

Chapter-1

Nature and Significance of Business

1. Management - Meaning

Management is the process of **getting work done through others** to achieve organisational goals **effectively and efficiently**.

Effectively → Completing work on time.

Efficiently → Minimum cost & optimum use of resources.

2. Characters/Features of Management

1. Goal-oriented

→ Focuses on achieving organisational goals.

2. Multidimensional

→ Management of **work, people and operations**.

3. Pervasive

→ Applicable at **all levels and all departments**.

4. Continuous Process

→ Never-ending activity.

5. Group Activity

→ Requires efforts of all employees.

6. Dynamic

→ Adapts to changes in environment, technology & society.

7. Intangible

→ Cannot be seen, only felt through results.

(i) Organisational Objectives

- **Profit** → Earning more than cost
- **Growth** → Expansion in sales, profits & resources
- **Survival** → Continuing business operations

(ii) Social Objectives

- Providing quality goods & services
- Generating employment
- Protecting the environment

(iii) Personal Objectives

- Salary & incentives
- Career growth
- Job satisfaction

4. Importance of Management

- Helps in achieving group goals
- Increases efficiency (minimum cost)
- Creates a flexible organisation
- Helps employees achieve personal goals
- Contributes to development of society

5. Nature of Management

(i) Management as a Science

- Based on systematic knowledge
- Uses logic & cause-effect relationship
- Principles are tested, but not rigid

(ii) Management as an Art

- Application of theoretical knowledge
- Requires skill, creativity & experience
- Improves with practice

(iii) Management as a Profession

- Requires specialised knowledge ✓
- No compulsory professional association ⊗
- No restricted entry ⊗
- No strict ethical code ⊗
- Profit motive present ✓

6. Levels of Management

(i) Top Level Management

Who: CEO, MD, Board of Directors

Role: Highest authority & policy making

Functions:

- Setting goals & policies
- Making plans
- Coordinating departments
- Arranging resources
- Responsible for overall success

(ii) Middle Level Management

Who: Departmental heads, sales/purchase managers

Role: Linking top & lower management

Functions:

- Implementing policies
- Hiring & appointing staff
- Coordinating departments
- Motivating employees
- Supervising first-line managers

(iii) Lower / Supervisory Level Management

Who: Supervisors, foremen, inspectors

Role: Direct control over workers

- **Functions:**
 - Directing & supervising workers
 - Ensuring safety
 - Reducing wastage
 - Maintaining working conditions
 - Communicating workers' problems

7. Functions of Management

(According to **George R. Terry** there is only 4 functions of Management)

(i) Planning

- Primary function
- Deciding goals & ways to achieve them

(ii) Organising

- Division of work
- Creating departments
- Defining authority & responsibility

(iii) Staffing

- Recruitment & selection
- Training & development
- Promotion & salary management

(iv) Directing

- Giving orders
- Motivating employees
- Supervising work

(v) Controlling

- Comparing actual performance with plans
- Ensuring work is done as planned

8. Coordination - Meaning

Coordination means integrating the efforts of different departments to achieve a common goal. **It is the essence of management**

9. Importance of Coordination

1. **Growth in size**
→ Helps align employees' goals with organisational goals.
2. **Functional differentiation**
→ Ensures smooth working of interdependent departments.
3. **Specialisation**
→ Brings harmony among experts for better results.

10. Nature / Features of Coordination

1. Integrates group efforts
2. Ensures unity of action
3. Continuous process
4. Needed at all levels
5. Responsibility of all managers
6. A deliberate function

Thank You

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