

NATURE AND SIGNIFICANCE OF MANAGEMENT



CHAPTER – 1

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Management

Management is the process by which a co-operative group directs actions of others toward common goals.

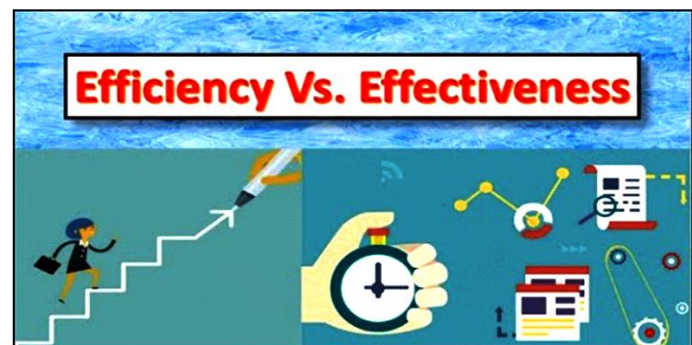
Management is defined as the process of planning, organising and controlling an organisation's operations in order to achieve the target efficiently and effectively. It is essential for all organisations.

Concepts of Management

- (i) Traditional Concept Management is the art of getting things done through others.
- (ii) Modern Concept Management is defined as the process (refers to the basic steps) to get the things done with
- (v) Efficiency means doing the task correctly and with minimum cost. Efficiency is increased with using less inputs and for producing same output, fewer resources are used.

the aim of achieving goals effectively and efficiently (effectiveness refers to achievement of task on time and efficiently implies optimum use of resources).

- (iii) Process means the primary function or activities that management performs to get things done. These functions are planning, organising, staffing, directing and controlling.
- (iv) Effectiveness is concerned with doing the right task, completing activities and achieving goals. In other words, it aims at end result.



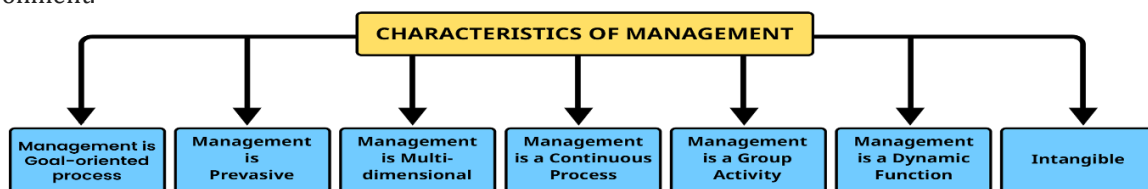
Basis of Difference	Effectiveness	Efficiency
Meaning	It refers to completing the task on time, no matter whatever the cost.	It refers to completing the task with minimum cost, optimum utilization of resources and in cost effective manner.
Objective	To achieve end result.	To conduct cost benefit analysis.
Main consideration	Doing the right task.	Doing the task in right way.

Characteristics of Management

- (i) **Management is a Goal Oriented Process:** Organisation's existence is based on objectives and management is the process which unites the efforts of every individuals to achieve the goal. For eg. If target of Adda 247 is to add 1 crore paid subscriber in month, then all the managerial activities are directed towards achievement of this goal.



- (ii) **Management is All Pervasive:** The use of management is not restricted, it is applicable in all organisations big or small, profit or non-profit making.
- (iii) **Management is Multidimensional:** It does not contain one activity, it is a complex activity including three main activities
- (a) **Management of work :** All organisations exist to perform some task or work. Management translates this work in terms of goals to be achieved and assign the means to achieve the goals
- (b) **Management of people :** Human resources are the most valuable assets of the organisation. With the help of efficient employees an organisation can compete with others because two enterprises may have same technological and physical resources but not human resources due to the fact that most of the employees consider different type of mind and thinking.
- (vii) **Management is a Dynamic Function:** Management is a dynamic function as it adapts itself to the changing environment. In order to be successful, an organisation must change itself and its goals according to the needs of the environment.



- (c) **Management of operations :** In order to survive and grow each organisation has to provide goods or services. This requires a production in which inputs are converted into desired output. Operations are the activities of the production process such as buying inputs, converting them into finished goods.

- (iv) **Management is a Continuous Process :** It is a never ending process. It consists of series of interrelated functions which performs continuously.
- (v) **Management is a Group Activity :** Organisation is a collection of many individuals, every individual contributes towards achieving the goal. For eg. A marketing manager cannot allow additional credit period to a customer without consulting finance manager.



- (vi) **Management is an Intangible Force:** It cannot be seen or touched only it can be felt in the way the organisation functions.

Objectives of Management

Objectives can be classified into organisational, social or personal

- (i) **Organisational Objectives:**
- (a) Survival- It exists for a long time in the competition market.
 - (b) Profit- It provides a vital incentive for the continued successful operations.
 - (c) Growth- Success of an organisation is measured by growth and expansion of activities.
- (ii) **Social Objectives:**
Involves creation of benefit for society.

The main social objectives of organisation are:

- (a) Conservation of natural resources.
 - (b) Using environment friendly methods of production.
 - (c) Providing basic amenities like schools and creches of employees.
 - (d) Providing quality products at reasonable prices.
 - (e) Organising education and health programme.
 - (f) Generating employment opportunities to the disadvantaged sections of the society.
- (iii) **Personal Objectives:**
of management are concerned with satisfying diverse needs of the employees such as :
- (a) Financial needs by giving them competitive salary and perks
 - (b) Social needs such as peer recognition

- (c) Higher level needs such as personal growth and development.

