

CLASS: XII BUSINESS STUDIES

Nature and significance of Management

Points to Remember:

1. Management is the process of getting things done to achieve goals effectively and efficiently.
2. It is a process because it involves a series of functions (POSDC) which are necessary for getting things done.

Effectiveness and Efficiency

Effectiveness is concerned with completing activities or achieving goals within the prescribed time limit.

Efficiency is concerned with doing the task correctly and with minimum cost and wastage.

Characteristics of Management:

- Goal oriented process – Management unites the efforts of different individuals working in the organization to achieve goals.
- Pervasive – It is needed in business, non business, private and public enterprises, government and non government, small and large enterprises.
- Management is multidimensional – It has three dimensions:
 - a) Management of work – Concerned with performance of various activities in an organization.
 - b) Management of people – Management of human resources
 - c) Management of Operations – It entails the flow of input and transforms it into desired output.
- Continuous process – Ongoing process of (POSDC) and performed by all managers all the time.
- Group activity – Management unites the efforts of individuals to achieve organizational goal along with the fulfillment of personal goals.
- Dynamic function – Management must change itself and its goals according to the changes in the business environment.
- Intangible force- Unseen force but its presence can be felt through orderliness, discipline and happy and satisfied workforce.

Objectives of management:

- a) Organizational - Achievement of economic objective of Survival , profit and Growth.
- b) Social – Commitment towards the society by creating employment opportunities, good quality products, honest and timely payment of taxes, schools and crèches for employees children.

- c) Personal – Satisfying personal needs of the employees like financial needs, social needs and other higher level needs.

Importance Of Management:

- 1) Helps in achieving group goals by directing the efforts of individuals.
- 2) Management increases efficiency by reducing costs.
- 3) Management creates a dynamic organization by helping people to adapt to business environment changes.
- 4) Through motivation and leadership management helps an individual to achieve personal objectives.
- 5) Management helps in the development of the society by fulfilling its responsibilities towards the society.

Nature of Management:

- 1) As an Art
 - 1) Existence of theoretical knowledge
 - 2) Manager applies personal skills in day to day functioning of the organization.
 - 3) Management is creative as it brings solution to personal problems.
- 2) As a science
 - 1) Systematized body of knowledge
 - 2) Evolved after continuous observation and experimentation.
 - 3) Universal validity
 - 4) Not a pure science but soft science or social science as it deals with the study of human behavior.
- 3) As a profession
 - 1) Well defined body of knowledge which can be acquired through instructions
 - 2) No restriction on entry to a professional association.
 - 3) No written code of conduct.

LEVELS OF MANAGEMENT

TOP LEVEL:

- 1) Frame objectives and policies
- 2) Responsible for welfare and survival of the organization.
- 3) Deal with external environment.
- 4) Integrate and coordinate the activities of different departments.
- 5) Arranging resources.
- 6) Eg- Directors, CEO, COO , vice president etc

MIDDLE LEVEL

- 1) Implement the policies laid down by top level management.
- 2) Assign duties and responsibilities to lower level.
- 3) Appoint employees for their department.
- 4) Cooperate with other departments.
- 5) Eg- Departmental heads

LOWER LEVEL:

- 1) Execute the day to day operations.
- 2) Supervise and control the workers.
- 3) Represent workers grievances and suggestions before the management.
- 4) Ensure proper working conditions.
- 5) Eg- Foreman, inspector, superintendent

COORDINATION:

The force which binds all the activities in the organization.

Essence of management-

- 1) Needed in all the functions of management
- 2) Needed at all the levels of management.

Nature :

- 1) It integrates group efforts to attain organizational goal.
- 2) It ensures unity of action in one common direction.
- 3) It is a continuous process begins with planning and continues till controlling.
- 4) It is pervasive required in all activities, levels and departments.
- 5) It is performed deliberately by a manager.
- 6) It is the responsibility of all the managers at all the levels.

IMPORTANCE:

- Growth in size – Large organization with large number of employees with diverse interests.
- Functional differentiation- Different functions performed by different departments with their own objectives and policies .There are chances of conflict hence coordination is required.
- Specialization- In modern business specialists are required and they think that they are qualified and hence are not interested in taking advice from others. Hence coordination is required.
