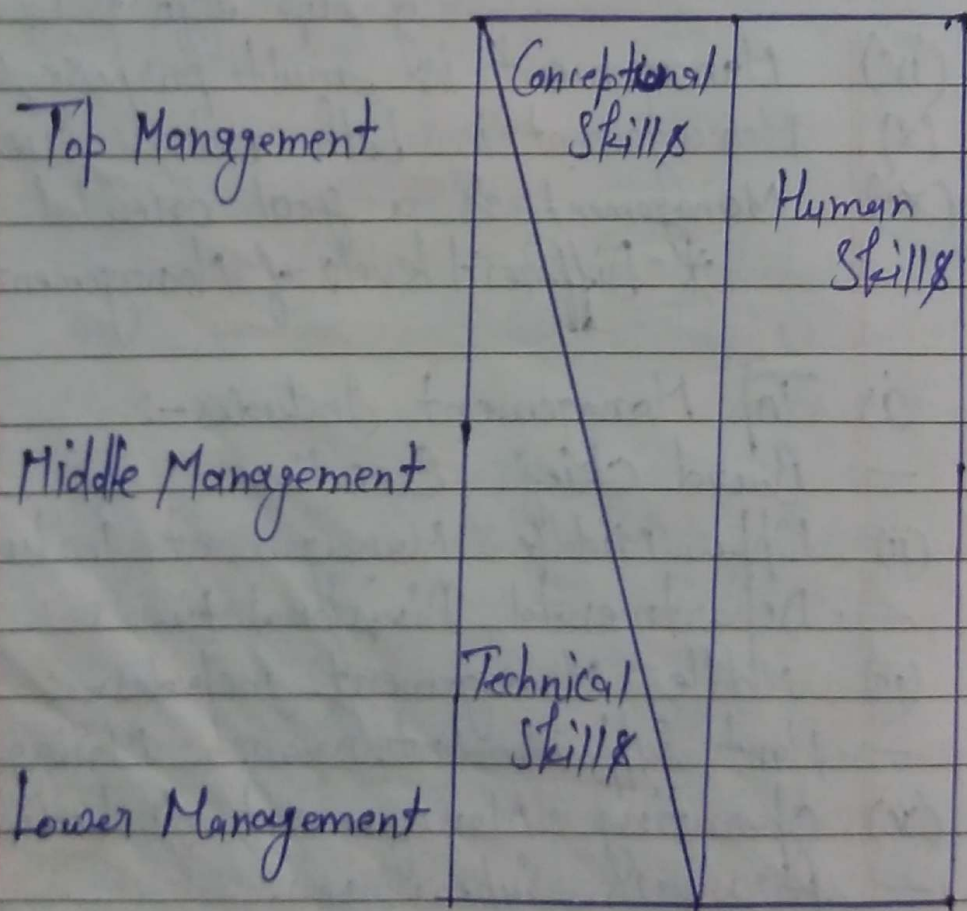
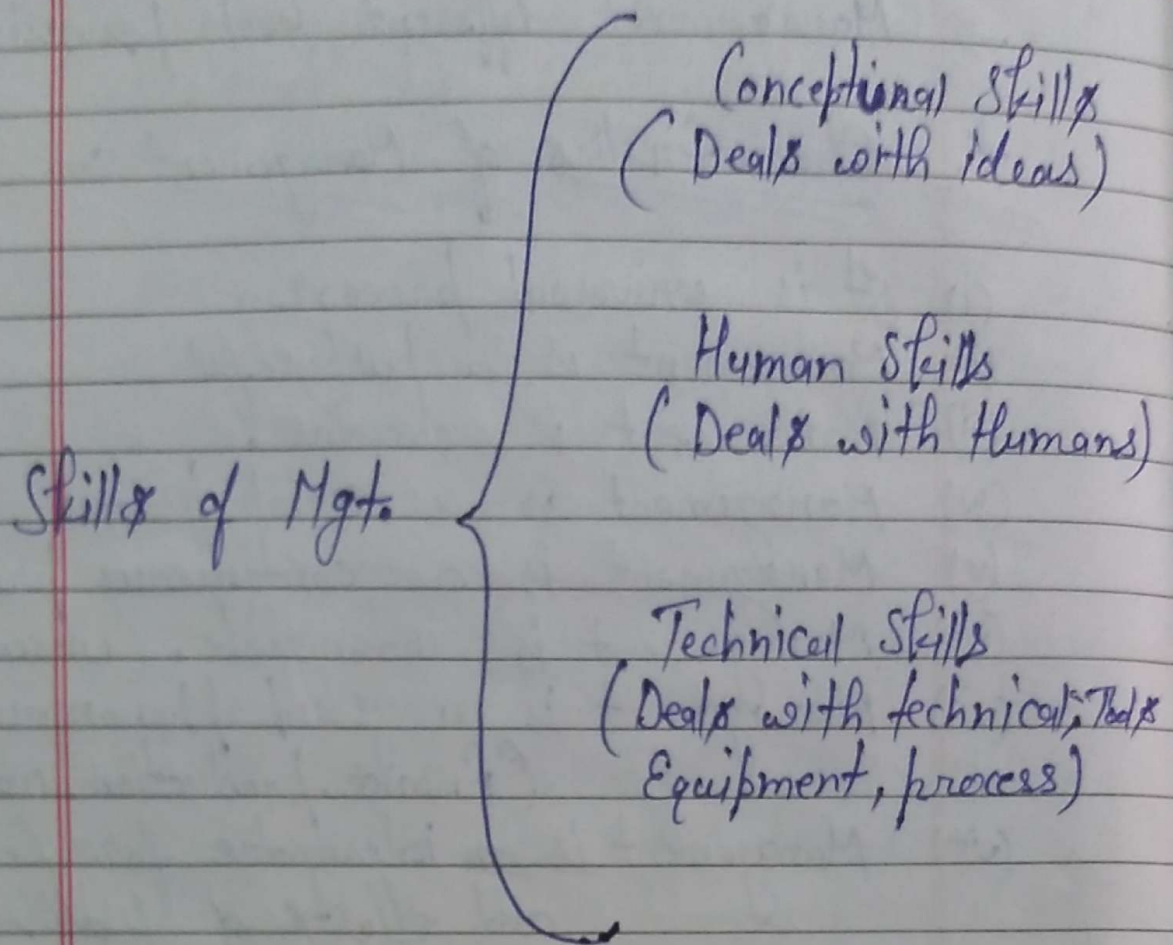
\Rightarrow Management is rule making and unforseen.
 \Rightarrow Management is multipurpose organ that manages business, manager, workers etc.

