PRINCIPLES OF MANAGEMENT

Mrinmoy Biswas
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CHAPTER 1

A BRIEF STUDY ON NATURE OF MANAGEMENT

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ABSTRACT:

The nature of management comprises different facets of the managerial role and the concepts that guide the proper operation of organizations. This chapter provides an overview of the essential principles of management and shows their significance in accomplishing corporate goals. It covers the changing nature of management and the evolving issues faced by managers in today's complicated business world. Additionally, it emphasizes the significance of having a proactive and flexible approach to management in order to create innovation, foster employee engagement, and assure long-term success.

KEYWORDS:

Management, Managers, Organization,Science, Time.

INTRODUCTION

In the current times one of the most significant human occupations is managing group of individuals. Ever since people began establishing groups to accomplish purposes they could not reach as individuals; managing has been vital to ensure the coordination of individual efforts. As society has come to rely increasingly on collective work and as many structured groups have become huge the task of managers has been rising in importance. Management is the process of developing and sustaining an environment in which individuals working together in groups efficiently accomplish predetermined purposes[1]–[3]. The fundamental definition of Management describes that as managers, people carry out the managerial activities of planning organizing, staffing, leading and controlling. Management applies to any sort of organization. It applies to managers at all organizational levels. The purpose for all managers is the same to build a surplus. Managing is concerned with productivity, which implies efficacy and efficiency.Management is a universal phenomenon.

It is a very common and widely used term. All organizations - corporate, political, cultural or social are involved in management because it is the management which assists and directs the varied activities towards a particular aim. According to Harold Koontz, Management is an art of getting things done through and with the 2 people in formally formed organisations. It is an art of creating an environment in which people can perform and individuals and can co-operate towards realization of group goals. According to F.W. Taylor, Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way. Management is a purposive activity. It is anything that leads group activities towards the realization of specific pre-decided goals. It is the practice of working with and through people to effectively achieve the goals of the company, by efficiently employing limited resources in the changing world.

Of course, these aims may vary from one enterprise to another, for one enterprise it may be launching of new goods by conducting market surveys and for other it may be profit maximization by decreasing cost. Management as a discipline refers to that body of knowledge which is associated to study of principles & practices of fundamental administration. It defines particular code of conduct to be observed by the manager & also numerous strategies for managing resources efficiently. Any field of knowledge that fulfils following two requirements is called as discipline. There must be researchers & intellectuals who communicate relevant knowledge through research and publishing. The information should be properly delivered by education and training activities. Since management satisfies both these problems, hence it qualifies to be a discipline. Though it is comparably a new discipline but it is growing at a rapid pace[4]–[6]. It cannot be denied that management has a systematic body of knowledge but it is not as exact as those of other physical sciences like biology, physics, and chemistry etc. The fundamental reason for the inexactness of science of management is that it deals with human beings and it is very difficult to forecast their conduct precisely. Since it is a social process, hence it falls under the domain of social sciences. It is a flexible science & that is why its theories and principles may give different results at different times and so it is a behavior science. Ernest Dale has characterised it as a Soft Science

Managers are in constant action. Virtually every research of managers in action has revealed that they switch frequently from task to task, changing their focus of attention to respond to issues as they arise, and engaging in a large volume of tasks of short duration. Mintzberg observed CEOs on the job to acquire some concept of what they do and how they spend their time. He observed, for instance, that they averaged thirty-six written and sixteen verbal contacts every day, practically every one of them dealing with a distinct or different topic. Most of these activities were brief, lasting less than nine minutes.Kotter analysed a number of effective general managers over a five-year period and discovered that they spend most of their time with others, including subordinates, their supervisors, and other people from outside the organization. Kotter's analysis indicated that the average manager spent barely 25% of his time working alone, and that time was spent mostly at home, on flights, or commuting. Few of them spent less than 70% of their time with others, and others spent up to 90% of their working time this way.

Kotter also observed that the breadth of topics in their interactions with others was quite wide, with unimportant concerns taking time alongside essential business considerations. His analysis indicated that managers rarely make big decisions during these meetings and rarely deliver commands in a traditional sense. They often react to others' initiatives and spend considerable amounts of time in unanticipated activities that aren't on their calendars. He found that managers will spend much of their time with others in brief, disjointed conversations. Discussions of a single question or issue rarely last more than ten minutes, he notes. It is not at all unusual for a general manager to cover ten unrelated topics in a five-minute conversation.6 More recently, managers studied by Sproull showed similar trends. During the course of a day, they engaged in 58 different activities with an average duration of just nine minutes [7]–[9].

Interruptions also appear to be a natural aspect of the profession. Stewart found that the managers she researched could work undisturbed for half an hour only nine times throughout the four weeks she studied them.8 Managers, in fact, spend very little time by themselves. Contrary to the image presented by management textbooks, they are rarely alone working up strategies or thinking about key decisions. Instead, they spend much of their time interactingwith othersboth inside and beyond the business. If casual contacts in corridors, phone conversations, one-on-one meetings, and bigger group meetings are included, managers spend roughly two-thirds of their time with other people.9 As Mintzberg has pointed out, unlike other workers, the manage does not leave the telephone or the meeting to get back to work. Rather, these contacts are his work.

The interactive nature of management means that most management work is conversational. When managers are in action, they are talking and listening. Studies on the nature of management job reveal that managers spend roughly two-thirds to three-quarters of their time in verbal activities. These verbal conversations, according to Eccles and Nohria, are the means through which managers receive information, stay on top of things, identify problems, negotiate agreed meanings, establish plans, put things in action, give orders, assert authority, develop relationships, and circulate gossip. In summary, they are what the manager's daily practice is all about. Through other forms of talk, such as speeches and presentations, they write, managers establish definitions and meanings for their own actions and give others a sense of what the organization is about, where it is at, and what it is up to.

DISCUSSION

The Role Manager's Play

Managers are obliged to contact with a considerable number of individuals in the course of a workweek. They organize receptions; take clients and customers to dinner; meet with business prospects and partners; conduct hiring and performance interviews; and build alliances, friendships, and personal relationships with many others. Numerous studies have demonstrated that such interactions are the richest source of information for managers because of their immediate and intimate nature.Three of a manager's functions derive immediately from formal authority and entail basic human interactions.First is the figurehead position. As the head of an organizational unit, every manager must execute some ceremonial tasks. In Mintzberg's study, chief executives spent 12% of their contact time on ceremonial duties; 17% of their receiving mail dealt with acknowledgments and requests linked to their status. One example is a company boss who asked free items for a handicapped schoolchild.Managers are also accountable for the work of the individuals in their unit, and their actions in this regard are directly tied to their function as a leader. The influence of managers is most clearly visible, according to Mintzberg, in the leader role. Formal authority equips them with immense potential power. Leadership determines, in large part, how much authority they will realize.

Does the leader's role matter? Ask the employees of Chrysler Corporation formerly DaimlerChrysler. When Lee Iacocca took over the corporation in the 1980s, the once-great auto manufacturer was in bankruptcy, teetering on the point of extinction. He forged fresh ties with the United Auto Workers, reorganized the senior management of the corporation, and perhaps most importantly convinced the U.S. federal government to guarantee a series of bank loans that would make the company solvent again. The loan guarantees, the union response, and the reaction of the marketplace were attributable in significant measure to Iacocca's leadership style and personal appeal. More recent instances include the return of Starbucks founder Howard Schultz to re-energize and direct his company, and Amazon CEO Jeff Bezos and his capacity to innovate during a downturn in the economy.

Popular management literature has had little to say about the liaison job until lately. This role, in which managers establish and maintain contacts outside the vertical chain of command, becomes especially important in view of the finding of virtually every study of managerial work that managers spend as much time with peers and other people outside of their units as they do with their own subordinates. Surprisingly, they spend less time with their own superiors. In Rosemary Stewart's study, 160 British middle and top managers spent 47% of their time with peers, 41% of their time with people inside their unit, and only 12% of their time with superiors. Guest's (1956) research of U.S. industrial supervisors discovered comparable findings.

Management is an activity involved with leading human and physical resources such that organizational goals can be attained. Nature of management can be highlighted as: - i) Management is Goal-Oriented: The success of any management action is accessed by its attainment of the planned goals or objective. Management is a purposeful action. It is a tool which assists usage of human & physical resources to accomplish the pre-determined goals. For example, the purpose of a firm is maximum consumer pleasure through creating quality items and at reasonable rates. This can be achieved by employing efficient workers and making better use of restricted resources. Management combines Human, Physical and Financial Resources: In an organization, human beings work with non-human resources like machines. Materials, financial assets, buildings etc. Management combines human efforts to those resources. It provides harmony among the human, physical and financial resources. Management is Continuous: Management is an ongoing process.

It requires ongoing handling of problems and challenges. It is involved with identifying the problem and taking appropriate methods to fix it, the objective of a corporation is maximum production. For accomplishing this aim several policies have to be framed but this is not the end. Marketing and Advertising has also must be done. For these policies have to be again framed. Hence this is a continual process. Management is all Pervasive: Management is essential in all types of organizations whether it is political, social, cultural or business because it helps and directs varied activities towards a particular aim. Thus clubs, hospitals, political organizations, colleges, hospitals, business firms all require administration. Whenever more than one individual is engaged in working for a common objective, management is important. Whether it is a small commercial entity which may be engaged in trading or a major firm like Tata Iron & Steel, management is essential everywhere irrespective of size or type of activity. Management is a Group Activity. Management is very lot less interested with individual 's efforts. It is more interested with groupings. It involves the use of group effort to attain the aim of management of an organization.

Importance of Management

Management is goal oriented: Management is concern with attainment of specified goals. It is always geared towards attainment of objectives. The success of management is judged by the extent to which objectives are achieved.

Management is related with collective efforts: The business comes into existence with particular aims 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 co-ordinates the activities and efforts of its members towards a shared purpose.

Management is intangible: It is an unseen force, whose presence can be shown by the result of its efforts up to date order but they often remain unnoticed, whereas mismanagement is immediately noticed.

Management is an activity and not a person or group of people: Management is not people or not a definite class but it is the activity, it is the process of planning, organizing, leading and regulating to achieve the objectives of the organization.

Management is situational: Management does not recommend optimum way of accomplishing things. Effective management is always situational. A manager has to apply concepts, methodologies and techniques of management after taking into consideration the present situations.

Management is universal: Most of the principles and procedures of management are universal in nature. They can be applied to government organization, military, educational establishments, religious institutes etc. They provide functioning guidelines which can be adopted according to scenarios.

Management is concern with people: Since management entails getting things done via others only human being conducted this activity with the help of planning and control. The element man cannot be separated from the management. Management is the blend of art, science and profession: Management takes use of science as well as art. It is science since it collects knowledge using the methods and facts, analyzes and measures it and decision is taken with the assistance of experiment. It is an organized corpus of knowledge. Art involves application of knowledge for solving diverse difficulties. In modern times there is separation of ownership and management, therefore professional experts are appointed[10].

Functions of Management

The key functions of management are discussed below:

Planning: It comprises forecasting, formulation of objectives, policies, programmes, producer and budget. It is a function of determining the ways or approach of accomplishing there aims. It determines in advance what should be done, why should be done, when, where, how should be done. This is done not only for organization as a whole but also for every division, sector and department. Planning is thought before action.

Organizing: It involves departmentation, distribution of authority, assigning of responsibility and establishment of relationship. It is a function of offering everything valuable to the corporate organization. There are certain resources which are mobilize i.e., man, machine, material, money, but still there are certain limitations on these resources. A manager has to design and develop a system of varied relations. This structure, emerges from identification and grouping activities, delegation of authority and responsibility and forming relationship.

Staffing: It comprises man power planning, recruiting, selection, placement and training. People are basically responsible for the growth of the company. proper man should be employed for proper work. It also involved training of workers and suitable remuneration.

Directing: It comprises decision making, supervision, guidance etc. It reflects giving dynamic leadership. When the manager executes these responsibilities, he issues orders and instructions to supervisors. It also implies the construction of a suitable work, environment motivation, managing managers, managing workers and management work environment. Communication: Communication provides the important link in any company. Every successful manager has to build an effective method of communication. Communication implies exchange of facts, ideas and information between two or more person. It aids in growing up strong moral.

Controlling: It is a method of checking actual performance against standard performance. If there is any variation or deviation then these discrepancies should be recognized and required steps should be done. It involves three elements:

1. Establishing standard of performance.
2. Measuring real performance with establishment.
3. Finding out grounds for deviation.

Motivation: In well organization unforeseen challenges are developed. It becomes vital for the workers to have a leader, to whom they can consult for the advice. One must help the employees to address their problems. The manager is the leader for them. So, he should accept the challenges, should respect the workers for the work done by them. He has to operate as a well motivation source for the workers.

Decision Making: It is the process in which a lot of actions are involved and number of alternatives are offered. A manager has to choose suitable alternative for fulfilment of his goals. There are various considerations which include marketing decision, cost pricing decision and capital investment decision.

Forecasting: Correct sales forecasting is vital for manufacturing organization. This assists in manufacturing, by making available right employees and right material at right place and at right time.

It also helps manager for purchasing of raw materials, equipment's and labors. Many times, manufacturing is made in advance to satisfy future demands and forecasting is needed because of insufficient supply of raw material, lack of proper supervision, to fix up sales targets and to meet future financial needs. It also helps to generate ideas for expansion of business; and for delivering training to the staff of the organization.

Management is an Art

Management is viewed as art, science and profession because it has certain traits of an art, a science and a profession. Art is personal skill. It is formed by nature. It does not possess by all. Art is bringing forth desired results with the use of skills. Management is one of the most creative arts. It demands a lot of knowledge.

Characteristics of a profession. Systematic Professionals demand specialist knowledge in a particular areaa doctor requires knowledge of medicine; Chartered Accountant needs to have understanding of Income Tax. A true professional need to have formal education from the institution. Lawyer needs degree of law. The professional is socially responsible while performing their work and responsibilities. Their purpose should not be merely profiting maximization, but they have to obey specific norms for social duties. Independent Office. Normally professionals practice from their independent office. The professionals may specialize in a certain fieldheart expert, child specialist and ENT surgeon. The professionals required licencing or a license to practice. The current concept of management has arisen as a profession because Organization is a systematic body of knowledge. Formal techniques of learning information and competence with the help of different institution. Rise in professional management consultant. Need for honesty.

Management as a Science

Science is a structured collection of knowledge founded on specific principles and which are widely acknowledged. F. W. Taylor was the first person who treated management as a science. Science is separated into two parts. Physical science.Social science. Management is a social science because it deals with human being. Management is a social science due to the following reasons. Systematic collection and processing of information. Management collects information either by observation or experiment and practice. Marketing people collect knowledge regarding predicted sales on the basis of observation, experiment and practice. The data is collected. Then it is process and with the help of computer and statistical tools and then the data is examined and judgements are taken. Output may change though the inputs are samein management the output may change even though the input remains the same because it deals with human being. Subordinates working under one manager may offer diverse effect though resources are equal. Process of management is universally followed planning, organizing, staffing, directing, controlling and reporting. Every manager while executing his job must apply his knowledge to attain better results. 3. Principles of Management are broadly accepted. All effective organizations must follow established principles of management, such as division of work, unity of command, authority and responsibilities, discipline etc.

Levels of Management

There are various types of managers. However, it is useful to divide them on the basis of three managerial levels. There are three layers of management. Top level management Middle level management Lower-level management.

1. Conceptual Skills: Conceptual skills are the abilities to think about the creative phrases interpret and picture the future, to organize and translate observation into ideas & concepts. Conceptual skills are necessary to recognize and diagnose the difficulties. This will helps in determining the goals.

2. Analytical Skills: Decision makingAnalytical talents mean ability to work out a complex problem or circumstance into component. Analytical skills are necessary for addressing challenges and decision making. This is also beneficial for appraisal of performance and arriving at judgment.

3. Human Relation Skills: Human relation skills represent the capacity to understand the behavior of people, their issues, their requirements, working conditions and motivation to people. These talents are vital in directing the people and for improved coordination.

4. **Administrative Skills:** It involves the implementation of plan and utilization of available resources to produce the intended output that is profit and to regularize a performance in orderly manner. It is also beneficial in co-ordination of activities.

5. Technical Abilities: These abilities are crucial for first line managers. He requires understanding of a job, competence to apply the methods and procedures of job. He is responsible for offering technical counsel and instructions to subordinates.

6. Computer Skills: Computer knowledge is vital for today's manager i.e. knowledge of hardware & software. Hardware is technical word & software is capacity to adapt the system in an organization to try goals. In recent days computer is widely employed in organization. Hence today's' manager needs possess the expertise of computer. This is helpful in decision making. It also helps to boost the production in the organization.

7. Communication Skills: Communication is methodical process of telling, listing and understanding. This skill requires the ability of listening and speaking in an efficient manner. The manager is responsible for getting the things done by others. He should be expert in oral and written communication. Communication talent is vital for gaining success. It is reliant upon the management who obtains the results with efforts of others. Co-ordination can be attained with the help of proper communication. Success is depending upon proper communication.

CONCLUSION

The nature of management is varied and vital for the success of any firm. Effective management involves the coordination of resources, the implementation of strategies, and the building of a favorable work environment. Managers must exhibit a varied range of abilities, including leadership, communication, problem-solving, and decision-making, in order to manage the ever-changing corporate landscape.

The conclusion clearly emphasises that management is not a static notion but rather a dynamic process that requires continual learning and modification. The job of managers is shifting as firms encounter new problems such as globalization, technology improvements, and changing consumer demands. It is vital for managers to embrace innovation, harness technology, and embrace diversity and inclusion to be competitive in today's fast-paced environment**.**

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CHAPTER 2

MANAGEMENT THE PROCESS:PLANNING, ORGANIZING, AND DIRECTING

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ABSTRACT:

Management is a dynamic process that comprises planning, organizing, directing, and controlling numerous resources to meet corporate objectives. This description provides an overview of the essential components of the management process and shows their significance in ensuring the efficient and successful running of a company. It covers the linked nature of the management functions and underlines the significance of adaptation and strategic thinking in today's fast changing corporate environment.

KEYWORDS:

Communication, Management, Process,Responsibility, Resources, Sales.

INTRODUCTION

In recent years a lot of attention has been dedicated to business process management (BPM). I've been toiling in the area for almost three decades, and I've published over 1000 pages on the subject. The essential process of BPM is management, which is explained in length in this paper. Hopefully the precision in definitions and illustrations included below will help bring deeper knowledge of management and its significance in the study and use of BPM. A goal of management is to provide desired results effectively and efficiently [1]–[3]. This is done through the usage of resources in certain applications or circumstances. In any event, there are five managerial actions in play.Planning identifying and deciding what to do and how to do it. Planning activities establish goals and expectations. Implementing consists of the following three sub-activities. Arranging deciding on the right arrangement and relationship of resources and processes to achieve the desired results or outcomes most efficiently and effectively, i.e., the plan objectives. Sourcing identifying and getting all the resources and processes needed to meet the aims. Orchestratingguiding, coordinating, synchronizing, and symphonizing resources in changing and dynamic contexts. Control assessing and monitoring actual performance, comparing it to expectations, evaluating variances, and offering direction for altering arranging, sourcing, and orchestrating activities or adjustments to the plan[4]–[6].

Applications make sorts or forms of management different from one another. And therefore, marketing management is different from production management because it uses a different set of resources than production management and applies them in a different context. There are many different kinds of management, including people management, time management, financial management, information management, asset management, sales management, outsourcing management, energy management, leisure management, risk management, administrative management, systems management, and more Having a plan is vital to management. The other four activities are not doable without a plan. Klimesh says, having a plan says there are expectations, targets, standards, or desires. Monitoring and measuring performance offer information about what is actually happening. It tells us the degree to which expectations, aims, standards, or desires are being met or unmet. This is the basis for the control activity. The differences are investigated and reviewed to find the core causes of un-met expectations, and decisions are taken about what to do about the situation.

A 3-Dimensional View of Management The 3-dimensional (from the Klimesh article), displayed below, indicates that management activities are applied to resources in a context. The little cube below illustrates one of the cubes that could be in the interior of the image — establishing facilities for a new distribution center. Resources The answer to the question, what is managed? is Resources are managed. Resources have qualitative and quantitative values. Resources include people, money or capital, machinery, facilities, materials, energy, information, time, location, intellectual property, technology, and a whole lot more. Applications or Contexts The number of application scenarios is practically unlimited. Here are a few: business, personal, domestic, civic, leisure, technical, manufacturing, marketing, sales, distribution, medical, and promotion. You can get quite particular about the contexts; for example, Michael's restaurant, instead of business, or the New York Police Department, instead of civic.

