

NORTH-EX PUBLIC SCHOOL
(Senior Secondary, Affiliated To CBSE)
School Block, Jain Nagar, Sector-38, Rohini, Delhi – 81
SUBJECT – BUSINESS STUDIES
CLASS -12TH

CHAPTER – I
NATURE AND SIGNIFICANCE OF MANAGEMENT
REVISION NOTES PART 2

YouTube Links:

1)

<https://www.youtube.com/watch?v=4VC56kp6dsM&list=PLGRG6Dk7lyZ6TI6AFInDSbZtth8HjjK3M&index=5>

2)

<https://www.youtube.com/watch?v=YkpiDsunmG0&list=PLGRG6Dk7lyZ6TI6AFInDSbZtth8HjjK3M&index=6>

3)

<https://www.youtube.com/watch?v=SfJ7WclPtZw&list=PLGRG6Dk7lyZ6TI6AFInDSbZtth8HjjK3M&index=7>

4)

<https://www.youtube.com/watch?v=Z7xuqZmaiPQ&list=PLGRG6Dk7lyZ6TI6AFInDSbZtth8HjjK3M&index=8>

7. NATURE OF MANAGEMENT

1. Management as an Art

Art refers to skillful and personal application of existing knowledge acquired through study, observation and experience. The features of art are as follows:

a. Existence of theoretical knowledge: In every art, Systematic and organized study material is available to acquire theoretical knowledge and experts in the respective fields apply these principles to their respective art forms.

b. Personalized application: The use of basic knowledge differs from person to person and thus, art is a very personalized concept.

c. Based on practice and creativity: Art involves creativity and practice of the experts. For e.g. the music created by musicians are different though the musical notes used are the same.

Every manager has his own unique style of managing things and people. He/she uses his creativity in applying management techniques and his skills improve with regular application. Since all the features of art are present in management. So it can called an art.

2. Management as a Science

Science is a systematized body of knowledge that is based on general truths, which can be tested anywhere, anytime. The features of Science are as follows:

- a. Systematized body of knowledge: Science has a systematized body of knowledge based on cause and effect relationship.
- b. Principles based on experiments and observation: Scientific principles are developed through experiments and observation.
- c. Universal validity: Scientific principles have universal validity and application.

Management has systematic body of knowledge and its principles are developed over a period of time based on repeated experiments & observations which are universally applicable but they have to be modified according to given situation.

As the principles of management are not as exact as the principles of pure science, so it may be called-an inexact science. The prominence of human factor in the management makes it a Social Science.

3. Management as Profession

Profession means an occupation for which specialized knowledge and skills are required and entry is restricted. The main features of profession are as follows:

- a. Well-defined body of Knowledge: is complete set of principles, concepts, terms and activities that make up a professional domain.
- b. Restricted Entry: The entry in every profession is restricted through examination or through educational degree.
- c. Professional Associations: All professions are affiliated to a professional association, which regulates entry and frames code of conduct relating to the profession. Eg. IMA, ICAI
- d. Ethical Code of Conduct: All professions are bound by a code of conduct, which guides the behavior of its members.
- e. Service Motive: The main aim of a profession is to serve its clients.

Management does not fulfill all the features of a profession and thus it is not a full-fledged profession like doctor, lawyer, etc.

8. LEVELS OF MANAGEMENT

Top Management: Designations and Functions

Comprises of CEO, Board of Directors, MD, GM, VP. Main task is conceptualizing of organizational goal, policy and strategy formulation and organising, controlling and monitoring activities and resources. Controlling the work performance of individuals and approving Budgets.

Middle Management : Designations and Functions

Comprises of Departmental, Sub-Departmental and Divisional heads, its main task is execution of plans, policies framed by the top level management and preparing organisational set up & appointing employees and issuing instructions and motivating employees. Ensuring interdepartmental cooperation as well.

Supervisory and operational Level : Designations and Functions

Consists of Foremen and supervisor etc. Main task is to ensure actual implementation of the policies as per directions of top and middle level managers and also to Bring workers' grievances before the management & maintain discipline among the workers.

9. FUNCTIONS OF MANAGEMENT:

I. Planning : Setting objectives and targets and formulating an action plan. It bridges the gap between where we are and where we want to reach.

II. Organising: Involves assigning duties, grouping tasks, establishing authority and responsibility relationships and allocating the resources required to perform a specific plan.

- III. Staffing: Finding and placing the right person for the right job at the right time. It involves recruitment, selection, placement, induction and development of employees.
- IV. Directing: Refers to leading, influencing, motivating the staff chosen to perform the assigned task efficiently and effectively.
- V. Controlling: Refers to monitoring organizational activities towards the attainment of organizational goals. It involves setting standards measuring current performance, comparing with the standards, and taking corrective action for any deviations.

10. COORDINATION

Coordination is the force which synchronizes all the functions of management and activities of different departments. Lack of coordination results in overlapping, duplication, delays and chaos. It is concerned with all the three levels of management as if all the levels of management are looked together, they become a group and as in the case of every group, they also require coordination among themselves. Coordination is implicit and inherent in all functions of an organisation.

FEATURES OF COORDINATION:

- I. Coordination Integrates Group Effort: It is an orderly arrangement of group effort to ensure that performance is at par with the plans and schedules.
- II. Coordination Ensures unity of action: It is a binding force between various departments and ensures that all efforts are focused towards achieving the organizational goal.
- III. Coordination is a Continuous Process: It is a never-ending process as its needs are felt at all levels and in all activities in the organisations. It begins at the planning stage and continues until controlling.
- IV. Coordination is the responsibility of all managers: coordination is equally important at all levels of management. It is the responsibility of all the individuals in an organisation to carry out their work in a responsible manner and coordinate with each other to achieve organizational goals.
- V. Coordination is a deliberate function: A manager has to coordinate the efforts of different people in a conscious and deliberate manner. In other words, coordination is never established by itself rather it is a conscious effort on the part of every manager.
- VI. Coordination is all pervasive function: It is needed in all departments and at all levels. Lack of coordination can lead to overlapping of activities.

COORDINATION PLANNING

ORGANISING

DIRECTING STAFFING CONTROLLING

IMPORTANCE OF COORDINATION:

The reasons that bring out the importance or the necessity for coordination are

- I. Growth in the Size: An organisations growth results in the increase in the number of people employed with varied individual aspirations and culture. So it is important to harmonize individual goal with the organizational goals through coordination.
- II. Functional Differentiation: All the departments and divisions may have their own, objective, policies and their own style of working. However all departments and individuals are interdependent and cannot work in isolation. Thus, coordination is necessary for linking the activities of various departments.
- III. Specialization: Mostly specialists have a feeling of superiority and prioritize their zone of

activities. Coordination seeks to sequence and integrate all the specialists' activities into a wholesome effort.