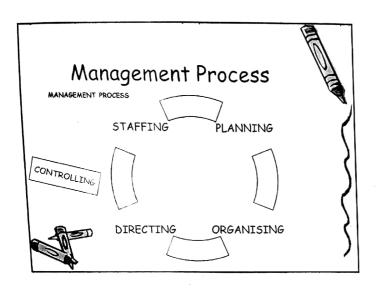


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	CLASSIFICATION OF MANAGEMENT FUNCTIONS	
	According to Luther Gullick gave the Key word;	
	PPlanning	-
	Oorganising	- (
	DDirecting	\
	SStaffing	(
	COcoordinating)
	RReporting	
	BBudgeting	λ
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MANAGARIAL FUNCTIONS AND SUBFUNCTIONS

 PLANNING ...Forecasting, decision making ,strategy, formulation policy-Making,programming,scheduling,budgeting problem solving,innovation,investigation and Research

ORGANISING...Functionalisation,divisionalisation,departments,
Decentralisation,activity,analysis,task,span of
management, task allocation

STAFFING...... Manpower planning, Recruitment, selection, training, placement, compensation, promotion, appraisal DIRECTING......Supervision, motivation, communication, leadership

CONTROLLING Fixation of standards, recording, measurement reporting, corrective action



Planning

- Planning is deciding in advance what is to be done in the future
- "According to koontz and O 'Donnell defines planning is deciding in advance what to do, how to do it, when to do it and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen"



Features of planning

- Planning seeks to achieve certain objectives.
- · Planning is oriented towards the future.
- · Planning is a mental exercise
- · Planning involves choices from alternatives
- · Planning is the basics for all other functions.
- · It is a continuous function
- · It is pervading.
- Planning is directed towards efficiency.



Advantages of planning

- It focuses attention on desired objectives
- · It helps to minimise risk
- · It improve efficiency
- · It avoid confusions
- · It encourage innovation and creativity
- · It enables co operation and group work
- · It serves as the basis of control.



Steps in planning

1. Define the organization's mission and vision.

A mission is the purpose of the organization. It explains why the organization exists.

Vision is the future goal or achievement of an organization. It guides the mission of the organization by defining asurable strategic and financial objective.

SWOT ANALYSIS

 Analyze the strength, weaknesses and identify opportunities and threats of the organization i.e. SWOT Analysis baseline. SWOT analysis is used as the basis for future improvements.



Setting goals and objectives.

- Goals and objectives are developed to bridge the gap between current capability and the mission.
- Objectives are statements describing results and the way in which they will be achieved. They are more specific and narrower than

Develop a strategy.

- Information collected from the environmental scan is used to:
- Match strengths with opportunities and address weaknesses while trying to minimize threats to its existence.
- Make superior profits by getting a competitive advantage over Respectitors.

Implementation of strategy

 Strategy is implemented by developing programs, budgets and procedures. It involves organizing the firm's resources and motivating staff to achieve the firm's objectives.



Evaluating /monitoring and control

Evaluation and control consists of:

- · Defining parameters to be measured.
- Defining the target values of those parameters.
- Performing measurement.
- Comparing measured results to predefined standards.

Making necessary changes.

Limitations of planning

- · Lack of accurate information
- · Time consuming
- · Expensive
- Rigidity due to strict compliance with plans
- · Unwillingness to people change
- · External limitations (political)



How we overcome the limitations?

- · Top management support
- · Better forecasting
- · Developing clear-cut objectives
- · Participation of employees in planning
- · Sound communication
- · Overcoming resistance to change
- · Scientific planning
- · Well balanced keeping plans.



Organising

 According to Henri fayol "To organise a business means to provide it with everything useful to its functioning-raw materials,tools,capital and personnel"





Steps in organising

- Identifying the activities required for achieving objectives.
- Classifying these activities in to convenient groups
- Assigning the group of activities to appropriate persons.
- Delegating authority and fixing responsibilities.
- · Coordinating Authority Responsibility relationship throughout the enterprise.

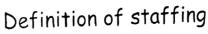
Importance of organising

- Sound organisation facilitate growth and diversification
- Optimum use of human resources by matching work with talent
- · Maintain good harmonious structure in the office
- Group activity is equivalent to social structure of organisation
- It is a mechanism of management to direct controls and coordinates the activities of enterprise.



