**MODULE – I**

**CHAPTER 1: INTRODUCTION**

**Management Definition of management:**

* Simplest definition is that it is defined as the art of getting things done through people.
* Management can also be defined as:

The process consisting of planning, organizing, actuating, and controlling performed to determine and accomplish the use of people and resources.

* Is systematic way of doing things.
* Difference between a manager and other personnel in the organization:
  + A manager is one who contributes to the organizational goals indirectly by directing the efforts others by not performing the task by himself.
  + A person who is not a manager makes his contribution to the organizations goals directing by performing the task himself.

**Four management activities included in this process are:**

1. Planning,
2. organizing,
3. actuating and
4. Controlling.

Planning: means thinking of their actions in advance.

Organizing: means that managers coordinate human and material resources of the organization.

Actuating: means that managers motivate and direct subordinates.

Controlling: means that mangers attempt to ensure that there is no deviation from the norm or plan.

The definition involves the act of achieving the organizations objectives. A manager also uses people and other resources such as finance equipment to achieve their goals.

Management involves the act of achieving organizations objectives.

**Meaning**

1. George R Terry, management is distinct process consisting of planning, organizing, actuating & controlling performance to determine & accomplish the objectives by the use of people & resources.

2. Management is that function of an enterprise which concern itself with the direction & control of various activities to attain the business objectives.

**Nature & characteristics of management**

1. **Management is an activity:** Management is a process of organized activity which is concerned with the efficient use of resources of production. Resources include materials, money & people in the organization.
2. **It is a purposeful activity**: It is concerned with the achievement of an objectivity these functions such as planning, organizing, staffing, directing & controlling.
3. **It is concerned with the efforts of a group:** management is concerned with management of people & not the direction of thugs. It inspires & motivates works to put forts their efforts to the maximum extent.
4. **Management is getting things done:** Management is the art of getting things done their & with people in formally organized groups.
5. **It applies economic principles**: Management is the art of applying the economic principles that underlie the control of men & materials in the enterprise under consideration.
6. **Involves decision-making:** Management in the decision making process & the decisions are involved in all the functions of management.
7. **It Co-ordinates all activities & resource**: It is concerned with the Co-ordination of all activities & resources it’s various functions to attain the stated objectives.
8. **It is a universal activity**: It manager irrespective of the enterprise in which they are working & their place in the organization shuttered make use of the management principles.
9. **It is an integrating process:** It integrates men, machines & materials for carrying out the operations of the enterprise & for achieving the stated objectives.
10. **It is concerned with direction & control:** It in concerned with the direction & control of various activating the enterprise to attain the business objectives.
11. **It is intangible:** It is abstract & cannot be seen with the eyes. It is evidenced by the quality of organization & results such as increased productivity.
12. **Management is both science & an art:** It has developed certain principle & laws which are applicable of to any group activity.
13. **It is a proffers ion:** Because there are established principles of management which are being applied in practice.
14. **It is an interdisciplinary approach:** Management as a body of discipline takes the help of other social sciences.
15. **It is an economic resource:** There are five factors of production land, labor, capital, management. The entrepreneur establishes the organization as owner & it is the management which transforms these resources these in to productive process
16. **It is a system authority:** As management is a process of directing men to perform a task, authority to extract work from others, it is implied in the busy concept of management.
17. **It is dynamic, not static:** Management adopts itself to the social changes & also introduces in methodology.

**Scope of management**

Management is an all pervasive function since it is required in all types of organized Endeavour. The following activities are covered under the scope of management

