**Module -1**

**Introduction: Meaning, Nature & Characteristics of management, Scope and functional areas of management, goals of management, levels of management, brief overview of evolution of management theories,. Planning- Nature, importance, types of plans, steps in planning, organizing- nature and purpose, types of organization, staffing-meaning, process of recruitment and selection.**

**Meaning-**

Management is the administration of an organization, whether it is a business, a non-profit organization, or a government body. It is the art and science of managing resources.

Management is the process of planning and organising the resources and activities of a business to achieve specific goals in the most effective and efficient manner possible. Efficiency in management refers to the completion of tasks correctly and at minimal costs. Effectiveness in management relates to the completion of tasks within specific timelines to yield tangible results.

The best definition of Management refers to the optimal way to accomplish tasks and achieve goals, using Planning, Organizing, Staffing, Directing, and Controlling functions or processes.

**Nature & Characteristics of Management:**

* **Management is goal oriented process:**

Management always aims at achieving the organisational objectives. The functions and activities of manager lead to the achievement of organisational objectives

#### Management is Pervasive:

Management is a universal phenomenon. The use of management is not restricted to business firms only it is applicable in profit-making, non-profit-making, business or non-business organisations; even a hospital, school, club and house has to be managed properly. Concept of management is used in the whole world whether it is USA, UK or India.

* **Management is Multidimensional:**

Management does not mean one single activity but it includes three main activities:

i. Management of work

ii. Management of people

iii. Management of operations

**(a) Management of work:**

All organisations are set up to perform some task or goal. Management activities aim at achieving goals or tasks to be accomplished.

**(b) Management of people:**

People refer to Human resources and Human resources are the most important assets of an organization. An organization can win over competitor with efficient employees only because two organization can have same physical, technological and financial resources but not human resources. Management has to get task accomplished through people only.

**(c) Management of operations:**

Operations refer to activities of production cycle such as buying inputs, converting them into semi-finished goods, finished goods.

**4. Management is a continuous process:**

Management is a continuous or never ending function. All the functions of management are performed continuously.

**5. Management is a group activity:**

Management always refers to a group of people involved in managerial activities. The management functions cannot be performed in isolation. Each individual performs his/her role at his/her status and department, and then only management function can be executed.

**6. Management is a dynamic function:**

Management has to make changes in goal, objectives and other activities according to changes taking place in the environment. The external environment such as social, economical, technical and political environment has great influence over the management . As changes take place in these environments, same are implemented in organisation to survive in the competitive world.

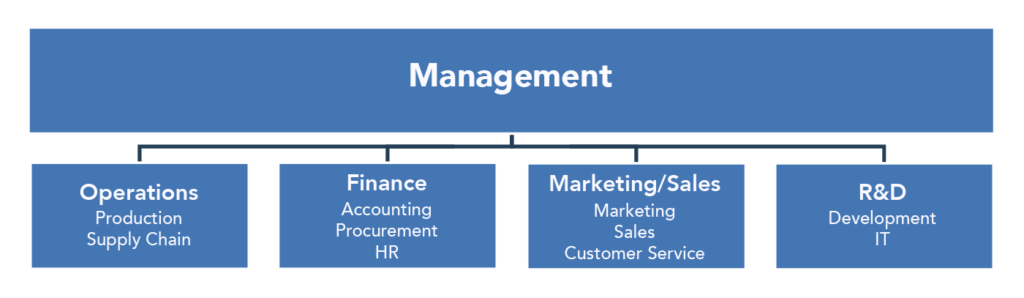
**7. Intangible:**

Management function cannot be physically seen but its presence can be felt. The presence of management can be felt by seeing the orderliness and coordination in the working environment. It is easier to feel the presence of mismanagement as it leads to chaos and confusion in the organisation.

**8. Composite process:**

Management consists of series of functions which must be performed in a proper sequence. These functions are not independent of each other.