Staffing

- It is concerned with the Human resources of the enterprise.
- · It is concerned with acquiring, developing, utilising, and maintaining human resources.
- It is a process of matching jobs with individuals to ensure right man for the right job.



 According to koontz and O Donnel "The managerial functions of staffing involves manning the organisational structure through proper and effective selection, appraisal and development of personnel to fill the roles designed in to the structure.



Steps in staffing

- Manpower planning
- Recruitment, selection, placement
- Training and development
- Appraisal ,promotion and transfer
- Employee remuneration



Features of staffing

- It is a function of management
- · It is an integral part of the process of management.
- It is concerned with the human resources
- It is a pervasive function
- Aims at optimum utilisation of human resources.



Importance of staffing

- It helps in discovering and obtaining competent employees for for various job.
- It improve the quantity and quality of output by putting right man for right job.
- It improves job satisfaction of employees
- It reduces cost of personnel by avoiding wastage of human resource.
- It facilitates the growth and diversification.



Directing

- It is concerned with the execution of plans through organised action.
- It is also known as commanding or actuating



DEFINITION

 "Direction consist of the process and techniques utilised in using instructions and making certain that operations are carried out as planned"



CONTROLLING.

- This is the measurement and correction of performance in order to ensure that enterprise objectives and plans devised to attain them are accomplished.
- Controlling is a function of every manager both at lower and upper level since all have responsibility for withe execution of plans

In controlling we must:

Establish standards-

 These are criteria for performance used by managers to measure performance since managers cannot usually watch everything being done within an organization.

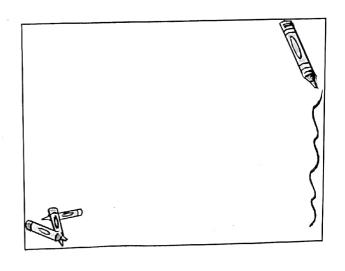
Measure performance-

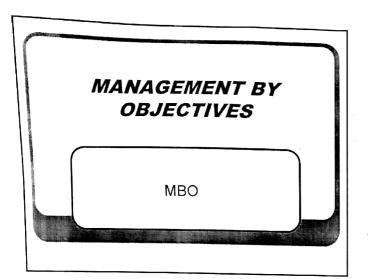
 This should be on a forward looking basis so that deviations may be detected in advance of their occurrence and avoided by appropriate actions. This is through detection of probable departures

Assignment

 Explain in an extended paragraph (300-500 words) how the four functions of management are carried out within any specific project or program by taking an example and discuss in the next class.







What is MBO?

- Management by objectives (MBO) is a systematic and organized approach that allows management to focus on achievable goals and to attain the best possible results from available resources. It aims to increase organizational performance by aligning goals and subordinate objectives throughout the organization. Ideally, employees get strong input to identify their objectives, time lines for completion, etc. MBO includes ongoing tracking and feedback in the process to reach objectives.
- objectives.

 Management by Objectives (MBO) was first outlined by Peter Drucker in 1954 in his book 'The Practice of Management'. In the 90s, Peter Drucker himself decreased the significance of this organization management method, when he said: "It's just another tool. It is not the great cure for management inefficiency... Management by Objectives works if you know the objectives, 90% of the time you don't."

Core Concepts of MBO

- According to Drucker managers should "avoid the activity trap", getting so involved in their day to day activities that they forget their main purpose or objective. Instead of just a few topmanagers, all managers should:
- participate in the <u>strategic planning</u> process, in order to improve the implementability of the plan, and
- implement a range of performance systems, designed to help the organization stay on the right track.

Managerial Focus

 MBO managers focus on the result, not the activity. They delegate tasks by "negotiating a contract of goals" with their subordinates without dictating a detailed roadmap for implementation. Management by Objectives (MBO) is about setting yourself objectives and then breaking these down into more specific goals or key results.

Main Principle of MBO

• The principle behind Management by Objectives (MBO) is to make sure that everybody within the organization has a clear understanding of the aims, or objectives, of that organization, as well as awareness of their own roles and responsibilities in achieving those aims. The complete MBO system is to get managers and empowered employees acting to implement and achieve their plans, which automatically achieve those of the organization.

