



## **ONLINE TEACHING MATERIAL**

### **Sub: Business Studies**

**SESSION-2020-21**

**CLASS-XII**

## **TOPIC: Nature and significance of management**

### **DAY-1**

#### **Ch 1:**

#### **Definition:**

**Management** is defined as a process of getting things done with the aim of achieving goals effectively and efficiently.

#### **Concept of management:**

(a) Process, (b) effectively, and (c) efficiently.

**Process** in the definition means the primary functions or activities that management performs to get things done. These functions are planning, organising, staffing, directing and controlling.

**effectively** basically means finishing the given task. Effectiveness in management is concerned with doing the right task, completing activities and achieving goals.

**Efficiency** means doing the task correctly and with minimum cost. There is a kind of cost-benefit analysis involved and the relationship between inputs and outputs.

#### **Effectiveness and Efficiency:**

These two terms are different but they are interrelated. For management, it is important to be both effective and efficient. Effectiveness and efficiency are two sides of the same coin. But

these two aspects need to be balanced and management at times, has to compromise with efficiency. For example, it is easier to be effective and ignore efficiency

At times, a business may concentrate more on producing goods with fewer resources i.e., cutting down cost but not achieving the target production. Consequently, the goods do not reach the market and hence the demand for them declines and competitors enter the market.

This is a case of being efficient but not effective since the goods did not reach the market. Therefore, it is important for management to achieve goals (effectiveness) with minimum resources i.e., as efficiently as possible while maintaining a balance between effectiveness and efficiency. Usually high efficiency is associated with high effectiveness which is the aim of all managers. But undue emphasis on high efficiency without being effective is also not desirable. Poor management is due to both inefficiency and ineffectiveness.

## Day 2

### **CHARACTERISTICS OF MANAGEMENT:**

- **Management is a goal-oriented process:** An organisation has a set of basic goals which are the basic reason for its existence. These should be simple and clearly stated. Different organisations have different goal. Management unites the efforts of different individuals in the organisation towards achieving these goals.
- **Management is all pervasive:** The activities involved in managing an enterprise are common to all organisations whether economic, social or political. How they do it may be quite different. This difference is due to the differences in culture, tradition and history.
- **Management is multidimensional:** Management is a complex activity that has three main dimensions. These are:
  - (a) **Management of work:** All organisations exist for the performance of some work. Management translates this work in terms assigns the means to achieve it. This is done in terms of problems to be solved, decisions to be made, plans to be established, budgets to be prepared, responsibilities to be assigned and authority to be delegated.
  - (b) **Management of people:** Management of people: Human resources or people are an organisation's greatest asset. Despite all developments in technology "getting work done through people" is still a major task for the manager. Managing people has two dimensions (i) it implies dealing with employees as individuals with diverse needs and behavior; (ii) it also means dealing with individuals as a group of people. The task of management is to make people work towards achieving the organisation's goals, by making their strengths effective and their weaknesses irrelevant.

(c) **Management of operations:** No matter what the organisation, it has some basic product or service to provide in order to survive. This requires a production process which entails flow of input material and the technology for transforming this input into the desired output for consumption. This is interlinked with both the management of work and the management of people.

- **Management is a continuous process:** The process of management is a series of continuous, composite, but separate functions (planning, organising, directing, staffing and controlling). These functions are simultaneously performed by all managers all the time. The task of a manager consists of an ongoing series of functions.
- **Management is a group activity:** An organization is a collection of diverse individuals with different needs. Every member of the group has a different purpose for joining the organization but as members of the organization they work towards fulfilling the common organizational goal. This requires team work and coordination of individual effort in a common direction. At the same time management should enable all its members to grow and develop as needs and opportunities change.
- **Management is a dynamic function:** Management is a dynamic function and has to adapt itself to the changing environment. An organization interacts with its external environment which consists of various social, economic and political factors. In order to be successful, an organization must change itself and its goals according to the needs of the environment. You probably know that McDonalds, the fast food giant made major changes in its menu to be able to survive in the Indian market.
- **Management is an intangible force:** Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions. The effect of management is noticeable in an organisation where targets are met according to plans, employees are happy and satisfied, and there is orderliness instead of chaos.

