

Business Administration



Chapter 1

Management Concepts

Management

- **Management consists of the interlocking functions of creating corporate policy and planning, organizing, directing, and controlling an organization's resources in order to achieve the objectives of that policy.**

Management

- Management regulates man's productive activities through coordinated use of material resources.

Without the leadership provided by management, the resources of production remain resources and never become production.

Management Activities

A circular icon with a blue background and a white diagonal band across the center. The word "Planning" is written in black text on the white band. The icon has a grey border and a drop shadow.

Planning

A circular icon with a green background and a white diagonal band across the center. The word "Organizing" is written in black text on the white band. The icon has a grey border and a drop shadow.

Organizing

A circular icon with a tan background and a white diagonal band across the center. The word "Staffing" is written in black text on the white band. The icon has a grey border and a drop shadow.

Staffing

A circular icon with a red background and a white diagonal band across the center. The word "Directing" is written in black text on the white band. The icon has a grey border and a drop shadow.

Directing

A circular icon with a dark blue background and a white diagonal band across the center. The word "Coordination" is written in black text on the white band. The icon has a grey border and a drop shadow.

Coordination

A circular icon with a light green background and a white diagonal band across the center. The word "Controlling" is written in black text on the white band. The icon has a grey border and a drop shadow.

Controlling

Planning

- Planning is the most fundamental and the most pervasive of all management functions.

1. What?

2. How?

3. When?

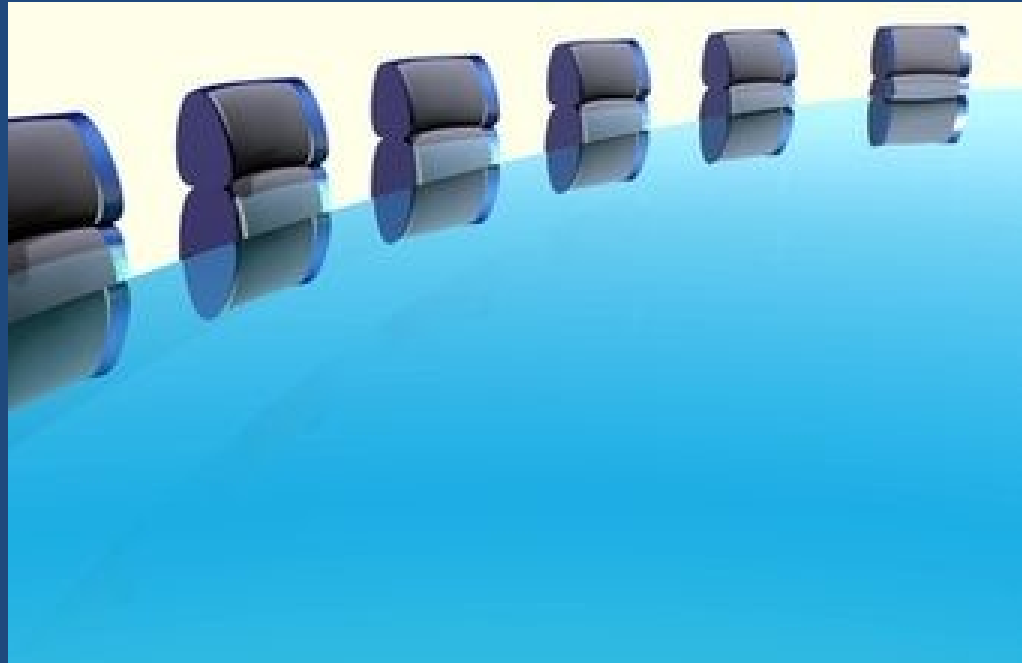
Planning

- It is deciding in the present about the future objectives and the courses of action for their achievement.

Planning

It involves:

