

1- MANAGEMENT

1.1 INTRODUCTION

In modern times one of the most important human activities is a managing group of people. Ever since people began forming groups to accomplish aims, they could not achieve as individuals, managing has been essential to ensure the coordination of individual efforts. As society has come to rely increasingly on group effort and as many organized groups have become large the task of managers has been rising in importance.

Management is the process of designing and maintaining an environment in which individuals working together in groups efficiently accomplish selected aims.

The basic definition of Management explains that:

- * As managers, people carry out the managerial functions of planning organizing, staffing, leading and controlling.
- * Management applies to any kind of organization.
- * It applies to managers at all organizational levels.
- * The aim of all managers is the same to create a surplus.
- * Managing is concerned with productivity, which implies effectiveness and efficiency.

Thus, it may be concluded that management plays a key role in improving the standard of living of the people in the society through developing an ideal organizational structure and making economic use of available resources.

The knowledge of management theory and practice enables managers to take a more realistic view of organizational and social problems and to find out their effective solutions.

1.2 MANAGEMENT

Meaning:

Management is an important factor for the success of any organized activity. Today, management is concerned with changes and challenges, and it is difficult to manage.

Management is the art of getting things done through others. Management is to plan, organize, direct and control the resources of the organization for obtaining common objectives or goals. It is related to resources like material, money, machinery, methods, manufacturing and marketing.

Management principles are universal. Management is necessary for all types of organizations, such as the public sector, private sector, govt. department, hotel, hospital, hostels, educational institutes, require management for growth and expansion.

Definitions:

1) According to Taylor:

“Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way.”

2) According to Lawrence:

“Management is the accomplishment of results through the efforts of other people.”

3) According to Henry Fayol:

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

1.3 IMPORTANCE OF MANAGEMENT

1] Management is goal-oriented:

Management is concerned with the achievement of specific goals. It is always directed towards the achievement of objectives. The success of management is measured by the extent to which objectives are achieved.

2] Management is associated with group efforts:

The business comes into existence with certain objectives which are to be achieved by a group and not by one person alone. Management gets things done by, with and through the efforts of group members. It coordinates the activities and actions of its members towards a common goal.

3] Management is intangible:

It is an unseen force, its presence can be evidenced by the result of its efforts up to date order but they generally remain unnoticed, Whereas, mismanagement is quickly noticed.

4] Management is an activity and not a person or group of people:

Management is not people or not a certain class but it is the activity, it is the process of planning, organizing, directing and controlling to achieve the objectives of the organization.

5] Management is situational:

Management does not advise the best way of doing things. Effective management is always situational. A manager has to apply principles, approaches and techniques of management after taking into consideration the existing situations.

6] Management is universal:

Most of the principles and techniques of management are universal. They can be applied to a government organization, military, educational institutes, religious institutes etc. They provide working guidelines that can be adapted according to situations.

7] Management is concerned with people:

Since management involves getting things done through others only human beings perform this activity with the help of planning and control. The element man cannot be separated from the management.

8] Management is the combination of art, science and profession:

Management makes use of science as well as art. It is a science because it collects knowledge with the methods and data, analyses and measures it and decision is taken with the help of an experiment. It is a systematic body of knowledge. Art means the application of knowledge for solving various problems. In modern times there is a separation of ownership and management, so professional experts are appointed.

1.4 FUNCTIONS OF MANAGEMENT

The major functions of management are discussed below:

Planning:

It includes forecasting, formation of objectives, policies, programmes, producer and budget. It is a function of determining the methods or path of obtaining their objectives. It determines in advance what should be done, why should be done, when, where, how should be done. This is done not only for an organization as a whole but also for every division, section and department. Planning is thinking before doing.

Organizing: -

It includes departmentation, a delegation of authority, fixing of responsibility and establishment of relationships. It is a function of providing everything useful to the business organization. Certain resources are mobilized. It means man, machine, material, money, but still, there are certain limitations on these resources. A manager has to design and develop a structure of various relations. This structure, results from identification and grouping work, a delegation of authority and responsibility and establishing relationships.

Staffing:

It includes manpower planning, recruitment, selection, placement and training. People are responsible for the progress of the organization. The right man should be employed for the right job. It also involved training of personnel and proper remuneration.

Directing:

It includes decision making, supervising, guidance etc. It reflects providing dynamic leadership. When the manager performs these functions, he issues orders and instructions to supervisors. It also implies the creation of a favourable work, environment motivation, managing managers, managing workers and managing the work environment.