1. Planning

2. Organization

3. Staffing

4. Directing

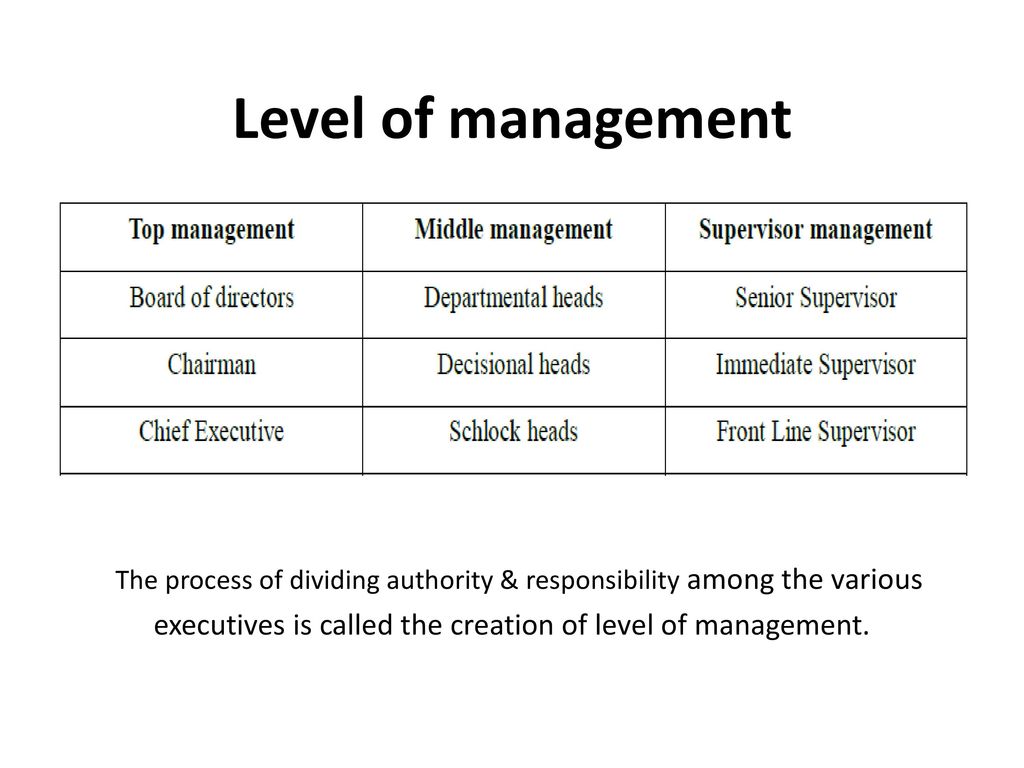
5. Co-coordinating

6. Controlling

**The functional areas of management**

1. **Production management:** Production means creation of utilities. This creation of utilities takes place when raw materials are converted in to finished products. IT deals with aspects such as production planning, quality control & impaction, Production control techniques.
2. **Marketing management:** Marketing is a sum total of physical activities which are involved in the transfer of goods & services & which provide for their physical distribution. It includes marketing of goods & services, price determination, market research, sales promotion, advertisement publicity etc
3. **Financial management**: Finance is viewed as one of the most important factors in every enterprise. Financial management is concerned with the managerial activities pertaining to the procurement and litigation of funds or finance for business purposes.
4. **Office management**: The concept of management which applied to office is called office management. It is a technique of planning, Co-coordinating & controlling office activities with a view to achieve common business objectives. One of the functions of management is to organize the office work is such a way that it helps the management in attaining its goals. It works as a service department for other department.

**Level of management**



1. **Functions of Top Management**

* Determine objective of the organization. They relate to profit, business growth, survival, prestige, competitive pricing, marketing method.
* Frame the policy: To frame policies & check out plans to carry out the objectives & policies, policies may relate to different aspects of the organization.
* Organizational frame work: Top management determines the organization structure for the purpose of executing the plans
* Assemble the resource: Execute the plans; the resources of men, machines, materials & money have to assemble.
* Control the operations the organization: Top management also controls operations their budget cost & statistical quality control & accounting device.

1. **Functions of Middle Management**

* To execute the various functions of organization so that the top management gets enough time to look after their responsibilities.
* To cooperate among themselves, with the top management & the supervisors so that the organization functions smoothly
* To achieve coordination between the different parts of organization
* To develop & train employers in the organization for better functioning & for filling up vacancies that may arise in future.
* To build company spirit where all are working to provide a product or service wanted by consumer.