Importance of Management

(i) Management Helps Achieving Group Goals:

It integrates the objective of individual along with organisational goal. For eg. Mr. Dinesh CEO of Tata Ltd. has set a target to export 60% of its total production. In order to achieve the target Mr. Dinesh has to provide opportunities to his sales director to visit overseas market and in turn, the sales director will prepare the appropriate strategies, train, guide and direct his sales team so that the desired target is achieved.

(ii) Management Increases Efficiency:

It increases productivity through better planning, organising, directing the activities of the organisation.

For eg. The purchase manager of Vinod Book Depot maintains stock on continuous basis. It helps the owner to place orders well in advance, thus avoid situation of stock shortage.

(iii) Management Creates a Dynamic Organisation:

Organisation have to survive in dynamic environment thus manager keep changes in the organisation to match environmental changes.

(iv) Management Helps in Achieving Personal Objectives:

Through motivation and leadership, management helps in achieving the personal objectives.

(v) Management Helps in the Development of Society:

It provides good quality products and services, creates employment, generate new technology in that sense it helps in the development of the society.



Management as an Art

Management as an art because

- (i) Existence of theoretical knowledge:** Art is based on some theoretical knowledge of concepts and principles. For example literature on music is available in huge volume. This characteristic of art is present in management as in management too, there is lot of literature available in various areas of management like (marketing, human resource etc.) which the manager has to specialise in.

- (ii) Based on practice and creativity:** Perfect practice makes man perfect. The artist requires constant practice of art to obtain excellence and perfection. For eg. A dancer learns to perform better by continuously practising dance. This feature of art is also present in management. A good manager works through combination of regular practice, initiative, imagination and innovation. Over a period of time, he gains a vast experience and formulates his own theories for use in a given situation.

- (ii) Personalised Application:** Art is personalised concept as everyone applies the theoretical knowledge in his own personal way. Every artist work according

to his own style. The success of different artists differ eve when all of them possess the same technical knowledge or qualifications. This characteristic of art is also present in management as every manager has his own unique style of managing things and people, although all managers learn same management theories and principles.

Conclusion

On comparing the characteristics of art with management we find all the characteristics of art are present in management so we call management as art of getting thing done through others.

Management as a Science

Management as a science because

- (i) Systematised body of knowledge:** Science is a systematised body of knowledge which is developed after years of research and experimentation. Like science, management is a systematised body of knowledge that have been developed over a period of time by management thinkers. So this feature of science is present in management.

(ii) **Principles are based on experimentation:** The scientific principles are derived through repeated observation and experiments under controlled conditions. Similarly, management principles have been developed over a period of time and are based on observation and experiments in different types of organisations. But management deals with human beings and human behaviour is quite unpredictable and thus, result may vary in different types of organisations. Therefore, management may be called inexact science.

(iii) **Universal Validity :** Scientific principles have universal validity and can be applied in all the situations and at all times. The principles of management are also universal in nature but the principles of management are not like scientific principles so their application and use is not universal. So this characteristic of science does not apply in case of management.

Conclusion

On comparing the characteristics of science with management, we can conclude that management cannot be considered as pure or accurate science like physics or chemistry. But we can call it as an inexact or social or soft science.

Management as a Profession

- (i) **Well defined body of knowledge:** All professions are based on a well defined body of knowledge that can be acquired through training and instructions. Similarly in management also there is specialised knowledge which is taught in universities and management institutes.
- (ii) **Restricted Entry:** No one can enter a profession without going through an examination or acquiring educational degree. Whereas there is no restriction on appointment of manager, irrespective of his educational qualification. So presently this characteristic of management is not applicable to management.
- (iii) **Professional Association-** All professions are affiliated to a statutory association or institution which regulates entry in the profession, issues certificate of practice and enforces a code of conduct. Presently this feature of profession is not present in management as it is not mandatory for a manager to be a member of any management association.
- (iv) **Service Motive:** The main aim of a profession is to serve the client with dedication for example the task of doctor is save his patient life. Whereas basic motive of management is to achieve organisational goal which is generally profit maximisation. But now-a- days in order to survive in competitive market an organisation has to fulfil its social obligations along with economic objectives.
- (v) **Ethical Code of Conduct:** Every profession is regulated by code of conduct which has to be followed

by every professional. If we talk about management, The All India Management Association (AIMA) has framed a code of conduct for managers. But legally, it is not mandatory for all managers to get registered with AIMA and abide by the code of conduct.

Conclusion

On the basis of the above we can say that all the presently all the features of profession is not present in management but in near future these will be included in management with statutory backing.

Levels of Management

(i) **Top Management:** It consists of senior-most executives who are usually referred to as the Chairman, Chief Executive Officer, President and Vice President.

Following are the main functions of top level management:

- (a) Formulates overall organisational goals and strategies for their achievement.
- (b) They are responsible for welfare and survival of the organisation.
- (c) They are responsible for the overall success or failure of the organisation.
- (d) They are responsible for all the business activities and their overall impact on society.
- (e) The top level managers analyse the business environment and its implication for the survival of the enterprise.
- (f) Coordinating the activities of different departments.