Communication:

Communication provides a vital link in any organization. Every successful manager has to develop an effective system of communication. Communication means the exchange of facts, ideas and information between two or more people. It helps in building up high morale.

Controlling:

It is a process of checking actual performance against standard performance. If there is any difference or deviation then these differences should be detected and necessary steps should be taken. It involves three elements:

1. Establishing a standard of performance.
2. Measuring actual performance with the establishment.
3. Finding out reasons for deviation.

Controlling Staffing Management includes planning, organizing, staffing and decision making, motivation, communication, coordination and so on.

Motivation:

In a good organization, unforeseen problems are created. It becomes necessary for the workers to have a leader, whom they can consult for guidance. One must help the worker to solve their problems. The manager is the leader for them. So, he should accept the problems, should appreciate the workers for the work done by them. He has to act as a good motivation source for the workers.

Decision Making:

It is the process in which a lot of actions are involved and a lot of alternatives are available. A manager has to choose the right alternative for the attainment of his goals. There are many decisions which include marketing decisions, cost price decisions and capital investment decisions.

Forecasting:

Correct sales forecasting is essential for manufacturing organizations. This helps in production, by making available the right workers and the right material at the right place and at right time. It also helps managers in purchasing raw materials, equipment and labour. Many times, production is made by managers to meet future demands and forecasting is essential because of the short supply of raw material, lack of proper control, to fix up sales targets and to meet future financial needs. It also helps to give ideas about expansion of business; and for giving training to the personnel of the organization.

1.5 MANAGERIAL SKILLS**1. Conceptual Skills:**

Conceptual skills are the abilities to think about creative terms understand and visualize the future, to organize and translate observation into ideas & concepts. Conceptual skills are essential to identify and diagnose the problems. This will help in determining the goals.

2. Analytical Skills: [Decision making]

Analytical skills mean the ability to work out a complex problem or situation into components. Analytical skills are required for solving problems and decision making. This is also helpful for evaluation of performance and arriving at judgment.

3. Human relation Skills:

Human relation skills represent the ability to understand the behaviour of people, their problems, their needs, working conditions and motivation to people. These skills are essential in directing the people and for better coordination.

4. Administrative Skills:

It involves the implementation of a plan and use of available resources to get the desired output that is profit and to regularize a performance in an orderly manner. It is also helpful in the coordination of activities.

5. Technical Skills:

These skills are essential for first-line managers. He requires knowledge of a job, ability to apply the methods and techniques of the job. He is responsible for providing technical guidance and instructions to subordinates.

6. Computer Skills:

Computer knowledge is essential for today's manager i.e. knowledge of hardware & software. Hardware is a technical term & software is the ability to adapt the system in an organization to attempt goals. In modern days computer is widely used in an organization. Hence today's manager should possess the knowledge of computer. This is helpful in decision making. It also helps to increase productivity in the organization.

7. Communication Skills:

Communication is a systematic process of telling, listening and understanding. This skill requires the ability to listen and speak effectively. The manager is responsible for getting the things done by others. He should be an expert in oral and written communication. Communication skill is essential for getting success. It is depended upon the manager who achieves the results with the efforts of others. Coordination can be attained with the help of proper communication. Success is depending upon proper communication.

Distinguish between: Management and Administration

Points	Administration	Management
Policy making:	It is concerned with policy making; it determines the goals to be achieved.	Management is concerned with the implementation of the policy.
Implementation of the policies :	It is not directly concerned with the implementation of policies.	It is directly concerned with the implementation of policies.
Functions:	Its functions are legislative.	Its functions are executive.
Main functions:	Planning and organizing	Motivation and controlling
Management level:	It relates to apex or top level management.	It relates to middle and lower level management.
Sector:	It is mostly used in government or public sector.	It is mostly used in the private sector.
Illustrations:	Collectors, commissioner, Vice chancellor, registrar, sales tax and income tax officer etc.	General manager , managing director, director etc.

2) Management planning

2.1 INTRODUCTION

We are living in an economic, technological, political, social era. In which planning is a prerequisite for the growth of an organization.

In simple words, planning is deciding in advance what to do, how to do it, when to do & who is to do it. Planning is a bridge between the present & future. It is an intellectual process & thinking before doing. Planning bridges the gaps from where we are to & where we want to go. Planning involves the selection was the course of action to achieve the desired result. In this change, planning is a projected course of action.