### **OBJECTIVES OF MANAGEMENT**

**Management** seeks to achieve certain objectives which are the desired result of any activity. They must be derived from the basic purpose of the business. In any organisation there are different objectives and management has to achieve all objectives in an effective and efficient manner. Objectives can be classified into organisational objectives, social objectives and personal or individual objectives.

**BOOKS/Links for features and objectives of management:**

REFER NCERT/POONAM GANDHI/RK SINGLA BOOK

<https://youtu.be/ZeeHz12kkYI>

<https://youtu.be/tVsc3uez6l>

## **IMPORTANCE OF MANAGEMENT:**

**BOOKS/Links for features and objectives of management:**

REFER NCERT/POONAM GANDHI/RK SINGLA BOOK

<https://youtu.be/bnjc3SpSHa8>

## **Day 3**

### **MANAGEMENT AS A SCIENCE:**

Science is a systematised body of knowledge that explains certain general truths or the operation of general laws. The basic features of science are as follows:

- (i) Systematised body of knowledge: Science is a systematic body of knowledge. Its principles are based on a cause and effect relationship. For example, the phenomenon of an apple falling from a tree towards the ground is explained by the law of gravity.
- (ii) Principles based on experimentation: Scientific principles are first developed through observation and then tested through repeated experimentation under controlled conditions.
- (iii) Universal validity: Scientific principles have universal validity and application.

### **Management as a Profession**

A profession has the following characteristics:

- (i) Well-defined body of knowledge: All professions are based on a well-defined body of knowledge that can be acquired through instruction.
- (ii) Restricted entry: The entry to a profession is restricted through an examination or through acquiring an educational degree. For example, to become a chartered accountant in India a candidate has to clear a specified examination conducted by the Institute of Chartered Accountants of India.
- (iii) Professional association: All professions are affiliated to a professional association which regulates entry, grants certificate of practice and formulates and enforces a code of conduct. To

be able to practice in India lawyers have to become members of the Bar Council which regulates and controls their activities.

(iv) Ethical code of conduct: All professions are bound by a code of conduct which guides the behaviour of its members. All doctors, for example, take the oath of ethical practice at the time they enter the profession. (v) Service motive: The basic motive of a profession is to serve their client's interests by rendering dedicated and committed service. The task of a lawyer is to ensure that his client gets justice.

## **Management As An Art**

The basic features of an art are as follows:

(i) Existence of theoretical knowledge: Art presupposes the existence of certain theoretical knowledge. Experts in their respective areas have derived certain basic principles which are applicable to a particular form of art. For example, literature on dancing, public speaking, acting or music is widely recognised.

(ii) Personalized application: The use of this basic knowledge varies from individual to individual.

(iii) Based on practice and creativity: All art is practical. Art involves the creative practice of existing theoretical knowledge. We know that all music is based on seven basic notes. However, what makes the composition of a musician unique or different is his use of these notes in a creative manner that is entirely his own interpretation.