**Scope and functional areas of Management:**



**Management**

The primary role of managers in business is to supervise other people’s performance. Most management activities fall into the following categories:

* **Planning**: Managers plan by setting long-term goals for the business, as well short-term strategies needed to execute against those goals.
* **Organizing:** Managers are responsible for organizing the operations of a business in the most efficient way, enabling the business to use its resources effectively.
* **Controlling:** A large percentage of a manager’s time is spent controlling the activities within the business to ensure that it’s on track to achieve its goals. When people or processes stray from the path, managers are often the first ones to notice and take corrective action.
* **Leading**: Managers serve as leaders for the organization, in practical as well as symbolic ways. The manager may lead work teams or groups through a new process or the development of a new product. The manager may also be seen as the leader of the organization when it interacts with the community, customers, and suppliers.

## **Operations**

Operations is where inputs, or factors of production, are converted to outputs, which are goods and services. Operations is the heart of a business providing goods and services in a quantity and of a quality that meets the needs of the customers. Operations control the supply chain, including procurement and logistics.

## **Marketing/Sales**

**Marketing** consists of all that a company does to identify customers’ needs and design products and services that meet those needs. The marketing function also includes promoting goods and services, determining how the goods and services will be delivered, and developing a pricing strategy to capture market share while remaining competitive. In today’s technology-driven business environment, marketing is also responsible for building and overseeing a company’s Internet presence (e.g., the company website, blogs, social media campaigns, etc.). Today, social media marketing is one of the fastest growing sectors within the marketing function.

## **Finance**

The **Finance** function involves planning for, obtaining, and managing a company’s funds. Finance managers plan for both short-term and long-term financial capital needs and analyze the impact that borrowing will have on the financial well-being of the business. A company’s finance department answers questions about how funds should be raised (loans vs. stocks), the long-term cost of borrowing funds, and the implications of financing decisions for the long-term health of the business.For example, if the inventory of finished products is increasing day by day it clearly indicates mismanagement of marketing and sales.

**R&D**

R & D is staffed with scientists, thought-leaders, subject-matter experts and industry analysts striving to provide the organization with knowledge and ideas to keep up and ahead of the competition. R&D is led by the Chief Technology Officer (CTO), who manages a Development VP or similar title depending on what technology products are being produced.

**Goals of Management:**

Management goals or objectives are a system of plans a company communicates to its employees to achieve. The goals set need to be realistic and have a deadline attached to them

## **Strategic Goals**

Strategic goals are goals made to achieve and support the mission and vision of the company. Strategic goals effect and focus on an entire company and not just a department or work function within the company. Strategic goals include goals relating to innovation, market standing, productivity, efficiency in utilizing company resources in the form of workforce and finances, bottom line profit, management development and performance, employee conduct and morale and public and social responsibility. Strategic goals are set by organization leaders and apply to everyone within the organization to work on concurrently and will often benefit both the employee as well as the organization when goals are completed within the assigned time frame.

## **Tactical Goals**

Tactical management goals relate to the strategic goals set by the company. Tactical goals are broken into divisions or department levels and outline the steps necessary for each department within the organization to contribute to the larger strategic goals. Tactical goals are usually short term goals that contribute to the long-term company goal and can be analysed and measured more easily.

## **Operational Goals**

Operational management goals are goals set to impact the running of an organization, where management skills, technology and resources can be utilized in the most efficient ways possible. Operational goals are determined at the lower management level within an organization and are specific to certain employees or a department in the company versus the entire company. Operational goals focus on individual employee responsibilities and performance and the position's overall impact within the company.

**Levels of Management:**

1. **Administrative, Managerial, or Top Level of Management**

The roles and responsibilities of the top level of management can be summarized as follows:

* Laying down the objectives and broad policies of the business enterprise.
* Issuing necessary instructions for the preparation of department-specific budgets, schedules, procedures, etc.
* Preparing strategic plans and policies for the organization.
* Appointing the executives for middle-level management, i.e. departmental managers.
* Establishing controls of all organizational departments.
* Since it consists of the Board of Directors, the top management level is also responsible for communicating with the outside world and is held accountable towards an organization’s shareholders for the performance of the enterprise.
* Providing overall guidance, direction, and encouraging harmony and collaboration.

b). **Executive or Middle Level of Management**

The roles and responsibilities of the middle level of management can be summarized as follows:

* Executing the plans of the organization in accordance with the policies and directives laid out by the top management level.
* Forming plans for the sub-units of the organization that they supervise.
* Participating in the hiring and training processes of lower-level management.
* Interpreting and explaining the policies from top-level management to lower-level management.
* Sending reports and data to top management in a timely and efficient manner.
* Evaluating the performance of junior managers.
* Inspiring lower level managers towards improving their performance.

