**Basics of Management**

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**Sixth Semester B.E (All branches) Essentials of Management HSS-302**

Factors of production

• Land, Labor, Capital, and Enterprise

• These needed supply four (scarcity).

to profit productive from business factors are or resources limited in

• Therefore, efficiently and services.

and a effectively company to must produce use goods them

• Together, these and operating four services costs.

the resources cost determines of to acquiring make and a company’s and sell goods using

• These product a price

resources and/or service allow for that the customers creation value of a

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How can industrial activity be classified?

There are many different types of industry. We can classify industry into three main categories:

**Primary**

**Secondary**

These industries extract raw

These industries provide materials directly from the

a service. earth or sea.

1/21/2016 Basics of management 3 These industries process and manufacture products from raw materials.

**Tertiary**

What is a quaternary industry?

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There are also quaternary industries.

These industries incorporate a high degree of research and technology in their processes and employ highly qualified people.

Biotechnology and computer programming are examples of quaternary industries.

**INPUTS PROCESSES OUTPUTS**

These can be physical, human and economic inputs.

These are the activities

These are the finished that are involved.

products and any waste.

How can industry be described as a system?

Think of industry as a cake-making process!

**For a company to be profitable, the value of the outputs must be greater than the cost of the inputs.**

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Organizations

• An organisation is a social system of people who are structured and managed to meet some goals.

• Organisations are ongoing and the structure determines the relationship between the functions and positions.

• Structure also subdivides roles, responsibilities, and authority to carry out the tasks.

• Organisations are open systems which are affected by the environment outside its boundary.

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• Process: The series of logical actions in a system that converts the input into an output.

• Strategy: The grand plan which may pertain to the corporate, business or functional area such as marketing. This is a way of achieving the vision and mission.

• Structure: The way various departments are organised. It indicates how these departments communicate with each other.

• System: It indicates how the input is converted into output using a series of processes together called the throughput. Systems are independent yet interdependent.

• Vision and mission: A formal definition of the purpose of the organisation and what it wants to achieve. Usually it is in a written form and becomes a lighthouse for the organisation to navigate itself. 1/21/2016 Basics of management 8

• Organisation is a social system of people who are structured and managed to meet some goals.

• Every organisation should have a vision and mission or in simpler language a purpose.

• To achieve the vision, a lot of activities or tasks such as the task of buying wood or cutting it have to be performed.

• Similar tasks, when grouped together, become the job.

• When jobs are grouped together and put into some logical sequence and it becomes the process.

• Processes use input and convert these into an output.

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• The input, the logical processes along with the output is called a system.

• For example, the manufacturing system of tables and chairs has an input of wood, nails, knowledge of the carpenter, etc, a series of processes or throughput such as cutting the wood, making the grooves, connecting them, and the output.

• The input of wood comes only because someone has purchased it and brought it to the location and this is based on the purchase system. So, the output of the purchase system is the input for the manufacturing system and that of the manufacturing for the marketing system, etc. 1/21/2016 Basics of management 10

• It follows that there has to be some internal communication and control within the purchasing system and between the purchasing system and manufacturing system, etc. This is called structure. Structure controls the way we interact within and in between systems.

• The structure depends on the strategy, i.e., if the strategy is to make the chair making very innovative, then everyone need to talk to everyone else and act accordingly but if it is to be made very cost effective and run like a machine without much innovation, then this type of communication is not necessary and you may adopt a hierarchical system. The strategy itself is based on the vision and mission.

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Vision Clarifies long term direction of a company [where the company is going] & reflects management’s aspirations for the company.

Mission Statement of the basic purpose for a company's existence & its values [role towards customers, employees, society, etc.]. Strategy

Course of action created to achieve a long term goal.

Goals Long term aims that a company / individual wants to achieve. Objectives Concrete attainments that can be achieved by following a certain number of steps.