1. **Supervisory management**

* It consists of senior supervisors. The executives at this level are in direct touch with the workers & have to see the work is properly carried out. The effective implementation of the plans & policies, the quality of coordination ship quality of output & overall success of the organization very much dependent on the hard labor, discipline, loyalty of the personal at this level of management.
* Functions of supervisors
  + To issue order & instructions to the workers & to supervise & control their work.To plan activities of the section.
  + To assign jobs to the workers
  + To direct & guide the workers about work procedure.
  + To arrange for the necessary tools, equipment, material etc.
  + To solve the problems of workers
  + To maintain discipline among the workers & to develop them the right approach to work.
  + To inform the management about the problems of workers which are not solved at this level?
  + To maintain good human relations. To build a high group morale among workers.

**Goals of Management**

1. **Proper utilization of resources:** the main objective of management is to use various resources of the enterprise in most economic way. The proper use of men, machines, money will help a business to earn sufficient profits to satisfy various in assets.
2. **Improving performance:** Management should aim at improving the performance of each & every factor of production. The fixing of objectives of various factors of production will help them in improving their performance.
3. **Mobilizing best talent:** The management should try to employ person in various fields so that better results are possible. The employment of specialists in various fields will be increasing the efficiency of various factors of production. There should be a people environment which should encourage good persons to jay the enterprise
4. **Planning for future:** No management should feel satisfied with today’s work if it has not thought of tomorrow future plans should take in to consideration what should we do next. Future performance will depend upon present planning. Planning for future is essential to help the concern.

**Brief overview of Evolution of management theories**  
History of management is as old as a man. Evidence of well organized principle of management can be seen in ancient Greece & India. Those kings used the concepts of management like planning, organizing, leading and controlling the various activities.

The process of early management approaches are

1. Physiological development.
2. Scientific ,management
3. Administrative management
4. Human relations movement.

**Physiological development: (Before 17th century)**  
In olden days when there was no experience and knowledge of business, they had to depend upon inborn abilities. This gave rise to management that was totally based on Physiological process. People were having universal belief that massagers are born and cannot be made such as artists, directors, kings etc

**Scientific management: (18th -19th century)**

During this time the development was brought about by following two important factors.

1. The effort of scientists to demonstrate the application of science & scientific methods.
2. The effort of establishing standard practices.

The work made use of scientific methods for achieving standard practice & higher efficiency. Thus scientific management came into existence.

**Work study**

Work study includes

1. Time and motion study

Taylor observed that the workers were not producing their full capacity for the fear that their piece rate would be cut with rise in production. The best way of doing a particular job was arrived at with this the time required to complete one job was calculated called stand and time

1. Differential payment

Motion and time study and establishment of standard time further helped in arriving at the production rate of a particular piece or job. It was linked that incentives are introduced with increase in production. It was thought that this would motivate workers to produce more.

1. Reorganization of supervision

The supervisions work was just to allocate the work to be done. The planning of work and selection of tools & sequence of doing work are to be done by foreman and the worker had to simply carry out the work without wasting his time as to how to do that.

1. Scientific requirement and training

Taylor suggested that need for scientific training and development of a worker to carry out a specific task in a more productive way. He also believes that good cooperation between the management and workers would had to the increased production and profits t to both

**The objectives of scientific management are**

1. To assures industrial and market tendencies and to regularize continuous operation.
2. To earn larger profit from a given expenditure on man and materials by minimizing waste work and waste movements.
3. To provide healthy and safe working environment
4. To build character this proper work
5. To develop self realization and self satisfaction among workers there by improving their morale.
6. To give better opportunity for individual their scientific methods of working.
7. To ensure happier and social life to workers,
8. To promote justice among workers by treating them equal.
9. To perform planned and balanced operations.

**Administrative management:**

Henri Fayol is considered as father of administrative management. The theory was developed to make it applicable to middle and top level management. He suggested the activity of any business organization could be divided in to six groups, financial, technical, accounting commercial, managerial security. The focus was on managerial or administrative activity. Management junction is divided in to functions such as planning, organizing, commanding, coordinating and controlling.

Principles of management are

1. Division of work
2. Discipline
3. Authority and responsibility
4. Unity of command
5. Unity of direction
6. Union is strength
7. Equity
8. Order
9. Stability of tenure personnel
10. Remuneration

**Human relation movement:**   
The unpredictable and irritable pattern of behavior of worker made the task managers more difficult. They are broadly classified in to

1. Illumination experiments
2. Relay assembly list room
3. Interviewing programme
4. Bank wiring test room.

The business organization is not merely technical and economical unit where only production and profits are anticipated but it is also socialistic human system.