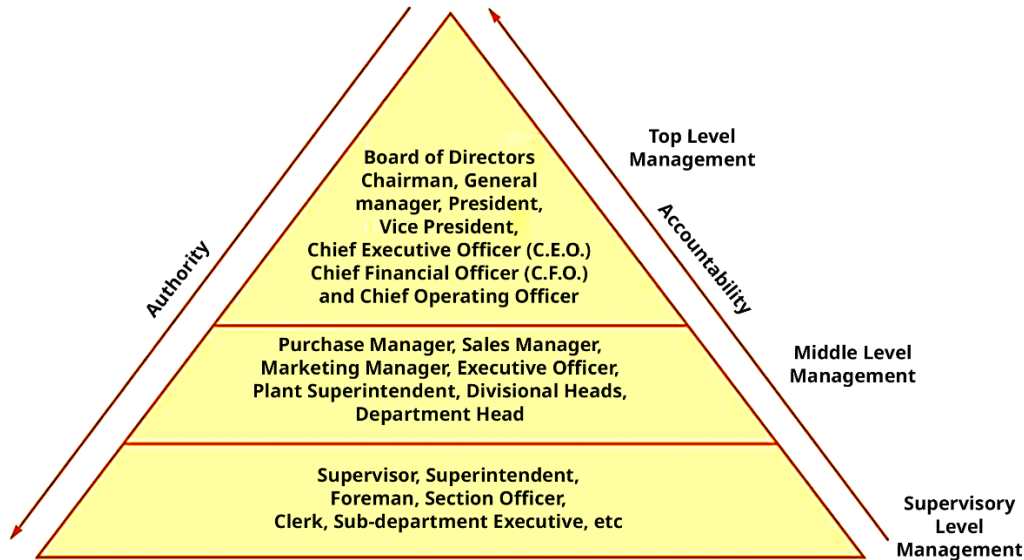
(ii) **Middle Management:** They are usually division heads who are the link between top and lower level of management.

Following are the main functions of middle level management:

- (a) To interpret and explain the plans and policies formulated by top level management to lower level.
 - (b) They are responsible for implementing and controlling plans and strategies frames by top management.
 - (c) They ensure department has necessary personnel.
 - (d) To motivate employees for higher productivity and rewarding them for their better performance.
 - (e) Middle level management is responsible for the activities of first line managers.
 - (f) Middle management cooperate with other departments for smooth functioning of the organisation.
 - (g) Reporting the performance, problems, suggestions and other important data to the top management.
- (iii) **Supervisory Level Management:** They are usually the foremen and supervisors who actually carry on the work or perform the activities.

Following are the main functions of supervisory level management:

- (a) They ensure quality standards are properly followed by workers.
- (b) They supervise and motivate workers and maintain discipline.
- (c) Arranging Machinery, materials, tools etc. for workers.
- (d) They ensure proper and safe working condition for workers.
- (e) They send reports on work performance to higher level management.
- (f) Planning day-to-day activities and issuing orders and instruction to workers.
- (g) The lower-level management encourage the workers to take initiative and welcome their suggestions and reward them for their good suggestions.
- (h) They guide and help the middle level management in selection, training, placement and promotion of employees.

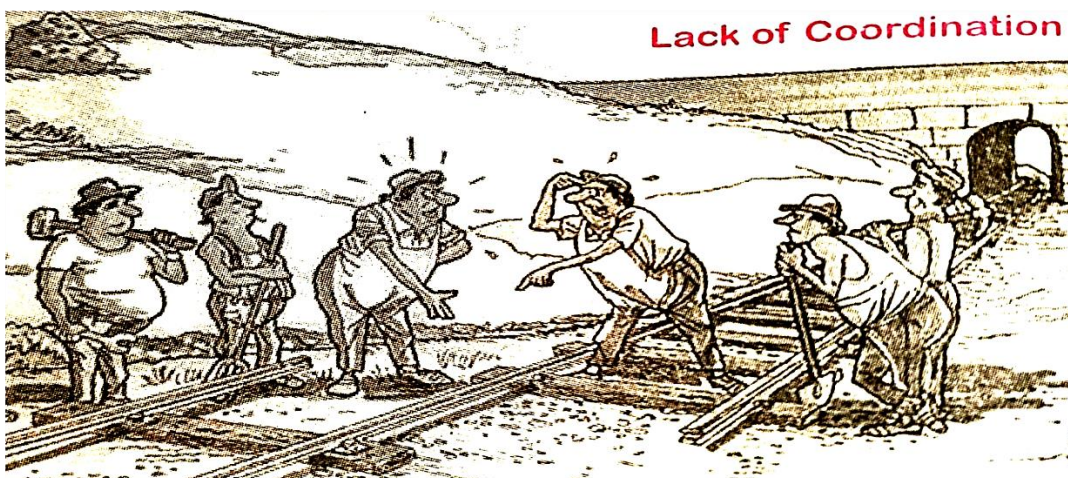


Functions of Management

- (i) **Planning:** It refers to deciding in advance what to do, how to do and developing a way of achieving goal efficiently and effectively.
- (ii) **Organising:** It refers to the assigning of duties, grouping tasks, establishing authority and allocating of resources required to carry out a specific plan.
- (iii) **Staffing:** It implies right people for the right job.
- (iv) **Directing:** It involves leading, influencing, motivating employees to perform the task assigned to them.
- (v) **Controlling:** It refers to the performance measurement and follow-up actions that keep the actual performance on the path of plan.