**3. Supervisory, Operative, or Lower Level of Management**

The roles and responsibilities of the lower level of management can be summarized as follows:

* Assigning jobs and tasks to various workers.
* Guiding and instructing workers in day-to-day activities.
* Overseeing both the quality and quantity of production.
* Maintaining good relations within lower levels of the organization.
* Acting as mediators by communicating the problems, suggestions, and recommendation appeals, etc.
* Helping to address and resolve the grievances of workers.
* Supervising and guiding their subordinates.
* Taking part in the hiring and training processes of their workers.
* Arranging the necessary materials, machines, tools, and resources, etc. necessary for accomplishing organizational tasks.
* Preparing periodical reports regarding the performance of the workers.

**Brief overview of evolution of Management Theories:**

Management theories are a collection of ideas that recommend general rules for how to manage an organization or business. Management theories address how supervisors implement strategies to accomplish organizational goals and how they motivate employees to perform at their highest ability.

* **Pre-scientific management period**
* Classical theory
* Neo-classical theory or behavior approach

**Planning**

Planning is the fundamental management function, which involves**deciding beforehand**, what is to be done, when is it to be done, how it is to be done and who is going to do it. It is an**intellectual process** which **lays down** an **organisation’s objectives and develops various courses of action**, by which the organisation can achieve those objectives. It chalks out exactly, how to attain a specific goal.



**Nature/ importance of Planning:**

1. ****Managerial function****: Planning is a first and foremost managerial function provides the base for other functions of the management, i.e. Organizing, staffing, directing and controlling, as they are performed within the periphery of the plans made.
2. ****Goal oriented**:** It focuses on defining the goals of the organization, identifying alternative courses of action and deciding the appropriate action plan, which is to be undertaken for reaching the goals.
3. ****Pervasive****: It is pervasive in the sense that it is present in all the segments and is required at all the levels of the organization. Although the scope of planning varies at different levels and departments.
4. ****Continuous Process****: Plans are made for a specific term, say for a month, quarter, year and so on. Once that period is over, new plans are drawn, considering the organisation’s present and future requirements and conditions. Therefore, it is an ongoing process, as the plans are framed, executed and followed by another plan.
5. ****Intellectual Process**:** It is a mental exercise at it involves the application of mind, to think, forecast, imagine intelligently and innovate etc.
6. ****Futuristic****: In the process of planning we take a sneak peek of the future. It encompasses looking into the future, to analyse and predict it so that the organization can face future challenges effectively.
7. ****Decision making****: Decisions are made regarding the choice of alternative courses of action that can be undertaken to reach the goal. The alternative chosen should be best among all, with the least number of the negative and highest number of positive outcomes.

**Types of plans:**

* **Strategic plans (institutional)**—define the organization’s long-term vision; articulate the organization’s mission and value statements; define what business the organization is in or hopes to be in; articulate how the organization will integrate itself into its general and task environments.
* **Administrative plans**—specify the allocation of organizational resources to internal units of the organization; address the integration of the institutional level of the organization (for example, vision formulation) with the technical core (vision implementation); address the integration of the diverse units of the organization.
* **Operating plans (technical core**)—cover the day-to-day operations of the organization.

**Steps in Planning:**

**(1) **Setting Objectives****

* This is the primary step in the process of planning which specifies the objective of an organisation, i.e. what an organisation wants to achieve.
* The planning process begins with the setting of objectives.
* Objectives are end results which the management wants to achieve by its operations.
* Objectives are specific and are measurable in terms of units.
* Objectives are set for the organisation as a whole for all departments, and then departments set their own objectives within the framework of organisational objectives.

**(2) **Developing Planning Premises****

* Planning is essentially focused on the future, and there are certain events which are expected to affect the policy formation.
* Such events are external in nature and affect the planning adversely if ignored.
* Their understanding and fair assessment are necessary for effective planning.
* Such events are the assumptions on the basis of which plans are drawn and are known as planning premises.

