**CHAPTER - 1**

**NATURE AND SIGNIFICANCE OF MANAGEMENT**

Q1. ABC Ltd target production is 5,000 units in a year. To achieve this target the manager has to operate on double shifts due to power failure most of the time. The manager is able to produce 5,000 units but at a higher production cost. In the above case tell the status of the manager. (1)

(a) Manager was effective

(b) Manager was efficient

(c) Manager was both effective and efficient

(d) None of the above.

Q2. To meet the objectives of the firm, the management of Alpha Ltd. offers employment to physically challenged persons. Identify the organisation's objective it is trying to achieve: (1)

(a) Organisational objective

(b) Personal objective

(c) Social objective

(d) None of these

Q3. The goal of the Sakshi retail store is to increase sales and the goal of the Domestic society of India to import education to the children with special needs. Management unites the efforts of different individuals in the organisation towards achieving these goals. Identify the characteristics of management discussed above.

(1)

(a) Management is a continuous process

(b) Management is a goal oriented process

(c) Management is multi-dimensional

(d) Management is all pervasive.

Q4. "What distinguishes a successful manager from a less successful one is the ability to put the principles into practice." Which aspect of the nature of management is highlighted in the above statement? (1)

(a) Management as a science

(b) Management as an art

(c) Management as a profession

(d) Management is an intangible force.

Q5. Provision of crèches for the children of employees is an example of which objective of management? (1)

(a) Organisational objectives

(b) Social objectives

(c) Personal objectives

(d) Both (a) and (b)

Q6. 'To allow adequate rewards to employees' is an example of which organisational objective? (1)

(a) Organisational objectives

(b) Social objectives

(c) Personal objectives

(d) Both (a) and (b)

Q7. Which of the following feature of science is fully satisfied by management?

(1)

(a) Systematized body of knowledge

(b) Principles based experiments

(c) Universal validity

(d) Based on practice and creativity

Q8. At which level of management, a departmental head is placed? (1)

(a) Middle level

(b) Top level

(c) Lower level

(d) Operating level

Q9. " A manager in a conscious manner has to ensure that even where members of a department willingly co-operate, coordination gives direction to the willing spirit." The characteristic of coordination being highlighted above is: (1)

(a) Coordination is the responsibility of all managers

(b) Coordination is a deliberate function

(c) Coordination integrates group efforts

(d) Coordination is a continuous process.

Q10. The production department at Sky Ltd., a firm manufacturing readymade garments for men has an objective to increase production by 15% but the sales department does not approve of the increase in production, till changes are brought about in the product to incorporate latest fashion. These kinds of conflicts bring to light the following the following importance of the force that can help to accomplish the linking of activities of various departments: (1)

(a) Growth in size

(b) Functional differentiation

(c) Specialization

(d) Efficiency

Q11. Define co-ordination. (1)

Q12. The task of management is to make people work towards achieving the organisational goals by making their strengths effective and their weakness irrelevant. Identify and state the dimension of management. Explain other two dimensions of management. (3)

Q13. What do you mean by management? (3)

Q14. Write a short note on organisational objectives of management. (3)

Q15. Rajesh is working as 'Plant Superintendent' in Heights Ltd. Name the managerial level at which he is working. State any four functions he will perform as 'Plant Superintendent' in the company. (3)

Q16. Differentiate between effectiveness and efficiency. (4)

Q17. What are the features of management. (4)

Q18. "Success of an organisation largely depends upon its management." Explain any four reasons to justify the statement. (4)

Q19. Aditi is a manager of a company selling laptops. She plans the target sale of 2000 laptops per month. She allocates necessary resources to carry out the plan. She has six salesmen working under her. She works with them, guiding and motivating them to achieve the target sales. At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales. Identify, by quoting the lines from the above paragraph, the functions of management Aditi is performing. Explain these functions. (4)

Q20. Why management is called 'inexact science' ? (4)

OR

Why management is called 'soft science' ?

