

## E-content

### Business Management

#### 2nd sem

## INTRODUCTION

Every human being has needs and wants but it is impossible for an individual to satisfy all his desires by himself. Therefore, they join hands with fellow beings and work in an organised group to achieve, what he cannot accomplish single handedly. Thus organizes himself in groups e.g. a family, hockey team, a college, a business firm, a government etc. and as these groups develop in course of time with complexities managing becomes a difficult task. The need of existence of management has increased tremendously. Management is not only essential to business concerns but also essential to banks, schools, colleges, hospitals, hotels, religious bodies, charitable trust etc. Every business unit has objectives of its own. These objectives can be achieved with the co-operative efforts of several personnel. The works of a number of persons are properly co-ordinate to achieve the objectives through the process of management. However, the management is not a matter of pressing a button, pulling a lever, issuing order, scanning profit and loss statements promulgating rules and regulations. Rather it is the power to determine what shall happen to the personalities and happiness of entire people, the power to shape the destiny of a nation and of all the nations which make up the world. Peter F. Drucker has stated in his famous book "The Practice of the Management" that the emergence of management as an essential, a distinct and leading social institution, a new leading group, emerged as fast as management since the turn of this century. Rarely in human history has a new institution proved indispensable so quickly and even less often has a new institution arrived with so little opposition, **so little disturbance and so little controversy.**

## MEANING AND CONCEPTS OF MANAGEMENT

The word 'management' can be styled as: Manage-men-t- (i.e. manage men tactfully). Why manage men tactfully? This is with view to get the things done. In order to manage men tactfully, one has to understand the highly unpredictable and uncertain human nature. Owing to this management is very complicated and challenging activity. A simple traditional definition, defines it as the "art of getting things done by others". This definition brings in two elements namely accomplishment of objectives, and direction of group activities towards the goal. The weakness of this definition is that firstly it uses the word "art", whereas management is not merely an art, but it is both art and science. Secondly, the definition does not state the various functions of a manager clearly.

### Definitions of Management

The term management has been defined differently by different writers. Few of the important definitions of management classified on the basis of their concept are discussed below:

- (A) Functional concept as a process, management is what a manager performs. "Management is that function of an enterprise which concerns itself with the direction and control of the various activities to attain the business objectives" -William Spriege
- (B) "Management is the planning, organising command, coordination and control of the technical, financial security and accounting activities." -Louis A. Allen

### Objectives of Management

According to George R. Terry, "A managerial objective is the goal which prescribes definite scope and suggests the efforts of a manager."

Optimum utilisation of resources:

Growth and development of business:

Growth and development of business:

Discipline and morale:

**A. Classical Theory of Management/Organisation • Bureaucracy, • Scientific Management, • Management Process.**

**B. Neo-classical Approaches • Human Relations/ Behaviour, • Behavioural and Social Sciences**

**Modern Streams of Management Thought. • Management Science (Quantitative Approach). • Systems Approach. • 7-S Approach. • Operational Approach. • Managerial Roles Approach. • Contingency Approach.**

**Management Functions/ the Process of Management**

.1 Planning 2 Organizing 3 Staffing 4 Directing.5 Coordination.6 Controlling

**Definitions of Planning**

planning are legion in management literature. Some definitions are simple, some are long and exhaustive. Essentially, the following important definitions while defining the term 'Planning' are given below: According to Alford and Beatt, "Planning is the thinking process, the organized foresight, the vision based on fact and experience that is required for intelligent action."

MBO was first popularized by Peter Drucker in 1954 in his book 'The practice of Management'. It is a process of agreeing within an organization so that management and employees buy into the objectives and understand what they are. It has a precise and written description objectives ahead, timelines for their motoring and achievement. The employees and manager agree to what the employee will attempt to achieve in a period ahead and the employee will accept and buy into the objectives

**THE CONCEPT OF DECISION MAKING**

Decision-making and problem-solving are basic ingredients of managerial leadership. More than anything else, the ability to make sound, timely decisions separates a successful manager from a non-successful. It is the responsibility of managers to make high quality decisions that are accepted and executed in a timely fashion. On the face of it the decisions should be cohesive, conjectured, contingent, flexible, improved, influencing, intuitional, non-judgemental, objective, operational one. One of the most important functions of a manager is to take decisions. Whatever a manager does, he does through decision-making. Each managerial decision is concerned with the process of decision-making. It is because of this pervasiveness of decision-making that Professor Herbert Simon has said the process of managing as a process of decision-making. According to him, a post or position cannot be said to be managerial level until and unless the right of decision-making is attached to it. As a matter of act, it is the core of executive activities in a business organization