Management is Exercised in a Context

Here are some dimensions of the context in which management is exercised Situational, Commitment, Communication, Teamwork, Responsibility, accountability and Authority Situational having to deal with circumstances of time, place, culture, beliefs, ethics, practices, traditions, politics, society, and economy. What is the situational and circumstantial framework in which a campus eatery is managed? Included in the answer are its location, hours of operation that depend on when students are on campus, a tie-in with the cafeteria program, whether or not alcohol is allowed, faculty discounts, the department that has responsibility for the restaurant, how it relates to other departments, and much more. Management is exercised at several levels. A department is administered within a division, and the division becomes part of the context of the department's management. Departments interact with other departments at the same level, and those other departments become part of the context. Commitment is the personal drive and attitude of devotion to the demands and goals to be achieved. It is encouraged and nurtured by the environment. Commitment involves personal, organizational, and environmental dimensions:

1. Compensation and other benefits are crucial to motivation.
2. A favorable environmental contributes to motivation.
3. Motivated people contribute to a positive motivational environment.
4. Committed people are proud of what they are and what they do.

Communication is the process of delivering and making meaning known through information, instructions, pictures, body language, and so on. It is a two-way street. Listening, receiving, and understanding the meaning are vital. It is also multi-directionaltravelling up and down and sideways. One-way, unilateral communication is not an element of effective management. The goal to be get the right information and understanding to the right people by the most appropriate channels at the right time, and in the right forms. Without such communication, much time is lost and productivity affected when people don't know what they can anticipate, when they can expect it, and from whom they should expect it. Communication cannot be effective without trust. Sales management effectiveness is dependent upon communication between salespeople and their supervisors and among members of a sales team. Coaching is a kind of communication found in the better sales organizations.

Teamwork is co-operation among members of a group. A group is not a team; it is an assembly of people that gather together. We are all aware of the necessity of teamwork in sports and the consequences of inefficient teamwork. If we think about it, we can as easily be convinced of the necessity of teamwork in a management setting. Team members cannot operate together without communication. Communication is through teaching and reactions. Teamwork is the action. Without proper communication, teamwork fails. Responsibility means being accountable, trustworthy, and sensible. People are imbued with responsibility. Without people assuming responsibility at all levels, the management effort lacks direction, and there is no court of last resort. Responsibility involves being accountable and answerable for an outcome. It is assumed or allocated in organizations and can exist by virtue of position (Joe is responsible for editing). Unless the person is granted the authority to execute decision-making, the notion of responsibility it is useless[6]–[8]. Authority is the right and/or obligation to determine, direct, judge, decide, and/or enforce. Authority must be provided and exerted for responsibilities to be completed. Responsibility belongs to the person to whom it is vested. Authority, the power to act, can be delegated or passed to another, but responsibility/accountability cannot.

DISCUSSION

A Definition of Management

The previous is a buildup to the following definition of management offered by Klimesh. Management is:

1. A situational system and processes.
2. Relying on and fostering commitment.
3. With sound communication and teamwork.
4. Based on assigned and accepted responsibility and exercised authority.
5. To achieve goals.
6. Using resources effectively and efficiently.
7. Through planning, arranging, sourcing, orchestrating, and control
8. To achieve results
9. Through proper decision-making.

Klimesh states that if at least these 19 underlined characteristics are not present in significant and deliberate measure whatever is happening is not management.If strategic leadership is developing the over-all large picture and direction, management is implementing and maintaining the strategic direction. Definitions of some of the concepts used above include • System = interconnection of parts and processes making a complex whole • Goals = the end results and expectations that are sought

Effectiveness = did the actual performance satisfy objective of wasting resources?

Efficiently = with the best practical relationship of inputs to outputs.

Result = those results that are attained.

Decision making = the process of picking from choices.

The point is that management is a system and procedures working in an environment.

Exploratory research is the process of addressing a business problem with educated sources such as industry analysts, consultants, customers, and channel partners, and reviewing secondary sources of data.

1. This could involve purchasing of buyer intention data from a research organization. It could also involve conducting focus groups.
2. The decision can be no better than the best alternative under consideration. So, in D3 we discover alternative courses of action.
3. Some possibilities addressing the problem of a product not meeting expectations.

4. Keep the product and ¾ add or adjust features change the target market ¾ change positioning ¾ etc.
5. Drop the product by selling it to another company, dropping it cold turkey, phase it out over time.

Processes

A process is a succession of acts, modifications, or functions bringing about a result. It comprises of the steps between inputs and outputs. Processes require systemization. The parts of processes and systems are measurable and consequently controllable and changeable and improvable. This is a key aspect concerning processes. A process comprises of logically related actions or tasks and is aimed at obtaining a given result. If processes were not in evidence people would not be able to accomplish desired results consistently. Processes and systems are crucial to the definition of management. Following processes is part of what management is all about. Without processes, management actions would be random and would not work together as a whole. But for actual efficacy, management processes must themselves be managed. Hence, we have the word, process management. Processes need ongoing adjusting. One of the benefits of having a documented, organized process is that it makes it easier to modify and to customize them to new scenarios.

Notice the nesting of management processes; i.e., the sales management process is part of the product marketing management process, which in turn is a component of the strategic management processes. This could go on to deeper levels. For example, processes within the sales management process include the lead management process, opportunity management process, territory management process, account management process, and others, as depicted. The nesting indicated in the above graphic shows a tight synergy across strategy, marketing, and sales management operations. It is crucial that the integration of strategy, marketing, and sales operations be smooth. What is evident to me is that all management procedures within a company are interrelated and intertwined. They all affect one another and function like a wheel. Assuming that the wheel is traveling in the right direction, if one discipline in the organisation is stronger or weaker than the others there is an imbalance in the implementation of strategy and the company never realizes its full potential. For example, if marketing has accurately defined the market and the products, but sales fail to execute, engineering fails to design the products on time and within budget, or manufacturing fails to create a quality product at acceptable costs, then the company cannot succeed.

Defining Management Processes

What we try to do in defining management processes is to identify and relate major activities or bits of effort and then break them down, level-by-level, until you arrive at activities or work elements that are bite-sized, that is, large enough to chew on meaningful and assignable yet small enough so that one does not choke on them. When such a work breakdown structure is done correctly, the work elements at each level are coupled to one another and to the work elements at higher and lower levels - just what you want for business process management. The U.S. Armed Forces and NASA have employed work breakdown structures successfully for decades in the development of very large weapon systems and space programs. There is a U.S. Air Force Systems Command manual, AFSCM375-5, that the author used in the 1960s when working on such huge projects to describe and relate project task parts. One of the techniques, functional flow block diagramming (FFBD), is summarized here[9], [10].

Advantages of the FFBD Approach

It stimulates and improves communication among operational managers, project managers, project workers, and users. It is easier to arrange discourse and keep it from straying off topic when you tie the debates to a graphic of this type. Users like the systemization of their functions and are encouraged that they can increase the analysts' or project workers' understanding so readily. It adds to the comprehensiveness of the analysis. Once functions are related, as indicated, at each level, the analyst or project worker and users can analyse the diagram and usually find functions that should be present because of the linkages that should exist. Functional analysis of any function or functional level is enhanced since they can be related in a larger context. Functions are easily tied to goals. Alternative methods of executing a function or activity at any level are easily found. A functional flow block diagram acts as a common denominator for comparison with existing systems.

Creating Functional Flow Block Diagrams

A functional analysis with the functional flow block diagramming technique normally goes as in the following paragraphs (Figure.1). In hopes that the content would be more understandable to the reader, I am linking my application of the technique to the construction of a sales cycle management process for the sales of a complex product. The process for marketing a complex product, one where a solution is involved, frequently runs through 4 stages. The identities and interactions among the phases are represented by a top-level functional flow.

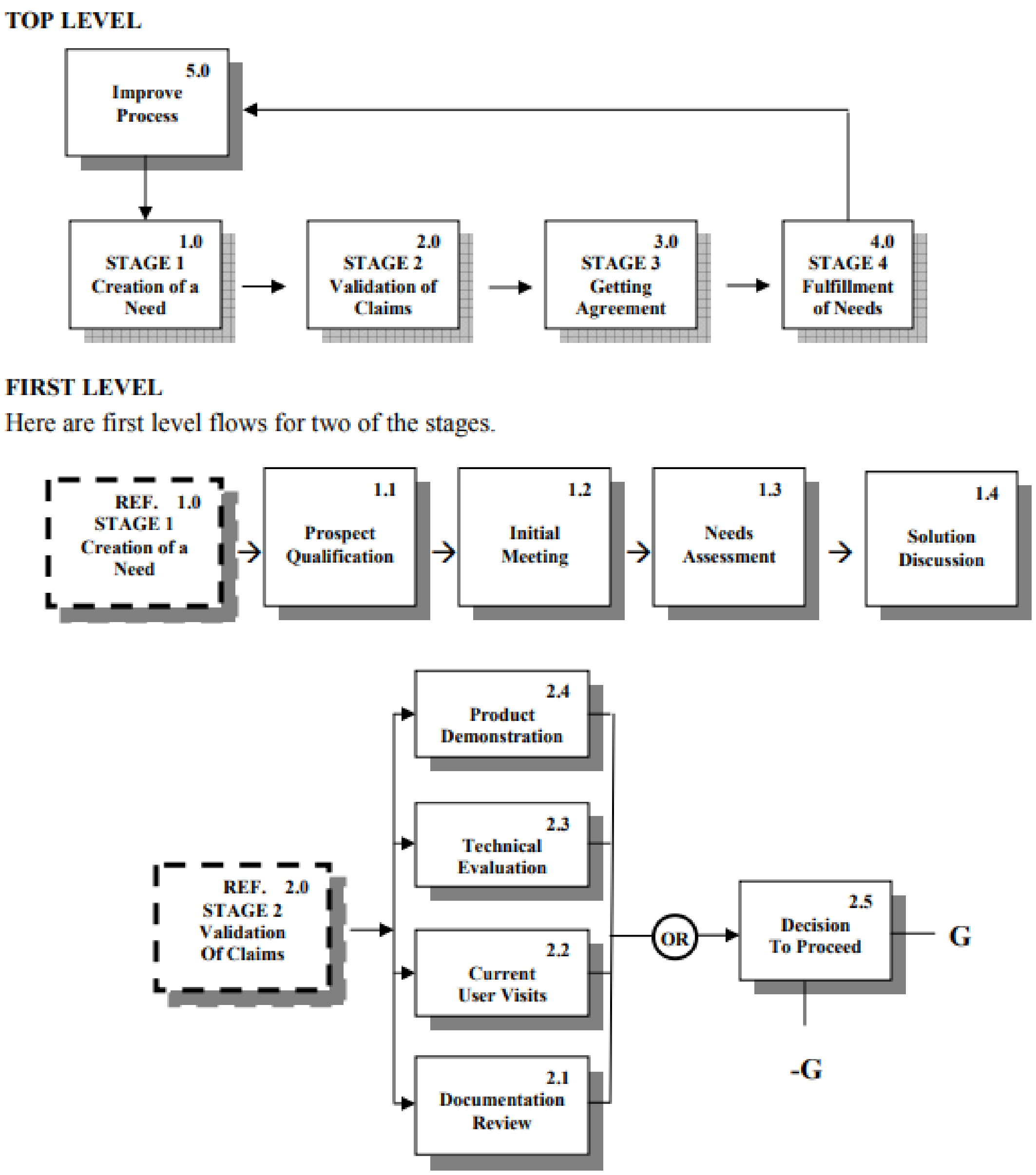

Figure 1:Shows a functional flow block diagram [Betrends].

CONCLUSION

The management process is a vital part of organizational success. It involves a systematic method to planning, organizing, leading, and regulating resources to meet defined goals and objectives. The four functions of management are interrelated and must be executed cohesively for optimal results. Effective planning is vital in creating organizational goals, establishing strategies, and finding the necessary resources to fulfil them. Proper organization ensures the efficient distribution of resources, the formation of a clear organizational structure, and the assignment of roles and tasks. Effective leadership requires directing and inspiring colleagues, building a pleasant work atmosphere, and promoting collaboration and innovation. Finally, regulating involves monitoring performance, comparing it to defined criteria, and taking remedial action when necessary.The conclusion also underscores the necessity for managers to be agile and smart in their approach. In today's fast changing corporate world, managers must be able to foresee and respond to challenges and opportunities effectively. This entails remaining current of industry trends, embracing technological breakthroughs, and establishing a culture of continual improvement.

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CHAPTER 3

EVOLUTION OF MANAGEMENT:THEORIES AND TECHNIQUES

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ABSTRACT:
The evolution of management refers to the changes and developments in managerial techniques and theories over time. This summary provides an overview of the significant stages and advances in the evolution of management, highlighting the various schools of thought and their impact on present management practices. It investigates how management has changed from a traditional, hierarchical approach to more flexible, collaborative, and inclusive ones. The chapter also underlines the significance of adjusting to the changing business environment and embracing new management philosophies to create corporate success.

KEYWORDS:

Management,Organization, Scientific,Study, Time, Work.

INTRODUCTION

Management started when man started living in groups. It relates to attain particular aims. According to George management began in family, and after that it is developed in tribes & finally the scope was increased up to urbanization. The reference of management was identified in Babylonia. After that Egypt presents us with an example of decentralized organization with limited authority. Management thoughts are exhibited in planning and coordinating in the construction of Pyramids.

The ancient philosopher first realised the need for adequate methods for employees' selection and training. Greek gives rich documentation of management ideas. These concepts of management are worldwide famous. It is viewed as managing is an art[1], [2]. It comprises employees' selection, delegation of authority, time study, motion study etc. Looking at the full process of management thinking, in the early time management was founded on trial basis. There was no interchange of ideas and no practice of communicating. Management is growing science. It grows proportionately to changes in the social & political & economic changes. There are five stages of evolution of management thinking.

1. Pre-Historical Period: Management is as old as man. Awareness of wants & fulfilment of needs is the part & parcel of management. In the ancient time in the villages, head of the village plans for the villages. There was a good labor planning. Villages were isolated. The basic requirements in the communities were met by the inhabitants in the villages. Responsibilities were spread among the people to provide the basic needs.

2. Organized Society: The next contribution to the creation of organization & management was by roman church. 1500 years ago, Chinese ruler instructed government about management of human institutions. The German public offers contribution towards management thoughts. During this century management approaches were widely established in administrative military & state administration.

3. Industrial Revolution: This time is known as the period of scientific management. It is established that management is associated with enterprise & business. In this period lots of technological changes have place. With the industrial revolution the topic of traditional management appears. The old management concept was superseded by professional management.

4. Towards Consolidation: This stage represents the beginning of the task of examination of principles of management division of work, authority, responsibility, discipline, scalar chain. These theories were developed by 'Henry Fayol'.

5. Recent Development: Recently management principles are based on mathematical analysis. They are based on linear programming, operational research, PERT (Programme Evaluation and Review Technique), CPM (Critical Path Method). These strategies are important in decision making, regulating, problem solving etc. In today's competitive environment these strategies are crucial for reducing the cost that is why management is termed as a different profession.

Contribution of F.W Taylor

Scientific management is an element of early management concepts. The primary contributor of scientific management is F. W. Taylor. He is renowned as Father of Scientific Management (1856 to 1915) was born in USA. He did most of his schooling in France & Germany.

He couldn't finish his graduation & join Midvale Co. (Steel Work). He worked there for 6 years. In 1884 he ascended to the rank of Chief Engineers, as mean while he acquired Master's degree in Physics, Mathematics & Engineering. In 1898, he joined Bethlehem Steel Co. where he completed his experiment to increase the loading capacity of each worker with regards to material handling equipment[3], [4].

At first one worker was engaged in loading 12.5 tons of iron. But with the use of time & motion analysis he established that one individual can load 47.48 tons due of the change in the size of spade & methodical arrangement of instruments.

With the assistance of appropriate planning organization can gain more profit. Initially the workers in that company are 500 to 600 because of this the strength of workers cut to 140 and profit increased by 78,000 dollars.Contribution of F. W. Taylor:

1. At Midvale Steel Co. he improved proper division of labour for each worker.
2. In Midvale Steel Co. he analyzed the work done by personnel in specific job & allotted standard time.
3. He also did experiments on time study & motion study to decide the labour load of each worker.
4. In Bethlehem Steel Co. he had done trials with material handling devices for enhancing the capacity of each worker.
5. In 1901, he presented a study on differential piece rate system.
6. In 1906, he wrote article about art of cutting metals.
7. In 1903, he gave crucial study on shop management - In that he explained gang boss, speed boss, repair boss & inspector.
8. In 1911, he gave the concepts of scientific management, for which he is regarded as 'Father of Scientific Management'.

In that he has explained:

i) Friendly interaction between workers & management.
ii) Scientific instruction to the workers.
iii) Scientific selection of workers so that each worker may be given responsibility for the task.
iv) iv)Development of the actual science of management with thorough analysis in the company.

DISCUSSION

Mechanism of Scientific Management

Mechanism

1. Separation of Planning & Doing: Before Taylor's scientific management a worker used to plan about his work & equipment necessary for that. Supervisors' job was to see how the workers were performing. This poses a lot of complications. So, Taylor has separated planning & doing authority.

2. Functional Foremanship: Separation of planning from doing resulted into establishment of supervisory system. In this system 8 employees were engaged, out of that 4 persons were active in planning department. They are time & cost clerk, routine clerk, instruction card clerk & disciplinarian. In production process 4 persons were engaged, they are speed boss, repair boss, supervisor & gang boss.

3. Job Analysis: It is associated with figuring out optimal approach of accomplishing. It signifies that least movements in accomplishing job. It will lead to full production in less time & lesser cost. It includes:

i. **Time Study:** It involves determining time required to finish a project in a specific time. The movement which takes lowest time is the finest one.
ii. **Motion Study:**It involves study of movement when completing a job removal of superfluous movement in executing a job, only necessary motions are engaged.
iii. **Fatigue Study:** It displays the amount & frequency of rest necessary, while performing the work. After certain period of time workers feel fatigue & can't operate with full potential. Therefore, they require relaxation in between. When rest is allowed, they start working with full capacity.
iv. **Standardization:** As far as feasible standardization should be maintained in respect of instruments & tools, period of work, amount of work, working conditions, cost of production etc. these all things are determined in advance on the basis of job analysis.
v. **Scientific Selection & Training of Workers:** Taylor has been advised that worker should be picked on scientific basis taking into account their education, work experience, attitude & physical strength.
vi. **Financial Incentives:** Financial incentives help to inspire workers in greatest efforts. Higher pay led to increase in efforts. He applied differential piece rate system. According to him workers have to do the work within stipulated period and then only he will get wages at higher rate per piece & one does not complete a project gets a lower rate. Wages should be based on individual performance & not on the position occupied.
vii. **Economy:** Techniques of cost estimated & control should be applied. Waste should be controlled correctly. Profit will be achieved with elimination of wastage. He explained how resources are wasted.
viii. **Mental Revolution:**Scientific management depends upon mutual co-operation between workers & management. Taylor say's great transformation takes place in the mental attitude of two parties under scientific management. He has supplied methodical design of job. Labour management, co-operation required a thorough mindset adjustment on the part of both sides. The workers have certain tasks towards management & vice-a-versa. The process of scientific study & knowledge should be recognized by all sides.

Criticisms

In the beginning Taylor's scientific management was seen as something really special. But after some time, it was subjected to many critiques.

i. Taylor's scientific management was tied to production management. It takes practical view of management & focuses attention only on the production management. Taylor's study of management has become the study of lower-level management. He concentrated on efficiency on lower level. He has overlooked marketing, finance and decision-making components altogether.
ii. Scientific management is relevant to large size organization. It involves substantial expenditure. It is a luxury for small scale organization. It involves study, experiment & analysis. It is challenging for small scale organization.
iii. It was also suggested that devices of work analysis, time study & motion & fatigue study can't be implemented in the practical world.
iv. The idea of optimum way of accomplishing a work was also challenged. Everyone has his own natural style of work & he can give best only if he is allowed to work in his style. The highest efficiency will be obtained by the group & not by individual worker.
v. Wages of workers are not increasing in a direct proportion of productivity. It leads to exploitation to workers.
vi. People are not ready to utilize the phrase 'scientific'. The scientific does not have any importance. Management is a social science and not a precise science.

Contribution of Henry Fayol

Henry Fayol has been considered as the genuine father of contemporary management. He was a French industrialist and graduated as a mining engineer in 1860. In 1908, Fayol brought his famous functional approach to the management literature. Fayol's writings were first published in 1908 in French, but up until 1918, it was not translated into English. His theories wee embraced after his death in 1925. Henry Fayol has prepared a book for his contribution in which he has explained the challenges managing & organization from top management point of view. He has used the term administration instead of management.Fayol also emphasised that managers should possess physical, mental, moral, educational and technical skills to run operations of a corporate firm[5]–[7]. While giving management concepts Fayol has concentrated on two things. The principles of management can be followed in every organization. ii. These principles are not fixed. They are flexible. He has mentioned certain key concepts which are to be applied by managers in interacting with sub-ordinates. These 14 principles are global wide relevant.