**(3) **Identifying Alternative Courses of Action****

* Once objectives are set, assumptions are made.
* Then the next step is to act upon them.
* There may be many ways to act and achieve objectives.
* All the alternative courses of action should be identified.

**(4) **Evaluating Alternative Course of Action****

* In this step, the positive and negative aspects of each alternative need to be evaluated in the light of objectives to be achieved.
* Every alternative is evaluated in terms of lower cost, lower risks, and higher returns, within the planning premises and within the availability of capital.

**(5) **Selecting One Best Alternative****

* The best plan, which is the most profitable plan and with minimum negative effects, is adopted and implemented.
* In such cases, the manager’s experience and judgement play an important role in selecting the best alternative.

**(6) **Implementing the Plan****

* This is the step where other managerial functions come into the picture.
* This step is concerned with “DOING WHAT IS REQUIRED”.
* In this step, managers communicate the plan to the employees clearly to help convert the plans into action.
* This step involves allocating the resources, organising for labour and purchase of machinery.

**(7) **Follow Up Action****

* Monitoring the plan constantly and taking feedback at regular intervals is called follow-up.
* Monitoring of plans is very important to ensure that the plans are being implemented according to the schedule.
* Regular checks and comparisons of the results with set standards are done to ensure that objectives are achieved.

**Organizing:**

Organizing involves assigning tasks, grouping tasks into departments, delegating authority, and allocating resources across the organization.

Organizing is the function of management which follows planning. It is the process of establishing orderly uses for all resources within the management system of the organization.

**Nature and Purpose:**

#### **1. Division of Labour:**

According to Fayol, work of all kinds must be sub-divided and assigned to a number of persons. This helps to make the work being carried out in a simpler and efficient manner. It, thus, leads to specialization and increasing employees’ efficiency.

#### **2. Coordination:**

Different persons are assigned for different functions and yet all these functions have only one aim i.e. accomplishment of the enterprise’s objectives.

To this end, an organisation has to adopt adequate methods to ensure that there is proper coordination of the different activities performed at various work points. This means establishment of correct and adequate relationships between an employee and his work; one employee with another; and one department or sub-department with another.

#### **3. Social System:**

All parts of the organisational system are inter-dependent. Each part affects and is influenced by any other part and also in turn by the system as a whole. An organisation is a social system. Its activities are governed by social and psychological laws. People working in an organisation are influenced in their actions and behaviour by their social and psychological needs.

#### **4. Objectives:**

Any organisation structure is bound together by the pursuit of specific and well-defined objectives. In fact, as objectives cannot be accomplished without an organisation, an organisation cannot exist for long without objectives and goals.

#### **5. Cooperative Relationship:**

An organisation ensures co-operative relationship among the members of the group. It cannot be constituted by one person. It requires at least two or more persons. Organisation is a system which helps in creating meaningful relationship among persons both vertical and horizontal.

#### **6. Well-Defined Hierarchy:**

Hierarchy acts as a line of communication, as well as command, and shows the pattern of relationships among people. Hierarchy of organisation refers to the positioning of people from the highest level to the lowest rank in the organisation. It also helps to define authority and responsibility attached to each position/person.

#### **7. Communication:**

Although every organisation has its own channels and methods of communication. For success in management, effective communication is vital. This is because management is concerned with working with others and unless there is proper understanding between people, it cannot be effective. The channels of communication may be formal, informal, downward, upward or horizontal.

**Types of organization:**

## **Hierarchical org structure**

## It’s the most common type of organizational structure––the chain of command goes from the top (e.g., the CEO or manager) down (e.g., entry-level and low-level employees) and each employee has a supervisor.

## **Functional org structure**

Similar to a hierarchical organizational structure, a functional org structure starts with positions with the highest levels of responsibility at the top and goes down from there. Primarily, though, employees are organized according to their specific skills and their corresponding function in the company. Each separate department is managed independently.

**Horizontal or flat org structure**

A horizontal or flat organizational structure fits companies with few levels between upper management and staff-level employees. Many start-up businesses use a horizontal org structure before they grow large enough to build out different departments, but some organizations maintain this structure since it encourages less supervision and more involvement from all employees.