These are four important modern management approaches

1. Behavioral approach
2. Systems approach
3. Quantitative approach
4. Contingency approach

**Behavioral approach**: The behavioral approach management is concerned with the application of methods & finding psychology and sociology for the purpose of understanding the organizational behavior. This is an improved & extended version of human relations approach to management. Motivation theory, leadership, communication and employee motivation & development are same Behavioral scientists regarded the classical approach as highly mechanical & routine & resulting in demoralizing human aspect.

**System approach:** The classical approach emphasizes in the structure & task, the behavioral approach emphasizes on people & the quantitative approach on mathematical modeling & decision making based on the model. But system approach provides the management the integrated approach of problem solving. A system is defined as a set of independent parts together form a unitary whole that performs a defined task. Organization is a system that consists of people, task, structure & technology. Each part of the system has an independent relation with other part. The systems approach tries to emphasize to resend the organizations as a whole, rather than dealing the parts separately. A system can be either an open system or closed system, A system that interacts with outside environment is called open system & a system that works with the closed boundary is called closed system.

**Quantitative approach:** Quantitative approach is also known as management science approach which was developed during Second World War to find solutions to some complex new problems in warfare. This deals with formulating a mathematical model to simulate a given problem that includes the feasibilities, constraints, costs of events.etc. An optimum mix of these critical variables is arrives at, either for minimizing time or cost or maximizing profit or minimizing time or cost or maximizing profit or production or service enabling the management to take up logical decision.

**Contingency approach:** The contingency approach is the most recent development in the field of management. This attempt to integrate all the management approaches contingency approach suggests the task of managers to identify the correct techniques that will suit a particular situation & apply them to solve a problem. This approach is very much applicable is preparing organizational structure in deciding degree of decentralization, motivational & leadership approaches establishing communication systems, resolving conflicts training the employees etc.

**CHAPTER 2: PLANNING**

* Planning is the beginning of the process management
* A manager must plan before he can possibly organize, staff, direct or control. Because planning sets all other functions into action, it can be seen as the most basic function of management.
* Without planning other functions become mere activity.
* Planning is an intellectual process which requires manager to think before acting.  
  It is thinking in advance.
* It is planning that managers of organization decide what is to be done, when it is to be done, how it is to be done, and how has to do it.
* A plan is a blueprint for goal achievement that specifies the necessary resource allocations, schedules, tasks, and other actions.
* The word planning incorporates both ideas: It means determining the organization’s goals and defining the means for achieving them.



**Nature or characteristics of planning**

1. Focus in objectives:

* Plan starts with setting up of objectives long term & short term objectives should be prepared.
* The main aim is to utilize the financial resources in the best possible manner. & take the best advantage of prevailing economic situation.
* It is realized by developing policies with procurement, administration & distribution of business funds in a best possible way, It is important in developing procedures to ensure consistency of actions.
* The procedures follow the formulation of policies & strategies etc.

1. It is an intellectual process:

The intellectual process requires mental exercise, fore suing future developments, making forecasts & the determination of the best course of action.

1. Planning is a selective process:

It involves careful study of analysis of various alternative courses of action. For alternatives to decide & make decision it requires to know what is to be done. How it is done, when it is to be done & by whom it is done.

1. Planning in pervasive:

Which is an activity to cover all the levels of enterprise. In the levels of management the top level is concerned with strategically planning, middle & the cover are concerned with administrative & operational planning.

1. Planning is integrated process:

It involves not only determination of objectives to formulate sound policies, programmer, procedures & strategies for the meeting these objectives. The managerial functions & facilities other managerial functions like organizing, staffing, directing & control try.

1. Planning is directed towards efficiency:

Planning is basically to increase the efficiency. Good plan is will give maximum output & profit at minimal cost. Planning is foundation.

1. Planning is flexible:

Planning should be adaptable to the changes in the environment Kuntz & o, Donnell emphasizes on effective planning which requires continual checking on events & forecasts and redrawing of plans to maintain a course towards designated goal.

