

12th Standard Business Studies

Nature and Significance of Management

1. Management According to Marrie and Douglas, “Management is the process by which a co-operative group directs actions of others toward common goals.”

Management is defined as the process of planning, organising and controlling an organisation’s operations in order to achieve the target efficiently and effectively. It is essential for all organisations.

2. Concepts of Management

(i) Traditional Concept Management is the art of getting things done through others.

(ii) Modern Concept Management is defined as the process (refers to the basic steps) to get the things done with the aim of achieving goals effectively and efficiently (effectiveness refers to achievement of task on time and efficiently implies optimum use of resources).

3. Characteristics of Management

(i) Management is a Goal-Oriented Process Organisation’s existence is based on objectives and management is the process which unites the efforts of every individuals to achieve the goal.

(ii) Management is All Pervasive The use of management is not restricted, it is applicable in all organisations big or small, profit or non-profit making.

(iii) Management is Multidimensional It does not contain one activity, it is a complex activity including three main activities

- (a) Management of house
- (b) Management of people
- (c) Management of operations

(iv) Management is a Continuous Process It is a never ending process. It consists of series of interrelated functions which performs continuously.

(v) Management is a Group Activity Organisation is a collection of many individuals, every individual contributes towards achieving the goal.

(vi) Management is an Intangible Force It cannot be seen or touched only it can be felt in the way the organisation functions.

4. Objectives of Management Objectives can be classified into organisational, social or personal

(i) Organisational Objectives

- (a) Survival It exists for a long time in the competition market.
- (b) Profit It provides a vital incentive for the continued successful operations.
- (c) Growth Success of an organisation is measured by growth and expansion of activities.

(ii) Social Objectives Involves creation of benefit for society.

(iii) Personal Objectives Objectives of employees like good salary, promotion, social recognition, healthy working conditions.

5. Importance of Management.

(i) Management Helps Achieving Group Goals It integrates the objective of individual along with organisational goal.

(ii) **Management Increases Efficiency** It increases productivity through better planning, organising, directing the activities of the organisation.

(iii) **Management Creates a Dynamic Organisation** Organisation have to survive in dynamic environment thus manager keep changes in the organisation to match environmental changes.

(iv) **Management Helps in Achieving Personal Objectives** Through motivation and leadership, management helps in achieving the personal objectives.

(v) **Management Helps in the Development of Society** It provides good quality products and services, creates employment, generate new technology in that sense it helps in the development of the society.

6. Management as an Art Management as an art because it satisfies following points

(i) It is based on practice and creativity.

(ii) Lots of literature is present which gives the existence of theoretical knowledge.

7. Management as a Science Management as a science because

(i) It is a systematised body of knowledge.

(ii) Its principles are based on experimentation.

8. Management as a Profession It does not meet the exact criterion of a profession, it does have some features of a profession.

9. Levels of Management

- (i) Top Management It consists of senior-most executives who are usually referred to as the Chairman, Chief Executive Officer, President and Vice President.
- (ii) Middle Management They are usually division heads who are the link between top and lower level of management.
- (iii) Operational Management They are usually the foremen and supervisors who actually carry on the work or perform the activities.

10. Functions of Management

- (i) Planning It refers to deciding in advance what to do, how to do and developing a way of achieving goal efficiently and effectively.
- (ii) Organising It refers to the assigning of duties, grouping tasks, establishing authority and allocating of resources required to carry out a specific plan.
- (iii) Staffing It implies right people for the right job.
- (iv) Directing It involves leading, influencing, motivating employees to perform the task assigned to them.
- (v) Controlling It refers to the performance measurement and follow-up actions that keep the actual performance on the path of plan.

11. Co-ordination—The Essence of Management

Co-ordination means binding together all the activities such as purchase, production, sales, finance to ensure continuity in the working of the organisation. It is considered as a separate function of management, in order to achieve harmony among individual, efforts towards the accomplishment of goods.

12. Characteristics of Co-ordination

- (i) It integrates group efforts.
- (ii) It ensures units of action.
- (iii) It is a continuous process.
- (iv) It is an all pervasive function.
- (v) It is the responsibility of all managers.

13. Importance of Coordination

- (i) **Growth in Size** When there is a growth in size, the number of people employed by the organisation also increases. Thus to integrate the efforts, coordination is needed.
- (ii) **Functional Differentiation** In an organisation, there are separate department and different goals. The process of linking these activities is achieved by co-ordination.
- (iii) **Specialisation** Modern organisation is characterised by a high degree of specialisation. Co-ordination is required among different specialists because of their different approaches, judgement etc.

14. Management in the Twenty-First Century Management in 21st century means the new ways, trends, ideas, techniques of doing business and makes it possible to think of the organisation as a 'Global Organisation.'