Co-ordination—The Essence of Management

Co-ordination means binding together all the activities such as purchase, production, sales, finance to ensure continuity in the working of the organisation. It is considered as a separate function of management, in order to achieve harmony among individual, efforts towards the accomplishment of goods.



Characteristics of Co-ordination

- (i) **It integrates group efforts:** Coordination is needed in group efforts not in individual efforts. When two or more work people work together to achieve common goals, then there is need to coordinate their efforts in common direction.
- (ii) **It ensures units of action:** Coordination leads to unity of action towards the organisational goals.
- (iii) **It is a continuous process-** Coordination is never ending process. It is carried on by all managers at all the times.
- (iv) **It is an all pervasive function:** Coordination is universal in nature. It is needed at all the levels, in all departments because of interdependence of various activities.
- (v) **It is the responsibility of all managers:** Coordination is responsibility of all managers in the organisation.

- (vi) **It is a deliberate function-** A manager has to coordinate the efforts of different people in conscious and deliberate manner.

Importance of Coordination

- (i) **Growth in Size:** When there is a growth in size, the number of people employed by the organisation also increases. Thus to integrate the efforts, coordination is needed.
- (ii) **Functional Differentiation:** In an organisation, there are separate department and different goals. The process of linking these activities is achieved by co-ordination.
- (iii) **Specialisation:** Modern organisation is characterised by a high degree of specialisation. Co-ordination is required among different specialists because of their different approaches, judgement etc.

QUESTIONS FOR PRACTICE

MCQ

- Q1.** The following is not an objective of management
(a) earning profit
(b) growth of the organisation
(c) providing employment
(d) policy making
- Q2.** Coordination is
(a) function of management
(b) the essence of management
(c) an objective of management
(d) None of the above
- Q3.** Which of the following is not an importance of management?
(a) Management increases efficiency
(b) Management helps in achieving individual goals only
(c) Management creates a dynamic organization
(d) Both (a) and (c)
- Q4.** Ajay is working as an operations manager in WH Ltd. What is the managerial level at which he is working?
(a) Top (b) Middle level
(c) Lower level (d) Shop floor
- Q5.** To conserve tigers, Airtel started an earnest awareness campaign 'Save our Tigers'. Which objective of management is highlighted here?
(a) Organisational (b) Social
(c) Personal (d) Both (b) and (c)
- Q6.** In Tysfo Ltd. the purchase department purchased 20 tonnes of raw material for the production department. However, the production department required only 15 tonnes. Due to this reason, goods were produced beyond required level and were not accepted by sales department. As a result, many goods remained unsold. Identify the aspect of management lacking in the given case.
(a) Planning (b) Coordination
(c) Directing (d) None of these
- Q7.** Which objectives of management deals with the commitment of an organisation towards the society?
(a) Personal objectives
(b) Social objectives
(c) Organisational objectives
(d) Economic objectives
- Q8.** What is concerned with completing activities or achieving goals, within the prescribed time limit?
(a) Process (b) Efficiently
(c) Effectively (d) None of the above
- Q9.** Finance manager and marketing manager comes at which level of management?
(a) Top level management
(b) Lower level management
(c) Middle level management
(d) Either (a) or (c)
- Q10.** Which of the following is not an essential organisational objective of management?
(a) Survival
(b) Eco-friendly production
(c) Growth
(d) Profit
- Q11.** In order to achieve organisational goals, objectives should be integrated with organisational goals, as only satisfied employees will help in achieving organisational goals.
(a) organisational (b) social
(c) personal (d) None of the above
- Q12.** Which of the following highlights the importance of coordination?
(a) Growth in size
(b) Functional differentiation
(c) Specialisation
(d) All of the above
- Q13.** Without coordination, directing is impossible and of no worth if there is lack of coordination between superiors and
(a) managers (b) directors
(c) subordinates (d) All of these
- Q14.** The coordinates the activities of the whole organisation keeping in view the desired goals.
(a) middle level management
(b) top level management
(c) lower-level management
(d) All of the above
- Q15.** is a process through which harmony is established among different activities of an organisation.
(a) Planning (b) Organising
(c) Coordination (d) Either (a) or (b)
- Q16.** Which of the following functions are required to be carried out for successfully establishing coordination?
(a) Planning and directing
(b) Organising
(c) Staffing
(d) All of the above
- Q17.** is an important function of management as it ensures that right people with right qualification are employed at a right place.
(a) Organising (b) Planning
(c) Staffing (d) Directing
- Questions 18–19 contain two statements-- Assertion (A) and Reason (R). Each question has FOUR choices (a), (b), (c), (d), only one of which is correct.**
In the light of these statements, choose the most appropriate option:
(a) (A) is incorrect but (R) is correct.

- (b) (A) is correct but (R) is incorrect.
- (c) Both (A) and (R) are correct and (R) is the correct explanation of (A)
- (d) Both (A) and (R) are correct but (R) is not the correct explanation of (A).

Q18. Assertion (A): Management is multidimensional.