1. First function in the process of management:

Planning is important filled of the process management. Manager takes the responsibility to organize staff direct & control them without planning. Other functions become meaningless activity, producing nothing but chaos.

1. It is a decision making process:

Decision making is an integral part of planning; it is defined as the process of choosing among alternatives.

1. It is a continuous process:

The manager should constantly monitor the progress of his plans. The must monitor within & outside the organization to determine if changes are required in his plans.

**Importance of planning**

1. Minimizes risk and uncertainty

By providing a more rational, fact-based procedure for making decisions, planning allows managers and organizations to minimize risk and uncertainty. Planning does not deal with future decisions, but in futurity of present decisions. If a manager does not make any provision for the replacement of plant and machinery, the problems he will have to face after ten years can well be imagined. The manager has a feeling of being in control if he has anticipated some of the possible consequences and has planned for them. It is like going out with an umbrella in cloudy weather. It is through planning that the manger relates the uncertainties and possibilities of tomorrow to the facts of today and yesterday.

1. Leads t success:

Planning does not guarantee success but studies have shown that, often things being equal, companies which plan not only outperform the non-planners but also their past results. This may be because when a businessman’s actions are not random arising as mere reaction to the market place Planning leads to success by doing beyond mere adaption to market fluctuations. With the help of a sound plan, management can act proactively and not simply react. It involves to attempt to shape the environment on the belief that business is not just the creation of environment but its creator as well.

1. Focus attention on the organizations goals:  
   Planning helps the manger to focus attention on the organizations goals and activities. This makes it easier to apply and coordinate the resources of the organization more economically. The whole organization is forced to embrace identical goals and collaborate in achieving them. It enables the manager to chalk out in advance an orderly sequence of steps for the realization of organizations goals and to avoid needless overlapping of activities
2. Facilitates control:   
   In planning, the manager sets goals and develops plans and to accomplish these goals. These goals and plans then become standards against which performance can be measured. The function of control is to ensure that activities conform to the plans. Thus control can be exercised only if there are plans.
3. Trains executives:

Planning is also an excellent means for training executives. They become involved in the activities of the organization and the plans arouse their interest in the multifarious aspects of planning.

**Types of Planning**

There are many forms and styles of planning, and planning practices are likely to vary from organization to organization.

One useful way of classifying them is to distinguish between strategic planning and tactical planning.

About Strategic planning involves deciding what the major goals of the entire organization will be and what policies will guide the organization in its pursuit of these goals and depends on the data collecteif the d outside the organization such as market analysis, estimates of costs, technological developments and so on and if the data being mostly imprecise make strategic planning less certain.

About Tactical planning involves deciding specifically how the resources of the organization will be used to help the organization achieve these strategic goals. for example if the organization has prepared a ten-year strategic plan which envisages a profit rate of 25% on capital employed in the tenth year, it also necessary to prepare a more detailed tactical plan for the next year, with a specific target of 10% on the capital employed.

**Strategic planning**

1. Decides the major goals and policies of allocation of resources to achieve these goals
2. Done at higher levels of management. Middle managers sometimes not even aware that strategic planning being considered.
3. It is long term
4. Is generally based on long term forecasts about technology, political environment and is more uncertain.
5. Is less detailed because it is not involved with the day to day operations of the organization

**Tactical planning**

1. decides the detail use of resources for achieving these goals
2. is done at lower levels of management
3. it is short term
4. is generally based on the past performance of the organization and is less uncertainly
5. is more detailed because it is involved with the day-to-day operations of the organization

**Objectives**

Strategies

For non-repetitive tasks Single use plans (programmes and Budgets)

For repetitive activities Standing plans (policies, procedures, methods and rules)

**Types of plans:**

* Plans are arranged in a hierarchy within the organization as shown in the figure below
* At the top of this hierarchy stand objectives. Objectives are the broad ends of the organization which are achieved by means of strategies. Strategies in their turn are carried out by means of the two major groups of plans.
* Single use plans and standing plans. Single use plans are developed to achieve a specific end and when the end is reached the plan is dissolved. The two major types of plans are single use plans are programmers and budgets.
* Standing plans on the other hand are designed for situations that recur often to justify the standardized approach. For example, it would be inefficient for a bank to develop a single use plan for processing a loan application for each new client. Instead it uses one standing plan that anticipates in advance whether to approve or turn down the request based on the information furnished, credit rating, etc. The major types of plans are policies, procedures methods and rules.