⇒ Manager at different level possessive.

* Characteristics of Management :-

- (i) It is universal process.
 - (ii) Management is a purposeful.
 - (iii) Management is creative.
 - (iv) Management is a social process.
 - (v) Management is a continuous process.
 - (vi) Management is intangible. (unseen)
 - (vii) Management is a group phenomenon.
(finance, production, manager)
 - (viii) Management is an ~~integrative~~ force (that's add efforts of individual with group effort)
 - (ix) Management is multi purpose & disciplinary
 - (x) Management is both art & science.
 - (xi) Management is a goal oriented process.
- ### * Different levels of Management *

- (i) Top Management Includes:-
 - Board Chief Executive
- (ii) Upper Middle Management Includes:-
 - Departmental Divisional heads
- (iii) Middle Management Includes:-
 - Plant Superintendent, Branch Manager.
- (iv) Operating Management Includes:-
 - Foreman, Supervisors.



*. Management Process -

Management Process can be defined as following figure.

Planning → Organisation → Staffing →
→ Directing → Controlling → Planning.....

This cycle is continuous in Management process.

Functions

(i) Planning

Forecasting, decision making, establishing objectives, policy making, Programming, budgeting, Strategy formulation, Setting Procedure, Research & Development, Investigation, Problem Solving.

(ii) Organisation

Departmentation, Assignment of duties, delegation of authority, decentralisation, task allocation.

(iii) Staffing

Manpower, Recruitment, Recording, Orientation, selection, Placement, training, Development, compensation.

⇒ Planning

(iv) Directing

Implementation of plans,
guiding, Motivation,
Communication, leadership

(v) Controlling

Setting Standards, recording,
measurement, Review/appraisal/Evaluation
reporting → Corrective action.

Upper middle functions →

~~Top~~ Management Functions.

(i) This is concerned with day to day administration of respective departments.

(ii) They plan operations, issue instructions, assemble of required resources, design operating policies and so operating routine.

(iii) Executive serve as a mean of coordination between top mgt. and operating mgt.

(iv) They transmit orders, decisions and guidance downwards and they also take problems, difficulties and suggestions upwards.

Middle level

(i) To Explain the policies framed by top Management.

(ii) To issue detailed instructions regarding operations.

- (iii) To participating in operating decisions.
- (iv) To develop and train supervisory and operating personnel.

ding,

Supervisory and operating Mgt.

- (i) They are concerned with technical routine and day to day problems.
- (ii) They serve as link between management and workers.
- (iii) To plan day to day production with in the goals layed down by the top management.
- (iv) To assign job to workers.
- (v) To supervise and control workers.
- (vi) To arrange materials and tools to maintains machinery.
- (vii) To maintain discipline morale and good human relations among the workers.
- (viii) To report feedback information and worker problems which can be solved at the supervisory level.

Technical Skills - Technical skills referred to the ability and knowledge in using tools, equipment, processes, techniques and procedures involved in performing specific tasks.

* Human Skills \Rightarrow Human Skills of consists of ability to work effectively with & understand and motivate other people both as individual and as members of a group.

Such a skill is required to win cooperation of to build effective work teams.

* Conceptual Skills \Rightarrow Involves idea relationship and anticipating consequences of planned actions. It is a mental ability to integrate all of the organisation is

* Importance of Management \Rightarrow

- (i) Management creates team work and coordination among specialised efforts
 - (ii) It is a creative force which helps in the optimum ~~resources~~ utilisation of resources. \rightarrow Management is catalyst.
 - (iii) Without management, No organisation can survive & grow.
 - (iv) Mgt. provides leadership & motivation to individuals.
 - (v) Sound mgt. helps in maximising outcome and minimising cost.
- A Govt. without management, is a house built on sand.

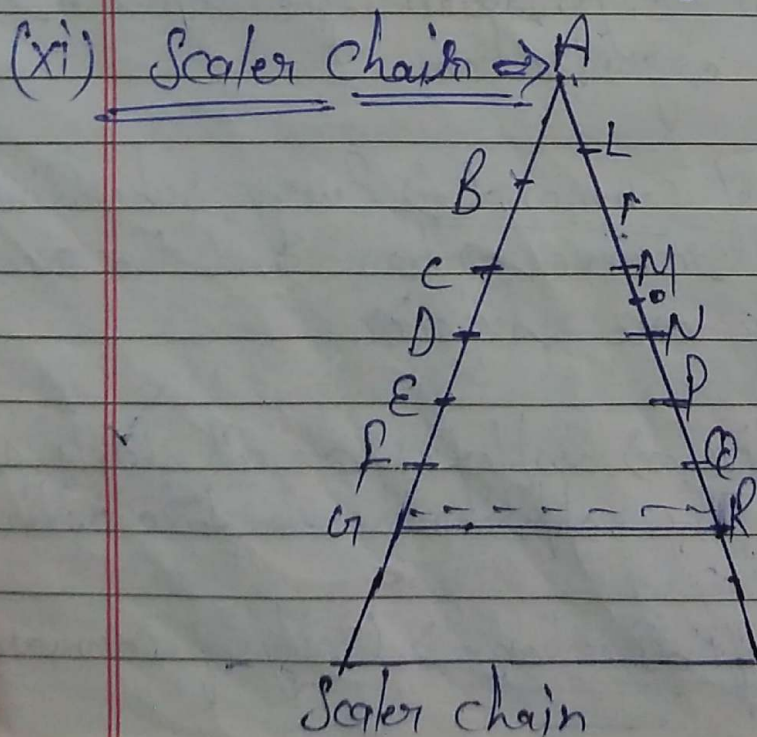
Management makes a significant social contribution by supplying goods & services.