1. **Division of Work(specialization):** A commercial activity carried out on small scale may be managed & controlled by proprietor. As business increases, activities grow & need more employees to control those operations. Organization is cooperatively administered by a group of people. Fayol has proposed division of labour to exploit the advantage of expertise.
2. **Authority & Responsibility:** Authority represents a power enjoyed by a person of his position in the organization. It may be for taking decision, spending money or in many more ways. Responsibility is responsibility created upon a person for the exercise of authority, which is entrusted to him. These two terms are co-related. Fayol emphasised that there must be balance between authority & responsibility.
3. **Discipline:** All the workers serving in an organization must follow discipline. Discipline is obedience, application of conduct & energy displayed by an employee. Discipline may be self-employed or command discipline. Discipline can be acquired lesser remuneration, dismissal, demotion of position. While applying such circumstances adequate proof should be taken into account.
4. **Unity of Command:** Each employee should receive command from single superior. In the organization structure it should be clearly defined that who is responsible to whom? & who should receive order from whom.

5. **Unity of Direction:** According to this principle any group of activity with some purpose must have one head. There is a difference between unity of command & unity of direction. Direction is concerned with planning & unity of command is concerned with reporting.
6. **Subordination of Individual Interest to General Interest:** In an organization individual interest should not be given any importance. The manager should always have organizational interest before him & should design such policies which would be useful to complete group & not just few employees. It is responsibility of management to promote common understanding between all.
7. **Remuneration:**Every employee must be paid a sufficient remuneration for his services. Remuneration should be fair & should provide maximum satisfaction to individual who is working in the organization. Personal aspects such as demand for labor, position of the labor & competition as well as cost of living index should be taken into account. General Economic Conditions should be considered while deciding the salary of an employee. In any circumstance exploitation of the worker should be avoided.
8. **Order:**Fayol has advised that for one position one person should be appointed. Each person must have allotted position in organization.
9. **Centralization:**It denotes the extent to which authority should be consolidated in the hands of high-level management. It may be centralized or decentralized. There are limitations of perfect centralization & complete decentralization. Therefore, there should be suitable balance between this two.
10. **Scalar Chain:**It indicates the straight line of authority from highest level to lower level for communication. Scalar chain is the extract of organization chart & indicates the duty or place of everybody in an organization.
11. **Stability of Tenure:**Effort must be made to keep the employee stuck to organization so that the labor turnover can be minimal by keeping control on administrative expense of organization. Care must be given to satisfy the staff otherwise there will be poor effect & loss of labour.
12. **Fairness:**Equity is combination of justice & kindness; fairness in treatment & behavior is liked by everyone & it generates loyalty in the organization.
13. **Initiative:** Within the limitations of power & discipline manager should encourage their staff for taking initiative. Initiative is concern with thought. Thinking leads to execution of plan. Initiative increases energy on the part of human being.
14. **Spirit De Corps:** This is a French phrase. It indicates management is like a captain of a team who is responsible to maintain strong moral between all workers. It may be possible by effective communication among all persons in organization. His knowledge & differences in viewpoints should not be damaging. The greatest technique of taking such problem is to develop discussion amongst sides. Participation of workers in the process of decision making is vital.

Contribution of Elten Mayo

Elten Mayo can be recognized as the Founder of Human relations school. Mayo conducted experiments at the Department of Industrial research at Harward. Mayo was of the belief that an individual is not very important, his personality is important as a member of the group. The human relations movement was evolved during 1920’s in the U.S.A. Elten Mayo (1880-1949) developed the groundwork for the human relations approach. Hawthorne experiments was done from 1924 to 1932 at a plant of Western Electric Company, Chicago was making Telephone System Bell. It employed 30,000 personnel at the time of experiment. The experiment was conducted in 4 steps.

Illumination Experiment: Physical, conducting, lighting effect. It was done to find out how variation in the level of light & physical factor influences production[8]–[10]. Higher illumination will help in increasing the production; reduction in illumination will lead to decrease in production.

Relay Assembly Test Room: Under this investigation, two small groups of six female telephone relay assemblers were put in different rooms under careful observation and control. Frequent adjustments were made in working circumstances such as working hours, rest breaks, hot lunch etc. Over the two years period, it was concluded that social or human contact among workers exercised higher influence on productivity of workers than working environment. This additional attention and treatment offered to workers produced a sense of collective pride and belongingness which drove them to increase their performance.

Mass Interview Program: During the duration of experiment roughly 20,000 interviews were done from 1928 to 1930. For determination of employee's attitude towards firm such as supervision, insurance plan, promotion, pay etc. & yes & no type of questions were asked. During the course of interview, it was discovered that workers behaviour was influenced by group behavior. The programme demonstrated that productivity can be boosted if employees allowed conversing freely.

Bank Wiring Observation Room: This experiment was carried from 1931 to 1932 with a view to analysing functioning of small group & its impact on individual behavior. The group was constituted consisting of 14 male members, 9 wire men & two inspectors. Hourly wage rate was based on average output of each worker & bonus was dependent on the productivity of group of workers. It was determined that the group had set its own criteria of output and social pressure was exercised. The primary conclusions of Hawthorne Experiments are as follows:

Social Component in Output: Worker is influenced by social factor & the conduct inside the group. Man is a social animal. Only monetary incentives are not adequate to improve the output but non-monetary incentives will also help to increase the production. Means, behavior within the group will undoubtedly increase the productivity. This functions as a motivational factor.

Group Influence: Worker forms a group in the organization meaning, they develop informal contact. They try to adapt their conduct & management is viewed as a part & parcel for that group & not as a manager.

Leadership: Leadership is vital for directing group behavior. But the official partnership is not recognized by the workers. Informal friendship which is express through relayassembly test room & bank wiring observation room is lead to boost the efficiency of the workforce.

Supervision: Supervision is crucial for evaluating efficiency of production but pleasant supervision helps to boost the productivity of the workers in the organization.

Communication: In every organization communication is very crucial. Worker's participation in the process of decision-making aids in enhancing the productivity. Workers must interact freely with supervisors to convey their problem. Better understanding between manager & workers generates good attitude.

Criticism

1. The Hawthorne experiment is questioned since there is no scientific base. It is built on social relationship.
2. It was also pointed out that this experiment does not have any guarantee because it has limited scope.

3. The human relationship approach is critiqued on the numerous counts. It is found that this technique tries to soft corner of the requirement of the company. No attempt was made to understand human behavior at work place.
4. As a result of the impact of human relation method, human relation become craze and fashion with many people of the organization. They believe that happy workers are productive workers. This is not always true.
5. With the passage of time both management & workers begin to grasp disadvantage of the scenario.
6. When judgments are made covertly is significant which is not achievable in the Hawthorne experiment.

CONCLUSION

The evolution of management has experienced considerable alterations, reflecting the increasing needs and complexities of the commercial world. Over time, management theories and practices have moved from a traditional, top-down approach to a more dynamic, interactive, and people-oriented style. The conclusion admits that the early stages of management were characterized by scientific management concepts, focused on efficiency and production. However, this strategy attracted criticism for its ignoring of human elements and the simplifying of work procedures. The conclusion also honors the contributions of the human relations movement, which emphasized the importance of employee satisfaction, motivation, and social dynamics inside the workplace. This shift in thinking underlined the significance of employee engagement and the good influence it may have on company performance. Furthermore, the conclusion highlights the growth of management ideas such as systems thinking, contingency theory, and total quality management. These theories highlighted the interconnection of organizational components, the need for adaptation, and the importance of continual improvement.

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CHAPTER 4

ACOMPREHENSIVE OVERVIEW:FUNCTIONS OF MANAGEMENT PLANNING

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ABSTRACT:

Planning is a key function of management that involves identifying goals, determining the best course of action, and allocating resources to achieve those goals. This chapter provides an overview of the planning function of management and its significance in guiding organizational actions. It addresses the main principles of good planning, including goal formulation, environmental analysis, and the development of strategies and action plans. The chapter also underlines the function of planning in aiding decision-making, resource allocation, and organizational performance.In today's fast-paced and competitive business climate, strategic planning is vital for firms to overcome uncertainty and accomplish their targeted goals. By defining clear and quantifiable goals, managers convey a feeling of direction and purpose to the entire organization. These goals serve as a standard for measuring success and help align individual and team efforts. Furthermore, planning entails a complete understanding of the internal and external surroundings. Managers examine the strengths and weaknesses of the firm, as well as opportunities and dangers in the market. This study assists in identifying prospective difficulties and opportunities, helping managers to make educated decisions and design appropriate strategies. The planning function also covers the preparation of action plans. Managers break down goals into actionable stages, allocate duties, and define timetables. By doing so, they establish a blueprint for staff to follow, providing a coordinated and efficient approach to reaching objectives.

KEYWORDS:

Action, Objectives, Organization, Planning, Policies, Resources.

INTRODUCTION

We are living in an economic, technical, political, social period. In which planning is pre-requisite for the growth of organization. In simple words, Planning is deciding in advance what is to be done for the future period of time. In this sense, planning is basic activity. Almost everyone involved in planning to some level. E.g.: - A student arranges his studies for future examinations. College authorities intends for smooth conduct of examinations. Political leader preparations for his elections[1]–[3]. Government prepares too proper application of resources to accomplish a desire economic growth.In basic word planning is deciding in advance what to do, how to do, when to do & who is to do it. Planning is a bridge between now & future. It is an intellectual process & thought before doing. Planning bridges the gaps from where we are now & where we want to go. Planning involves the selection was the course of action to attain desired goal. In this transformation planning is planned line of action.

Definitions

1. According to 'Koontz and O'Donell. 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 determination of what is to be done, how and where it is to 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.

Nature and Objectives

1.Objectives Oriented: The fundamental function of a plan is to accomplish the objectives of the organization.

2. Basic Roleof Management: Planning is the cornerstone of organization. No planning, no organization. The manager decides upon the policies, methods, programmes and projects before beginning with his work.

3. Directed Towards Efficiency: The plan is deemed to be efficient, when the objectives are attained.

4. It is Fluid and Dynamic: Planning leads to the choice of a specific course of action and the rejection of other possibilities. Management is dynamic as well as flexible because future is unpredictable, and when future cannot be shaped to confirm to the course of action, flexibility has to be entrenched.

Objectives of Planning

1. **Planning & Objectives:**Planning is object oriented. Every strategy must contribute for realization of group objectives. If objectives are not decided planning will be of little benefit.
2. **Efficiency of Pla**n: Efficiency is the ability to minimize the use of resources in achieving organizational objectives. Efficiency of plan is judged by its contribution to objective as economical as possible. Planning should be done in such a way that maximum results will be obtained at least cost.
3. **Planning & Forecasting**: The essence of planning is forecasting. Forecasting is looking ahead & making assumptions about the future. Forecasting is not speculation. It involves logical & educated guess work. Forecasting offers basis for planning. It helps management to make assumptions about future. It forms the basis for development. Planning in numerous areas like purchasing of raw material, production, marketing is dependent on forecasts. Forecasting describes what will happen in future
4. **Planning & Decision Making**: Decision making is a process of selecting a better course of action from available choices. Decisions are taken about the utilization of organizational resources. It is a crucial aspect of planning. Decision making is larger word. It comprises organizing, directing, managing & co-ordination.
5. **Planning & Controlling**: Planning is flexible & it is continual process. It is never ending action. On the basis of feedback, governing function changes. Planning is looking ahead & controlling is looking back. Planning entails defining objectives & preparing budget. Controlling entails comparison of actual results with desired result.

Process of Planning

Identification of Problems &Knowledge of Opportunities:The management must recognize the difficulties during planning so that relevant action may be taken. This will help you take next measures for fulfilling the objectives. Planning starts with analysis & external environment. This is crucial for businessmen to be aware of opportunities in the market. They must examine changes in consumer demand, number of competitors, change in habits, change in technology etc. At the same time the businessmen have to undertake internal examination of its strengths & limitations. It means it has to assess its resources & productivity. E.g., An audio cassette company must have awareness of fresh chances in the industry. At the same time he has to verify availability of resources while planning[4], [5].

Establishing Objectives: The entire planning effort is aimed at achieving the objectives of the enterprise. Determining objectives is a true starting point of planning process. Once the objectives are defined it is vital to finalize objectives for various department.

Establishing Planning Premises: On the basis of facts obtained assumption about the future should be created. This technique is known as planning premises. Premises are predicted regarding the future. Premises may be internal or external; it may be controllable & uncontrollable. Normally, interior premises are manageable & external are uncontrollable. Internal premises comprise capital investment, availability of material, labour& financial position. It contains the component of decision making & external premises like economic, social, political & competitors. It also involves government policy.

Determining Alternative Courses: In this step numerous feasible courses of action or plans are devised to achieve a given target.

Selecting Ideal Courses of Action: After the comprehensive evaluation of many possibilities ideal course of action, the most suitable course of action or plan is selected to meet pre-determine target.

Formulation of Derivative Plans: Once the overall plan is selected it becomes vital to set the detail sequence & time of the plan. Then subsidiary or derivative strategy needs to be examined. Primary plan of action is decided by preparing different derivative plans for each section or division of the organisation.

Provision for Follow-up: Planning is always followed by action.

DISCUSSION

Types of Plans

Plan is commitment to a particular course of action & process of planning has certain components of planning are known as sorts of plans.

Objectives:Objectives are of broad purpose for which organization comes into force & decisions are taken for attainment of objectives.

Policies: Policies are general assertions of principles of fulfilment of objectives. They help as guideline for actions & decisions. Policies may be classified: -

1. Written or Unwritten.
2. Originated or Imposed Originated policies meaning implemented by Top Level Management. Imposed policies imply dictated by outsiders.

A good policy involves following points:

1. Clear & Understandable.
2. Related to vital aims.
3. Based on judgment.
4. Stable & can be altered according to situation.
5. It should be embraced by all.
6. Policies are made at several levels. Policies should be clearly communicated to all levels. Out dated policies should be deleted.

Procedure: It makes a fix path to be pursued to reach the target. It assists in establishing the way to accomplish the work. Procedure should be stable, flexible or adjusted. It changes according to department. Procedure may be lasting like policies. It supplies basis for control. Due to protocol, there is uniformity in the task. It aids in training for new staff.

Programme:It is thorough strategy. It comprises usage of different resources in the organization in certain period. It also shows line of action to be taken by whom, when & where. They are precise plan of workers to reach in certain sequence. Objectives, policies, method help to concentrate on a particular course of action & program give precise shape to reach that target. Program may be repeated or non-repetitive, substantial or minor. Repetitive programs are called 'Routine Planning'. Non-repetitive is described as 'Creative Planning'. Sometime instead of program technique component planning is acceptable for attaining better results.

Strategy: Strategy is a unique land of plan which is produced for meeting the challenges for rivals. Strategy is formed by making use of plans of the competition as a background. It is a choice of the means of available resources for fulfilment of objectives. Increase sales level Company can choose either one of two ways for attaining the objective:

- **i.** Reducing selling price.
- **ii.** Better quality.
- **iii.** After sales services.

Budget: It is defined as financial or quantitative statement made for specified length of time. It is defined as a blue print or predicted plan of action for specific period of time. A budget is assessment of future functioning of firm. Essentials for efficient budgeting:

- **i.** Support of Top-Level Management.
- **ii.** Adequate accounting system
- **iii.** Clear cut identifies power & responsibility.
- **iv.** Formulation of budget committee.
- **v.** Clearly outline business policies.
- **vi.** Degree of flexibility.
- **vii.** Statistical information.

Advantages of Planning

1. **Planning Gives Economy in Operation**: Planning helps in reaching goals with efficiency & economy. It involves selection of beneficial line of action. It also involves choosing of best alternative.
2. **Uncertainties:** It is about the future is easily identified in advance for that planning is extremely necessary in the company.
3. **Planning offers Basis for control in the organization**: In planning goals are planned and actions are measured for effective control. In this, actual performance is evaluated with standard performance. If there is any difference then proper action is taken.
4. **Planning has distinctive Contribution**: Planning makes the functions of directing, managing, co-ordination, communication more successful in organization.
5. **Planning assures unity of purpose & direct efforts**: - Planning is unique activity which leads to co-ordination in the organization. It helps for identifying common goals in the organization. It avoids duplication of exploitation of resources & facilitates effective utilization of all available resources.
6. **Planning Promote Internal Co-ordination**:The activities are coordinated in the organization with the aid of planning to reach the goals. It helps to preserve the discipline between the departments.
7. **Planning result in increased productivity**:Planning makes better exploitation of all the available resources & helps to boost production. It also boosts overall profitability.

8. **Planning is beneficial in forecasting**: It gives sufficient power for the firm to flourish & prosperity.

Limitations of Planning

1. **Lack of trustworthy Information**: The basic of planning is collect flawless information yet trustworthy data is not available while planning. It leads to failure in planning. The period of planning is also brief. It is challenging to employ sophisticated forecasting tools.
2. **Time demanding & Expensive**: Planning is time demanding & expensive procedure. The benefit expected from planning should be larger than the expenditure invested in it.
3. **Internal Inflexibility**: Business environment is continually changing. Industries have to work in dynamic situations. They have to face various obstacles. The management may be negligent while updating the plans & method.

Steps in Planning

(i) Establishment of Objectives

- **a.** Setting of goals and objectives to be accomplished.
- **b.** Stated in a clear, exact and unambiguous language.
- **c.** Stated in quantitative terms.
- **d.** Should be reasonable, acceptable, feasible and doable.

(ii)Establishment of Planning Premises

- **a.** Planning premises may be internal or external. Internal covers capital investment policy, management labour relations, philosophy of management, etc. Whereas external encompasses socio- economic, political and economic developments.
- **b.** Internal premises are controllable whilst external are non-controllable.

(iii)Choice of Alternative Course of Action

- **a.** A variety of other course of actions have to be explored.
- **b.** Evaluated each choice in the light of resources available
- **c.** Choose the best alternative.

iv) Securing Co-operation: After the plans have been set, it is necessary rather advisable to take subordinates or those who have to implement these plans into confidence. This motivates them, valuable suggestions can come and employees will be more interested in the execution of these plans[6]–[8].

v) Follow up and appraisal of plans: After the selected plan is implemented, it is vital to assess its efficacy and fix deviations or amend the plan as required. Planning is primarily a decision-making function which incorporates creative thinking and creativity that finally leads to innovation of methods and activities for growth and success of the organization.

Organizing: Organizing is the job of management which follows planning. It is a function in which the synchronization and integration of human, physical and financial resources take place. All the three resources are needed to get results. Therefore, organizational function helps in attainment of results which in fact is crucial for the functioning of a concern. Hence, a manager always has to arrange in order to get outcomes. A manager conducts organizing role with the assistance of following steps:

Identification of activities: All the activities which have to be conducted in a concern have to be recognized, grouped and classified into units.

Departmentally structuring the activity: Splitting the total concern into separate units and departments is termed departmentation.

Classifying the authority: Authorities bringing smoothness in a concern 's working.

Co-ordination between authority and responsibility: Each individual is made aware of his authority and knows whom they have to receive instructions from and to whom they are accountable and to whom they have to report. Thus an organization structure should be developed to clear who is to undertake what activities and who is responsible for what results and to offer decision-making and communications networks reflecting[9], [10].

Staffing: The managerial function of staffing involves manning the organization structure through correct and effective selection, evaluation and development of the personals to fulfil the duties allocated to the employers/workforce. Staffing pertains to recruiting, selection, development and remuneration of subordinates.

Nature of Staffing Function

- **i.** Staffing is an important managerial function.
- **ii.** Staffing is a continuous activity.
- **iii.** The cornerstone of staffing function is efficient management of personals.
- **iv.** Staffing assists in placing proper men at the correct job
- **v.** Staffing is performed by all managers based upon the sort of business, size of the organisation, qualifications and talents of managers, etc.
- **vi.** Since, the success of the company depends upon the performance of the individual, staffing function of manager demands sufficient care & attention of the management.

Directing

Directing is a procedure in which the management instruct, guide and oversee the performance of the workers to reach predefined goals. Planning, organizing, staffing has got no value if directing function does not take place.

CONCLUSION

Planning is a crucial activity of management that establishes the framework for organizational success. It involves a methodical process of formulating objectives, examining the internal and external environment, and designing strategies to accomplish desired outcomes.

The conclusion emphasizes that effective planning begins with a thorough understanding of corporate goals. By creating defined and quantifiable objectives, managers provide direction and focus for the entire organization. These goals serve as standards for performance evaluation and assist decision-making throughout the planning process. Furthermore, the conclusion underlines the necessity of environmental study in planning. Managers must examine the internal strengths and weaknesses of the organization, as well as the external opportunities and dangers in the business environment. This study helps uncover prospective difficulties and possibilities, allowing managers to make educated decisions and design appropriate strategies.Additionally, the conclusion emphasizes that planning supports decision-making at all levels of the business. By giving a clear roadmap and identifying priorities, planning helps managers make informed choices and allocate resources effectively. It also promotes coordination and alignment among different departments and personnel, providing a coherent and collaborative work atmosphere.