Q21. "Management is proceeding towards professionalisation". Elucidate . (4)

Q22. State any four functions of a top/middle/operational level of management. (4)

Q23. "Co-ordination is the essence of management. “Do you agree ? Explain. (4)

Q24. A Company is facing a lot or problems these days. It manufactures white goods like washing machines, microwave ovens, air conditioners. The company's margins are under pressure and the profits and market share are declining. The production department blames marketing for not meeting sales target and marketing blames production department for producing goods, which are of not good quality meeting customer's expectations. The finance department blames both production and marketing for declining return on investment and bad marketing. What quality of management do you think the company is lacking? Explain briefly. What steps should the company's management take to bring the company back on track? (4)

Q25. "Management is a series of continuous inter-related functions with no pre-determined sequence". Explain. (6)

Q26. "Co-ordination is synchronization of group efforts to achieve organisational objectives." In the light of this statement highlight any five features of co-ordination. (6)

Q27. You have three brothers. They are working in three different MNCs as General Manager ,Supervisor and Deputy Personnel Manager .What functions of management do you think they are performing in their companies? Are they performing the same functions of management? If yes, how? (6)

Q28. Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executive. A typical day at work in Jay ant’s life consists of a series of interrelated and continue functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an i-pad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.  
In context of the above case:

(a) Identify the concept being referred to in the following line, “He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives.”

(b) Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph. (6)

**Answers**

Ans 1. (a) Manager was effective.

Ans 2. (c) Social objective

Ans 3. (b) Management is a goal oriented process

Ans 4. (b) Management as an art

Ans 5. (b) Social objectives

Ans 6. (c) Personal objectives

Ans 7. (a) Systematized body of knowledge

Ans 8. (a) Middle level

Ans 9. (b) Coordination is a deliberate function

Ans 10. (b) Functional differentiation

Ans 11. Synchronization of various activities and efforts of all individuals, groups, departments in common direction to achieve the goals of the organization is called coordination.

Ans 12. Management of people is the dimension of management where the task of management is to make people work towards achieving the organisational goals by making their strengths effective and their weakness irrelevant.

--->Management of work **-** The performance of a definite work forms the basis of an organisation. With management, this work is interpreted in terms of the objectives and goals and how they are to be achieved.

--->Management of operations**-** Every organisation involves a production process where the inputs are transformed into a product or a service. This production process requires continuous management.

Ans 13. Management can be defined as a process of getting the work or the task done that is required for achieving the goals of an organisation in an efficient and effective manner. Process implies the functions of the management. That is, planning, organising, staffing, directing and controlling. On the other hand, effective implies completing the given task and work while, efficient means successfully completing the task with minimum possible cost. Thus, management can be defined as the process of planning, organising, staffing, directing and controlling such that the goals of the organisation are achieved successfully with minimum cost and resources.

Ans 14. Organisational Objectives: Management is accountable for establishing and attaining objectives for the company. It has to deliver a variety of objectives in all operations contemplating the interest of all shareholders including, stakeholders, consumers, the government and employees. The principal objective of any company must be to use material and human resources to the maximum potential benefit, i.e., to meet the financial objectives of a firm. And they are survival, profit and growth.

* Survival: The essential objectives of any industry is survival. Management must attempt to assure the continuation of the business. In order to survive, an industry must gain enough funds to meet the costs that would be incurred.
* Profit: Poor survival is not sufficient for the industry. Management has to make sure that the company earns the profit. Profit contributes to a necessary catalyst for the sustained successful performance of the firm. Profit is crucial for meeting the costs and uncertainties of the business concern.
* Growth: A firm requires to add to its chances, in the long run, for this it is necessary for the concern to develop. To prevail in the business, management must utilise adequately the growth potential of the firm.

Ans 15. He is working at middle-level management and the functions performed by him are:   
1. Interpretation of policies framed by top management to lower level.   
2. Organizing the activities of their department.  
3. Control and instruct the employees.  
4. Coordinate with other departments like finance, marketing, etc.

Ans 16.