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**Objectives**

**Goals**

**Strategy**

**Mission**

**Vision**

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**Planning as Function of Management**

**Examples of Vision & Mission Statements**

Mission Vision "Our Vision is to put joy in kids’

"Our Goal is to be the Worldwide hearts and a smile on parents’

Authority on Kids, Families and faces."

Fun."

**Mission Vision**

"To bring inspiration and

"To lead in corporate citizenship innovation to every athlete\*

through proactive programs that in the world”

reflect caring for the world family \* If you have a body, you are an

of Nike, our teammates, our athlete.

consumers, and those who provide services to Nike”.

Mission Statement "Facebook's mission is to give people the power to share and make the world more open and connected."

**Functions of Management**

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**Learning Objectives**

Controlling as a Function of Management

Summary

**What is Management?**

Planning as a Function of Management

What is Management?

Organizing as a Function of Management

Staffing as a Function of Management

Directing as a Function of Management

**What is Management?**

**Learning Objectives**

Define Management

Nature of Management

Management Science or Art

Management as a Profession

Functions of Management

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" To manage is to forecast, to plan, to organize, to command, to co-ordinate and to control. “

Henry Fayol

Management is the art of getting things done through others.

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**What is Management?**

"Art of knowing what you want to do and then seeing that it is done the best and cheapest way".

F.W.Taylor

Management is the art of getting things done through others.

Management is a multipurpose organ that manages a business, manages managers and manages worker and work- Peter Drucker

**Defining Management**

**Intangible**

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**What is Management?**

**Nature of Management**

**Universal Process**

**Group Phenomenon**

**Creative**

**Continuous Process**

**Multidisciplinary**

**Purposeful**

Management is the art of getting things done through others.

**Social Process**

**FIVE FUNCTIONS OF MANAGEMENT**

**Functions of management**

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**1**

**Planning**

• It bridges the gap between where we are and where we want to be

• It helps facing future with confidence

<

**2**

**Organizing**

• It involves grouping of task

• It involves specialisation, delegation, span of control, and departmentalization

**3**

**Staffing**

• Hiring Right people for right job

• It is devoted to acquiring, training, appraising, and compensating employees

**4**

**Directing**

• It involves supervision, motivation, leadership, and communication

• It is a very people oriented function of management

**5**

**Controlling**

• It involves setting standards, measuring performance as per standards, finding deviations, and taking necessary corrective action

**What is Management?**

**Is Management a Science / Art**

**Management as Science**

• Empirically derived

• Critically tested

• General principles

• Cause & effect relationship

• Universal applicability

**Management as a science provides principles and as an art helps in tackling situations**

**Text**

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Management is the art of getting things done through others.

**Management as an Art**

• Practical know how

• Technical skills

• Concrete results

• Creativity

• Personalized nature

Henri Fayol’s 14 principles

• A principle refers to a fundamental truth. It establishes cause and effect relationship between two or more variables under given situation. They serve as a guide to thought & actions. Therefore, management principles are the statements of fundamental truth based on logic which provides guidelines for managerial decision making and actions. These principles are derived: -

– On the basis of observation and analysis

i.e. practical experience of managers. – By conducting experimental studies.

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**1. Division of Labor 2. Authority & Responsibility 3. Unity of command (Principle of One Boss) 4. Unity of direction 5. Equity 6. Order 7. Discipline 8. Initiative 9. Fair Remuneration 10. Stability of Tenure 11. Scalar Chain 12. Sub-Ordination of Individual Interest to General Interest 13. Espirit De’ Corps 14. Centralization & De-Centralization**

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Henri Fayol’s 14 principles

**• Division of Labor**

– Henry Fayol has stressed on the

specialization of jobs. – He recommended that work of all kinds must be divided & subdivided and allotted to various persons according to their expertise in a particular area. – Subdivision of work makes it simpler

and results in efficiency. – It also helps the individual in acquiring

speed, accuracy in his performance. – Specialization leads to efficiency &

economy in spheres of business

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Henri Fayol’s 14 principles

**• Authority & Responsibility**

– Authority & responsibility are co-

existing. – If authority is given to a person, he should also be made responsible and vice versa. – Authority refers to the right of superiors to get exactness from their sub- ordinates whereas responsibility means obligation for the performance of the job assigned. – They must go hand in hand. – Authority without responsibility leads to irresponsible behavior whereas responsibility without authority makes 1/21/2016 the person ineffective.