**BOOKS/LinkS for nature of management:** REFER NCERT/POONAM GANDHI/RK SINGLA BOOK  
<https://youtu.be/MkKK4ciGh00>

## **LEVELS OF MANAGEMENT**

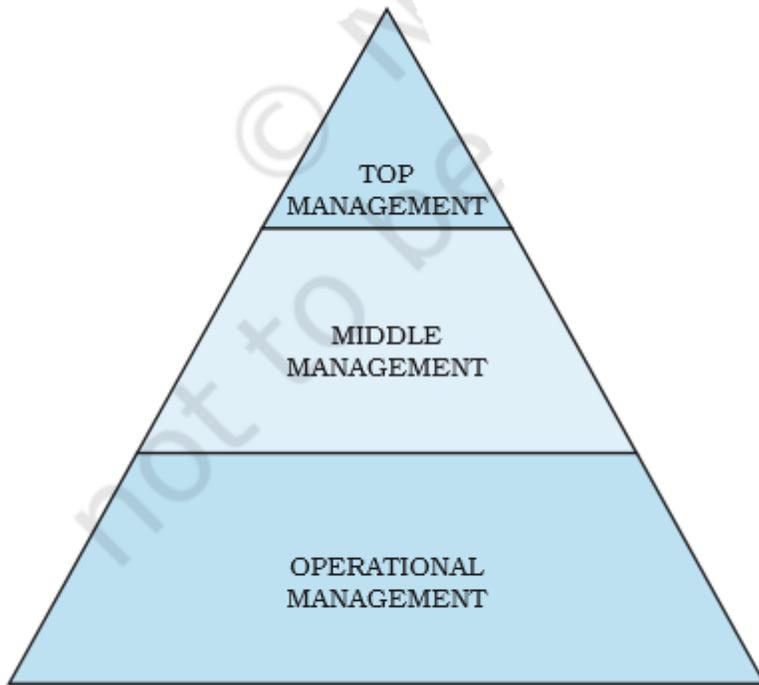
Generally speaking there are three levels in the hierarchy of an organization.

(i) Top Management: They consist of the senior-most executives of the organisation by whatever name they are called. They are usually referred to as the chairman, the chief executive officer, chief operating officer, president and vice-president. Top management is a team consisting of managers from different functional levels, heading finance, marketing etc. These top level managers are responsible for the welfare and survival of the organisation. They analyse the business environment and its implications for the survival of the firm. They formulate overall organisational goals and strategies for their achievement. They are responsible for all the

activities of the business and for its impact on society. The job of the top manager is complex and stressful, demanding long hours and commitment to the organisation.

(ii) Middle Management: is the link between top and lower level managers. They are subordinate to top managers and superior to the first line managers. They are usually known as division heads, for example production manager. Middle management is responsible for implementing and controlling plans and strategies developed by top management. At the same time they are responsible for all the activities of first line managers. Their main task is to carry out the plans formulated by the top managers. For this they need to: (i) interpret the policies framed by top management, (ii) ensure that their department has the necessary personnel, (iii) assign necessary duties and responsibilities to them, (iv) motivate them to achieve desired objectives, and (v) cooperate with other departments for smooth functioning of the organisation. At the same time they are responsible for all the activities of first line managers.

(iii) Supervisory or Operational Management: Foremen and supervisors comprise the lower level in the hierarchy of the organisation. Supervisors directly oversee the efforts of the workforce. Their authority and responsibility is limited according to the plans drawn by the top management. Supervisory management plays a very important role in the organisation since they interact with the actual work force and pass on instructions of the middle management to the workers. Through their efforts quality of output is maintained, wastage of materials is minimised and safety standards are maintained. The quality of workmanship and the quantity of output depends on the hard work, discipline and loyalty of the workers.



BOOKS/Links for level of management:

REFER NCERT/POONAM GANDHI/RK SINGLA BOOK:

<https://youtu.be/2O5PYRuw0nA>

## Day 4

### **FUNCTIONS OF MANAGEMENT**

Management is a process of planning, organising, directing and controlling the efforts of organisational members and of using organisational resources to achieve specific goals. Planning is the function of determining in advance what is to be done and who is to do it. This implies setting goals in advance and developing a way of achieving them efficiently and effectively.

**Organising** : Organising is the management function of assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan. Once a specific plan has been established for the accomplishment of an organisational goal, the organising function examines the activities and resources required to implement the plan. It

determines what activities and resources are required. It decides who will do a particular task, where it will be done, and when it will be done. Organising involves the grouping of the required tasks into manageable departments or work units and the establishment of authority and reporting relationships within the organisational hierarchy. Proper organisational techniques help in the accomplishment of work and promote both the efficiency of operations and the effectiveness of results.