(vi) This includes employment practices, procedures, and HR Information systems.

* Management Principles →

- (i) Division of work → It helps a person to acquire an ability and accuracy with which he can do more and better work with the same effort.
- (ii) Authority and responsibility → Authority is the right to give orders and power to achieve obedience and responsibility implies the obligation to perform the work in the manner desired and directed by superior.
- (iii) Discipline → Discipline must prevail throughout an organisation for smooth running of an organisation.
- (iv) Unity of command → Every subordinate should receive orders and be accountable to only one superior.
- (v) Initiative → Employees at all levels should be given the opportunity to take initiatives.
- (vi) Unity of direction → Unity of command

- Can not exist without unity of direction.
- (vii) Experit de Corps \Rightarrow Management should not follow the policy of divide and rule.
- (viii) Equity \Rightarrow Management should be fair and impartial in their dealing with subordinates.
- (ix) Stability of Job of the personnel \Rightarrow
 \Rightarrow Employees can not work effectively unless job security is assured to them.
- (x) Remuneration of personnel \Rightarrow The amount of remuneration and the method of payment should be fair and should provide the satisfaction to both employee and employer.



→ Scaler chain and gang plane

(XII) Order → This principle is concerned with the arrangement of things and placement of people.

(XIII) Centralisation → According to Fayol's, question of centralisation or decentralisation is a matter of optimum degree for the particular concern.

(XIV) Subordination of individual to general interest → Effort should be made to reconcile individual interest with common interest.

Planning

* Meaning of planning → Planning is the management function of anticipating the future and determination of a future course of action to achieve the desired results.

Planning consists of both problem solving and decision making. Planning is making decisions about the future. A plan is a projected course of action. Planning is a method or technique of looking ahead. Planning is deciding in advance what to do, how to do it, or when to do it and who is to do it.

Nature of planning →

- (i) Planning is purposeful.
 - (ii) Planning is primary function.
 - (iii) Planning is intellectual process.
- planning is a mental process involving imagination, foresight and sound judgement & decision making.
- (iv) It is a continuous process.
 - (v) Planning is preparing for the future.
 - (vi) Planning involves choice.
- It is basically a problem solving or decision making or choosing among the alternative course of action.

Page

(vii) Planning is an integrated process.

* Aims and Importance of planning -

- (i) Focuses attention on objectives and results -
planning concentrates ^{attention} on the dominating goals of the organisation. Plans alone can not make an organisation successful. Action is required and organisation must operate.
- (ii) Reduces Uncertainty and change \Rightarrow
Uncertainty and risk are inevitable and planning can not ~~remove~~ ^{eliminate} them. But planning enables an organisation to cope with uncertainty and change.
- (iii) Guides decision Making \Rightarrow choosing the best alternatives.
- (iv) Helps in coordination
- (v) Encourages innovation and creativity
- (vi) Provides economy in operation \Rightarrow Planning facilitates optimum utilisation of the available resources.
- (vii) Planning provides control for the basics.

* Steps in planning process:

- (i) Goal Setting \Rightarrow Establishment of objectives is the first step in planning. Setting objectives is the most crucial part of planning. Objective provides guidelines (what to do) for the preparation of strategic plans. One cannot make plans unless one knows what is to be accomplished.
- (ii) Developing the planning premises \Rightarrow Before

plans are prepared, the assumptions must be clearly defined. These assumptions are called planning premises and they can be identified through accurate forecasting of like future events.