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Henri Fayol’s 14 principles

**• Unity of command (Principle of One Boss)**

– A sub-ordinate should receive orders and be accountable to one and only one boss

at a time. – In other words, a sub-ordinate should not receive instructions from more than one

person because:

It undermines authority

Delays and chaos Weakens discipline

Escaping responsibilities Divides loyalty

Duplication of work Creates confusion

Overlapping of efforts

– Therefore, dual sub-ordination should be avoided unless and until it is absolutely

essential. – Unity of command provides the enterprise a disciplined, stable & orderly existence. – It creates harmonious relationship between superiors and sub-ordinates.

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Henri Fayol’s 14 principles

**• Unity of Direction**

– Fayol advocates one head one plan which means that there should be one plan for

a group of activities having similar objectives. – Related activities should be grouped together. There should be one plan of action

for them and they should be under the charge of a particular manager. – According to this principle, efforts of all the members of the organization should be

directed towards common goal. – Without unity of direction, unity of action cannot be achieved. – In fact, unity of command is not possible without unity of direction.

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Henri Fayol’s 14 principles

**Basis Unity of command Unity of direction**

Meaning It implies that a sub-ordinate should receive

orders & instructions from only one boss.

27 It means one head, one plan for a group of activities having similar objectives.

Nature It is related to the functioning of personnel’s. It is related to the functioning of

departments, or organization as a whole.

Necessity It is necessary for fixing responsibility of each

subordinates.

It is necessary for sound organization.

**Advantag e**

It avoids conflicts, confusion & chaos. It avoids duplication of efforts and wastage

of resources.

Result It leads to better superior sub-ordinate

relationship.

It leads to smooth running of the enterprise.

**Therefore it is obvious that they are different from each other but they are dependent on each other i.e. unity of direction is a pre-requisite for unity of command. But it does not automatically comes from the unity of direction.**

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Henri Fayol’s 14 principles

**• Equity**

– Equity means combination of fairness,

kindness & justice. – It implies that managers should be fair and

impartial while dealing with the subordinates. – Equity is essential to create and maintain

cordial relations between the managers and sub-ordinate. – But equity does not mean total absence of

harshness. – Fayol was of opinion that, “at times force

and harshness might become necessary for the sake of equity”.

28 Equality Equity

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Henri Fayol’s 14 principles

**• Order**

– This principle is concerned with proper & systematic arrangement of things and people. – Arrangement of things is called material order

and placement of people is called social order. – Material order- There should be safe, appropriate and specific place for every article and every place to be effectively used for specific activity and commodity. – Social order- Selection and appointment of most suitable person on the suitable job. There should be a specific place for every one and everyone should have a specific place so that they can easily be contacted whenever need arises.

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Henri Fayol’s 14 principles

**• Discipline**

– “Discipline means sincerity, obedience, respect of authority & observance of rules and regulations of the enterprise”. – This principle applies that subordinate should respect their superiors and obey their order. – Discipline is not only required on path of subordinates but also on the part of management. – Discipline can be enforced if -

• There are good superiors at all levels.

• There are clear & fair agreements with workers.

• Sanctions (punishments) are judiciously applied.

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Henri Fayol’s 14 principles

**• Initiative**

– Workers should be encouraged to take initiative in the work assigned to them. It means eagerness to initiate actions without being asked to do so. – Fayol advised that management should provide opportunity to its employees to suggest ideas, experiences & new method of work. – It helps in developing an atmosphere of trust and understanding as people then enjoy working in the organization because it adds to their zeal and energy. – They can be encouraged with the help of monetary & non-monetary incentives.