**CHARACTERISTICS OF DECISION MAKING**

The essential characteristics of decision making are given below: 1. It is a process of choosing a course of action from among the alternative courses of action. 2. It is a human process involving to a great extent the application of intellectual abilities. 3. It is the end process preceded by deliberation and reasoning

## **MODELS OF DECISION MAKING**

The decision-making process though a logical one is a difficult task. All decisions can be categorized into the following three basic models. (1) The Rational/Classical Model. (2) The Administrative or Bounded Rationality Model. (3) The Retrospective Decision-Making Model. All models are beneficial for understanding the nature of decision-making processes in enterprises or organisations. All models are based on certain assumptions on which the decisions are taken.

**The Rational/Classical Model:** The rational model is the first attempt to know the decision-making-process. It is considered by some as the classical approach to understand the decision-making process. The classical model gave various steps in decision-making process which have been discussed earlier

Organising is the function of management which follows planning. In this function of management the synchronisation and combination of human, physical and financial resources takes place. All the three resources are important to get results. Therefore, organisational function helps in achievement of results which in fact is important for the functioning of a concern. According to Chester Barnard, "Organising is a function by which the concern is able to define the role positions, the jobs related and the co-ordination between authority and responsibility. Hence, a manager always has to organise in order to get results

### **OBJECTIVES**

After reading this lesson you would be able: • To understand the concept of organising and staffing. • To know about the process of recruitment and selection. • To understand the importance of organising and staffing

All business enterprises, irrespective of their forms, require organisation for their economic operation and smooth running of business. The larger the size of a business, the more complicated and formal becomes the task of organising. 'Organisation' and 'Organising' have been defined by different authors in various ways.

Important definitions of organising and organisation are given below: G. E. Milward, "Organisation is the harmonious inter-relation of functions and staff." Mooney and Reiley, "Organisation is the form of every human association for the attainment of common purpose."

### **STAFFING**

Staffing is the process of hiring eligible candidates in the organisation or company for specific positions. In management, the meaning of staffing is an operation of recruiting the employees by evaluating their skills, knowledge and then offering them specific job roles accordingly.

**According to Koontz and O'Donnell:** "The managerial function of staffing involves manuring the organisational structure through proper and effective selection, appraisal and development of personnel to fill the roles designed into the structure."

### **Directing**

refers to a process or technique of instructing, guiding, inspiring, counselling, overseeing and leading people towards the accomplishment of organizational goals. It is a continuous managerial process that goes on throughout the life of the organisation. It is said to be a process in which the managers instruct, guide and oversee the performance of the workers to achieve predetermined goals. Directing is said to be the heart of management process. Planning, organizing, staffing have got no importance if direction function does not take place.

### **OBJECTIVES**

After reading this lesson you would be able: • To state the meaning and importance of directing function of management. • To know about the elements and principles of directing. • To discuss the meaning, functions and importance of supervision.

### **DEFINITIONS:**

According to Haimann: "Directing consists of the process and techniques utilized in issuing instructions and making certain that operations are carried on as originally planned."

According to Koontz and O'Donnel: "Direction is the interpersonal aspect of managing by which subordinates are led to understand and contribute effectively to the attainment of enterprise objectives"

## **Motivation**

Motivation is one of the important elements of directing. Issuance of proper instructions or orders does not necessarily ensure that they will be properly carried out. It requires manager to inspire or induce the employees to act and get the expected result. This is called motivation. It is a force that inspire a person at work to intensify his willingness to use the best of his capability for achievement of specify objectives. It may be in the form of incentives like financial (such as bonus, commission etc.) or, non-financial (such as appreciation, growth etc.), or it could be positive or negative. Basically, motivation is directed towards goals and prompt people to act.

**Leadership** While motivation is the process through which employees are made to contribute voluntarily to work, leadership is the ability to persuade and motivate others to work in a desired way for achieving the goal. Thus, a person who is able to influence others and make them follow his instructions is called a leader. For example, in an organisation the management decides to install some new machines to which the workers are resisting. In practice, the managers have to guide and lead their subordinates towards the achievement of goals, and so, to be an effective, a manager has to be a good leader Leadership is the process, which influences the people and inspires them to willingly accomplish the organisational objectives. The main purpose of managerial leadership is to get willing cooperation of the workgroup in pursuit of the goals.

**Coordination** plays a very important role in every field of human activity. Coordination as the essence of management function, achieves the objectives of an enterprise by directing and unifying group efforts. The coordinator of an enterprise must also direct and coordinate the activities of various personnel so as to bring unified element in the task of managing and must be effected through the various functions of the management