- Assessment of environment helps to reveal opportunities, constraints. Analysis of internal & external

- (iii) Reviewing limitations \Rightarrow Several constraints affect the ability of an organisation to achieve its objectives.

The key areas of limitations are, finance, human resources, materials, power etc.

- (iv) Deciding the planning period \Rightarrow The planning period should be long enough to permit

The fulfilment of the selected goals. planning period depends on following factors:-

- future that can be anticipated.
- Time required to receive Capital investment.
- Expected future availability of raw materials.

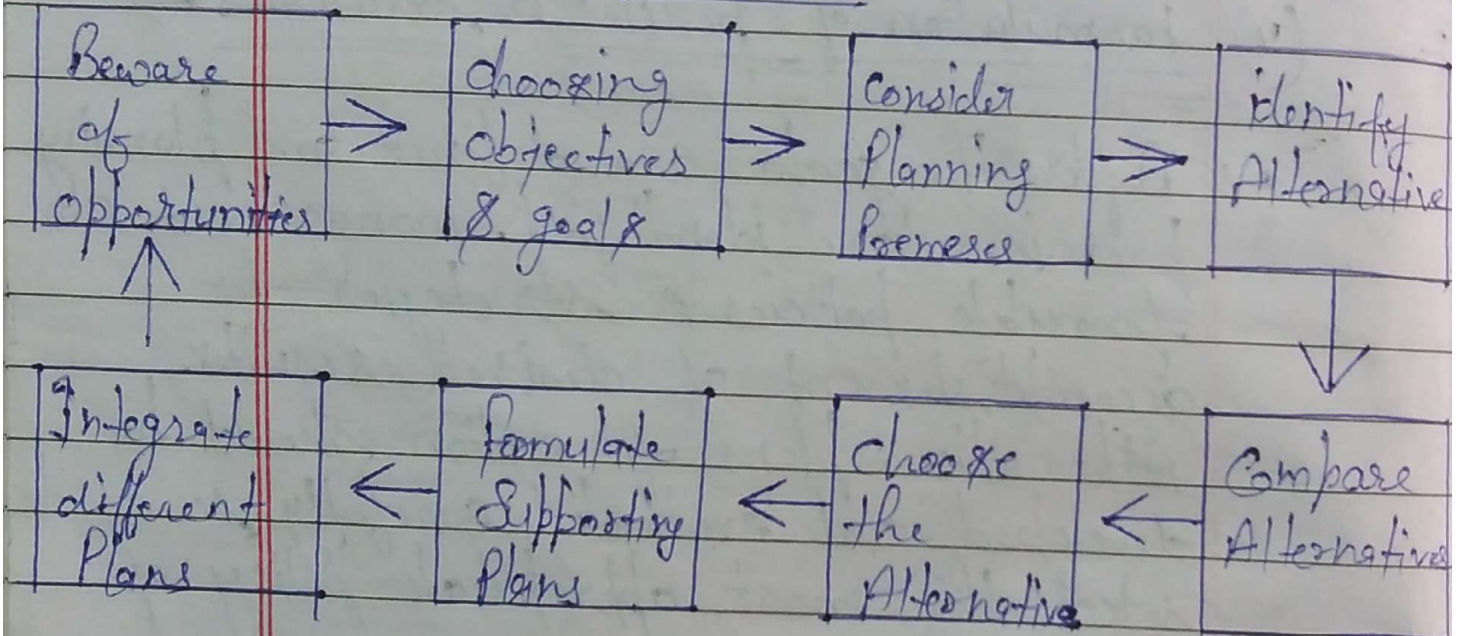
(v) Formulation of policies & strategies ⇒

- After the goals are defined and planning premises are identified, management can formulate policies & strategies for accomplishment of desired results.
- Alternative plans of action should be developed and evaluated carefully so as to select the most appropriate policy of organisation.
- imagination, foresight, experience and quantitative techniques are very useful in evaluation of alternatives.

(vi) Preparing operating plans ⇒ After the formulation of overall operating plans, supporting plans are prepared. Several medium range & short range plans are required to implement policies & strategies.