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Henri Fayol’s 14 principles

**• Fair Remuneration**

– The quantum and method of remuneration to be paid to the workers should be fair, reasonable, satisfactory & rewarding of the efforts. – As far as possible it should accord satisfaction to both employer and the employees. – Wages should be determined on the basis of cost of living, work assigned, financial position of the business, wage rate prevailing etc. – Fayol also recommended provision of other benefits such as free education, medical & residential facilities to workers.

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Henri Fayol’s 14 principles

**• Stability of Tenure**

– Fayol emphasized that employees should not be moved frequently from one job position to another i.e. the period of service in a job should be fixed. – According to Fayol. “Time is required for an employee to get used to a new work & succeed to doing it well but if he is removed before that he will not be able to render worthwhile services”. – As a result, the time, effort and money spent on

training the worker will go waste. – Stability of job creates team spirit and a sense of belongingness among workers which ultimately increase the quality as well as quantity of work. 1/21/2016 Basics of management

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Henri Fayol’s 14 principles

**• Scalar Chain**

– Fayol defines scalar chain as ’The chain of superiors ranging from the ultimate authority to the lowest”. – Every orders, instructions, messages, requests, explanation etc. has to pass through Scalar chain. – But, for the sake of convenience & urgency, this path can be cut short and this short cut is known as Gang Plank. – A Gang Plank is a temporary arrangement between two different points to facilitate quick & easy communication. Gang Plank clarifies that management principles are not rigid rather they are very flexible. They can be molded and modified as per the requirements of situations

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Henri Fayol’s 14 principles

**• Sub-Ordination of Individual Interest to General Interest**

– An organization is much bigger than the individual it constitutes therefore interest of the undertaking should prevail in all circumstances. – As far as possible, reconciliation should be achieved between individual and group interests. – But in case of conflict, individual must sacrifice

for bigger interests. – In order to achieve this attitude, it is essential

that

• Employees should be honest & sincere.

• Proper & regular supervision of work.

• Reconciliation of mutual differences and clashes by mutual agreement. 1/21/2016 Basics of management

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Henri Fayol’s 14 principles

**• Espirit De’ Corps (can be achieved through unity of command)**

– It refers to team spirit i.e. harmony in the work

groups and mutual understanding among the members. – Espirit De’ Corps inspires workers to work harder. – Fayol cautioned the managers against dividing

the employees into competing groups because it might damage the morale of the workers and interest of the undertaking in the long run.

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Henri Fayol’s 14 principles

– To inculcate Espirit De’ Corps following steps should be undertaken -

• There should be proper co-ordination of work at all levels

• Subordinates should be encouraged to develop informal relations among themselves.

• Efforts should be made to create enthusiasm and keenness among subordinates so that they can work to the maximum ability.

• Efficient employees should be rewarded and those who are not up to the mark should be given a chance to improve their performance.

• Subordinates should be made conscious of that whatever they are doing is of great importance to the business & society. – He also cautioned against the more use of Britain communication to the subordinates i.e. face to face communication should be developed. The managers should infuse team spirit & belongingness. There should be no place for misunderstanding. People then enjoy working in the organization & offer their best towards the organization.

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Henri Fayol’s 14 principles

**• Centralization & De-Centralization**

– Centralization means concentration of authority at the top level. In other words, centralization is a situation in which top management retains most of the decision making authority. – Decentralization means disposal of decision making authority to all the levels of the

organization. In other words, sharing authority downwards is decentralization. – According to Fayol, “Degree of centralization or decentralization depends on no. of factors like size of business, experience of superiors, dependability & ability of subordinates etc. – Anything which increases the role of subordinate is decentralization & anything

which decreases it is centralization. – Fayol suggested that absolute centralization or decentralization is not feasible. An

organization should strike to achieve a lot between the two.