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CHAPTER 5

FORECASTING IMPORTANCE IN OPERATIONAL MANAGEMENT

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ABSTRACT:
Forecasting plays a significant part in decision-making processes across numerous sectors and domains. It involves the estimation and prediction of future occurrences, trends, and outcomes based on past data and statistical models. This chapter provides a quick explanation of the importance and essential components of forecasting, highlighting its uses and benefits. It also underlines the obstacles and limitations connected with forecasting, along with potential routes for future research and development.

KEYWORDS:

Analysis, Data,Demand, Forecasting, Forecasts, Sales.

INTRODUCTION

Forecasting is one of the fundamental roles of management. It is a part and parcel of planning function. Forecasting is prediction regarding future. Forecasting means examination of future concerning the activities of a company[1]–[3]. It entails looking ahead for future event. Forecasting denotes a procedure of presenting the details supported by budget. Forecasting involves making a judgement on production, sales, profit on the basis of research, study & survey.

According to Henry FayolBusiness forecasting includes both accessing the future & making provision for it. According to Luis AllenForecasting is a systematic attempt to visualize the future by known facts. The goal is to give management with information on which planning choices are based.

Techniques of Forecasting

The many ways of forecasting are categorized into quantitative & qualitative. Quantitative approaches involved utilization of diverse statistical data for future. It involves temporal analysis, regression, extrapolation, economic model. Qualitative approaches involved prediction about future. It comprises approaches like morphological analysis, input-output analysis, historical analogue, business barometers[4]–[6].

Time Series Analysis: Under this approach historical series of data classified into various, seasonal variation, random variation, cyclic variation, trend analysis etc. From this data demand factor is judged. This strategy can be utilised when historical data is accessible in organization, however it may offer deceptive result.

Regression: This analysis helps to figure out relative moment of two or more series. It is used to estimate the change in variation & influence of that change on other variation. e.g.: - Advantage & sale, price & demand.

Extrapolation: This method is based on time series. It is considered that, there is constant moment in data. If sale for 3 years (1998, 99-2000) 2,00,000; 2,40,000; 2,80,000 then its sales will be 82 lakhs.

Economic Model: Under this strategy mathematical models are employed to express in quantitative terms. The inter connection between numerous variables. The enormous numbers of equations are created to arrive at a choice with the help of this model.

Input-Output Analysis: In this method input need & estimated output is determined with assistance of relationship between input & output. E.g.: - The whole quantity of petroleum is estimated with the help of the wage rate & as per the consumption level such as hotel, transit, household, etc.

Business Barometer: These are the index number which used when predicting. The direction in which economy is moving, consequently GNP (Gross National Product), Consumer Price, Stock Exchange, are widely used as index. Increase in GNP implies progress in the economy.

Morphological Analysis: This analysis is related to technological modifications. It involves finding out the objectives & numerous approaches for reaching objectives. To find out numerous uses of transistor micro-circuit.

Historical Analysis: Under this method forecasting is dependent on some analogue conditions which are based on history. In India economy is moving under different stages. These stages are comparable with the stages of development of U.S.A. before 40 years.

Delphi Technique: Under this procedure minds of specialists are judge methodically. There is no face-to-face contact between two specialists. They are kept isolated from one another & their identity is kept secret. Their opinions are appraised with the use of written answers. This strategy is based on scientific analysis. If there is difference of viewpoints then debate is held.

Sales Forecasting

The sales forecast is a projection of the future sales of a certain product over a specific period of time based on past performance of the product, inflation rates, unemployment, and consumer spending patterns, market trends, and interest rates.

In the construction of a comprehensive marketing plan, sales projections assist the marketer to build a marketing budget, assign marketing resources, and monitor the competition and the product environment.

These estimates are often based mostly on previous sales trends, competitive developments, and economic trends in the industry, region, and/or nation in which the firm conducts business. Sales forecasting is management's key technique for anticipating the number of attainable sales. Therefore, the whole budget process hinges on an accurate, timely sales estimate. Managers make predictions to determine the type and level of demand for both present and possible new items[5]–[7].

They consider a broad spectrum of data for indications of growing and profitable markets. Forecasting, however, entails not only the collecting and analysis of hard data, but also the use of business judgment in their interpretation and application. For example, forecasting demands business owners and managers to not only estimate projected units sold, but also to determine what the business's production (materials, labor, equipment) costs will be to generate those goods.

Computer-aided sales forecasting has changed this procedure. Advances in computer technology, information highways, and statistical and mathematical models offer practically every firm with the ability to undertake complicated data analytics, thus lowering the risks and mistakes present in the past.

These developments have made the method and costs of forecasting practical and reasonable for small- and mid-sized organizations.

DISCUSSION

Limitations of Forecasting

Guess Work:

i. Every projection involves some guess work regarding future. Number of maximum limits can be imposed over possible.
ii. Long term predictions may be wrong or harmful.
iii. Forecasting can't be act as evidence.
iv. It can't be submitted as a proof in the hands of management when there failed.
v. Co-ordination becomes tough.

Techniques of Forecasting

1. Time series analysis.
2. Regrating Extrapolation.
3. Econometrical model.
4. Input-output analysis.
5. Business Barometer Morphological analysis.
6. Historical Analogue etc.

Forecast: A prediction, projection, or estimate of some future activity, event, or occurrence.

Types of Forecasts: Economic projections Predict a number of economic indices, like money supply, inflation rates, interest rates, etc.Technological projections Predict rates of technological growth and innovation. Demand forecasts Predict the future demand for a company's products or services. Since almost all the operations management decisions in both the strategic category and the tactical category require as input a fair estimate of future demand, this is the form of forecasting that is stressed in our textbook and in this course.

Types of Forecasting Methods

Qualitative Approaches: These sorts of forecasting methods are based on judgments, opinions, intuition, emotions, or personal experiences and are subjective in nature. They do not rely on any formal mathematical computations.

Quantitative Approaches: These sorts of forecasting methods are based on mathematical quantitative models, and are objective in nature. They rely largely on mathematical computations.

Decomposition of Time Series

Trend: Data demonstrate a continuous growth or drop over time. Patterns that may be present in a time series.

Seasonality: Data reflect upward and downward oscillations in a short to intermediate time frame most notably during a year.

Cycles: Data demonstrate upward and downward swings in over a very lengthy time frame.

Random Variations: Erratic and unpredictable variation in the data over time with no obvious pattern.

Data set to Demonstrate Forecasting Methods

The following data collection illustrates a series of hypothetical demands that have occurred throughout multiple consecutive years. The data have been collected on a quarterly basis, and these quarterly values have been combined into yearly totals[8], [9]. For the illustrations that follow, we may make somewhat different assumptions about starting points to get the process started for different models. In most cases we will presume that each year a projection has been prepared for the upcoming year. Then, after a year has occurred, we will have observed what the actual demand turned out to be and we will undoubtedly discover variations between what we had anticipated and what actually occurred, for, after all, the projections are simply educated guesses. Finally, to keep at a tolerable size, multiple zeros have been deleted from the numbers these values reflect demands in thousands of units.

Mean Average Moving Method

The projection for next period (period t+1) will be equal to the average of all past historical needs.

Simple Average Moving Method

The forecast for future period (period t+1) will be equal to the average of a specified number of the most recent observations, with each observation receiving the same emphasis (weight).

Weighted Moving Average Method

The forecast for next period (period t+1) will be equal to a weighted average of a specified number of the most recent observations.

Exponential smoothing method

The updated forecast for next period (period t) will be calculated as follows:

New forecast = Last period's forecast + (Last period's actual demand – Last period's projection).

Trend Projection

Trend Projection Method: This method is a variant of the linear regression technique. It attempts to construct a straight line through the historical data points in a form that comes as close to the points as possible. (Technically, the strategy seeks to reduce the vertical deviations of the points from the trend line, and achieves this by minimizing the squared values of the deviations of the points from the line). Ultimately, the statistical formulas compute a slope for the trend line (b) and the point where the line crosses the y-axis (a). This gives in the straight-line equation $Y = a + bX$, Where X represents the values on the horizontal axis (time), and Y represents the values on the vertical axis (demand).

Stability vs Responsiveness

All demand forecasting systems vary in the degree to which they prioritize recent demand changes when creating a forecast. Forecasting systems that react very strongly or fast to demand changes are said to be responsive. Forecasting approaches that do not react fast to demand changes are termed to be stable. One of the main challenges in selecting the suitable forecasting approach rests on the question of stability vs responsiveness. How much stability or how much responsiveness one should employ is a function of how the previous demand has been fluctuating[10].

If demand has been exhibiting a regular pattern of increase or decline, then more responsiveness is desirable, for we would like to react swiftly to those demand increases or reductions when we create our next forecast.

On the other side, if demand has been moving upward and downward, then more stability is preferable, for we do not want to over react to those up and down variations in demand. For some of the simple forecasting approaches we have investigated, the following can be noted:

Moving Average Approach:

Using longer periods in your moving average forecasts will result in higher stability in the forecasts. Using fewer periods in your moving average forecasts will result in better responsiveness in the forecasts.

Weighted Moving Average Approach

Using more periods in your weighted moving average forecasts will result in higher stability in the forecasts. Using fewer periods in your weighted moving average forecasts will result in better responsiveness in the forecasts. Furthermore, placing lower weights on the more recent demand will result in higher stability in the forecasts. Placing higher weights on the more current demand will result in more responsiveness in the projections.

Simple Exponential Smoothing Approach

Using a lower alpha (α) number will result in higher stability in the forecasts. Using a higher alpha (α) number will result in better responsiveness in the forecasts.

Seasonality issues in Forecasting

Up to this point we have seen numerous techniques to generate a forecast for a forthcoming year. In many circumstances managers may demand more detail that just a yearly projection. They may wish to have a projection for individual time periods within that year weeks, months, or quarters. Let’s imagine that our expected demand for a future year is 480, however management would like a projection for each of the quarters of the year. An easy way may be to simply divide the entire annual estimate of 480 by 4, getting 120. We may then anticipate that the demand for each quarter of the year will be 120. But of course, such estimates may be expected to be fairly wrong, for a study of our original table of historical data reveals that demand is not uniform across each quarter of the year. There seem to be distinct peaks and valleys quarters of higher demand and quarters of reduced demand.

CONCLUSION

Forecasting plays a significant part in decision-making processes across numerous sectors and domains. It involves the estimation and prediction of future occurrences, trends, and outcomes based on past data and statistical models.

This chapter provides a quick explanation of the importance and essential components of forecasting, highlighting its uses and benefits. It also underlines the obstacles and limitations connected with forecasting, along with potential routes for future research and development.However, predicting is not without its limitations. Factors such as unforeseen events, shifting market dynamics, and data mistakes can create uncertainty and challenges to the forecasting process. Additionally, complex events and nonlinear interactions might pose difficulty in effectively anticipating future results. It is necessary to recognize these limitations and use appropriate approaches to lessen their impact.

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CHAPTER 6

DIFFERENCE BETWEEN MANAGEMENT AND ADMINISTRATION

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ABSTRACT:

The distinction between management and administration is often contested and can change based on context and perspective. This chapter provides an overview of the fundamental differences between management and administration, stressing their respective roles, activities, and areas of focus. It investigates the complimentary nature of these two notions and their significance in organizational settings. By defining the discrepancies between management and administration, this chapter intends to contribute to a better understanding of these key components of business and leadership.

KEYWORDS:

Administration, Authority, Management, Organization, Structure, Work.

INTRODUCTION

Management is described as an act of managing people and their work, for accomplishing a common objective by employing the organization's resources. It establishes a climate under which the manager and his subordinates can work together for the realization of group objective. It is a group of people who apply their talents and aptitude in running the full system of the organization.

It is an activity, a function, a process, a discipline and much more. Planning, organizing, leading, motivating, managing, coordination and decision making are the key functions undertaken by the management. Management brings together 5M's of the organization, Men, Material, Machines, Methods, and Money. It is a result driven activity, which focuses on delivering the intended output[1], [2]. Management refers to the process of managing and overseeing resources, people, and activities within an organization to meet defined goals and objectives. It entails planning, organizing, leading, and regulating numerous parts of an organization's activities to ensure efficiency, effectiveness, and productivity.The position of management covers a number of tasks and functions. These include:

Planning: Managers engage in strategic and operational planning to develop goals, objectives, and action plans.

They study the internal and external environment, make judgments about resource allocation, and devise strategies to achieve organizational performance.

Organizing: Managers arrange and structure the resources, such as human capital, funds, and equipment, necessary for the smooth running of the organization. This entails assigning duties, creating departments or teams, and establishing reporting connections.

Leading: Managers provide direction, advice, and motivation to employees to ensure they understand their duties and responsibilities. They inspire and motivate individuals and teams to attain their maximum potential and contribute to the overall success of the organization.

Controlling: Managers monitor and evaluate the performance of the organization, departments, and individuals against specified goals and standards. They take corrective actions when necessary to rectify deviations and guarantee that objectives are being accomplished.

Definition of Administration

The administration is a systematic technique of administering the management of a corporate organization, an educational institution like school or college, government agency or other nonprofit organization. The fundamental function of administration is the formation of plans, policies, and processes, setting up of goals and objectives, enforcing rules and regulations, etc. Administration puts down the main structure of an organization, within which the management of the organization functions. The nature of administration is bureaucratic. It is a bigger word as it involves forecasting, planning, organizing and decision-making tasks at the highest level of the firm[3]–[5]. Administration represents the top layer of the management hierarchy of the organization. These highest-level authority are the either owners or firm partners that invest their capital in launching the business. They acquire their returns in the form of earnings or as a dividend.Administration refers to the actions, processes, and functions involved in the general management and operation of an organization or institution. It focuses on the application of rules, regulations, and processes to ensure the efficient and successful running of the company.The role of administration often involves the following major aspects:

Policy Development: Administrators are responsible for creating policies and procedures that offer a framework for decision-making and organizational operations. These policies often encompass topics such as personnel management, financial management, procurement, and compliance with legal and regulatory requirements.

Planning and Organizing: Administrators engage in long-term and short-term planning to set objectives, allocate resources, and identify the best course of action to achieve organizational goals. They coordinate resources, staff, and activities to ensure smooth operations and optimal usage of resources.

Coordination: Administrators coordinate and integrate the efforts of multiple departments or units within an organization. They facilitate communication, collaboration, and cooperation among many stakeholders to meet organizational objectives and maintain effective workflow.

Budgeting and Financial Management: Administrators are responsible for financial planning, budget creation, and monitoring spending to guarantee financial sustainability and responsibility. They assess financial data, allocate resources, and make informed decisions to enhance financial performance.

Human Resource Management: Administrators oversee personnel management tasks, including recruitment, training, performance evaluation, and employee relations. They oversee compliance with labor laws, establish and implement HR policies, and foster a positive work environment.

Record-Keeping and Paperwork: Administrators keep records, files, and paperwork relating to organizational activities, transactions, and compliance. They ensure the accuracy, confidentiality, and accessibility of organizational information.

Communication: Administrators support successful communication within the organization and with external stakeholders. They convey information, conduct meetings, and maintain favorable connections with stakeholders, including employees, clients, suppliers, and regulatory agencies

Key Differences between Management and Administration

The major contrasts between management and administration are stated below:

1. Management is a systematic approach of managing people and things inside the business. The administration is described as an act of administering the full organization by a group of people.
2. Management is an activity at business and functional level, whereas Administration is a high-level activity.
3. While management concentrates on policy implementation, policy creation is conducted by the administration.
4. Functions of administration include legislation and determination. Conversely, functions of management are executive and ruling.
5. Administration takes all the essential decisions of the firm while management makes decisions under the parameters defined by the administration.
6. A collection of persons, who are employees of the organization, is collectively known as management. On the other hand, administration represents the owners of the organization.
7. Management can be seen in the profit creating organization like business companies. Conversely, the Administration is found in government and military offices, clubs, hospitals, religious groups and all the non-profit making enterprises.
8. Management is all about plans and actions, whereas the administration is concerned with defining policies and setting objectives.
9. Management plays an executive role in the organization. Unlike administration, whose role is decisive in nature.
10. The manager looks after the management of the organization, whereas administrator is responsible for the administration of the organization.
11. Management focuses on managing people and their work. On the other hand, administration concentrates on making the best possible utilization of the organization's resources.

Organization

Louis Allen, Organization is the process of identifying and grouping work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. Koontz and O'Donnell, 'The construction of authority relationships with provision for co-ordination between them, both vertically and horizontally in the organisational structure. George Terry, Organizing is the establishing of effective authority relationships among selected work, persons, and work places in order for the group to work together efficiently[6]–[8].

Concepts of Organization

There are two concepts of organization:

1. Static concept.
2. Dynamic concept.

1. Static Concept

Under static concept the term 'organization' is employed as a structure, an entity or a network with specified relationship.

2. Dynamic Concept

Under dynamic concept, the term 'organization' is utilized as a process of an on-going action. In this view, organization is a process of organizing work, people and the systems. Dynamic idea lays emphasis on individuals and perceives organization as a continuous process.

Characteristics of Organization

Some of the aspects of organization are explored as follows:

1. Division of Work: Organization works with the complete task of business. The overall work of the firm is separated into activities and functions. Various activities are given to different personnel for their efficient fulfilment. This comes in division of labour. It is not that one individual cannot carry out multiple functions but specialization in diverse activities is required to boost one's efficiency. Organization aids in splitting the task into related activities so that they are assigned to different personnel.

2. Co-Ordination: Co-ordination of multiple activities is as necessary as their division. It aids in integrating and harmonizing numerous operations. Co-ordination also prevents duplications and delays. In fact, various functions in an organization depend upon one another and the performance of one effect the other. Unless all of them are effectively coordinated, the performance of all segments is badly affected.

3. Common Objectives: All organizational structure is a tool towards the attainment of enterprise goals. The aims of distinct sectors lead to the attainment of major corporate goals. The organizational structure should build around common and clearly defined objectives. This will help in their correct accomplishment.

4. Co-operative Relationship: An organization creates co-operative relationship among various members of the group. An organization cannot be created by one person. It takes at least two or more participants. Organization is a structure which aids in developing meaningful relationship among humans. The relationship should be both vertical and horizontal among personnel of diverse departments. The structure should be built such it stimulates employees to execute their portion of work collectively.

5. Well-Defined Authority-Responsibility Relationships: An organization comprises of various positions grouped in a hierarchy with well-defined authority and duty. There is always a core authority from which a chain of authority relationship runs across the company. The hierarchy of positions sets the lines of communication and pattern of relationships.

Nature of Organization

The nature of organization can be interpreted in two ways:

1. Organization as a process.
2. Organization as a structure or framework of interaction.

Organization as a Process

As a process, organization is an executive function. It becomes a managerial function involving the following activities:

1. Determining activities necessary for the accomplishment of the business objectives.
2. Division of work.
3. Grouping of inter-related activities.
4. Assigning duties to persons with requisite competence.
5. Delegating authority.
6. Co-ordinating the efforts of different persons and groups.

When we regard organization as a process, it becomes the function of every manager. Organizing is a continual process and goes on throughout the life-time of an enterprise. Whenever there is a shift in the conditions or tangible change in scenario, new sort of activities spring up. So, there is a need for regular assessment and re-assignment of jobs. Right individuals have to be hired and essential training supplied to make them capable to undertake the jobs. The process of organization thus, comprises dividing the job in a sensible method and combining the activities with work settings and employees. It also shows humanistic attitude of the enterprise since it is the people who are uppermost in the process of integration of operations. Continuous evaluation and tweaking make it dynamic as well.

Organization as a structure: As a framework, organization is a network of internal power and responsibility ties. It is the framework of relationships of humans acting at multiple levels to accomplish similar aims. An organization structure is a structured mix of people, functions and physical facilities. It constitutes a formal organisation with specific authority and explicit accountability. It has to be first designed for determining the route of communication and flow of authority and responsibility. For this, many forms of analysis have to be done. Peter F Drucker proposes following three forms of analysis:

1. Activities analysis.
2. Decision analysis.
3. Relations analysis A hierarchy has to be built-up a hierarchy of positions with clearly defined power and responsibility.

The accountability of each functionary has to be specified. Therefore, it has to be put into practice. In a manner, organization might be called a system as well. The main emphasis here is on relationships or structure rather than on humans. The structure once established is not susceptible to change so rapidly. This definition of organization is, thus, a static one. It is also termed classical notion. Organization charts are made demonstrating the relationship of different persons. In an organization structure, both official and informal organizations take shape. The former is a pre-planned one and defined by the executive action. The latter is a spontaneous formation, being laid down by the common attitudes, interactions and other associated features of the people in the organization. Both formal and informal groups, thus, have structure.

Difference among Organization, Administration and Management

Difference Organization

1. The function of organization is to create up a harmonic inter-relation between the personnel and their task by allocating authority and responsibility among them.
2. Establishment of organization is one of the primary duties of management.
3. Organization is the work-center of the personnel of all levels of the firm.
4. Organization is the foundation of managerial activity.
5. Through the process of constructing organization structure authority and duty are delegated. So, the nature of this process is organizational.
6. The nature of organization is mirrored via the performance of work.
7. Organization may be compared to the hands of a human body; since it helps directly in performance of work.