**Staffing:** Staffing simply stated, is finding the right people for the right job. A very important aspect of management is to make sure that the right people with the right qualifications are available at the right places and times to accomplish the goals of the organisation. This is also known as the human resource function and it involves activities such as recruitment, selection, placement and training of personnel. Infosys Technologies which develops software needs systems analysts and programmers. Directing involves leading, influencing and motivating employees to perform the tasks assigned to them. This requires establishing an atmosphere that encourages employees to do their best. Motivation and leadership are two key components of direction. Directing also involves communicating effectively as well as supervising employees at work. Motivating workers means simply creating an environment that makes them want to work. Leadership is influencing others to do what the leader wants them to do. A good manager directs through praise and criticism in such a way that it brings out the best in the employee.

**Controlling:** Controlling is the management function of monitoring organizational performance towards the attainment of organizational goals. The task of controlling involves establishing standards of performance, measuring current performance, comparing this with established standards and taking corrective action where any deviation is found. Here management must determine what activities and outputs are critical to success, how and where they can be measured and who should have the authority to take corrective action.

**BOOKS/Links for functions of management:**

REFER NCERT/POONAM GANDHI/RK SINGLA BOOK:

<https://youtu.be/PpNiIXYMFyo>

## Day 5

### COORDINATION — THE ESSENCE OF MANAGEMENT

Coordination is the force that binds all the other functions of management. It is the common thread that runs through all activities such as purchase, production, sales, and finance to ensure continuity in the working of the organisation. Coordination is sometimes considered a separate function of management. It is however, the essence of management, for achieving harmony among individual efforts towards the accomplishment of group goals. Coordination therefore involves synchronisation of the different actions or efforts of the various units of an organisation. This provides the requisite amount, quality, timing and sequence of efforts which ensures that planned objectives are achieved with a minimum of conflict.

### Characteristics Of Coordination

**(i) Coordination integrates group efforts:** Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to group effort to ensure that performance is as it was planned and scheduled.

**(ii) Coordination ensures unity of action:** The purpose of coordination is to secure unity of action in the realisation of a common purpose. It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.

**(iii) Coordination is a continuous process:** Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling. Smita plans her dewali collection in the month of June itself. She has to then ensure that there is adequate workforce and continuously monitor whether production is proceeding according to plans. Her marketing department also has to be briefed in time to prepare their promotional and advertising campaigns.

**(iv) Coordination is an all pervasive function:** Coordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels. In the absence of coordination there is overlapping and chaos instead of harmony and integration of activities.

**(v) Coordination is the responsibility of all managers:** Coordination is the function of every manager in the organisation. Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out. Middle level

management coordinates with both the top level and first line managers. Operational level management coordinates the activities of its workers to ensure that work proceeds according to plans.

**(vi) Coordination is a deliberate function:** A manager has to coordinate the efforts of different people in a conscious and deliberate manner. Even where members of a department willingly cooperate and work, coordination gives a direction to that willing spirit.

### **Importance of Coordination**

Coordination is important as it integrates the efforts of individuals, departments and specialists. The primary reason for coordination is that departments and individuals in the organisation are interdependent i.e. they depend on each other for information and resources to perform their respective activities.

**(i) Growth in size:** As organisations grow in size, the number of people employed by the organisation also increases. At times, it may become difficult to integrate their efforts and activities. All individuals differ in their habits of work, background, approaches to situations and relationships with others. It becomes necessary to ensure that all individuals work towards the common goals of the organisation. But employees may have their own individual goals also. Therefore, for organisational efficiency, it is important to harmonise individual goals and organisational goals through coordination.

**(ii) Functional differentiation:** Functions of an organisation are divided into departments, divisions and sections. In an organisation there may be separate departments of finance, production, marketing or human resources. All these departments may have their own objectives, policies and their own style of working. All departments and individuals are interdependent and they have to depend on each other for information to perform their activities. The activity of each department needs to be focused on attainment of common organisational goals. The process of linking the activities of various departments is accomplished by coordination.

**(iii) Specialisation:** Modern organisations are characterised by a high degree of specialization. Specialisation arises out of the complexities of modern technology and the diversity of tasks to be performed. Organisations, therefore, need to employ a number of specialists. Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria.

**BOOKS/Links for functions of management:** REFER NCERT/POONAM GANDHI/RK SINGLA

BOOK: <https://youtu.be/2mzyjW-jSis>