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**Managerial Roles**

Managerial Roles

If you ask a manager what he does, he will most likely tell you that he plans, organizes, coordinates, and controls. Then watch what he does. Don’t be surprised if you can’t relate what you see to these four words. When he is rung up and told that one of his factories has just burned down, and he advises the caller to see whether temporary arrangements can be made to supply customers through a foreign subsidiary, is he planning, organizing, coordinating, or controlling? What about when he presents a gold watch to a retiring employee? Or when he attends a conference to meet people in the trade? Or, on returning from that conference, when he tells one of his employees about an interesting product idea he picked up there?

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Managerial Roles

In Henry Mintzberg’s model managers play ten different roles (organized sets of behaviors identified with a position) that fall into three basic categories:

 interpersonal roles  informational roles  decisional roles

Managerial Roles

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Managerial Roles

**Interpersonal roles:**

О

figurehead role

О

leader role

О

liaison role

Managerial Roles

**Figurehead role**

By virtue of his position as head of an organizational unit, every manager must perform some duties of ceremonial nature.

a. The president greets the touring dignitaries (attends ribbon

cutting ceremonies),

b. the foreman attends the wedding of a lathe operator, and

c. the sales manager takes an important customer to lunch.

Duties that involve interpersonal roles may sometimes be routine, involving little serious communication and no important decision-making.

Nevertheless, they are important to the smooth functioning of an organization and cannot be ignored by 1/21/2016 the manager”.

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Managerial Roles Leader role Because he is in charge of an organizational unit, the manager is responsible for the work of the people of that unit. His actions in this regard constitute the leader role. Some of these actions involve leadership directly – for example, a. in most organizations the manager is normally

responsible for hiring and training his staff. In addition, there is the indirect exercise of the leader role. b. Every manager must motivate and encourage his employees, somehow reconciling their individual needs with the goals of the organization. The influence of the manager is most clearly seen in the leader role. Formal authority vests him with great potential power; leadership determines in large part how much of it he will realize.

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Managerial Roles

**Liaison role**

In the liaison role the manager makes contacts outside his vertical chain of command. Managers spend as much time with peers and other people outside their units as they do with their own subordinates, and surprisingly little time with their own superiors. The manager cultivates such contacts largely to find information.

In effect, the liaison role is devoted to building up the manager’s own external information system – informal, private, verbal, but nevertheless effective.

Managerial Roles

**Informational roles:**

О

monitor role

О

disseminator role

О

spokesman role

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Managerial Roles

**Monitor role**

As monitor, the manager continuously scans his environment for information, interrogates his liaison contacts and his subordinates, and receives unsolicited information, much of it as a result of the network of personal contacts he has developed.

A good part of the information the manager collects in his monitor role arrives in verbal form, often as gossip, hearsay, and speculation. By virtue of his contacts, the manager has a natural advantage in collecting this soft information for his organization.

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Managerial Roles

**Disseminator role**

The manager must share and distribute much of information.

Information he gathers from outside personal contacts may be needed within his organization.

In his disseminator role, the manager passes some of his privileged information directly to his subordinates, who would otherwise have no access to it.

When his subordinates lack easy contact with one another, the manager will sometimes pass information from one to another.

Managerial Roles

**Spokesman role**

In his spokesman role, the manager sends some of his information to people outside his unit.

In addition, as part of his spokesman role, every manager must inform and satisfy the influential people who control his organizational unit.

The president of a large corporation may spend a great deal of his time dealing with a host of influences.

• Directors and shareholders must be advised about financial performance;

• consumer groups must be assured that the organization is fulfilling its social responsibility; and

• government officials must be satisfied that the organization is 1/21/2016 abiding by the law.

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Managerial Roles

**Decisional roles:**

О

entrepreneurial role

О

disturbance handler role

О

resource allocator role

О

negotiator role

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Managerial Roles

**Entrepreneurial role The entrepreneurial role describes the manager as the voluntary initiator of change.**

As entrepreneur, the manager seeks to improve his unit and to adopt it to changing conditions in the environment. In his monitor role, the president is constantly on the lookout for new ideas. When a good one appears, he initiates a development project. The chief executive appears to maintain a kind of inventory of the development projects that he himself supervises. Like a juggler, he keeps a number of projects in the air: periodically one comes down, is given a new burst of energy, and is sent back into orbit. At various intervals, he puts new projects on-stream and discards old ones.