**Objectives:**

* Are the goals of the organization which the management wishes the organization to achieve.
* These are the end points or pole-star towards which all business activities like organizing, staffing, directing and controlling are directed.
* Only after having defined these end points the can determine the kind of organization the kind of personnel and their qualifications, the kind of motivation, supervision and direction and the control techniques which he must employ to reach these points.
* Objectives are the specific targets to be reached by an organization.
* They are the translation of the organization’s mission into concrete terms against which the results can be measured.
* Example:1) university decision to admit a certain number of students or the hospitals decision to admit a certain number of indoor patients.

**Strategies:**

* A corporate strategy is a plan which takes these factors into account and provides optimal match between the firm and the environment.
* Two important activities are involved in strategy formulation
  + environmental appraisal
  + corporate appraisal

**Standing plans:**

* **Policies:**  
  A policy is a general guideline for decision making which sets up boundaries around decisions including those that cannot be made and shutting out those that cannot.
* A policy can be considered as a verbal, written or implied overall guide setting up boundaries that supply the general limits and the direction in which ,managerial action takes place Policies suggest how to do the work.
* They do not dictate terms to subordinates and provide only a framework within which the decisions must be made by the management in different spheres.
* Example:
  + Recruitment policy of a company is to recruit meritorious people through the employment exchange
  + Distribution policy of a fertilizer company is farmer oriented. Policies and objectives guide thinking and action, but with a difference. Objectives are end points of planning while policies channelize decisions to these ends.

**Procedures:**

* Policies are carried out by means of more detailed guidelines called procedures. A procedure provides a detailed set of instructions for performing a sequence of actions involved in doing a certain piece of work.
* The same steps are followed each time that activity is performed.
* For example: the procedure for purchasing raw material may be
  + The requisition from the storekeeper to the purchasing department.
  + Calling tenders for purchase of materials
  + placing orders with the suppliers who are selected
  + inspecting the materials purchased by the inspecting department
  + Making payment to the supplier of materials by the accounts department.
* Similarly, the procedure for the recruitment of personnel may be
  + inviting applications through advertisement
  + screening the applications
  + conducting written test Procedures may also exist for conducting the meetings of directors and shareholders, granting loans to employees, issuing raw materials from the stores department, granting sick leaves to the employees, passing bills by the accounts department.

**Methods:**

* A method is a prescribed way of in which one step of a procedure is performed.
* For example the specified technique to be used in screening the applications or conducting a written test is a method where as the sequence of steps involved in the recruitment of personnel consists of a procedure.
* Methods help in increasing the effectiveness and usefulness of the procedure.
* By improving the methods reduced fatigue better productivity and lower costs can be achieved.
* Methods can be improved in a number of ways.
* Manual methods of performing a task can be replaced by the mechanical means, or the existing mechanized process may be improved and unproductive methods improved by conducting motion study.

**Rules:**

* Are detailed and recorded instructions that a specific action must or must not be performed a given situation.
* In sanctioning overtime to workmen, in regulating travelling allowances, in sanctioning entertainment bills and in other similar matters a uniform way of handling them or dealing with case has to be followed which are all covered by the rules of the enterprise.
* They make sure that the job is done in the same manner every time bringing uniformity in efforts and results.

**Single use plans:**

**Programmes and budgets**

* Programmes are precise plans or definite steps in proper sequence which need to be taken to discharge a given task.
* Programmes are drawn in conformity with the objectives and are made up of policies, procedures, budgets etc.
* The essential ingredients of every programme are time phasing and budgeting.
* This means that the specific dates should be laid down for the completion of the each successive stage of a programme.
* A provision should also be made in the budget for financing the programme. Often a single step in a programme is set up as a project.