Definitions: -

1) According to 'Koontz and O'Donnell's':

"Planning is an intellectual process, the conscious determinator of courses of action, the basing of decisions on purpose, facts and considered estimates."

2) According to 'James Lundy':

"Planning is the determination of what is to be done, how and where it is to be done, who is to do it & how results are to be evaluated."

3) According to 'George Terry':

"The selection & relating of facts & the making & using of assumptions regarding the future in the visualization & formulation of proposed activities believed necessary to achieve the desired results."

3) FORECASTING

3.1 Introduction

Forecasting is one of the important functions of management. It is a part and parcel of the planning function. Forecasting means prediction about the future.

3.2 Forecasting Meaning and Definitions

Meaning:

Forecasting means analysis of the future of the operations of an enterprise. It involves looking ahead for a future event. Forecasting means a process of providing the details supported by the budget. Forecasting means concluding production, sales, profit based on research, study & survey.

Definitions:

1) According to Henry Fayol: -

"Business forecasting includes both accessing the future & making provision for it."

2) According to Luis Allen: -

"Forecasting is a systematic attempt to visualize the future by known facts. The purpose is to provide management with information on which planning decisions are based."

3.3 Advantages of Forecasting

1) Regularity in Production:

Regularized production is made possible by forecasting. It also helps management for the correct flow of material. It also helps in overtime work.

2) Management Decisions:

Accurate management decisions are based on forecasting techniques.

3) Means of Adoptability:

Forecasting is the best means of adaptability for changing circumstances.

4) Indicates profit & loss statement & expected profit:

Forecasting plays a very important role in planning. It is helpful to observe opportunities & optimum utilization of resources. It also helps in building cooperation & spirit among the employees. It also helps in setting standards.

5) Good forecasting makes it possible to regularize output. It helps in visualizing fluctuation in production, cost, seasonal fluctuation, fluctuation in the supply of raw material.

3.4 Limitations of Forecasting

1. Guess Work: Every forecast involves some guesswork about the future. Several maximum limits can be placed over possible.
2. Long term forecasting may be inaccurate or dangerous.
3. Forecasting can't act as proof: It can't be submitted as proof in the hands of management when there is a failure.
4. Co-ordination becomes difficult: Forecasting requires proper coordination between all the departments but it is very difficult for coordination.

4) DECISION MAKING**4.1 Introduction**

Management is essentially a decision-making process. In the case of every section of management, a manager has to choose among alternative courses of action. Whatever a manager does, he does it through making, decisions. A manager by way of taking decisions directs the behaviour of subordinates So, management is defined as an art and science of decision making. However, it may be noted that decision making is the means for carrying out managerial tasks and responsibilities. The efficiency of the organization depends upon the efficiency of the decision making of its management.

A decision is an act or choice where the organisation reaches a conclusion. What must not be done in a given situation is explained by decision making. It is a point where policies, procedures & objectives come into action. The main purpose of decision making is to direct human behaviour.

According to Melwin, "Administration is a decision-making process & authority is the responsible factor for making decisions & ascertainment of decisions is carried out or not. In a business, whether the enterprise is small or large, decisions are important.

Terry – "Decision making is the selection based on some criteria from two or more possible alternatives."

"it is a rational process including all those investigative, creative, diagnostic and evaluative activities which take place while making a decision.

4.2 Characteristics of Decision Making

Based on the above definitions, the main characteristics of decision making may be started as follows.

- i) Decision making is a process of making a rational choice or selecting one of the various alternative courses of action.
- ii) Decision making is necessary only when different alternative solutions are available.
- iii) Decision making is a purposeful activity.
- iv) Decision making involves the commitment of resources and the reputation of the organization.
- v) Decision making is always related to the situation or environment.

4.3 Features of Decision Making

- 1) Decision making is a process. It includes the choice of one best alternative among various alternatives.
- 2) It may change according to change in the situation.
- 3) Decision making has a purpose.
- 4) It is intelligent activity & depends upon the ability of the person.
- 5) Decision making is a commitment to achieving the object.
- 6) Decision making leads to an increase in the profitability of a business.

4.4 Who Makes the Decision?

Technically, the higher authority, that is top management, makes the decision. But, in practice, it may have been delegated by convention or rules. If the cost of correction is large and if the chances of being wrong are high, then delegation is not desirable.