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Managerial Roles

Disturbance handler role While the entrepreneurial role describes the manager as the voluntary initiator of change, the disturbance handler role depicts the manager involuntarily responding to pressures. Here change is beyond the manager’s control. He must act because the pressures of the situation are too severe to be ignored: a strike looms, a major customer has gone bankrupt, etc. Every manager must spend a good part of his time responding to high-pressure disturbances. Disturbances arise not only because poor managers ignore situations until they reach crisis proportions, but also because good managers cannot possibly anticipate all the consequences of the actions they take.

Managerial Roles

The things we fear most in organizations – fluctuations, disturbances, imbalances – are the primary sources of creativity.

Margaret J. Wheatley

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Managerial Roles

**Resource allocator role**

Managers have the responsibility of deciding who will receive what in his organizational unit.

Perhaps the most important resource the manager allocates is his own time.

Access to the manager constitutes exposure to the unit’s nerve center and decision-center. The manager is also charged with designing his unit’s structure, that pattern of formal relationships that determines how work is to be divided and coordinated.

Also in his role as resource allocator the manager authorizes the important decisions before they are implemented.

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Managerial Roles

**Negotiator role**

Studies of managerial work at all levels indicate that managers spend considerable time in negotiations. Negotiations are duties of the manager’s job; perhaps routine, they are not to be shirked.

Types of Managers Levels of Management

– First-line managers

• Responsible for day-to-day operations. Supervise people performing activities required to make the good or service. – Middle managers

• Supervise first-line managers. Are responsible to find the best way to use departmental resources to achieve goals. – Top managers

• Responsible for the performance of all departments and have cross-departmental responsibility.

• Establish organizational goals and monitor middle managers.

• Form top management team along with the CEO and COO.

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LEVELS OF MANAGEMENT

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**Skill Requirement in Managers**

Top

Middle

First Line

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C

H

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**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate social responsibility comes from integration of three words-: 'corporate,' 'social,' and 'responsibility. Corporate: Organized business Social: Everything dealing with the people Responsibility: Accountability between the two.

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CSR DEFINED

• CSR is the Corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.

• The term generally applies to company efforts that go beyond what may environmental protection be groups

required .

by regulators or

• Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit, but instead promote positive social and environmental change.

**DRIVERS OF CSR**

**1. Employees and shareholders 2. Brand equity 3. Ethical marketing practices**

**and social awareness 4. The environment consciousness 5. Energy conservation and**

**global warming 6. Responsibility towards the**

**government**

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KELLOG’S CSR INITIATIVES

• Protecting our environment.

• Selling nutritious products and advocating healthy lifestyles.

• Acting with integrity and adhering to the highest ethical standards.

• Promoting diversity in our work force and partnering with diverse suppliers.

• Ensuring a safe, healthy workplace.

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**Functions of Management**

**Planning**

**Staffing**

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**Controlling**

**Organizing**

**Directing**

**2**

**1**

**3**

**5**

**4**

**Functions of Management**

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**Learning Objectives**

What is Management

Planning Planning as as a a Function Function of of Management

**Management**

Controlling as a Function of Management

Summary

Organizing as a Function of Management

Staffing as a Function of Management

Directing as a Function of Management

**Planning as Function of Management**

**Learning Objectives**

What is a Plan?

Define Goals, Objectives, Strategy, Mission, and Vision

Examples of Vision & Mission statements

Steps in Planning Process

Importance of Planning

Challenges while Planning

Characteristics of an Effective Plan

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Questions like What, how, where, when, etc. and bridges the gap between where we are & where we want to be.

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**Planning as Function of Management**

1

**What is a Plan?**

A plan is a predetermined course of action which provides purpose and direction of an organization.