Difference Administration

1. The task of administration is to set the objectives and policies of the organisation.
2. Administration includes formulation of plan and determination of organization structure.
3. Administration is the center of the personnel of higher level.
4. Administration determines the structure via which the functions of management are directed.
5. The function of administration is to develop rules, regulations and principles. Therefore, it is determinative in nature.
6. The essence of administration is represented in fixation of objectives, determination of policies and decision-making.

7. Administration may be compared to the brain of the human body; because its functions linked to thinking process as fixation of target, decision making etc.

Difference Management

1. The activity of management is to get the numerous works done by the operational staff to meet those objectives according to the policies specified by administration.
2. Planning, setting up organization structure, giving command and direction, encouraging the subordinate employees, coordinating and controlling the numerous responsibilities done by them etc. are the activities of management.
3. Management is the work- field of the employees of medium and lower level.
4. The supervisors supervise and control the work of the subordinate employees according to plan.
5. Management applies such rules, regulations and concepts. So, it is an executive function.
6. The nature of management is shown by the performance of work and application of the rules and principles.
7. Management may be viewed as the eyes of a human being; as it examines whether the task is being conducted according to the rules and regulations to obtain the intended result.

CONCLUSION

Management and administration are independent yet interrelated aspects of organizational functioning. While management involves the coordination and control of resources, people, and procedures to achieve organizational goals, administration focuses on defining policies, setting objectives, and assuring compliance with regulations. Management is primarily concerned with execution, decision-making, and operational efficiency, while administration is oriented towards strategic planning, policy formulation, and maintaining the general framework of an organization. Both management and administration are needed for good organizational functioning. They complement each other, with administration providing the overarching framework and direction, and management implementing and executing the plans and policies created by administration. It is vital to create a balance between management and administration, since an excessive focus on one can led to organizational inefficiencies or a lack of strategic direction. Understanding the differences between management and administration is useful for persons in leadership roles, as it allows them to clarify responsibilities, assign tasks, and allocate resources effectively. By acknowledging the distinct contributions of both management and administration, businesses can improve their operations, stimulate innovation, and achieve their objectives in a structured and coordinated manner.

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CHAPTER 7

ORGANIZING:MANAGEMENT OF MARKETING, FINANCE, AND HUMAN RESOURCES

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ABSTRACT:

Organizing is a core part of management that involves structuring and arranging resources, processes, and people inside an organization to fulfil its goals and objectives. This chapter presents an overview of the notion of organizing, highlighting its importance, fundamental principles, and components. It analyses numerous techniques to organizing, such as functional, divisional, and matrix structures, as well as current ideas in organizational design. By grasping the value of organizing, individuals and organizations can boost efficiency, collaboration, and overall performance.

KEYWORDS:

Decision, Management,Objectives, Organization, Work.

INTRODUCTION

Management is primarily a decision-making process. In case of every sector of management, a manager has to make a choice among possible courses of action. Whatever a manager does, he accomplishes it through making, decisions. A manager by way of taking decisions directs the behavior of subordinate. So, management is defined as an art and science of decision making. However, it may be mentioned that decision making is the mechanism for carrying out managerial tasks and obligations. The efficiency of the organization depends upon the efficiency of decision making of its management[1]–[3]. A decision is an act or action when the organization arrives to conclusion. What must not be done in a given situation is explained by decision making. It is a point where policies, processes & objectives come into action. The basic objective of decision making is to direct human behavior.

According to Melwin, Administration is a decision-making process & authority is responsible factor for making decisions & ascertainment of decisions is carried out or not. In a business whether the enterprise is little or huge, decisions are vital. Terry Decision making is the selection based on some criteria from two or more possible alternative. Decision making is a rational process including all those investigative, creative, diagnostic and evaluative activities which take place while making a decision. Nature or qualities of decision making. On the basis of these definitions the major characteristics of decision making may be begun as follows.

- **i)** Decision making is a process of making a sensible choice or selecting one of the different potential courses of action.
- **ii)** Decision making is important only when multiple alternative alternatives are accessible.
- **iii)** Decision making is a purposeful activity.
- **iv)** Decision making requires the commitment of resources and reputation of the company.
- **v)** Decision making is constantly tied to the situation or environment.

Features of Decision Making

1. Decision making is a process. It includes choice of one finest solution among several alternatives.
2. It may alter according to change in the situation.
3. Decision making has a purpose.
4. It is intelligent activity & depends upon the capacity of the person.
5. Decision making is a commitment for reaching the target.
6. Decision making leads to boost the profitability of business.

Types of Decisions

Major Decision & trivial Decision: Decision may be major or trivial. Major decision comprises acquisition of raw material, flow of production process. Major decisions are Location of facility, schedule of production, etc. Minor decisions are Purchase of stationary.

Programmed & un-programmed Decision:Decisions are classified on the basis of kind of difficulties. Programmed decisions are routine in nature. It does not entail any danger factor. It can be readily delegated. They are according to rules, regulations & policies. On the other hand, un-programmed judgements deal with unique situations which involve risk factor & significant expenditure.

Group Decisions & Personal Decisions: Group decisions are known as 'Organizational Decisions' which are linked with developing of policies. These choices are taken by BOD, Shareholders, MD & all committee members. On the other side, Personal Decisions are taken by Manager as an individual & not as a member. Normally in solitary proprietary organization, personal decision is taken.

Policy Decisions & Operating Decisions: Policy Decisions are done by Top Level Management such as to give bonus to employee, growth of plan, change of product line etc. On the other side, operating choices are taken by middle or lower management such as follow up production process, computation of bonus etc.

Long Term & Departmental Decisions:In long term decisions, the timeframe of decisions are longer than 1 year. These choices are taken by top level management. It involves danger. Plant growth, diversification, replacement of machinery, change in technology etc. Departmental Decisions are associated with departments. It is taken by Departmental Heads such as production department, sales department, purchasing department, finance department.

Routine Decisions & Strategic Decision:According to Peter Ducker, Tactical Decisions are 'Routine decision. They have specific choices which are related to economic usage of resources. Strategic Decisions are related to find out what resources are available how they might be use differently.

Process of Decision

Defining the Problem:Defining the problem is the problem half solved. Sufficient timing should be spent on defining the problem. It is quite difficult to define the problem. The manager is accountable for defining the problem. Like a doctor, he has to take into account all the symptoms before providing a medicine. A management must carefully diagnose the problem & should treat it tastefully.

Collection of Data: Information can be obtained from internal sources as well as external sources. Right decisions depend upon the quality of information collected by the management.

Analysis of the Problems: Subject to systematic investigation depth information should collected & it should be categorized properly. Information is based on facts, guess& supposition.

Finding reasons of problems:This is the most significant component of comprehending the problem. It is complicated process to figure out the specific cause is very vital.

Identification of Resources:It is vital to identify available resources & the utilization of resources for attainment of goals. The management must make the list of resources that are available for solving the problem.

Development of Criteria for effective Solution:Criteria should not be created as early as possible. This criterion is useful for choosing the best choice & divert the resources accordingly. This requirement is separated into must & want. The must criteria are satisfied initially & want criteria later on.

Development of Alternatives: Development of alternatives is most crucial step in the process of decision making. The efficacy in decision making depends upon formulation of alternatives.

Selection of Alternatives: In order to select the best alternative following elements should be examined risk, economy, time, availability of resources.

Implementation of Decisions: Implementation is putting the selective alternative into effect. The process of implementation starts with allocating the duties. Management must focus on the obligations of the person.

Styles of Decision Making

There are many styles utilized by executives for deciding choices. The most widely utilized styles are as follows.

Autocratic Decision Making: Autocratic executives assume that their subordinates do not have essential abilities to take right decisions and they do not like to take responsibility, so he chooses to take decision on his own. He does not feel that it is necessary to debate the matter with subordinates and in order to minimize loss of time he takes decision and makes others to adopt it. If anything goes wrong, he likes to attack the process of implementation rather than reasonableness of the judgments.

Participatory Decision Making: A participatory CEO believes that subordinates are aware about the problems and have sufficient ability and talents to solve them. In order to take advantage of the experience and abilities of the subordinates in the process of decision making, he believes that participative decision tends to be more realistic, practicable and acceptable to the subordinates. On account of their participation, it drives them to implement such decisions effectively and efficiently.

Consultative Decision Making: When executives encounter difficult and highly technical challenges, they like to discuss the issues with experts in relevant fields and following consultation they prefer to take decision. Sometimes they have to provide consultation to their subordinates for taking decisions.

Techniques used in Decision Making

In the decision-making process three distinct strategies have shown effective. These are marginal analysis, financial analysis and the Delphi decision making approaches. It has been observed that there is a present emphasis on competitive analysis. Various disciplines have contributed to research and development of application of mathematical approaches. The relevance of their contribution depends mainly on the managerial mentality behind them.

Techniques are merely aid to judgment and not substitute for judgment. Experience, testing, study and analysis also come into play in making decisions. Planning and control are intimately inter-related and they determine the precision of decision making. Control function ensures that objectives are met. It especially considers 'Progress' towards and achievement of the goal outcome, evaluation of the technique used and 'Validation' of the end product. Hence, in decision making is vital to set up control system[4]–[6].

Organizing

Organizing is a method of co-coordinating employee's actions in an orderly manner. It is a management position. It outlines how work or duties shall be split among the divisions in the organization, the policies to be followed while attaining the objectives, the extent and boundaries of responsibilities and the relationship of one job to another etc.Organization specifies the interaction between person to person, position to position, job to job and so on. It specifies proper communication between various levels of responsibilities. It establishes their authority and responsibilities in a formal manner. Definitions: It is generally defined as, A collective entity of people who continuously engaged in same activity on a sustained basis to achieve an objective or objectives. According to Oliver Sheldon, A person of so combining the work which individuals or groups have to perform with facilities necessary for its execution that the duties to so perform provide the best channel for the efficient, systematic, positive & co-ordinate application of the available efforts. According to Chester Bernard, Organization is a system of consciously coordinate activity of two or more persons.

Nature of Organizations

The term organization can alternatively be described in two waysas dynamic process & as a structure. As a dynamic process it is the managerial job to bring people together to reach the objectives. It entails identifying the authority & responsibility grouping of activities & arranging various actions for realization of objectives. It also includes delegation of authority. As a structure it established the relationship between various positions & jobs. This partnership builds to reach mutual aims. It is a blue print on how management would link functions & activities to be assigned & integrated. Elements of Organization The organization structure has under gone alterations according to the developments in the business. However, business acknowledges the requirement for best organizational structure. So that they can work smoothly & from that the elements of organization are developed. Three aspects or primary task of organization[7], [8].

Division of Work: Objectives of organization are decided then complete efforts & necessary must be classified & grouped. There should not be over lapping or duplication of work. Everyone in the organization will do a purposeful task for accomplishment of objectives for that manager needs to picture the objectives.

Division of entire labour is required so that these should not be extra stress on a single person. The enterprise can be divided according to function such as production, selling, finance, advertisement, etc.

Authority: In organization there is superior subordinate connection. Every superior need authority. In absence of power directing gets harder. The subordinates have numerous tasks in organization. There is power and responsibility framework so that multiple positions are created

Establishment of Relationship: In every organization structure there are numerous sorts of relationships. Such link may be administrative or operating, vertical, horizontal, formal & informal. Some will be working on the same authority level but most typically at distinct levels of authority. This partnership is developed for carrying the work smoothly.

Relationship denotes the principles for team effort in orderly sequence for realization of objectives.

Types of Organization

Internally every organization has to be divided into smaller units named ‘Department or Section’. Proper co-ordination has to be maintained between all of them. This makes feasible to fulfil organizational objectives by splitting the job among numerous employees. For smooth operation formal organization plays a significant role. It displays responsibility and power of each individual. For the convenience organization is designed in either of the following way:

Line organization: This is the oldest & simplest style of formal organization in which authority flows downward from highest level to the lowest level of the management. In the business, general manager issues all directions to various departmental heads. They pass these orders to supervisors & supervisors passed to the workers. Thus, each member clearly knows from whom he has to receive orders and to whom he can issue directions. Joint Stock Company is the best illustration of line organization[9], [10].

Advantages

1. It is very simple to comprehend & easy to follow up. Every one operating in this type is well aware of his own situation. He knows his relationship with his supervisor as well as his subordinate. It aids in maintaining good discipline.
2. Quick decision & timely actions. Since everyone knows the extent & limit of his power as well as his responsibility, it helps to take decision in time.
3. The area of responsibility is fixed with each individual. This makes a person to attentive in executing his obligations & help in increased efficiency
4. Line organization can be quickly expanded as per the changes in the external environment or internal conditions. Line structure lets the management either to add or eliminate from the existing organization workers.
5. This form of organization requires employees of reasonable qualification & reasonable experience with fair salary.
6. Line type aids in boosting moral of the personnel in the organization. Their achievement & success can be plainly recognized. This helps to improve efficiency.

Limitations of Line Organization

1. Line organisation does not get any help from workers. Large enterprises have to tackle complicated difficulties. It is vital to obtain professional advice from employees which has no scope in line organisation.
2. There is no possibility for any adjustment in the organisation structure for expansion or reduction.
3. There are no division of authority and responsibility and so line executives have to undertake all kinds of operations. It imposes tremendous pressure on line employees.
4. When line organisation expands beyond level it will lead to lack of communication within the organisation, inefficiency, lack of co-ordination & difficulty in attainment of plans & policies.

Functional organization

1. In the functional organisation work is split according to distinct function. Every expert has authority to issue orders relating to specific functions of his department. Identical function of several divisions is grouped together & overseen by specialized.

2. He is the person who determines the method of work. He is experienced technician. He determines comprehensive lay out of work. E.g.: How raw material should be handled & in what stages.
3. This person implements work according to the plan created by routine clerk instructions are prepaid in writing in advance. These instructions are prepaid for each task. This person has close contacts with workers.
4. This clerk has communication with routine clerk & instruction card clerk. He determines the schedule for different types of jobs. He determines requirement of material for each job.
5. This person is responsible for the maintenance of piece orders & discipline. His major job is to see that workers attend work on time and that they accomplish their job within the specified time.
6. It is the individual who comes directly in to contact with the workforce. He is responsible for implementation of the work ensuring the workers work according to pre-determined standards. He watches after the lay-out of machineries. He organizes for machinery & tools.
7. The main function of speed boss is to see how swiftly & skillfully the work can be done. He delivers required directions. He also conducts demonstration on the machines. Speed supervisor is regarded as instructor tutor for the workers.
8. Repair boss is responsible for maintenance for machinery tools & equipment. There are damages, depreciations, wear& tear of mechanical devices. The major responsibility of Repair Boss is to keep all machineries & tools in working condition.
9. This inspector closely investigates & examines real performance and compares it with standard. He prepares report regarding performance of different workers on different jobs. He rejects those jobs which are not up to standard.

Advantages of Functional Organization

1. **Benefits of minute specialization:** When the area of operation of each foreman is chosen on the basis of technical division of labor all the advantages of specialization may be achieved, skill efficiency & knowledge in specialized task rises. It functions as motivational factor.
2. **Benefits of expert's knowledge:** While creating & selecting policies expert services are taken. The plan gets more efficient. In this technique expert's knowledge, and expertise is applied.
3. **Reduce pressure of duties:**The job of superior & foreman is minimized because of specialization. There is not strain the quality of monitoring & control improved.
4. **Staff Specialization:** The advisory & executor staff specialized in the function of consultancy, staff officers, specialize in specific person are appointed. Hence proper training is offered. They can share more responsibility.
5. **Large production possible**: In the functional system there is significant degree of flexibility. Thus specialization & standardization can be brought.
6. **Availability of supervisory staff**: Depending upon the type of functional specialization the business can employ the services of expert. The skill of employees can be boosted by giving essential training**.**

CONCLUSION

Organizing is a crucial activity of management that contributes to the effective functioning and success of organizations. By arranging resources, activities, and people, organizing gives clarity, coordination, and direction. It ensures that tasks are assigned, roles and duties are specified, and communication routes are developed. Organizing entails making decisions regarding the division of tasks, establishing reporting relationships, and building the general structure of the organization. Different techniques to organizing, such as functional, divisional, and matrix structures, offer varying advantages and considerations dependent on the organization's goals, size, and environment. Efficient organizing supports efficient workflow, avoids duplication of efforts, and enhances collaboration and communication among individuals and teams. It lets firms to adapt to changes, streamline operations, and leverage their resources effectively.

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CHAPTER 8

CATEGORIES OF DEPARTMENTATION AND THEIR RESPONSIBILITIES

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ABSTRACT:
Departmentation is a key idea in organizational architecture that involves the grouping of activities, tasks, and resources inside an organization into different departments or units. This chapter presents an overview of departmentation, highlighting its significance, aims, and diverse ways. It covers numerous bases for departmentation, such as function, product, region, process, and customer, along with their advantages and considerations. By grasping the concept of departmentation, businesses can effectively arrange their activities, boost collaboration, and optimize performance.

KEYWORDS:

Authority,Centralization, Delegation, Departmentation, Management, Organization.

INTRODUCTION

Departmentation involves grouping of activity into sections, departments, and higher administrative units.

Departmentation is the process of evaluating, dividing and arranging tasks or activities into manageable chunks for people, sections and departments. Departmentation is a vital aspect of the whole process of organizing. It involves the horizontal extension of the organization[1]–[3]. It establishes smaller divisions of administration being designated as departments. A department is a work group united together for doing certain activities of similar kind. These departments may be called as sections, units, branches and divisions.

Process of Departmentation

1. **Identification of task:**When scope of function is determining division into distinct department is straightforward.
2. **Analysis of task:** It assists in appraisal of responsibility.
3. **Description of function:** Under this method, the distinct functions are to be done by different individuals and the groups.
4. **To appoint head section:** The head of the department is expert in the relevant field. He supervises the work done by groups.
5. **Responsibility and authority:**The ultimate responsibility for the performance of whole department lies with the departmental head.

Bases of departmentation:

1. Departmentation by function.
2. Departmentation by location or territory.
3. Departmentation of customer.
4. Departmentation by product or service.
5. Departmentation by process.
6. Departmentation by time.

1. Departmentation by Function

Every industrial venture is focused with manufacturing and marketing of commodities to earn profit in every business. Primary function such as manufacturing, retailing, finance, stay identical. Most of the main organizational units has department such as - sales, buying, finance, production, marketing, people etc. This is known as departmentation by function.

Advantages

- **i.** It aids in full utilization of available personnel it helps to reduce cost.
- **ii.** It helps in better management and fixing responsibilities of individual.
- **iii.** There cannot be any overlapping between executor and advisory functions.
- **iv.** There is proper segmentation of tasks in respect of each function.

2. Departmentation by Location or Territory

As the commercial enterprise grows & extends over the country, it becomes useful to divide some activities among branches away from main center of operation. Manager take leadership of the activity & local variables neglected while taking decision. The territory means district, city or state.

Advantages

- **i.** Over cost of operation due to economies in transferred cost & attractive raw material prices.
- **ii.** Knowledge of local circumstances improves decision making.
- **iii.** It provides a good training for managers.
- **iv.** It supports in formation of customers' goodwill by satisfy the demands of the local community.

Disadvantages

Less of control and co-ordination by head office & duplication of efforts.

Departmentation by Product or Service

Departmentation by product or service is formed for products & services. It is embraced by large scale organization but can perform efficiently in smaller one as. Top management might assign considerable authority to a division or facility. This type of department offers following advantages:

1. It assists in specialization of man & machine.
2. Better co-ordination becomes possible & better services are delivered to client.
3. Management is given a wide responsibility.
4. Responsibility of profit may be fixed by setting standard.

Departmentation by Customer

In this type of activities, the group according to varied type of customer. In sales department, department may work with large and small customer or whole seller & industrial buyer. The advantage of this method is satisfying numerous wants of client & it offers the profit of customer.

These drawbacks arise in co-ordination under-utilization of duplication of facility.

Departmentation by Process

In this type operations are gathered around the process for type of equipment which can't be created in economical, tiny units must therefore be pricey & specialized.

Process Department by Advantages

i. Similar sort of equipment & manpower is brought together & their utilization can be made efficiently.
ii. It is suitable for organisation producing product which included lot of procedure.
iii. Principle of specialization is followed with help of technological consideration.

Disadvantages

i. It does not give any possibility for total growth of management talent as it does not provide good training for manager.
ii. It is difficult to compare performance of different processes.
iii. It one department's product is of lesser quality then the final result would be inferior.

Department by Time

Here the activities are grouped on the basis of timing of their performance. Hospital works in shifts.

Advantages

i. Services can be offered throughout the day that is 24 hours.
ii. The use of process can't be interrupted & requirement of ongoing cycle become achievable.
iii. Expensive capital equipment can be used for more than 8 hours.