Reason (R): The effect of management is noticeable in the organization when targets are achieved according to the plans, employees are happy and satisfied, and there is order instead of chaos.

Q19. Assertion (A): Planning is that function of management which determines in advance what to do, how to do.

Reason (R): Directing is the last function of management.

Q20. Personal objectives are related with satisfying the personal needs of the employees. Management must seek to satisfy the diverse needs of employees like

- (a) financial needs, by giving competitive salary and perks
- (b) social needs, by peer recognition
- (c) higher level needs, by providing opportunities for personal growth and development
- (d) All of the above

SUBJECTIVE QUESTIONS

Q1. The management of Usha Ltd. strongly believes that the members of the organisation should work towards fulfilled the common organisational goals. This requires team work and integration of efforts of all individuals departments and specialists. This is because all the individuals and departments depend on each other for information and resources to perform their respective activities. Manager needs to reconcile differences in approach, timing, efforts and interest. At the same time it should enable all its members to grow and develop. Thus, there is a need to harmonise individual goals and organisational goals.

(i) State the concept of management discussed above.

(ii) State any three features of the concept identified in above para.

Q2. Vivek Ltd. is using eco-friendly method of production. Identify the objective it is trying to achieve.

Q3. If a manager is able to achieve the target of production of 5000 units but at a higher cost. Is he efficient or effective?

Q4. Dev argues that management is required in all kinds of organisations where as Mohan feels that management is not required in non-business organisations such as school, club, hospitals, etc. who is correct?

Q5. "An organisation is a collection of diverse individuals with different needs." Which characteristics of management are highlighted in this statement?

Q6. Rajan has retired from the post of a foreman in a factory. At what level of management is he working?

Q7. MNC Ltd. is facing a lot of problems these days. The company's profit margin is declining day by day. The production manager is blaming marketing management whereas marketing is blaming both. What quality of manager do you think is lacking? Explain it briefly.

Q8. Hema is one of the most successful managers of her company, 'Nexon Ltd'. She uses her creativity and initiative in handling challenging situations at work. The knowledge gained by her during her student days at a renowned management institute as well as through her observation and experience over the years is applied by Hema in a skillful manner in the context of the realities of a given situation. She often reads books and other literature in various fields of management to keep her knowledge updated.

(i) An aspect of the nature of management is being highlighted in the above description. Identify the aspect.

(ii) Explain any three features of the aspect identified in part (i).

Q9. Feel India Ltd. decided to synchronize all the activities of organisation. While deciding what is to be done, when it is to be done, they tried to bring harmony between organisational goal and individual goal. While hiring employees HR department made sure people with right qualification only joined the organisation and they are paid as per their qualification. Further the directors made arrangement that at the end of every three months performance of the employees is compared with planned performance so that steps can be taken to check the deviation.

(i) Identify the three functions of management highlighted in above para.

(ii) Also identify the concept of management that gives importance in above para.

Q10. Rohan, Sohan and Mohan are three friends they work in same company. One day they were having a conversation. When Rohan said I have purchased two new machines and it has become very difficult to motivate workers at shop floor to use these machines. Sohan said I am facing problems in finding the exact number and types of employees for my department. Mohan said I have to decide the long the plans of organisation and I am responsible for the overall welfare of the organisation.

(i) Identify different levels of management these friends belong to.

(ii) Explain any two functions of each level.

HOMEWORK

MCQ

- Q1.** Successful organisations do not achieve goals by chance but by following a deliberate process known as
(a) Planning (b) Co-ordination
(c) Controlling (d) Management
- Q2.** Management is essential for the organisations which are
(a) Non-profit organisations (b) Service organisations
(c) Social organisations (d) All of the above
- Q3.** Ramesh is manager of PQR Ltd. He noticed that changes were taking place in the market, due to which company's future can be in danger. He started adopting changes in its product design and starting producing goods as per the taste and preference of consumers and he got support of all workers also. He did everything which he could do. Identify the feature of management highlighted in the above para.
(a) Management is goal-oriented process
(b) Management is all pervasive
(c) Management is Multidimensional
(d) Management is a Dynamic function
- Q4.** People in the organisations carry out diverse tasks with the aim to achieve
(a) Different objectives (b) Common objectives
(c) Both of the above (d) None of the above
- Q5.** Successful management ensures that
(a) Goals are achieved with least cost
(b) Timely achievement of goals
(c) Both of the above
(d) None of the above
- Q6.** Mr. Hitesh is working as a foreman in a garment manufacturing unit and he supervises 10 employees under him and makes day to day production plan and other activities. At which level of management he is working ?
(a) Top level Management
(b) Middle level Management
(c) Supervisory Management
(d) Can't say
- Q7.** An organization in Germany needs to be managed as much as an organization in India. Though the way they manage would vary due to differences in culture, traditions and history. Name the feature of management referred above.
(a) Management is all pervasive
(b) Management is a dynamic function
(c) Management is a group activity
(d) Management is goal oriented process
- Q8.** Lakhan works as a production manager in Naresh Enterprises Limited. He has been given the task of getting 1000 units of hand woven table mats manufactured at the cost of ₹150 per unit within 10 days. In order to be acknowledged as an effective manager, he must ensure that
(a) The cost of production is ₹150 per unit but work is completed in 15 days
(b) The work is completed within 10 days even at higher cost per unit
(c) The cost of production is less than ₹150 per unit and work is completed in 11 days
(d) All of the above
- Q9.** Sita is working as a marketing manager in a company, she has been given the task of selling 100000 units of a product at the cost of ₹100 per unit within 20 days. She is able to sell all the units within the stipulated time, but had to sell last 1000 units at 20% discount in order to complete the target. In such a situation, he will be considered to be
(a) An efficient manager
(b) An effective manager
(c) Both effective and efficient manager
(d) None of the above
- Q10.** Yash Ltd. is facing a lot of problem these days. It manufactures electronic goods like washing machines, microwave ovens, refrigerators and air conditioners. The company's margins are under pressure and the profits and market share are declining. The production department blames marketing department for not meeting sales targets and marketing department blames production department for producing goods, which are not of good quality to meet customer's needs. The finance department blames both production and marketing departments for declining return on investment and bad marketing. What quality of management do you think the company is lacking?
(a) Coordination (b) Decentralisation
(c) Delegation (d) None of the above
- Q11.** Ramesh Enterprises Limited is planning to increase its sales by 30% in the next quarter. Identify the feature of management being highlighted in the given statement.
(a) Management is all pervasive
(b) Management is a goal oriented process
(c) Management is a continuous process
(d) All of the above
- Q12.** Management is equally important to run a political organisation as it is to run an economic organisation. Which feature of management is being reflected in the given statement?
(a) Management is goal oriented
(b) Management is multidimensional
(c) Management is all pervasive
(d) Management is a group activity
- Q13.** Management translates the works to be carried out in terms of goals to be achieved and assigns the means to achieve it. This statement relates to
(a) Management of work
(b) Management of people
(c) Management of operations
(d) All of the above