(vii) Integration of plans → different plans must be properly balanced. So that they support one another. Review & revision may be necessary before plan is put into operation.

Planning Process →



* Administration V/s Management =>

- : Different authorities on the subject have expressed conflicting opinions. Some make no distinction between management and administration. While others consider them as two separate functions. A few treat administration as a part of management.

(i) Administration is above Management =>

- : Administration is a higher level activity while management is a lower level function. Administration is a determinative function with the determination of objectives & policies. While management is executive function involving implementation of policies for achievement of objectives. Administration involves decision making and policy-formulation while management is concerned with the execution of policies & supervision of work. Administration is the thinking function while management is executing or doing function.

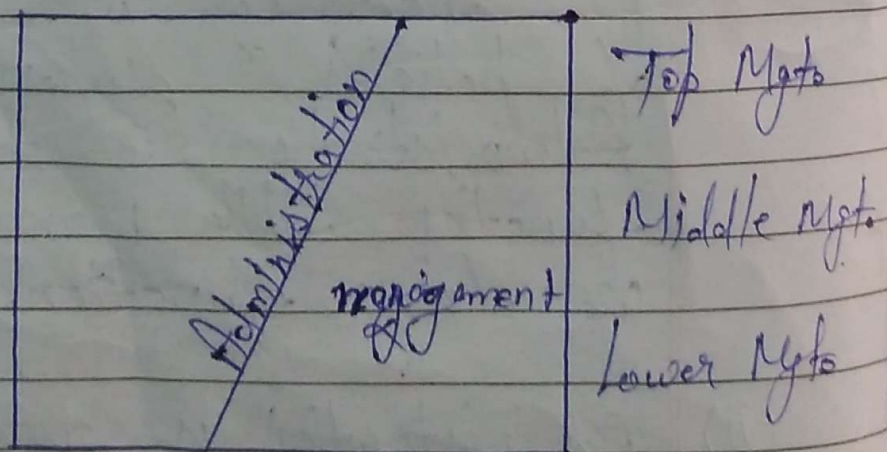
(ii) Administration is a part of Mgt =>

-: Management is wider term including administration and organisation. Management is executive control involving responsibility for effective planning.

(iii) Administration & management are one and the same \Rightarrow The distinction between administration and management is superfluous.

Both management & Administration are based upon the same set of functions. The term administration is more popular in Govt. or public organisations while management is more commonly used in Business.

Administration management involves determination of objectives & policies where as operative, management is concerned with execution of plans for achievement of objectives.



⇒ Unit 4 = Decision Making

* Decision Making ⇒ Decision making is a selection based on some criteria from two or more possible alternative

making
Decision^{making} is the selection from among alternative courses of action.

* Characteristics of Decision making:-

- (i) Decision making is the process of selection from among alternative courses of action.
- (ii) Decision making is rational and intellectual process because it is a mental exercise.
- (iii) Decision making is a purposeful process.
- (iv) Decision making is situational approach always related to the situation and to the environment.
- (v) It is a continuous process.
- (vi) Decision making is a human and social process.

* A decision is an act of choice. where an executive arrives at a conclusion as to what must be done in given situation.

Decision making is a process of choosing

course of action from available alternatives to achieve the desired results.

Types of Decision Making \Rightarrow

(i) Organisational and personal decisions \Rightarrow Personal decision taken by an individual.

(ii) Routine and strategic decisions \Rightarrow Routine decisions relate to day to day operations of the organisation. They can not be taken with more deliberation. These are concern with the procedures. Strategic decision \Rightarrow location of plant, choice of channel of distribution.

(iii) Policies and operating decisions \Rightarrow This decision effect the entire organisation and are being taken by top management. operating decisions translate policies.

(iv) Programmed and Non-programmed \Rightarrow are routine and repetitive decision. They dealt with the procedures of organisation. Non programmed are non repetitive.

(v) Individual and group decision \Rightarrow