Disadvantages

i. Supervision during a night shift may not be effective.
ii. It is tough for most people to move from day shift to night shift.
iii. Having several shifts may presents challenges in co-ordination & communication.
iv. Payment of overtime rate will increase the cost of product.

Span of Management

There is a limit to the number of persons or activities that a manager can properly manage. Span of management denotes the number of individuals who can be efficiently handled by one executive.

Span of management refers to the number of subordinates for whose conduct an executive should be held responsible.

Definitions: Manager's span of control is a statement or expression or the limits of the number of subordinates or activities that he can supervise properly. Factors determining the span of management:

i. Time devoted to supervision.
ii. Diversity and relevance of activities.
iii. Repetitiveness of activities.
iv. Competence and experience of management.
v. Ability of subordinates.
vi. Centralization.

It is evident that there is a limit to the number of persons that can be monitored by one manager. The scope of control should be minimum as far as practicable.

The number of subordinates varies upon manager's skill, his job, the complexity of the duties of subordinates, the kind and importance of the work to be monitored etc.

Delegation of Authority

Delegation of Authority is delegating the work to someone & providing them authority. In simple phrase delegation of authority is the process of splitting the job & trust on others. Within the organization delegation of authority gets straightforward with the assistance of departmentation & grouping of comparable activities.

Importance

As a company enterprise grows, a manager has to delegate part of his work to others in the process of delegation. It helps the manager to free from routine tasks. It helps to strengthen the ability of subordinate when the volume of work to be done increases beyond the capacity of an individual with the help of delegation, jobs are given to individuals and authority can be transferred forward. Without delegation existence of organisation cannot have any sense. It is a key to organisation. A manager after delegating cannot remain silent person. He nonetheless eventually is liable to supervise the performance. That is why he delegates authority along with duties but not complete accountability[4]–[6].

Elements of Delegation

Assignment of Duties: There is a delegation of responsibilities & responsibility, in the sense that superior explains what he wants from the sub-ordinates to do. The most important thing for the management is to know what to delegate & what not to delegate. The obligations allocated to sub-ordinates can be described in the concept of functions or goals.

Granting Authority: The subordinates must in addition to give the permission to conduct the work which is given to him. In other words, the subordinates must obtain specific rights, authorities and duty which is important for him to accomplish the job. He must be granted suitable and adequate authority in respect to responsibilities. Authority of withdrawal of cash.

Executing Responsibility: The sub-ordinate to whom a particular task has been given must be made accountable for the completion of his work. The sub-ordinates must be made accountable for success & failure. When sub-ordinate accepts the work delegated to him must give pledge to complete this work according to the obligation assigned to him.

Advantages

- **i.** Delegation is effective function of an organization. With efficient delegation correct ties are establish in the organization. It will lead to increased cooperation and co-ordination.
- **ii.** Delegation helps the firm to grow, extend and diversify activities.
- **iii.** Delegation helps the executive to concentrate on managing function and relieving them from ordinary tasks.
- **iv.** With good delegation not only, co-ordination is possible but control is made easier since authority & responsibility is clearly defined.
- **v.** This assists sub-ordinates to obtain confidence and increase their capability to accomplish change.

Difficulties in Delegation of Authority

Delegation of authority means passing some duty to subordinates. It demands sufficient and it involved issuance of rights and authorities.

Centralization and Decentralization

Centralization and decentralization are the phrases related with the authority ordegree of power withhold. Centralization and decentralization refer to the degree of delegation of authority to lower level of management.

Centralization

Centralization means minimum delegation. It suggests little delegation and leads to narrow span of control and towering structure of organization. It may be regarded as the tendency to withhold the decision-making power at higher levels of management. In the centralization, decision making authority is concentrated in a few hands at the top which results in improved integration and co-ordination. More centralization is desirable when top management desires to exercise more direct control over organizational activities. In this, communication routes are longer and are good when organization is tiny.Centralization is a notion in organizational management that refers to the concentration of decision-making authority and control at the top levels of an organization. It entails the delegation of decision-making power to a chosen few person or a core group, often at the top of the organizational hierarchy. The level of centralization can vary between businesses and can be impacted by factors such as the organization's size, industry, culture, and leadership style. In a highly centralized system, decisions are decided at the top, and lower-level personnel have minimal autonomy and authority. under contrast, under a decentralized structure, decision-making authority is divided across multiple levels of the organization, empowering individuals at different levels to make decisions within their areas of responsibility [7]–[9].

Centralization brings various advantages. It ensures consistent decision-making, as decisions are made by a chosen group of individuals who have a larger view and access to crucial information. Centralization can promote coordination and control, as it allows for clear lines of power and accountability. It can also enhance efficient resource allocation, as decisions regarding resource allocation are made at a central level, considering the organization's overall goals and priorities.However, centralization also has disadvantages. It can lead to slower decision-making, as decisions need to be communicated and authorized by the central authority. It may result in a lack of reactivity and adaptability, as lower-level personnel have limited decision-making power and may not be able to respond rapidly to local or unique needs. Centralization can also impair employee motivation and empowerment, since individuals may feel alienated and less involved in the decision-making process.In recent years, there has been a tendency toward increased decentralization in many organizations. Decentralization enables for faster decision-making, supports employee empowerment and participation, and stimulates innovation and creativity at all levels. Organizations typically seek to achieve a compromise between centralization and decentralization, creating hybrid structures that delegate decision-making authority while preserving central control and coordination

Decentralization

Decentralization denotes considerable delegating. It signifies the delegation and transfer of authority from the superior to lesser levels. There is a diffusion of decision-making authority. It suggests flat organization structure. Decentralization is the systematic endeavor to transfer to the lower levels, all authority save that which can be exercises at central places. In decentralization, communication links are shorter and span of control is wider. As management levels are few, senior executives are less burdened and hence employees' morale is good. When an organization is large and complex and if the work is not standardized or routine decentralization is ideal. Complete decentralization is not conceivable since a manager cannot delegate all his authority without abandoning his status as a manager whereas, complete centralization is also not achievable except in one man firm.Decentralization is a concept in organizational management that entails the delegation of decision-making authority and control to lower levels within an organization[10]. It comprises the allocation of power, responsibility, and decision-making across multiple levels, departments, or individuals throughout the business.

Decentralization can take numerous shapes and degrees, depending on the organization's structure, culture, and aims. In a highly decentralized structure, decision-making authority is broadly disseminated, allowing lower-level personnel or teams to make decisions within their areas of competence. with contrast, with a partially decentralized system, decision-making authority is divided between central and lower levels, striking a balance between centralized control and localized decision-making.

Decentralization has various benefits. It empowers employees, since it allows them to have greater influence and autonomy in decision-making, resulting to increased job satisfaction and motivation. It stimulates creativity and innovation, as those closer to the operational level frequently have a greater awareness of unique difficulties and opportunities.

Decentralization can also lead to speedier decision-making, as decision-makers are closer to the information and can respond more quickly to changing conditions.Furthermore, decentralization encourages greater responsiveness to local needs and client requests. It permits modification and adaptability to individual market situations, cultural variances, or regional requirements. Decentralization can also allow effective usage of expertise, as decision-making authority is given to individuals or teams with specialized knowledge or abilities.

CONCLUSION

Departmentation is an important feature of organizational design that permits effective coordination, specialization, and efficient usage of resources within an organization. By organizing activities and tasks into departments, businesses can streamline operations, boost communication, and foster collaboration among individuals and teams.

The choice of departmentation technique depends on numerous criteria, including the organization's size, nature of work, industry, and strategic objectives. Functional departmentation groups operations depending on the specific functions performed, such as marketing, finance, or human resources. Product departmentation organizes efforts around certain goods or product lines.

Geographical departmentation divides activities depending on different regions or locales. Process departmentation focuses on organizing operations based on specific processes or workflows, while customer departmentation groups tasks according to different client segments or markets.

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CHAPTER 9

DEVELOPMENT OF MANAGEMENT THOUGHTS: ORGANIZATION SYSTEM

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ABSTRACT:
The evolution of management thinking has been a constant and dynamic process throughout history. It has evolved in reaction to the changing commercial landscape, societal needs, and breakthroughs in numerous sectors. This study presents an outline of the main milestones in the development of management thinking and highlights the major contributors and their influential theories. By researching the growth of management thinking, we acquire a deeper knowledge of the discipline and its impact on organizations and society as a whole.Management theories assist businesses in focusing, communicating, and evolving. Using management theory in the workplace helps leaders to concentrate on their primary objectives. When a management style or philosophy is applied, it immediately simplifies the organization's main priorities.

KEYWORDS:

Economic,Human, Management, School, Scientific, Theory, Wealth.

INTRODUCTION

Through the practice of management and the continuing expansion of commerce and riches we are reshaping our lives. While respecting the previous achievements of management 'we would also recognize that today 's accelerated pace of change is putting pressure on our firms to be at the forefront of management thought. In his extensive work The Evolution of Management Thought 'Daniel A Wren argues, Within the practices of the past there are lessons of history for tomorrow in a continuous stream. We occupy simply one spot in this stream. The objective. is to present the past as a prelude to the future [1]–[3].F W Taylor is considered to be the father of scientific management. Henery Gantt, Frank and Lillian Gilbreth and Harrington Emerson helped Taylor in his attempts. Together with Taylor they transformed management thought. Scientific management is the name given to the principles and practices that came out of their work of Taylor and his followers and that are characterized by concern for efficiency and systematization in management. Four basic parts of a series of ideas proposed by Taylor are as follows: Each person 's task should be broken down into pieces and performed in a systematic method.

Workers should be scientifically picked and trained to accomplish the work.There should be co-operation between management and workers and there should be division of labour between management and labour[4], [5].Among the other notable addition to this school of thought was Henry L Grant. He stressed the psychology of the worker and the relevance of morale in output. Grant devised a wage payment system and developed a chart in system of control for scheduling industrial operation which provided the basis for modern scheduling approaches like CPM and PERT. Frank and Lillian Gilbert concentrated on time-and-motion analysis to discover more efficient ways of completing repeated jobs. Time-and-motion studies and piece-rate incentives are two significant managerial approaches established and widely in use today. Harrington Emerson in his book. Twelve Principles of Efficiency suggests that a manager should carefully identify objectives, apply the scientific technique of analysis, develop and use standardized procedure, and reward people for good performance.

Classical Organizational School

Scientific management theory addressed the optimization of individual workers and work processes. During the same period, classical organization theory supported scientific management by giving a framework for the constructing the organization. The primary proponents of classical organization theory were Henri Fayol a French engineer) Lyndall Urwick a British firm manager, and Max Weber. Classical organization theory is the B in bureaucracy. Weber defined the organization characteristics which made the ideal bureaucracy.These included:

1. A carefully defined set of rules and procedures.
2. Division of labor according to functional expertise.
3. A clear chain of command
4. Individual progress based on merit
5. Professional managers

Behavioral Management School

The behavioral management theory is frequently termed the human relations movement because it emphasizes the human part of work. Behavioral theorists felt that a better understanding of human behavior at work, such as motivation, conflict, expectations, and group dynamics, boosted productivity. The thinkers who contributed to this school viewed employees as humans, resources, and assets to be developed and worked with – not as machines, as in the past. Several persons and experiments contributed to this theory. The Elton Mayo and Roethlisberger Hawthorne experiment in Chicago from 1924 to 1932 finds that human relations and the social requirements of workers are key parts of corporate management. Abraham Maslow, established one of the most generally recognized need theories, a theory of motivation based upon a consideration of human needs. His hypothesis of human wants comprised three assumptions:

1. Human needs are never entirely satisfied.
2. Human activity is purposeful and is motivated by the need for satisfaction.
3. Needs can be classified according to a hierarchical structure of priority, from the lowest to highest.

Management Science School

During World War II the allies encountered numerous complicated challenges and to tackle these problems operational research teams were formed up, consisting of mathematicians, physicists and other scientists, who pooled their knowledge to solve problems. After the war, their ideas were applied to industrial challenges which were previously unsuccessfully treated by conventional techniques. With the aid of the electronic computer, these approaches became known as the management science school depending mainly on quantitative methodologies. The contribution of the quantitative school was strongest in the fields of planning and control. However, many disputed the ability of this school to deal effectively with people. The skills at this school consisted of capital budgeting, production scheduling, optimum inventory levels and development of product strategies.

The management science school differs from the classical and behavioral schools in the following ways. The classical or scientific management style concentrates on the efficiency of the industrial process. The management science school places higher weight on the overall planning and decision-making process. It focuses largely on the use of computers and mathematical models in planning; It is focused on the evaluation of efficacy of models like the approaches of the use of models in managerial decision making: the return-on-investment analysis.

Contingency Approach to Management

The contingency method believes that it is difficult to select one way of managing that works well in all scenarios like espoused by Taylor. The contingency method believes that it is difficult to select one way of managing that works well in all scenarios like espoused by Taylor. Their approach is to identify the conditions of a task scientific management school, managerial job administrative management school and person human relations school as parts of a complete management situation and attempt to integrate them all into a solution which is most appropriate for a specific circumstance. Contingency refers to the immediate situations[6], [7]. The management has to carefully try to find which methodology or strategy will be the best answer for a problem which exists in a given setting or context. An example of this is the never-ending task of increasing productivity. The different specialists would give the following solutions:

Behavioral Scientist:establish a climate which is psychologically motivating.

Classical Management Approach:develop a new incentive structure

Contingency Approach:both solutions are viable and it depends on the probable fit of each solution with the goals, structure and resources of the organization.

The contingency method may determine, for policy reasons, that an incentive scheme was not applicable. The complexity of each case should be observed and decisions made in each individual situation. It should be remembered that the contingency strategy is not truly new because Taylor had underlined the need of picking the general form of management best suited to a particular circumstance. Henri Fayol, in turn, likewise recognized that there is nothing hard or absolute in managerial matters.

Theory of Trusteeship

Gandhiji remarked that everything belonged to God and was from God. Therefore, it was for His people as a whole, not for a particular individual. When an individual possessed more than his proportionate portion, he became a trustee of that portion for God ‘s people. God who was all-powerful had no need to store. He created from day to day; so, men also should in theory live from day to day and not stock goods. If this reality was imbibed by the people generally, it would become legalized and trusteeship would become a legalized institution.He further explained,Supposing I have come by a fair amount of wealtheither by way of legacy, or by means of trade and industryI must know that all that wealth does not belong to me; what belongs to me is the right to an honorable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community. I want them to outgrow their greed and sense of possession, and to come down in spite of their wealth to the level of those who earn their food by effort.

The laborer has to comprehend that the affluent man is less owner of his wealth than the laborer is owner of his own, viz., the power to labour. As for the present owners of wealth, they would have to make their decision between class conflict and voluntarily converting themselves into trustees of their fortune. They would be allowed to keep the stewardship of their belongings and to use their talent to enhance the riches, not for their own sakes, but for the sake of the nation and, thus, without exploitation. The State would controlthe rate of commission which they would obtain proportionate with the service given and its worth to society. Their children would inherit the stewardship only if they proved their fitness for it. Gandhiji ‘s talked about economic equality which did not mean that everyone would actually have the same amount. It simply meant that anyone should have enough for his or her requirements. The real idea of economic equality was to each according to his need. If a single man asked as much as a man with wife and four children that would be a violation of economic equality.

The Concept of Seven Sins

Mahatma Gandhi claimed that seven things will ruin us. All of them have to do with social and political conditions. Wealth Without Work Pleasure Without Conscience Knowledge Without Character Commerce Without Morality Science Without Humanity Religion Without Sacrifice politics without principal wealth without Work. This suggests that a person gets something for nothing by only managing markets and assets. There are experts and businessmen who are able to accumulate fortune without working. Enjoy benefits from government programs without any financial strain. No danger and no responsibilities.

Pleasure Without Conscience: The pleasurable actions are devoid of any societal obligation or accountability. We don 't learns to give and take, we live selflessly, we are not sensitive neither thoughtful. We are merely self-centered. We want to pamper and pleasure ourselves. We are least bothered about the consequences of our conduct on others.

Knowledge Without Character: Building character of pupils in academics while imparting knowledge is one of the key jobs of a teacher. As harmful as a little information is, far more deadly is abundant knowledge without a strong, principled character. Inculcating the concept of kindness, justice, dignity, contribution, honesty and integrity are worth in growing character. Knowledge with strong intrinsic character will develop persons with conviction and empathy.

Commerce without Morality: If we neglect the moral base and allow economic systems to operate without moral foundation and without continuing education, we will quickly produce an amoral, if not immoral, society and business. Economic and political institutions are ultimately dependent on a moral foundation. Business and ethics should go hand in hand for both to succeed business and society.

Science Without Humanity: If science becomes all technique and technology, it quickly degenerates into man against humanity. Technologies originate from the paradigms of science. And if there's very little comprehension of the greater human purposes that the technology is seeking to serve, we become victims of our own technocracy.

Religion Without Sacrifice: Practicing religion without sacrifice implies like reading the holy-scriptures for the sake of it but not putting it in practice. It takes sacrifice to serve the needs of other people - the loss of our own pride and prejudice, among other things. If this happens than it might be described as sincere worship. Pride and selfishness will undermine the bond between man and God, between man and woman, between man and man, between self and self. Humility is the hallmark of inner religion.

Politics Without Principle: We see politicians spending millions of rupees to build an image, even though it's shallow, lacking content, in order to garner votes and gain office. And when it works, it leads to a political system acting independently of the natural principles that should rule the community and the country. This leads to a society with warped ideals. In the best societies, natural laws and principles reign - that's the Constitution - and even the highest people must subject to the principle.

Management Theory and Practice

Artha shastra, the treatise on Economic Administration was composed by Kautilya in the 4th century before Christ. It consists of 15 chapters, 380 Shlokas and 4968 Sutras. In all probability, this treatise is the first ever book written on Practice of Management. It is primarily on the art of government and has an educational tone. Kautilya composed this treatise for his swamy the monarch Chandragupta Maurya and said in its prologue that it has been produced as a guidance for those who govern. As in the contemporary day management, the importance of vision, objective and motivation was captured in Artha shastra. Kautilya encourage his swamy to rule by Prabhu Shakti, Mantra Shakti andUtsahShakti.Kautilya's notions of the aims of a monarch seem to be essentially accepted by Peter Drucker in his book, Managing for Results. Kautilya tells his swamy that his objectives for his leadership are:

1. Acquire authority.
2. Making present business efficient.
3. Consolidate what has been obtained.
4. Making present business efficient.
5. Expand what has been acquired.
6. Identify potential and actualize it.
7. Enjoy what has been acquired.
8. Making it a different business for a different future.
9. On the organizational aspects, Kautilya creates an intricate structure under the king [8], [9].

The monarch appoints Amatya, the Prime Minister, who administers the day-to-day machinery of the State through a council of officials consisting of Mantras, the Ministers, Senapati, the warlord or the Defence Minister, Purohit, the Chief Justice and Yuvaraj, the Heir Apparent or designated successor to the throne. Natyashastra has specific policies for the society, individual industries, labor and employment, calamities and control of vices. He observes that the State, as an organization, is a social structure with economic objective. Here again, Peter Drucker and Kautilya go hand in hand as Drucker describes an organization as having 'social dimension and economic aim'. Finally, from the point of view of administration of the kingdom, Kautilya's advise to his Swamy is definitely insightful and pertinent to the corporate world of the 21st century. His advice to his Swamy is as under-

- **i.** Run a diversified economy energetically, efficiently, economically and sensibly.
- **ii.** Bear in his mind that a king with depleted coffers is a weak ruler and the easiest target for a takeover.
- **iii.** Ensure enactment of prudent policies.
- **iv.** Reign only with the support of others.
- **v.** Take proper care in appointing advisors.
- **vi.** An ideal Swamy is the one who has the highest traits of leadership, intellect, enthusiasm and personal attributes.
- **vii.** Wealth lies in economic activities.
- **viii.** Profitability should not just mean excess over costs. It should also signify supply of investment for future growth.
- **ix.** Diversified economy should consist of productive forests, water reservoirs, mines, productive activities, trade, markets, roads, ports, and storages.
- **x.** Efficient management includes setting up of realistic aims and meeting them without employing overzealous tactics.

CONCLUSION

The evolution of management thinking has played a major role in developing the area of management and has had a considerable impact on organizational practices and strategies. Over time, numerous theories and approaches have arisen, reflecting the evolving demands and challenges faced by enterprises. From the classical ideas of scientific management and administrative management to the human relations and behavioral theories, each school of thought has offered useful insights on managing people, processes, and resources successfully. The early growth of management thinking focused efficiency, standardization, and hierarchical structures, focusing on optimizing productivity and reducing waste. However, as businesses got more complex and diverse, a movement developed towards acknowledging the importance of human factors, motivation, and employee happiness in accomplishing organizational goals. This led to the creation of behavioral theories, which emphasized the role of interpersonal connections, communication, and employee involvement. In recent years, management thinking has further evolved to address contemporary concerns such as globalization, technical improvements, and sustainability. Concepts such as strategic management, comprehensive quality management, and sustainable development have gained prominence, highlighting the necessity for firms to adapt and innovate in a quickly changing world.