- Q14.** Which of the following statements highlights that management is a group activity?
- Organisation is a collection of diverse individuals with different roles.
 - Achievement of common goal requires teamwork and co-ordination of efforts in a common direction.
 - Each member of the organisation may have different individual goals but they must travel together towards common goals.
 - All of the above
- Q15.** Keeping in view the changes in the consumer demands and preferences 'Tushar Bakery' has reduced the sugar and fat content in its products. This approach of business shows that management is
- An intangible force
 - A group activity
 - A dynamic function
 - A multidimensional activity
- Q16.** Which of the following is not an organisational objective of management?
- Earning enough revenue to cover costs
 - Earning sufficient profits to cover risks of business
 - Increase in the prospects of business in the long run
 - Providing free education to their employees children
- Q17.** Management of Globus Ltd. fulfils all its objectives and the organization is able to work effectively and efficiently. It is using environment friendly methods of production and disposing off the waste material either by recycling it or using the same for landfill in such a manner that the aquatic life is not disturbed. It also provide employment opportunities to the disadvantaged sections of the society. Identify the objective of management of Globus Ltd. which it wants to fulfil by doing the above activities.
- Personal Objectives
 - Organisational objectives
 - Social Objectives
 - Both (a) and (b)
- Q18.** Management is considered to be an art because
- The principles of management have universal validity
 - The principles of management have universal application
 - Different principles of management are brought into effect differently by different managers
 - It is not important for the practising managers to be a member of a professional association.
- Q19.** Your elder brother is working as a finance manager in a multi-dimensional company. State the level of management he is working at?
- Top level management
 - Bottom level management
 - Middle level management
 - Can't say
- Q20.** Which of the following is a function of top level management?
- Ensuring quality of output
 - Assigning necessary duties and responsibilities to their departments
 - Taking responsibility for all the activities of the business and its impact on the society
 - Ensuring that the safety standards are maintained within the organisation.
- Q21.** Which of the following statements does not pertain to middle level management?
- They are responsible for all the activities of the operational managers.
 - They are responsible for the welfare and survival of the organisation.
 - The interpreter the policies made by top level managers
 - Co-operate with other departments for the smooth running of the organisation.
- Q22.** Which of the following statements is not true for lower level management?
- Analyse the business environment and its implications for the survival of the business.
 - Ensure the quality of the output
 - They strive to reduce the wastage of resources
 - They ensure that the safety standards are maintained within the organisation.
- Q23.** Identify the level of management which does not interact with the work force directly.
- Supervisory management
 - Operational management
 - First line managers
 - Middle level management
- Q24.** This level of management serves as a link between top level managers and first line managers.
- Supervisory level management
 - Operational management
 - Middle level management
 - None of the above
- Q25.** The General Manager of Bharat Ltd. called the meeting of the Production manager and Sales manager of the company. She explained them that both of these departments are the base of company's success. Therefore, it is necessary for both of them to work with coordination. Also, they are told that whatever decision they took for their respective departments; which could affect others, they must give its information to them immediately. They did the same. As a result of this, there never arose a situation in the company. When the sales orders could not be compiled with because of the shortage of goods. Identify the feature of coordination highlighted in the above para.
- Coordination is deliberate function
 - Coordination is a continuous process
 - Coordination ensures unity of action
 - Coordination is pervasive function