**Budgets:**

* A budget is a financial and/or quantitative statement prepared prior to a definite period of time, of the policy perceived during that period, for the purpose of obtaining a given objective.
* Budgets are plans for a future period of time containing the statements of the expected results in numerical terms that is rupees, man hours Product units and so forth.
* The important budgets are sales budget, revenue budgets, cash budget and expense budget.

**Steps in planning:**

**The various steps involved in planning are as follows:**  
1**)Establishing verifiable goals or set of goals to be achieved:** The first step in planning is to determine the enterprise objectives which are often set up by the upper level or top managers, usually after number of possible objectives have been carefully considered. There are many types of objectives managers may select: desired sales volume or growth rate, the development of a new product or service or even a more abstract goal such as becoming more active in the community. The type of goal selected will depend on a number of factors: the basic mission of the organization, the value its mangers hold and the actual the potential abilities of the organization.

**2)Establishing planning premises:**  
it is the second step in planning to establish planning premises which is vital to the success of planning as they supply pertinent facts and information relating to the future such as population trends, general economic conditions, production costs and prices, probable competitive behavior, capital and material availability and government control and so on. Planning can be variously classified as under(a)internal and external premises(b)tangible and intangible premises(c)controllable and non controllable premises

**(a)internal and external premises:**  
Premises may exist within and outside company. Internal premises include sales forecasts, policies and programmes of the organization, capital investment in plant and equipment, competence of management, skill of labor, etc. External premises can be classified into three different groups Business environment, factors which influence the demand for the product, and the factors which affect the resources available to the enterprise.

**(b)Tangible and non-tangible premises:**  
Tangible premises: those which can be quantitatively measured while Intangible premises are those which being qualitative in character and cannot be measured. Tangible examples: population growth, industry demand, capital and resources invested in the organization are all tangible. Intangible: political stability, sociological factors, business and economic environment are all tangible.

**(c)controllable and non controllable premises:**  
Some of the planning premises are controllable and some are non-controllable and because of the non- controllable factors there is need for the organization to revise the plans periodically in accordance with the current development. Examples of uncontrollable factors: strikes, wars, natural calamities, emergency, legislation etc. Examples of controllable factors: company’s advertising agency, competence of management member’s skill of the labor force, availability of resources in terms of capital and labor, attitude and behavior of the owner’s of the organization.

**3)deciding the planning period:**  
It is the next task once the upper level managers have selected the basic long term goals and the planning premises. Business plans are made in some instances once for a year and plans are made for decades based on some logic and future thinking. The factors which affect the choice of period are:(a) Lead time in development and commercialization of new product.(b)The time required to recover capital investments or the pay-back period and(c) Length of the commitments which are already made.(a)lead time in development and commercialization of new product: Example: Heavy engineering manufacturing company wanting to start a new project should have a planning period of five years.(b)time required to recover capital investments or the pay-back period: It is the number of years over which the investment outlay will be recovered or paid back. Example: machine investment Rs.10 lakhs cash inflow Rs.2 lakhs/year then the payback period is 5 years(c)length of commitments already made: plan period should be as long as possible to enable the fulfillment of commitments already made

**5)evaluating and selecting the alternate courses of action:**  
4) Finding alternate courses of action: The fourth step of planning is to find the alternate courses of action.Example: securing the technical knowhow by engaging a foreign technician or by training staff abroad.5)evaluating and selecting the alternate courses of action:After selecting the alternate courses selection the best course or course of action with the help of quantitative techniques and operations research.6)developing the derivative plans:Once plan formulated, its broad goals must be translated on day to day operations of organization Middle level managers must draw up the appropriate plans, programmes and budgets for their sub-units which are described as derivative plans.7)measuring and controlling the process:Plan cannot be run without monitoring its progress. The managers must check the progress of their plans.