Where to Use MBO

 The MBO style is appropriate for knowledgebased enterprises when your staff is competent. It is appropriate in situations where you wish to build employees' management and self-leadership skills and tap their creativity, tacit knowledge and initiative. Management by Objectives (MBO) is also used by chief executives of multinational corporations (MNCs) for their country managers abroad.

Setting Objectives

- In Management by Objectives (MBO) systems, objectives are written down for each level of the organization, and individuals are given specific aims and largets. "The principle behind this is to ensure that people know what the organization is trying to achieve, what their part of the organization must do to meet those aims, and how, as individuals, they are expected to help. This presupposes that organization's programs and methods have been fully considered. If they have not, start by constructing team objectives and ask team members to share in the process."
 "The one thing an MBO system should account to the process."
- "The one thing an MBO system should provide is focus", says
 Andy Grove who ardently practiced MBO at Intel. So, have your
 objectives precise and keep their number small. Most people
 disobey this rule, try to focus on everything, and end up with no
 focus at all.

Setting Objectives

- For Management by Objectives (MBO) to be effective, individual managers must understand the specific objectives of their job and how those objectives fit in with the overall company objectives set by the board of directors. "A manager's job should be based on a task to be performed in order to attain the company's objectives... the manager should be directed and controlled by the objectives of performance rather than by his boss."
- The review mechanism enables leaders to measure the performance of their managers, especially in the key result areas: marketing; <u>innovation</u>; human organization; financial resources; physical resources; productivity; social responsibility; and profit requirements.

Balance Between Management and Employee Empowerment

- The balance between management and employee empowerment has to be struck, not by thinkers, but by practicing managers. Turning their aims into successful actions, forces managers to master five basic operations:
- setting objectives,
- organizing the group,
- · motivating and communicating,
- · measuring performance, and
- developing people, including yourself.

Individual Responsibility

- Management by Objectives (MBO) creates a link between top management's strategic thinking and the strategy's implementation lower down. Responsibility for objectives is passed from the organization to its individual members. It is especially important for knowledge-based organizations where all members have to be able to control their own work by feeding back from their results to their objectives.
- Management by objectives is achieved through self-control, the tool of effectiveness. Today the worker is a <u>self-manager</u>, whose decisions are of decisive importance for results.
- In such an organization, management has to ask each employee three questions:
- What should we hold you accountable for?
- What information do you need?
- What information do you owe the rest of us?



MBO Principles

- Cascading of <u>organizational goals and</u> <u>objectives</u>
- Specific objectives for each member
- Participative decision making
- Explicit time period
- Performance evaluation and feedback

Types of Objectives

- · Routine objectives
- Innovation objectives
- Improvement objectives
- The objectives must be:
- · focused on a result, not an activity
- consistent
- specific
- measurable
- · related to time
- attainable

MBO Strategy: Three Basic Parts

- All individuals within an organization are assigned a special set of objectives that they try to reach during a normal operating period. These objectives are mutually set and agreed upon by individuals and their managers.
- Performance reviews are conducted periodically to determine how close individuals are to attaining their objectives.
- Rewards are given to individuals on the basis of how close they come to reaching their goals.

Six MBO Stages

- Define <u>corporate objectives</u> at board level
- Analyze management tasks and devise formal job specifications, which allocate responsibilities and decisions to individual managers
- Set performance standards
- Agree and set specific objectives
- Align individual targets with corporate objectives
- Establish a management information system to monitor achievements against objectives

8 Key Result Areas Where Managers Must Pursue Clear Objectives

- Marketing
- Innovation
- Human organization
- Financial resources
- Physical resources
- Productivity
- · Social responsibility
- Profit requirements

MBO Advantages & Disadvantages

Advantages

- MBO programs continually emphasize what should be done in an organization to achieve organizational goals.
- MBO process secures employee commitment to attaining organizational goals.

Disadvantages

- The development of objectives can be time consuming, leaving both managers and employees less time in which to do their actual work.
- The elaborate written goals, careful communication of goals, and detailed performance evaluation required in an MBO program increase the volume of paperwork in an organization.