- Q26.** The function of management related to grouping of activities to be carried out into departments and creating management hierarchy is
 (a) Planning (b) Organising
 (c) Controlling (d) Directing
- Q27.** This function of management relating to laying down the foundation for carrying out the other functions of management successfully is
 (a) Organising (b) Staffing
 (c) Planning (d) Controlling
- Q28.** The director of Wadhwa Ltd. has a firm belief in team work where the members of the company should work towards fulfilling the common organisational goals. He gives more emphasis on team work and integration of efforts of all individuals, departments and specialists. He gives importance to reconciliation of individuals as well as departmental differences and creating a work environment which enable all its members to grow and develop to their maximum capacity. Identify the concept of management discussed above.
 (a) Planning (b) Centralisation
 (c) Coordination (d) None of these
- Q29.** Co-ordination is considered to be the essence of management because
 (a) It is a common thread that runs through all the activities within the organisation
 (b) It is implicit and inherent in all functions of the organisation
 (c) It is a force that binds all the functions of management
 (d) All of the above
- Q30.** Lata is the marketing manager of a company selling mobile phones. She plans the target sales of 2000 mobile phones. She allocates necessary resources to execute the plan. She has six salesman working under her. She works with them, guiding and motivating them to achieve the target sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. She rewarded efficient employees to motivate them. Identify the four functions of management discussed in the above para.
 (a) Planning, Organising, Directing, Controlling
 (b) Planning, Staffing, Directing, Controlling
 (c) Staffing, Organising, Directing, Planning
 (d) Directing, Organising, Staffing, Controlling

SUBJECTIVE QUESTIONS

- Q1.** During festival season MNO Ltd. received a new order of 10,000 mobile phones to be delivered in 10 days, failing which the contract will be null and void. To complete this production manager planned to outsource the production so that order could be delivered on time. The outsourcing resulted in increase in cost by 30%.
 (i) Do you think the production manager performed duties effectively and efficiently?
- (ii)** Give any two points of difference between effective and efficiency.
- Q2.** PQR Ltd., a garment manufacturing Company set the target production of 100 garments per month at the estimated cost of ₹ 200 per garment. Mohan, a worker worked double shift and manufactured around 150 garments but at the estimated cost of ₹ 230 per garment.
 On the other hand, Ravi another worker focus on cost and handled resources very carefully so he manufactured 90 garments but at the estimated cost of ₹190 per garment. Third worker maintained the balance and achieved target of 100 garment at the estimated cost of ₹ 200 per garment.
 (a) Identify the quality possessed by Ravi, Mohan and what they are lacking.
 (b) What quality is possessed by third worker?
 (c) Which worker is preferred by management?
- Q3.** Is planning, organising, staffing, directing and controlling applied in organisations such as school, club, restaurant, hospitals, etc.? If yes which characteristics of management does it signify? Explain that characteristic.
- Q4.** Dominos Pizza's keep introducing new variety of Pizzas in its menu. Which characteristics of management is highlighted in this? Explain any other two characteristics of management.
- Q5.** EFG Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient day by day, so the company decided to increase production to generate higher sales. For this they decided to employ people from the nearby villages as very few job opportunities were available in that area. The company also decided to provide training to their employees, for updating their knowledge. Identify the objectives of management discussed by quoting the lines.
- Q6.** ABC Ltd. is running a chain of fast food restaurants in India. The business was flourishing but over last two years they observed that the revenue and profit is declining. The management observed that with the entry of new fast food chains from across the world the people are shifting to these restaurants, so the management planned to add new variety of food items in their MENU, for that they sent their efficient employees abroad for training and imported machines to maintain the quality of food. The company make sure only fresh food is served to their customers, so at night they distribute left over food in nearby slum area. To increase profit margin, the supervisors take special care that there is minimum wastage and maximum utilisation of resources.
 Identify the three points of importance from the above para by quoting lines.

- Q7.** Management has evolved like a discipline. There are number of books on management. Students are learning from these books various principles and theories of management. But all students of MBA do not become successful only by learning these principles. The success depend upon creative application of these principles. Today many companies have started giving importance to corporate social responsibility and Business Ethics. In the above para one feature of Science, Art and Profession each are given. Identify each one of them by quoting lines.
- Q8.** Ashutosh Gupta was working in 'BNP Ltd', a company manufacturing air purifiers. He found that the profits had started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.
- (a) Identify the level of management at which Ashutosh Gupta was working.
 - (b) State three other functions being performed by Ashutosh Gupta.
- Q9.** Shyamlal Mukherjee has recently joined AMV Ltd., a company manufacturing refrigerators. He found that his department was under-staffed and other

departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required of employees and its cooperation with other departments is improved.

- (a) Identify the level at which Shyamlal Mukherjee was working.
 - (b) Also, state three more functions required to be performed by Shyamlal Mukherjee at this level.
- Q10.** The marketing manager of Beta Ltd. fixed the target for all the sales executives and gave them all the possible authority to achieve it. They were asked to submit to him their performance report at the end of the month. All of them did the same. On the receipt of report the expected and actual results of sales executives were compared, on this basis future course of action was decided. The sales executives also wrote in their report the expectations of the customers from the company. The majority of them had written that they wanted the company to cooperate in the construction of Shimla, going on in the city. The marketing manager placed this demand before the Board of Directors. This was happily accepted. Identify the functions of management highlighted in above para by quoting relevant lines.