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CHAPTER 10

ENVIRONMENTAL MANAGEMENT: SOCIAL RESPONSIBILITY AND BUSINESS ETHICS

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ABSTRACT:

The environmental context of management, social responsibility, and corporate ethics has grown increasingly essential in today's business scene. This article presents an overview of the important concepts and frameworks connected to the environmental context, social responsibility, and business ethics. It studies the links between business operations, the natural environment, and societal expectations. By recognizing the environmental context and embracing social responsibility and ethical standards, corporations cannot only avoid risks but also produce sustainable and good benefits on the environment and society.

KEYWORDS:

Business, Company, Environment,Management, Organization, Social.

INTRODUCTION

The formula for commercial success includes two factors - the individual and the environment. Remove any value and success becomes impossible. The phrase 'business environment indicates those external forces, factors and institutions that are outside the control of particular business organizations and their management and effect the commercial enterprise. It implies all external forces within which a company enterprise functions. Business environment influence the functioning of the business system[1]–[3].Thus, business environment may be described as all those situations and factors which are external to the firm and are outside the individual business unit, but it functions within it. These forces are customer, creditors, competitors, government, sociocultural organisations, political parties national and international organisations etc. some of the forces affect the firm directly while some others have indirect effect on the business.

Features of Business Environment

i. **Totality of External Forces:**Business environment is the sum total of all things external to business companies and, as such, is aggregative in nature.
ii. **Specific and General Forces:**Business environment contains both specific and general factors. Specific pressures affect individual firms directly and quickly in their day-to-day working. General force shaves impact on all company enterprises and hence may damage an individual organisation only indirectly.
iii. **Dynamic Nature:**Business environment is dynamic in that it keeps on changing whether in terms of technical progress, shifts in consumer preferences or introduction of new rivals in the market.
iv. **Uncertainty:** Business environment is generally uncertain since it is quite difficult to foresee future events, especially when environment changes are taking place too often as in the case of information technology or fashion industries.
v. **Relativity:** Business environment is a relative concept since it differs from country to country and even region to area. Political situations in the USA, for instance, differ from those in China or Pakistan. Similarly, demand for sarees may be rather high in India yet it may be nearly non-existent in France.

Types of Environments

On the basis of the amount of intimacy with the firm, the environmental influences may be classed into different typesinternal and external.

1. **Internal Environment:**The internal environment is the environment that has a direct impact on the business. Here there are some internal factors which are often controlled because the corporation has control over these factors. It can adapt or modify such variables as its staff, physical facilities, and organization and functional tools, including marketing, to suit the environment. The main internal elements which have an influence on the strategy and other decisions of internal organization are addressed below
2. **Value System:**The value system of the founders and those at the helm of affairs has considerable influence on the choice of company, the mission and the objectives of the organization, business policies and procedures.
3. **Mission, Vision and Objectives:**Vision signify the ability to think about the future with imagination and intelligence. It is a key aspect in fulfilling the objectives of the organization. The mission is the vehicle through which the objectives are achieved.
4. **Management Structure and Nature:**The organizational structure like the composition of board of directors influences the decisions of business as they are internal factors. The structure and style of the company may delay a decision making or some other aids in making quick decisions.
5. **Internal Power Relationships:**The relationship among the levels of the organization effects business. The mutual co-ordination among them is a crucial need for a firm. The relationship among the personnel working in various levels of the organization should be friendly.
6. **Human Resource:**The human resource is the crucial aspect for any organization as it adds to the strength and weakness of any organization. The human resource in any firm must have characteristics like talents, quality, strong morale, devotion towards the job attitude, etc. The involvement and initiative of the members in an organization at different levels may vary from organization to organization. The organizational culture and entire environment have bearing on them.
7. **Company Image and Brand Equity:**The image of the company in the outside market has the impact on the internal environment of the company. It assists in raising the finance, creating joint ventures, other alliances, expansions and acquisitions, negotiating sale and buy contracts, launching new products, etc. Brand equity also assists the company in same way.
8. **Miscellaneous Factors:**The additional elements that contribute to the business success or failure are as follows:

i. **Physical Assets and Facilities:**facilities like manufacturing capacity, technology is among the variables which influences the competitiveness of the organisation. The appropriate operating of the assets is indeed for free flow of working of the organisation.

ii. **Research and Development:**Though R&D department is generally done exterior environment but it has a direct impact on the organization. This component significantly determines the company’s ability to innovate and compete.

iii. **Marketing Resources:**Resources like the organization for marketing, quality of the marketing men, brand equity and distribution network have direct influence on marketing efficiency of the company.

iv. **Financial Factors:** Factors as financial policies, financial positions and capital structure are equally essential internal environment affecting corporate performances, strategies and decisions.

DISCUSSION

External Environment

It refers to the environment that has an indirect influence on the business. The factors are uncontrollable by the business. There are two sorts of external environment.

Micro Environment

The micro environment is also known as the task environment and operating environment since the micro environmental forces have a direct influence on the operations of the firm. The micro environment comprises of the aspects in the company's local surroundings that affects the performance of the company [4]–[6]. These include the suppliers, marketing middlemen, competitors, customers and the public. The micro environmental aspects are more intimately related with the company than the macro factors. The micro pressures need not always affect all the enterprises in a certain industry in the same way. Some of the micro variables may be distinctive to a corporation. When the competing firms in an industry have the same micro components, the relative performance of the enterprises depends on their relative efficacy in dealing with these aspects.Following are the factors micro environment:

Suppliers: An essential force in the micro environment of a corporation is the suppliers, i.e., those who supply the inputs like raw materials and components to the company. The importance of reliable sources of supply to the smooth functioning of the firm is evident.

Customer: The fundamental goal of a business is to create and sustain customers. A business survives only because of its consumers. The choice of customer categories should be made by evaluating a number of variables including the relative profitability, dependability, and stability of demand, growth possibilities and the level of competition.

Competition: Competition not only include the other firms that produce identical product but also those firms who compete for the income of the consumers the competition here among these products may be characterised as want competition as the key aim here is to fulfill the desire of the customers. The competition that satisfies a particular category want then it is termed generic competition.

Marketing Intermediates: The marketing intermediates include middlemen such as agents and merchants that help the company identify clients or close sales with them. The marketing intermediates are crucial links between the company and the final consumers.

Financiers: The financiers are also key aspects of internal environment. Along with financial capabilities of the companytheir policies and goals, attitudes towards risk, ability to provide non-financial support etc. are very essential.

Public: Public can be said as any group that has a real or potential interest in or on an organization 's ability to achieve its interest. Public include media and citizens. Growth of consumer public is a significant phenomenon impacting business. b. Macro Environment: Macro environment is also known as General environment and distant environment. Macro factors are often more uncontrollable than micro environment factors. When the macro forces become uncontrollable, the success of company rests upon its flexibility to the environment. Some of the macro environment factors are listed below:

Economic Environment: Economic environment refers to the aggregate of the characteristics of economic system of the country, business cycles, the socio-economic infrastructure etc. The successful businessman visualizes the external aspects affecting the firm; predicting potential market scenarios and makes suited to gain the maximum with lowest cost.

Social Environment: The social dimension or environment of a nation determines the value system of the society which, in turn affects the running of the business. Sociological elements such as cost's structure, customs and conventions, mobility of workers etc. have far- reaching impact on the business. These elements determine the work culture and mobility of labour, work groups etc.

Demographic Environment: Demography is the study of human populations in terms of size, density, location, age, sex, race, occupation, and other statistics. Changes in the demographic environment might result in substantial possibilities and challenges presenting themselves to the organization.

Political Environment: The political environment of a country is impacted by the political organizations such as philosophy of political parties, ideology of government or party in power, nature and amount of bureaucracy influence of primary groupings etc. The political atmosphere of the country influences the business to a large extent.

Legal Environment: Legal environment involves flexibility and adaptation of legislation and other legal regulations controlling the business. It may include the actual judgements and decision of the courts. These affect the firm and its managers to a large extent.

Technical Environment: The business in a country is highly influenced by the technology development. The technology employed by the industries dictates the type and quality of goods and services to be produced and the type and quality of plant and equipment to be used. Technological environment influences the business in terms of investment in technology, consistent application of technology and the consequences of technology on markets.

Ecosystem Environment: The ecosystem refers to natural systems and its resources that are needed as inputs by marketers or that are affected by marketing activity. To minimise shortages in raw materials, organizations can employ renewable resources such as forests and alternatives such as solar and wind energy for nonrenewable resources such as oil and coal. Organizations can minimise their energy usage by enhancing efficiency.

Organizational and Environmental Relationship

Organizations are open systems and must relate to their environs. They must acquire the resources and information needed to function; they must offer products or services that are valued by customers. Organizations can design a multitude of strategies for controlling environmental interfaces, from internal administrative responses, such as creating dedicated units to scan the environment, to exterior collective actions, such as building strategic alliances with other organizations. Environment impacts the organization followed by the creation of a response from the organization, thereby completing the cycle. It suggests that the effect of environment on the organization cannot be fully understood without analysing the organizational reaction[7], [8]. The change in the corporate environment creates both opportunities and risks for the firm. To counter this commercial dynamism, firms require specific predictability mechanisms which can shield them against the unanticipated risks or neglected business chances. The solution lies in environmental scanning which refers to the process of monitoring and evaluating the company environment. It aids in adapting the business tactics in case of a change in the business environment. The macro forces have a wide scope and tend to influence the micro environment of the business; therefore, it seems desirable to focus the research on the role of macro environmental factors to reduce the collection of irrelevant data.

Organizational environments are everything beyond the limits of organizations that can directly or indirectly affect performance and outcomes. That includes external agents that directly affect the business, including as suppliers, consumers, regulators, and competitors, as well as indirect influences in the larger cultural, political, and economic context. The general environment comprises of all external forces that can influence an organization. Each of these elements can affect the organization in both direct and indirect ways. For example, economic recessions can directly affect demand for a company's product. The general environment also might affect organizations indirectly by virtue of the linkages between external agents. For example, an organization may have problems procuring raw materials from a supplier because the supplier is mired in a labor dispute with a national union, a lawsuit with a government regulator, or a boycott by a consumer group. Thus, components of the general environment can affect the organization without having any direct link to it. The task environment comprises of the specific individuals and organizations that interact directly with the business and can affect goal achievement: consumers, suppliers, competitors, makers of substitute products or services, labor unions, financial institutions, and so on. These direct linkages are the means via which organizations and environments mutually impact one another. Customers, for example, can demandmodifications in the organization's products, and the organization can try to influence customers' tastes and wishes through advertising.

Social Responsibilities of Companies

It is the duty of the businessmen to ensure good working conditions and a good standard of living for workers, to supply customers with goods of acceptable quality at reasonable prices and to fulfill the obligations to the State by the prompt payment of taxes, observance of rules, and cooperation in larger purpose of the societyTowards whom are the duties that an enterprise as follows:

Responsibility Towards Owners: The primary obligations of management is to assure a fair and reasonable rate of return on capital and fair return on investment can be established on the basis of variation in the risks of business in different fields of activity. With the growth of business, the shareholders might also expect appreciation in the value of their capital.

Responsibility Towards Employees: Management responsibilities towards employees relate to the fair pay and salaries, good work environment, labor management relations and employee welfare. Fair pay should be determined in the light of worker productivity, the prevalent wage rates in the same or nearby areas and relative importance of jobs. Employees are expected to establish up and maintain healthy connections between superior and subordinates. Another component of obligation towards employees is the provision of welfare amenities including safety and security of working conditions, medical facilities, and housing, canteen, leave and retirement benefits.

Responsibility Towards Customers: In a competitive market, serving consumers is expected to be a major priority of management. In the event of scarcity of supply there is no automatic correction. Besides customers are often victims of unfair trade tactics and unethical conduct of companies. Consumer interests are thus protected to some extent via laws and pressure of organized consumer groups. Management should anticipate these advances, serve consumer wants and defend consumer interests. Goods must be of appropriate standard and quality and be available in adequate quantities at reasonable rates. Management should avoid resorting to hoarding or generating artificial scarcity as well as fraudulent and misleading promotions.

Obligation Towards the Governments: As a part of their social obligation, management must conduct business affair in lawful manner, honestly pay all the taxes and dues, and should not corrupt public authorities for selfish goals. Business actions must also confirm to the economic and social policies of the government.

Responsibility Towards the Community and Society: The socially responsible role of management in relation to the community are expected to be revealed by its policies with respect to the employment of handicapped persons, and weaker sections of the community, environmental protection, pollution control, setting up industries in backward areas, and providing relief to the victims of natural calamities etc.

Reason for Social Responsibilities

Business businesses are creatures of society and should respond to the needs of society. If the management does not adapt to changes in social demands, the society will either force them to do so through laws or will not permit the firm to survive. Therefore, the long-term interests of company are best served when managers undertake social duties. For long term success it counts a great deal if the firm has a favorable image in the public opinion. Every business enterprise is an organ of society and its operations have impact on the social landscape. Therefore, it is necessary for management to assess whether their policies and actions are likely to promote the public good, advances the basic values of society, and constitute to its stability, strength and harmony.

Besides taking care of the financial interest of owners, managers of commercial firms must also take into account the interest of numerous other groups such as employees, consumers, the government and the community as a whole[9], [10].

Arguments in Favor of Social Responsibilities

1. Businesses are unavoidably entangled in societal issues. Businesses are either part of the solution or part of the problem.
2. Businesses have the resources to handle today ‘s complicated socioeconomic concerns. Private business sectors can play a vital role in tackling society ‘s more problematic concerns.
3. A better society means a better climate for doing business. Business may boost its long-run profitability by making an investment in society today.
4. Corporate Social action will prevent government intervention: Government will force business to do what it fails to do voluntarily.

Arguments against Social Responsibilities

1. Profit maximization enables the efficient use of society ‘s resources.
2. Businesses often lack the ability to pursue social aims. Inefficiencies can be expected if managers redirect their attention from the pursuit of economic goals.
3. Businesses already have enough power. There is no reason to hand them up greater power.
4. Businesses should stick to pursuing profit by generating marketable goods and services.

Concept of Ethics and Business Ethics

The phrase ethics which in Latin is called ethic us and in Greek is called ethics has come from the word ethos meaning characters or manners. Ethics- Consists of moral rules controlling the good and wrongs of human conduct: Is about the ideas of right and wrong recognized by individuals or social groups A code of behavior regarded morally correct. Code of moral principles that regulate the behaviour of people and groups Ethical behavior is doing what is ethically right.

Business Ethics

1. Business ethics are the principles and norms.
2. Define appropriate conduct in business:
3. Should underpin decision making.

4. An alternate definition the moral values which regulate business activity and restrains corporations from following the benefit of the shareholder at the expense of all other considerations.
5. Some behaviours could be profitable and legal but yet are judged to be unethical.
6. An ethical decision is one that is both lawful and fits the shared ethical norms of the community.

CONCLUSION

The environmental context of management, social responsibility, and business ethics are crucial factors for firms operating in the modern corporate world. Recognizing the interdependencies between company operations, the natural environment, and society is vital for long-term success and sustainability. Organizations are increasingly expected to operate in an ecologically responsible manner, considering the impact of their actions on ecosystems, natural resources, and climate change. This includes adopting actions that limit environmental impact, such as decreasing emissions, conserving resources, and embracing renewable energy sources. Moreover, firms need to proactively manage environmental hazards and comply with appropriate legislation and standards. In addition to the environmental context, social responsibility and commercial ethics are fundamental components of modern management. Stakeholders, including customers, employees, investors, and communities, expect firms to behave ethically and contribute constructively to society. This means treating employees fairly, providing safe working conditions, respecting human rights, and engaging in philanthropic activities.

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CHAPTER 11

MANAGEMENT:OBJECTIVES, PLANNING AND CONTROLLING METHODS

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ABSTRACT:
The chapter is a succinct overview of a research paper, thesis, or report. It presents an overview of the key aims and findings of the study, allowing readers to rapidly grasp the purpose and value of the work without having to read the entire document.These goals are an organization's survival, profit, and growth. Social Objectives: The survival of every organization, whether private or public, is dependent on its commitment to society.Management by goals has several benefits and pitfalls. The most essential advantage is that it motivates people to strive for set goals since they have more clarity.

KEYWORDS:

Goals, Managers,Organization, Objectives, Performance, Targets.

INTRODUCTION

Objective is an end that can be reasonably realized within an estimated period and with available resources. In general, an objective is broader in scope than a goal, and may consist of numerous separate goals. Objectives are a basic instrument that underpin all planning and strategy operations. They serve as the basis for policy and performance appraisals[1]–[3].Objective indicates the intended or needed result to be accomplished by a specific time. An objective is wider than a goal, and one aim can be split down into a number of distinct goals. A business objective is the blueprint you will utilise to attain the goals you have for your corporation. If you are developing a firm or planning for your company's future, you will not gather much success without properly stated business objectives. A business aim will build a union between the mission and the methods of your corporation marketing, productivity, expected revenues, and results. If you and your staff do not know where the organization is headedthen everyone will just travel in different failing routes[4]–[6].

Features of Objectives

Objectives have to be very specific.

A good aim should be verified to verify they are SMART, Specific Measurable Agreed Realistic Time bound. Specific this means it must be apparent what the firm is seeking to achieve. For example, mangers may desire to boost sales, increase profit or increase customer pleasure. Measurable this means that all objectives should include a quantitative element. For example, the corporation might seek to grow earnings by 30 %. This implies that the management may quickly check whether the aim has been accomplished. decided - targets need to be decided by the different persons who are participating in the process so that it is willingly made possible.

There is no point placing a target on someone. Realistic - an aim should always be achievable. If you set a target which cannot be accomplished people will not be driven by it. It may even discourage them, because they know the aim can never be reached regardless. To work properly individuals must think that their efforts can be successful. Time precise - all objectives should express fairly clearly when they should be achieved. Managers need to know exactly how long they have so that they can plan accordingly.

Hierarchy of Objectives

In many businesses objectives are arranged in a hierarchy of priority. There are objectives within objectives. They all require meticulous definitions and detailed investigation if they are to be useful separately and profitable and profitable as a whole. The hierarchy of objectives is a graded series in which an organization 's goals are supported by each subsequent executive level down to the level of the individual. The aims of each unit contribute to the objectives of the next higher unit. Each action has simple aim which must fit in and add to the end objective. Hence no activity should be conducted unless it contributes to the overall purpose.

Objectives Form a Network

Objectives interlock in a network form. They are connected and inter-dependent. The notion of network of objectives means that after objectives are created for every department and every individual in a company, these subsidiary objectives should contribute to accomplish the basic objectives of the overall organization. If the many aims in an organization do not support one another, people may pursue goals that may be beneficial for their particular function but may be bad to the company as a whole. Managers have to trade off among the opposing objectives and see that the components of the network fit one another.

Multiplicity of objectives

Organizations seek diverse objectives. At every level in the hierarchy goals are likely to be multiple. For example, the marketing division may have the purpose of selling and distribution of items. This target can be split down into a series of objectives for the product advertising, research, promotion managers. The advertising manager 's goals may include: creating product messages carefully, generate a good image of the product in the market etc.Similar goals can be created for other marketing managers. To explain a single, precise purpose of an organization is to reveal very little about it. It turns out that there are various goals involved. This may be owing to the fact that the organisation has to meet internal as well as external issues efficiently. Internal difficulty may hover around profitability, survival, growth and so on. External difficulties may be posed by governments, society, stockholders, customers etc. In order to accommodate the conflicting demands from diverse internal and external parties, organizations often pursue several aims. Moreover, no single purpose would lead the organizations on a road of profitability and progress in the long run.

Long- and short-range objectives

Organizational objectives are frequently tied to time. Long term objectives spanning over five or more years are the ultimate or dream objectives for the organization they are chapterions of the complete hierarchy of objectives of the organization. For example, planning in India has got aims like eradication of poverty, limiting population increase through birth control etc. which reflect specific values the government wishes to fulfil in the long term. Short range targets and medium range objectives two-to-four-year period goals indicate immediate realistic goals. The short range and medium range objectives are the tools for achieving long term goals and the long-term goals give a framework within which the lower-level goals are defined. Thus, all these aims reinforce one other in such a way that the whole result is larger than the sum of the efforts made individually. That is why goal setting is called a synergistic process. In order to be sustainable, every organization needs to set goals in all three time periods[7]–[9].

Verifiable and Non-Verifiable Objectives

Objectives should be measurable so you know whether or not you have reached the aim and whether you are making progress in a positive trend towards attaining the objective. This is referred to as a verifiable objective. Objectives that are not verifiable are counterproductive and a corporation may spend significant time and money on the incorrect activities. Just stating Increase Sales without a strategy and established targets may not meet the aim. However, if you find that you need to represent three extra regions that is verifiable when done, if you recognize you need 6 more sales reps that is verifiable. If you claim that with 3 territories and 6 agents you should be able to reach X number of sales that is provable.