**Limitations of planning:**  
1) Planning is expensive and time consuming process. it involves significant amount of money, energy and also risk without any assurance of the fulfillment of the organizations objectives 2) Sometimes restricts the organization to the most rational and risk free opportunities. Curbs the initiatives of the manager and forces him to operate within the limits set by it and sometimes cause delay in decision making in case of emergency. 3) Scope of planning is limited with rapidly changing situations. 4) Establishment of advance plans tends to make administration inflexible. Example: business changes, change in government policy, may make the original plan lose its value. 5) Another limiting factor in planning is the formulating of the accurate premises. 6) Planning may sometimes face peoples resistance to it

**Making plan effective: Guidelines for making the plan effective**  
1)Coordination: It is important that all plans fit together not only in terms of content but also important plans fit together at proper time.2) Communication: Every manager in the organization should have access to complete information not only pertaining to his own area of planning but also others area.3) Participation: Participation of the subordinates with superiors is a key element in making planning effective.4) Proper climate: Top managers must establish proper climate for planning.

**ORGANIZING**

An organization can be defined as a social unit or human grouping deliberately structured for the purpose of attaining specific goals.

An organization can also be defined as the process of identifying and grouping of the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in the accomplishment of their objectives.

**Nature of organization:**  
1)An organization basically consists of group of people who form the dynamic human element of the organization

2) Organization helps in identifying the various tasks to be performed which are assigned to the individuals to perform to achieve the common objectives or common purpose of the organization.

3) It ensures to achieve coordination amongst the people working in various departments of the organization and ensures integrated efforts to achieve organizational objectives or goals.

4) It delegates authority to the managers with commensurate responsibility and accountability for the discharge of their duties and also amongst different hierarchical levels in an organization.

5) It also aides in achieving financial, physical material and human resources.

6) Organizations are part of the larger environment and hence they are influenced by the external environment.

7) Organization helps in the realization of the plans made by the managers

8) It helps in nurturing and growing special skills and talents by the virtue of division of labour

9) It facilities seamless communication

**Purpose of an organization:**

The purpose of any organization is to achieve goals for which it is formed which aims at achieving common objectives through its group member efforts. The organizations exist for different purpose and the efforts for organizational members are directed for the achievement of this purpose. For example: For business organization the purpose is to develop people and their skills for contributing towards the growth of the enterprise through profits For nonprofit organization the purpose the objective would be to serve the members of the committee in a productive manner

**Types of organization:**  
a) Business organization: are those organizations which are formed with the purpose of earning profits the sole purpose being to earn surplus in the form of profits without which they cannot survive and grow Example: Firms engaged in manufacturing, trading, services etc

b) Non -profit service organizations: are those organizations who do not have the motive of making profits but to serve the people of the a specific community or a segment of a society. Example: Rotary club, Lions club, Orphanages, Charitable hospitals etc.

c) Formal organizations :are officially formed with definite structure which describes authority and responsibility, relationship and behavior of organizational members

d) Informal organization: do not have any official recognition and they are formed due to the social interaction needs of the people resulting in different types of social networks. Found in all formal organizations where people come together and form social groups for various reasons like common interests, friendship or affiliation, satisfaction of emotional needs

**Staffing**

It is human resource management.  
This includes the requirement of work force by taking inventory people available reconciling selecting placing promoting appraising planning the employee’s covers training them to suit the job developing the staff to carry out the defined job effectively.

**Nature of staffing 1. It is basic function of management 2**  
Nature of staffing 1. It is basic function of management 2. Staffing is important to increase in production 3. It maintains healthy atmosphere in any organization 4. It creates optimum utilization of human resources 5. Staffing is basic function of management

**Process of selection & recruitment**  
Selection of personnel for the organization is the important managerial responsibility. Recruitment is the process of searching for prospective employees & stimulating them to apply for jobs in the organization. Techniques of selection1. Application banks2. Preliminary3. Interview4. Group discussion5. Employment test

**Application Bank: It provides actual information needed for evaluating the candidate’s suitability.**  
Preliminary interview: It is the interview for short direction & is aimed at obtains certain basic information. Interview: It is one of the least reliable & valid delection techniques. IT relies upon a considerable extent in accepting or rejecting a candidate. Group discussion: there are the techniques where the candidates are brought together in group to informal discussion & evaluate them. Employment tests: These are the only techniques of selection which are fool proof.

**Various sources where the personnel may be recruited:**  
1. Application introduced by friends2. Consulting agencies3. Campus recruitment4. Casual callers5. Through advertisements6. College recruitment7. Employment Exchange