SOLUTION FOR PRACTICE QUESTIONS

SOLUTION FOR MCQ QUESTIONS

- S1. (c)
- S2. (b)
- S3. (b)
- S4. (b)
- S5. (b)
- S6. (b)
- S7. (b)

- S8. (c)
- S9. (c)
- S10. (b)
- S11. (c)
- S12. (d)
- S13. (c)
- S14. (b)

- S15. (c)
- S16. (d)
- S17. (c)
- S18. (d)
- S19. (b)
- S20. (d)

SOLUTIONS FOR SUBJECTIVE QUESTIONS

- S1. (i) Coordination
(ii) Give features of coordination (Refer Page no. 9)
- S2. Social objective.
- S3. He is effective as he achieves the target on time but he is inefficient as he incurred higher cost.
- S4. Dev, because management is pervasive.
- S5. Management is a group activity.
- S6. Supervisory or operational level.
- S7. The quality which is lacking in the above case is "coordination." The manager is able to execute all the functions but he is unable to coordinate these functions and coordination is not a mere function of manager but it is the essence of management.

Explain the topic: coordination an essence of management.

- S8. (i) Management as an art.
(ii) Features of management as an art (Refer Page no. 6)
- S9. (i) (a) Planning
(b) Staffing
(c) Controlling
(ii) Coordination
- S10. (i) Rohan: Supervisory level
Sohan: Middle level
Mohan: Top level
(ii) Functions of each level (Refer Page no. 7-8)

SOLUTION FOR HOMEWORK QUESTIONS

SOLUTION FOR MCQ QUESTIONS

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| <p>S1. (d) Management is considered to be a deliberate process as it involves creating an environment which is conducive to efficient and effective performance.</p> <p>S2. (d) Management is essential for all types of organisations irrespective of their size or type.</p> <p>S3. (d)</p> <p>S4. (b) Management seeks to integrate individual goals with organisational goals and ensure realisation of both.</p> <p>S5. (c) Management aims to carry out the work in a manner that is completed within the stipulated time (effectiveness) and at the least cost (efficiency).</p> <p>S6. (c)</p> <p>S7. (a)</p> <p>S8. (b) The concept of effectiveness is related to the completion of the task within the stipulated time irrespective of the cost involved.</p> <p>S9. (b)</p> <p>S10. (a)</p> <p>S11. (b) Management is considered to be goal oriented as an organisation is brought into existence for realisation of certain goals.</p> <p>S12. (c) Management is required in all types: economic, social or political, and sizes of organisations.</p> <p>S13. (a) Management is multidimensional in nature and involves three aspects, management of work is one of them.</p> <p>S14. (d)</p> | <p>S15. (c) In order to be successful, it is important that a business adapts itself to the changes in the taste and preferences of the consumers.</p> <p>S16. (d) Providing free education to children is a social objective of management.</p> <p>S17. (c)</p> <p>S18. (c) Management is based on personalised application of the knowledge and skills.</p> <p>S19. (c)</p> <p>S20. (c) Ensuring quality of output; Ensuring the safety standards are maintained within the organisation – lower level management and assigning necessary duties and responsibilities to their departments – middle level management.</p> <p>S21. (b) They are responsible for the welfare and survival of the organisation- top level management</p> <p>S22. (a) Analyse the business environment and its implications for the survival of the business-top level management</p> <p>S23. (d) The middle level managers interact with the supervisory/operational/first-line managers who in turn interact with the workers directly.</p> <p>S24. (c)</p> <p>S25. (c)</p> <p>S26. (b)</p> <p>S27. (c)</p> <p>S28. (c)</p> <p>S29. (d)</p> <p>S30. (a)</p> |
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SOLUTION FOR SUBJECTIVE QUESTIONS

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| <p>S1. (i) Effective but not efficient
(ii) Refer Page no. 4</p> <p>S2. (a) Mohan is effective but not efficient
Ravi is efficient but not effective
(b) Third worker is effective as well as efficient
(c) Management will prefer third worker</p> <p>S3. 'Management is all pervasive' is discussed in the above case. Refer page no. 5</p> <p>S4. 'Management is Dynamic' characteristic of management is highlighted in the above statement.
For other characteristic refer page no. 5</p> <p>S5. (a) Organisational Objectives
Relevant lines 'The revenue earned higher sales'.</p> | <p>(b) Personal Objectives
Relevant Lines 'The company their knowledge'.</p> <p>(c) Social Objectives
Relevant Lines 'For this in that area'.</p> <p>S6. The importance highlighted in above para are:
(a) Management creates a dynamic organisation.
Line: "Managers planned in their MENU".
(b) Management help in achieving personal objectives.
Line: "Management sent abroad for training".
(c) Management increases efficiency.
Line: "Supervisors take maximum utilisation of resources".</p> |
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- S7.** (i) Management as Science: systematic body of knowledge
Line: "There books."
(ii) Management as an Art: Based on Practice and Creativity
Line: "Success application."
(iii) Management as a Profession :Service Motive
Line: "Companies responsibility."
- S8.** Top level Management
For other functions Refer Page no. 7.

- S9.** Middle Level Management
For other functions Refer Page no. 7.
- S10.** (a) Organising
Relevant Line 'gave them authority to achieve it'
(b) Controlling
Relevant Line 'expected and actual were compared'
(c) Planning
Relevant Line 'future course was decided'