1. Determination of long and short-range objectives.



Planning

2. Development of strategies and courses of actions to be followed for the achievement of these objectives.



Planning

3. Formulation of policies, procedures, and rules, etc., for the implementation of strategies, and plans.



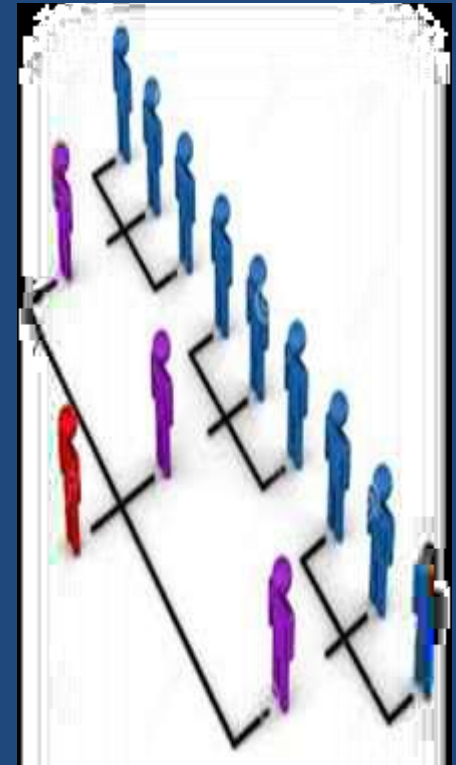
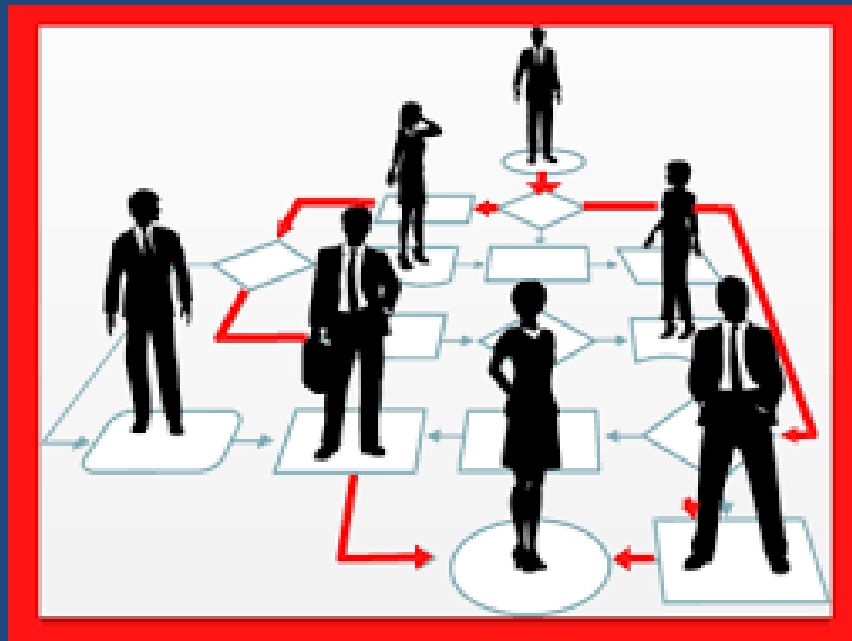
Company Policies

Organizing

- Organizing is thus the basic process of **combining and integrating human, physical and financial resources** (all efforts and activities pull together) in productive interrelationships for in the direction of organizational goals.

structure of the organization

- It comprises organizational positions, accompanying tasks and responsibilities, and a **network** of roles and authority-responsibility relationships.



Organizing

It involves:

1. Identification of activities required for the achievement of objectives.
2. Grouping the activities so as to create self-contained jobs.
3. Assignment of jobs to employees.
4. Delegation of authority so as to enable them to perform their jobs and to command the resources needed for their performance.

Staffing

- Staffing is to procure suitable personnel for manning the jobs.

Staffing

It involves:

1. Attracting adequate number of potential employees to the enterprise.
2. Selection of the most suitable persons for the jobs under consideration.
3. Training and development of employees.
4. Transfers, promotions, termination and layoff.

Directing

- The function of directing involves the following sub-functions :

Communication (a)

Motivation (b)

Leadership (c)



Coordination

- It is the process of tying together all the organizational decisions, operations, activities and efforts so as to achieve unity of action for the accomplishment of organizational objectives.



Coordination

It involves:

- (a) Clear definition of authority-responsibility relationships
- (b) Unity of direction
- (c) Unity of command
- (d) Effective communication
- (e) Effective leadership

Controlling

- Controlling is the function of ensuring that the divisional, departmental, sectional and individual performances in all other management processes including planning, organizing, staffing, directing and coordinating are continuously reviewed, modified, and correction action taken where necessary.



Controlling

It involves:

- (a) Measurement of performance against predetermined goals.
- (b) Identification of deviations from these goals.
- (c) Corrective action to rectify deviations.

Management is an integral process

- although management functions have been discussed in a particular sequence-planning, organizing, staffing, directing, coordinating and controlling – they are not performed in a sequential order and it sometimes becomes difficult to separate one from the other.