2

**It Involves?**

Making a systematic process for achieving the organization’s goals.

3

**It Answers**

**Planning as Function of Management**

**Steps in Planning Process**

**Establishment of Planning Premises**

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**Formulation of derivative plans**

**Establishment of Objectives**

**Follow-up / appraisal of plans**

**Choice of alternative course of action**

**Securing co- operation**

**Planning BUSINESS NETWORK**

**as Function of Management**

**Importance of Planning – Why Plan?**

**Provides Direction**

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**Planning bridges the gap between where we are & where we want to be**

**Reduces Uncertainties**

**Resource Allocation**

**Minimizes impulsive & arbitrary decisions**

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Difficulty in accurate Premising

**Planning as Function of Management**

**Challenges while Planning**

Problems of Rapid Change

Psychological

Policy & Procedural

Time & Cost factors

External Inflexibilities

Internal Inflexibilities

Political Climate

Policy & Procedural

**Planning as Function of Management**

**Characteristics of an Effective Plan**

**Linked to Long Term Objectives**

An effective plan is always based on the long term goals of an organization.

1

Simple & Feasible An effective plan must be simple so that it can be easily understood and followed.

**Consistent Direction For Action Plans must be action oriented**

2

Flexible While plans must be consistent, they should be flexible enough to meet the demands of the dynamic environment.

Plans must not be changed unless necessary. Deviations must be tracked and controlled.

3

4

5

**Functions of Management**

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Planning as a Function of Management

Controlling as a Function of Management

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Organizing as a Function of Management

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Organizing as a Function of Management

**Organizing as a Function of Management**

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What is Organizing

Nature of Organizing

Components of Organizing

Steps of Organizing

Benefits of Organizing

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**Organizing as a Function of Management**

**What is Organizing?**

Organizing involves:

• Identification and classification of the required activities

• Grouping of activities necessary to attain objectives

• Assignment of each grouping to a manager with authority and the provision of coordination

**Intangible**

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**Organizing as a Function of Management**

Nature of Organizing

**Composition of**

**Individuals & Differentiated**

**Groups Functions**

**Division of Work**

**& Specialization**

**Continuity**

Management is the art of getting things done through others.

**Orientation**

**Towards Goals**

**Purposeful**

Division of Labour Assigning responsibility for each activity to an individual / group. It becomes Specialization when the responsibility for a specific task lies with a designated expert in that field.

Delegation of Authority Process managers use delegation to transfer authority to positions below them. Organizations today tend to encourage delegation from highest to lowest possible levels. It improves flexibility. Departmentation It is the basis on which individuals are grouped into departments and departments into total organizations.

Span of Control It refers to the number of subordinates a supervisor has.Factors that affect span of control are Geographical Location, Capability of workers, and Similarity of task Basics of management 1/21/2016 77

**Organizing as a Function of Management**

**Components of Organizing**

Division of Labour

Span of Components Control

Delegation of Authority of Organizing

Departmentation

**Organizing as Function of Management**

**Steps in Organizing Process**

**Building relationship between authority and responsibility**

**Organizinzing the activities**

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**Identificatio of activities of the organization**

**Classification of the authority**

**BUSINESS NETWORK**

**Helps to achieve organizational goals**

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**Organizing as Function of Management**

**Benefits of Organizing**

**Optimum utilization of Resources**

**Planning, Staffing, Directing and Controlling cannot be implemented without proper organization**

**Facilitates Growth & Diversification**

**Functions of Management**

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**Staffing as a Function of Management**

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What is Staffing

Components of Staffing

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How to ensure Successful Staffing

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**Staffing as Function of Management**

**What is Staffing**

Staffing involves manning the organizational structure through proper and effective appraisal, selection and development of people to fill the roles designed into the structure.

Staffing is also known as Human Resource Management. It is the management function devoted to acquiring, training, appraising, and compensating employees.

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1. Strategic HR Planning 2. Recruitment 3. Selection

Strategic HR planning is a process that identifies current and future HR needs for an organization to achieve its goals. It should serve as a link between HR management and the overall strategic plan of an organization.