Qualitative and Quantitative Objectives

Qualitative Objectives are those objectives which cannot be articulated in quantitative terms; for example, a salesman can set as an aim in a given period the acquisition of certain product expertise, or the establishing of a close business connection with the buyer from a key account.

Management by Objectives

The notion of Management by Objectives (MBO) was first given by Peter Drucker in 1954. It can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed[10].The essence of MBO is participative goal formulation, determining course of actions and decision making. An important aspect of the MBO is the measurement and the comparison of the employee 's actual performance with the standards set. Ideally, when employees themselves have been involved with the goal formulation and the choosing the course of action to be followed by them, they are more likely to fulfill their tasks. It tries to boost organizational performance by harmonizing goals and subordinate objectives throughout the organization. Ideally, employees gain strong input to determine their objectives, time lines for completion, etc. MBO incorporates constant tracking and feedback in the process to attain targets.

DISCUSSION

Managerial Focus

MBO managers focus on the result, not the action. They allocate work by negotiating a contract of goals with their subordinates without dictating a precise plan for implementation. Management by Objectives (MBO) is about creating objectives and then breaking these down into more precise goals or key results.

Main Principle

The premise of Management by Objectives (MBO) is to make sure that everybody inside the company has a clear grasp of the aims, or objectives, of that organization, as well as awareness of their own roles and responsibilities in accomplishing those aims. The full MBO system is to get managers and empowered employees acting to implement and realize their plans, which automatically achieve those of the organization.

MBO System

An MBO system is based on mutually accepted objectives. A manager will discuss with subordinates what needs to be achieved in their particular region of the organisation. They will agree precise targets for each subordinate. For the MBO system to work properly it is necessary that the objectives are approved by the subordinates and not just imposed on them. It is good practice, therefore, to allow personnel to create targets for themselves subject to the superior 's permission. They are going to be lot more committed to them because they will feel they own these aims personally.

Advantages of MBO

1.Clarity of Goals: With MBO, came the notion of SMART goals that areSpecific, Measurable Achievable Realistic, and Time constrained. The goals so stated are clear, motivating and there is a correlation between company goals and performance targets of the individuals.

2.Future Oriented: The focus is on future rather than on past. Goals and criteria are defined for the performance for the future with periodic reviews and feedback.

3.Motivation: Involving employees in the complete process of goal development and enhancing employee empowerment promotes employee job satisfaction and commitment.

4.Better communication and Coordination: Frequent reviews and interactions between bosses and subordinates helps to preserve harmonious relationships inside the organization and also handle numerous problems presented over the period. Each manager knows exactly what he has to do

5.Sense of Responsibility**:** Peter Drucker believed that the most effective method to give individuals a sense of responsibility for their working lives was to make them determine for themselves how to achieve their objectives.

6.Target oriented: The targets operate as a control tool for the organization. Everyone 's performance can be measured against the targets.

7.Delegation of Authority: MBO guarantees that personnel in every department are all working towards common goals. MBO allows delegation to be accomplished in a coordinated way.

Problems of MBO

MBO system seems good in theory, in fact it can become bureaucratic and time demanding. Managers and subordinates often spend hours in meetings trying to agree targets which may be unrealistic regardless.Setting targets does not guarantee that they are reached. In some circumstances, companies introduce MBO but individual managers are unwilling to delegate entirely to their employees. This results in dissatisfaction as the executive feels they will be held responsible for something they do not fully control. Objectives can become out of date and inappropriate very soon. Environment changes rapidly. With new competitors, new product offers, new technology and new legislation the world in which a corporation operates can be highly dynamic. Targets may soon become irrelevant. Consequently, some managers think it is more necessary to clearly out the overall direction the organization intends to develop in. Not try to be too particular about the actual path. Much better, they suggest, to allow the managers react for themselves to the context in which they operate.

The MBO Process

These stages are detailed below:

1.Setting Objectives: Goal-setting or objective setting is a multistage process. It starts with the examining of the current condition of things, level of efficiency, threats, and opportunities. Then the major result areas are selected, such as product markets, enhanced services, cheaper costs, work simplification, employee motivation, profitability innovation and social responsibility. Peter Drucker writes, Objectives are crucial in every area where performance and results directly affect the survival and profitability of business. Thereafter engaging or joint goal setting takes place. Subordinates are actively involved in defining goals at every level in the organization such goals are finished with reference to the overarching objectives of the organization. Care is taken to develop goals that are measurable and contribute to the element also. Such goals may be long term, medium range, or short range. Further, resources availability also becomes a significant aspect in goal setting. There is always need to select priority among the many objectives keeping in view the environment within which business operates as well as probable subsequent changes in it

2.Developing Action Plans: Set objectives must be translated into action plans. It needs assignment of distinct responsibility to different departments, division, and persons. It also needs allocation of required resources needed to accomplish the specified obligations. Time dimensions need also to be decided in order that aims are attained without any unjustified delays.

3.Periodic Review or Monitoring the Progress: After setting objectives and developing action plans, it is vital to build a proper monitoring system with a view to regularly keeping the activities.

Her development is observed without day road leading to the ultimate target. It is guaranteed that the deviations detected, if any, are thoroughly reviewed and quick remedial actions are made to set them right on the course. Such a regular monitoring and periodic assessment not only offer feedback which is crucial for completion of work in time. But also motivates the managers accountable for performance. Periodic evaluation and monitoring are done at departmental level generally.

4.Evaluate and Reward Performance: This is the last step of MBO program that evaluates performance annually as goals have been specified in a concrete, measurable and time-based approach, the evaluation part of MBO is rather uncomplicated. Employees are evaluated on their performance with respect to goal achievement. All that is left to accomplish is to relate objective achievement to reward, and perhaps remuneration, and deliver the proper feedback. When you reward goal achievers you convey a clear message to everyone that goal completion is valued and that the MBO process is not simply an exercise but an integral element of performance appraisal.

The importance of fair and accurate assessment of performance illustrates why defining measurable goals and clear performance indicators are crucial to the MBO system.

Benefits of Management by Objectives

1. Better Managing:MBO pushes managers to think about planning for results, rather than merely preparing activities or work. Managers are obliged to guarantee that the targets are realistic and needed resources are made accessible to subordinates to attain the argots. Clearly stated function as evaluation standards as well as motivators.

2. Better Organising: Managers are necessary to describe organisational roles and structures to the subordinates. This results in concentration on critical result areas, hence better Organising.

3. Greater Employee Involvement & Commitment: The employees in an MBO program have clearly defined goals which have been formalized via their own participation. Employees are now not just doing work, following instructions and waiting for guidance and decisions from above, they are themselves the guiding force.

4. Orderly Growth of Organisation:MBO provides for the maintenance and orderly growth of organisation by means of predetermined set of objectives for everyone concerned. It provides for measurement of achievements as per defined targets. 5. Development of effective controls: Along with refinement of planning MBO also develops effective controls. It gives for periodic evaluations and annual performance appraisals building a bridge for input and so helps to further streamline the objective or targets.

5. Generating of An Ideal Atmosphere: MBO gives a scientific basis for evaluation of a subordinate performance, because goals are jointly determined by the superior and the subordinates. Each individual has the potential for development, the capacity to assume responsibility and the readiness to steer behavior towards organization goals.

Uses of MBO

The MBO style is excellent for knowledge-based firms when your staff is competent. It is appropriate in instances when you wish to enhance employees' management and self-leadership skills and access their creativity, tacit knowledge and initiative. Management by Objectives (MBO) is frequently utilised by chief executives of multinational corporations (MNCs) for their country managers abroad.

Features

Hierarchy of Objectives

Objectives are organized in a hierarchy of importance.

Objectives form a Network

Objectives interlock in a network fashion. They are connected and inter-dependent.

Multiplicity of objectives

Organizations seek varied objectives. At every level in the hierarchy goals are likely to be multiple.

Long- and Short-Range Objectives

Organizational objectives are frequently tied to time. Long range objectives stretching over five or more years, short range objectives one-year goals and medium range objectives two-to-four-year period goals depict immediate realistic goals

Verifiable and Non-Verifiable Objectives

Objectives should be measurable. This is referred to as a verifiable objective. Objectives that are not verifiable are non-verifiable objectives

CONCLUSION

The conclusion is the final piece of a research paper, thesis, or report. It tries to synthesize the important findings, explore their ramifications, and make a closing remark or recommendation. The conclusion allows the author to restate the objectives of the study, highlight the main outcomes, and offer insights or suggestions for further research or action.

Qualitative Objectives are those aims which cannot be articulated in measurable terms; whereas Quantitative Objectives are those objectives which may be expressed in exact numerical terms. The notion of Management by Objectives□ (MBO) was first given by Peter Drucker in 1954. It can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

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CHAPTER 12

A BRIEF OVERVIEW ABOUT ORGANIZATION AND ITS FRAME WORK

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ABSTRACT:
The chapter provides a quick description of the important ideas and conclusions relating to organizational aspects. It emphasizes the primary objectives and management techniques mentioned in the paper or report and addresses the relevance of organizations in today's complicated and interconnected society. It highlights the importance of organizations in accomplishing collective goals, coordinating operations, and facilitating efficient and effective resource usage. Furthermore, the chapter analyses many features of organizational structure, including hierarchical levels, division of labor, and communication routes. It also discusses the role of organizational culture in determining behavior, values, and standards inside the organization. The chapter highlights the issues businesses confront, such as managing change, promoting innovation, and adjusting to altering external circumstances. It highlights the necessity for good leadership, strategic planning, and continual learning to achieve organizational success and sustainability

KEYWORDS:

Authority, Chart, Formal, Structure, Organization, Work.

INTRODUCTION

Organizing is an element of management process. Organizing is mainly concerned with allocation of roles and responsibilities among the individuals so that work will be carried on methodically. Organizing simply implies allocation of essential resources and techniques for doing commercial activity. It is a creation of administrative set up[1]–[3]. Louis Allen defines Organization asthe process of identifying and grouping of the work to be performed, defining and delegating responsibility and authority, and establishing a pattern of relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. According to Henri Fayol to organize a business is to equip it with everything needed to its functioning raw materials, tools, capital and staff.

Importance of Organizing

Effective organizing lead to following advantages:

1. Specialization: Organizational structure is a network of links in which the work is split into units and departments. This division of labor is useful in bringing specialization in numerous tasks of concern.

2. Well Defined Jobs: Organizational structure helps in putting right men on appropriate task which may be done by selecting people for various departments according to their credentials, skill and experience. This is assisting in defining the occupations properly which clarifies the function of every worker.

3. Clarifies Authority: Organizational structure assists in defining the role assigned to every management. This can be done by clarifying the powers to every manager and the way he has to exercise those powers should be specified so that misuse of authority does not take place.

Well defined objectives and responsibilities attached assists in bringing efficiency into managers working. This assists in enhancing productivity.

4. Co-ordination: Organization is a means of generating co- ordination across different sections of the enterprise. It generates clear cut linkages among jobs and ensures mutual co-operation among persons. Harmony of work is brought by higher level managers exercising their power over interconnected operations of lower-level manager.

5. Effective Administration: The organization structure is important in identifying the jobs positions. The duties to be undertaken by different managers are explained. Specialization is obtained through division of work. This all contributes to efficient and successful administration.

6. Growth and Diversification: A company's growth is fully contingent on how efficiently and smoothly a concern works. Efficiency can be brought about by explaining the role positions to the management, co-ordination between authority and responsibility and emphasizing on specialty. In addition to this, a corporation might diversify if its potential grow. This is possible only when the organization structure is well- specified. This is possible through a set of formal structure.

8. Sense of Security: Organizational structure clarifies the work positions. The role allocated to every manager is clear. Co- ordination is feasible. Therefore, clarity of powers aids naturally in raising mental contentment and thereby a sensation of security in a concern. This is highly significant for job- happiness.

8. Scope for New Changes: Where the responsibilities and actions to be performed are defined and every person obtains independence in his working, this allows ample room to a manager to grow his talents and bloom his knowledge. A manager gets ready for taking independent judgments which can be a road or path to adoption of new ways of production. This scope for bringing new adjustments into the management of a firm is possible only through a set of organizational structure[4]–[6].

Principles of Organizing

The most widely discussed and well acknowledged concepts of organisation are as follows:

1. Objectives: Every organization should have well defined objectives. Every department in the organization should have its objectives. Every individual in the organization should know what to achieve. Finally, there should be unity among all the aims.

2. Specialization: Every department should be given a specific work to be accomplished. Division of tasks leads to specialization. Every individual in the organization should be assigned the work as per his skills.

3. Co-ordination: All the actions of all the personnel and departments should be integrated with each other. Co-ordination will lead to right direction for work which will result into better results.

4. Delegation of Authority: The superior should pass on the authority to their subordinates. There should be fixing of duty after the authority is assigned.

5. Short chain of Command: As far as practicable there should be short chain of command in the organization. This will lead to rapid work as well as dangers of distortion will be prevented.

6. Balance: There should be proper balance in different parts of the organization. There should be balance between authority and responsibility, centralization and decentralization, people and material resources etc.

7. Continuity: Organizing is a constant process. It will be over only after closure of the organization. Therefore, organizing should create a structure which is long lasting in nature.

8. Simplicity: The structure of the organization should be as simple as possible. All the personnel in the organization should be able to understand the structure.

9. Span of Control: Span of control is number of subordinates who can be efficiently controlled and supervised by management. There should be restriction of span of control.

10. Flexibility: The organization structure should not be inflexible in nature. It should adjust with the changing scenarios.

11. Authority and Responsibility: Authority is an ability to take choice. Responsibility is a responsibility to perform work. There should be a good balance between authority and responsibility.

12. Unity of Command: This idea says that subordinate should acquire commands only from one supervisor at a time. There should not be repetition of commands which leads to misunderstanding.

Formal and Informal Organization

In an organization there exist two sorts of internal structures or links.

- **i.** Formal organization.
- **ii.** Informal organization.

Formal Organization: Formal organization refers to system of properly defined jobs, having explicit power and responsibility. This structure is specifically developed to fulfil common organizational goals. This is the structure to which everyone in the organization has to adjust. According to Chester Barnard, an organization is formal 'when two or more persons are consciously coordinated toward a shared objective.

Features of Formal organization:

- **i.** It is a framework of well-defined authority and duty.
- **ii.** It is established to meet well defined aims.
- **iii.** There is a balance between authority and accountability.
- **iv.** There is superior-subordinate relationship among all the people.
- **v.** Rules and rules are obeyed by all the people.
- **vi.** It is stable in nature. It comes to an end only after closure of the organization.
- **vii.** Communication between persons is a formal communication.
- **viii.** There is system of co-ordination.

Informal Organization:The informal organization exists within the formal organization. It is a network of personal and social interactions existing in a formal organization. People in the company do not necessarily follow official lines. Employees in one department know those in other departments.

They may wish to know what is going in each other department. In such instances informal groups get created. It does not have any definite structure. So, it cannot be shown by any chart. Informal organization refers to the ties between the people in the organization based on personal attitudes, feelings, likes, dislikes etc.

This edifice comes into existence as per wish of the people[7]–[9]. According to Keith Davis, informal organization is a network of personal and social interactions not developed or needed by the formal organization but forming spontaneously when people associate one another.

Features of Formal Organization

i. It is a network of personal and social interactions existing in a formal organization.
ii. It is established to promote personal and social interactions.
iii. There is no question of assigning authority and deciding responsibility as ties are social in nature.
iv. There are no well-defined objectives to be attained.
v. The relations are informal. Therefore, there are no superior-subordinate relationships.
vi. There is no requirement for co-ordination.
vii. There are no norms and regulations to be observed.
viii. It is not stable in nature. Relationship can come to an end at any time.
ix. Communication among the people is informal communication known as Grapevine Communication.

Importance of informal organization:

i. It encourages a formal organization to become humanistic and prevents its dehumanization.
ii. It delivers social happiness to group members. These are created to satisfy the requirements of friendship, camaraderie, sense of belonging, security etc.
iii. It gives the best means of human communication.
iv. It works as an effective agency for social control of human behavior.
v. It assists the formal organization to get the work done.
vi. It encourages co-operation among all the people in the organization.
vii. It covers holes in managerial competencies.
viii. It gives a safety value for employee emotions.

Process of Organizing

The organizing process involves following stages:

1. Division of Work: The first phase of organizing comprises identification and division of work which shall be done in accordance with the plans that are decided before.

2. Depart mentation: Once the process of identifying and dividing the work has been done those are comparable are to be grouped.

3. Linking Departments: When the process of depart mentation was accomplished, linking of departments has to be done so that those departments operate in a coordinate manner which gives a shape to overall organization structure.

4. Assigning Duties: On completion of depart mentation process assigning duties i.e. defining authority and responsibility to the employees on the basis of their talents and capabilities has to be done, which in consequence magnifies efficiency with regard to their job.

5. Defining Hierarchal Structure: Each employee should also know from whom he has to take orders and to whom he is accountable/responsible**.**

Organization Charts

An organizational chart is a diagram that displays the structure of an organization as well as the relationships and relative ranks of its positions. The term chart refers to a map that lets managers navigate through trends in their staff. Charts assist organize the workplace while outlining the direction of management control of subordinates. Increasingly a required management tool, organizational charts are particularly beneficial when organizations reorganize, start on a merger or acquisition, or need an easy way to visualize a big number of people[10]. An organizational chart of a firm usually depicts the supervisors and sub-workers who make up an organization. It also displays the links between directors: managing director chief executive officervarious departments. In many major corporations the organization chart can be vast and immensely detailed and is thus sometimes split into smaller charts for each specific department inside the firm. There are three different types of organization charts:

- **i.** Hierarchical.
- **ii.** Matrix.
- **iii.** Flat or Horizontal.

Benefits of Organizational Charts

1. Organization charts are an effective approach to communicate organizational, employee and company information. An org chart makes it easier for individuals to absorb and assimilate vast volumes of information as a visual representation rather than as a table of names.
2. Organizational charts provide the greatest value when utilized as a framework for controlling change and communicating present organizational structure. When fully utilized, org charts allow managers to make decisions regarding resources, give a framework for managing change and disseminate operational information across the firm.
3. Organizational charts give managers with specific departmental information that may then be utilized as a baseline for planning, budgeting and workforce modeling.
4. Publishing and sharing org charts to a full organization communicates critical and valuable organizational information to all employees. Org charts are useful for conveying the organization's strategic direction, as well as clarifying duties, dependencies and relationships. Good charts also help you to structure their teams with defined roles, titles and lines of power.

Limitations

1. If updated manually, organizational charts can very quickly become out-of-date, especially in large firms that changes their workforce constantly.
2. They merely display 'formal relationships' and tell nothing of the pattern of human ties which emerge. They also often do not reveal horizontal linkages.
3. They provide little information regarding the managerial style adopted.
4. The greatest structure for one sort of business may not be the best for another. The optimum structure for a young firm may not be suitable as the business expands.

Organization Manuals

Organization handbook is a storehouse for organization data often utilized by firm management.

It has various values as an administrative tool to allow the manager to accomplish his work more successfully. It enables him to visualize the firm organization as a whole and to perceive his personal tasks as part of the entire picture. It also identifies the relationships which will lead him in creating teamwork and in dealing with other managers. The organization handbook should be made up as a permanent, hardback, loose-leaf volume. Individual position guides and organization charts may be developed by accountable mangers using a structure stipulated by business regulations. The manual itself should be maintained by the organization planning function.

Contents of Organization Manual

Manual should contain the following data:

1. Statement of corporate objectives and policies.
2. Responsibilities and authority at various levels.
3. Delegation of authority existent in the organization.
4. Nature of supervision.
5. Span of control at various levels.

Benefits of Organization Manual

1. It gives information about the company's planning and organizing outlines.
2. It acts as position guide to the managers by showing their duties, abilities and relationships
3. It becomes a beneficial device for managerial training.
4. It facilitates co-ordination and control in the enterprise
5. It facilitates speedy decision making by describing objectives and policies as well as by indicating the limitations of authority.

CONCLUSION

Good organizational management is vital for the success and longevity of any organization. By having clear objectives and executing suitable management techniques, firms can boost productivity, employee happiness, and overall success. Objectives serve a key role in steering organizational actions. They offer a feeling of direction and purpose, ensuring that all activities are aligned towards common goals. Well-defined objectives also facilitate successful resource allocation and decision-making, since they provide a basis for evaluating progress and success.

Management by Objectives (MBO) is a valuable method in organizational management. It encourages a collaborative approach where objectives are mutually created and performance is evaluated based on their achievement. MBO develops a culture of accountability and empowers people to take ownership of their work. By connecting individual and team goals with corporate objectives, MBO promotes collaboration, communication, and overall efficiency. Organizations need to continuously adapt to internal and external changes to remain competitive. Effective leadership, solid communication channels, and a supportive company culture are essential components in managing change successfully. Embracing innovation, establishing a learning environment, and supporting diversity and inclusivity are also crucial for firms to thrive in a dynamic and interconnected world.

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