**Divisional org structure**

In divisional organizational structures, a company’s divisions have control over their own resources, essentially operating like their own company within the larger organization. Each division can have its own marketing team, sales team, IT team, etc. This structure works well for large companies as it empowers the various divisions to make decisions without everyone having to report to just a few executives.

**Matrix organizational**

It shows cross-functional teams that form for special projects. For example, an engineer may regularly belong to the engineering department (led by an engineering director) but work on a temporary project (led by a project manager). The matrix org chart accounts for both of these roles and reporting relationships.

**Team-based org structure**

A team organizational structure is meant to disrupt the traditional hierarchy, focusing more on problem solving, cooperation, and giving employees more control.

**Staffing-**

Staffing is the process of hiring eligible candidates in the [organization](https://www.toppr.com/guides/business-management-entrepreneurship/organizing/structure-of-organization/) or [company](https://www.toppr.com/guides/business-laws/companies-act-2013/meaning-and-features-of-a-company/) for specific positions. In management, the meaning of staffing is an operation of recruiting the employees by evaluating their skills, knowledge and then offering them specific job roles

Staffing can be defined as one of the most important functions of management. It involves the process of filling the vacant position of the right personnel at the right job, at right time.

### ****Functions of Staffing:****

1. The first and foremost function of staffing is to obtain qualified personnel for different jobs position in the organization.
2. In staffing, the right person is recruited for the right jobs, therefore it leads to maximum productivity and higher performance.
3. It helps in promoting the optimum utilization of human resource through various aspects.
4. Job satisfaction and morale of the workers increases through the recruitment of the right person.
5. Staffing helps to ensure better utilization of human resources.
6. It ensures the continuity and [growth](https://www.toppr.com/guides/biology/plant-growth-and-development/growth-and-its-phases/) of the organization, through development managers.

**Process of recruitment and selection:**

#### **Process # 1. Application Form:**

The application form is designed to contain detailed information about the candidates. It also helps in comparing the merits of the applicants.

**The information required in the application form will include some or all of the following:**

(i) Post applied for.

(ii) Personal data – name, address, telephone number, age, sex, marital status, children, nationality, next of kin.

(iii) Education – school, college and university attended, degree/ diploma passed, year of passing, subjects offered, grade or division obtained.

(iv) Professional qualification

(v) Languages known- ability to read, write and speak.

(vi) Employment history of all jobs since leaving college/ university, dates from and to, employer’s name, address and nature of business, position and duties held, reasons for leaving.

(vii) Personal circumstances; when required, prepared to serve anywhere or not, etc.

(viii) Medical history; brief details of any serious illness, disability, major operation, etc.

(x) Anything else which an applicant may like to add.

(xi) References

#### **Process # 2. Interview:**

An interview is the first face to face interaction between the candidate and the company representatives. The objectives of selection interviews are to elicit information about the candidate’s motives and behaviour, to assess personality, to check the factual information already given by him and to inform him about the job and the company.

#### **Process # 3. Employment Tests:**

As a method of selection, the employment tests are an exception rather than the rule. They may be used to supplement the information already collected through the application forms and interviews. The future performance of the candidate in a particular field may be predicted to some extent by the tests specially designed for the purpose. Ex: Intelligence test, aptitude test, personality test.

#### **Process # 4. References:**

References should be sought, after the selection is finalized. These may be either in a written form or checked over the telephone. If references are sought before the interview, they may bias the thinking of the members of the selection board. The opinions of the previous employers and other persons referred to by the candidate are only as reliable as the judgment of the person giving them. References may help in checking certain facts given by the candidate in the application form.

#### **Process # 5. Medical Test:**

The selected candidates are medically examined by the company’s doctor or approved medical practitioners. Medical tests may vary from the comprehensive to the nominal, depending upon the nature of the job. The manual jobs may require comprehensive medical tests to prevent infection, detect ailments and complicated diseases.

#### **Process # 6. Appointment Order:**

The selected candidates are issued letters of appointment after the recommendations of the selection board are approved by competent authority in the company. Appointments at senior positions such as the chief executives, general managers, financial advisors, etc. need the approval of the board of directors. The chief executive may be the approving authority in the case of other posts.