Recruitment refers to the process of attracting, screening, and selecting qualified people for a job. Companies recruits through employment agencies, recruitment websites, job search engines, "headhunters" for executive & professional recruitment, and niche agencies which specialize in a particular area of staffing.

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people.

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**Staffing as Function of Management**

**Components of Staffing**

**Staffing as Function of Management**

**Steps in Staffing Process**

**Recruitment**

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**Orientation & Placement**

**Identifying manpower requirements**

**Compensation**

**Performance Appraisal**

**Selection**

**Training & Development**

**Staffing as Function of Management**

**How to ensure successful Staffing?**

**Simple & Clear**

**Job description**

**Recruiting the**

**Communicating**

**right person**

**Employer’s**

**expectations**

Management is the art of getting things done through others.

**Commend with**

**Discipline with Consistency**

**due process**

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**Regular**

**Performance**

**appraisal**

**Functions of Management**

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Steps in Directing

Benefits of Directing

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**Directing as a Function of Management**

**What is Directing?**

Directing is a process in which the managers instruct, guide, & oversee the performance of the workers to achieve predetermined goals. Directing is said to be the heart of management process. It involves:

✓ telling people what is to be done & how to do it; ✓ issuing instructions & orders to subordinates to

carry out their assignments as scheduled ✓ supervising their activities; ✓ inspiring them to contribute towards the

achievement of organizational objectives; and ✓ providing leadership.

Supervision Supervision is directing efforts of

Supervision

employees and other resources to accomplish stated work outputs.

Motivation Motivation is something that moves the person to action, and continues him in the course of action already initiated / about to be initiated. Leadership Communication

Motivation

Leadership is essentially a continuous process of influencing behaviour. A leader breathes life into the group and motivates it towards goals. The lukewarm desires for achievement are transformed into burning passion for accomplishment Communication Leadership

Communication is the transfer of information from one person to another by transmitting ideas, facts, thoughts, feelings & values. In its absence, 1/21/2016 Basics of management organisation would cease to exist.

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**Directing as a Function of Management**

**Components of Directing**

**Components of Directing**

**Directing as Function of Management**

**Steps in Directing Process**

**Decision Making**

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**Communication & motivation**

**Supervising Employees**

**Guiding the employees through effective leadership**

**BUSINESS NETWORK**

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**Directing as Function of Management**

**Benefits of Directing**

**Initiates action to get desired results**

**Helps achieving organizational goals through effective supervision, motivation, leadership, & communication**

**Attempts to get maximum out of employees**

**Helps accepting & adapting changes**

**Functions of Management**

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Characteristics of Controlling

Steps in Controlling

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**Controlling as a Function of Management**

**What is Controlling?**

Controlling is the measurement and correction of performance in order to ensure that an organization’s objectives and plans are accomplished.

Controlling is a function of every manager both at lower and upper level since all have responsibility for the execution of plans.

**Controlling as Function of Management**

**Characteristics of Controlling**

**Continuous**

**Process**

**Management**

**Forward Looking**

**Process**

Management is the art of getting things done through others.

**Tool for achieving**

**Linked with Organizational**

Planning activities 1/21/2016 Basics of management 95

**Pervasive**

**FIVE FUNCTIONS OF MANAGEMENT**

**Summary**

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**1**

**Planning**

• It bridges the gap between where we are and where we want to be

• It helps facing future with confidence

<

**2**

**Organizing**

• It involves grouping of task

• It involves specialisation, delegation, span of control, and departmentalization

**3**

**Staffing**

• Hiring Right people for right job

• It is devoted to acquiring, training, appraising, and compensating employees

**4**

**Directing**

• It involves supervision, motivation, leadership, and communication

• It is a very people oriented function of management

**5**

**Controlling**

• It involves setting standards, measuring performance as per standards, finding deviations, and taking necessary corrective action

**Thank You!**

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