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| Basis | Efficiency | Effectiveness |
| Definition | Efficiency refers to the act of performing activities with minimum wastage of time and optimum usage of resources, so that the work done is faster and in an error free manner. | Effectiveness is the extent to which someone or something is successful towards meeting the desired outcome. |
| Effort oriented | Efficiency is effort oriented | Effectiveness is not effort oriented |
| Focuses on | Efficiency is focused on the inputs and outputs. | Effectiveness is focused on the extent to which work is done and the end result. |
| Oriented towards | Efficiency is more operation oriented. | Effectiveness is more strategy oriented. |
| Time oriented | Efficiency is time oriented. | Effectiveness is not time oriented. |

Ans 17. Following are the features of management:- (any four)

* Universal:Every organization irrespective of their financial position requires management to manage their activities, thus it is universal in nature.
* Goal Oriented: Management helps the organization achieve goals systematically and without any fuss.
* Continuous Process**:** Management is an ongoing process which is required in every facet of an organization to function good, be it production system, human resource, finance or marketing
* Multi-dimensional: Management not only manages the workforce but also manages every sphere of the organization whether it is production, human resource.
* Group Activity:The groups in an organization work together also the members in different groups work in a system, they belong to different backgrounds, culture and they have different aspirations, to work evenly without any difference issue they need to adopt the management.
* Dynamic Function: Business environments have different factors like social, political, legal, technological and economical, with these factors in force an organization is open to changes frequently, with management in their system they can apprehend the changes and work towards responding to it.
* Intangible Force:Management cannot be touched or seen, its effect can only be experienced and the benefit can only be enjoyed.

Ans 18. Importance of management for every business organization are: (any four)

* Achieving Group Goals: The management tries to integrate the objectives of the individuals along with the organizational goal. It directs the efforts of all individuals in the general direction of achieving the organizational goal.
* Increases Efficiency: Managers try to reduce costs and improve productivity with minimal waste of resources. Emphasizes efficiency and effectiveness in the work through management planning, organizing, staffing, direction, and control.
* Creates a Dynamic Organisation: Organizations have to survive in a dynamic environment so managers keep making changes in the organization to match the environmental changes.
* Achieving Personal Objectives: A skilled manager is one who brings maximum prosperity to the employer as well as to the employees. The manager leads the people in such a way that the organizational goal, as well as the individual goals of the employees, is also achieved.
* Development of the Society: Efficient management always has multiple objectives, they give due importance to social obligations, towards different groups of people such as employees, customers, suppliers etc. It insists on providing quality goods, Helps in competitive salary, creates employment opportunity etc.

Ans 19. Nishtha is performing the following functions of management:   
(i) Planning - 'She plans the target sale of 2000 laptops per month.'  
(ii) Organising - 'She allocates necessary resources to carry out the plan.'  
(iii) Direction - 'She works with them, guiding and motivating them to achieve the target sales.'  
(iv) Controlling - 'At the end of the month, after comparison of actual sales with the target sales she found that actual sales exceeded the target sales.'

Ans 20. Science is a systematised body of knowledge that establishes cause and effect relationship.  
The basic features of science are:  
(i) Systematised body of knowledge Science is a systematised body of knowledge, consisting of principles and theories based on cause and effect relationship.  
(ii) Principles based on experimentation  
Scientific principles are formed on the basis of observation and experimentation.  
(iii) Universal validity Scientific principles are valid and applicable universally.  
Management is a science because of the following reasons:  
(i) Like science, there is a systematised body of knowledge in management, consisting of theories, principles and concepts.  
(ii) Principles of management are evolved after continuous observations and experimentation.  
(iii) Like science, some of the principles of management have universal validity, but they are not as exact as principles of pure science.  
Management is a social science or soft sciences, as it involves the study of human behaviour. Management cannot be as- perfect as natural sciences. Therefore it is an inexact/soft science.

Ans 21. Following points clarify whether management is a profession or not:  
(i) Like profession, management has well defined body of knowledge. It has its own principles, which are based on experiments.  
(ii) In management, no such restriction is there for managers to clear an examination or hold a degree.  
(iii) In management, no such rules and regulations are framed to guide the managers.  
(iv) Membership to a professional association like AIMA, is not mandatory for managers.  
(v) All managers, directly or indirectly work for the development of society.  
Thus, management does not possess all the essential attributes of a profession. No doubt, management though not a full fledged profession, is emerging as a profession.

Ans 22. --->Functions performed at top level of management are:

* Making strategies and goals for the organisation.
* Taking decisions regarding activities to be performed.
* Framing policies for the organisation.
* Responsible for welfare and survival of the organisation.

--->Functions performed at the middle level of management are:

* Interpret the policies to lower management.
* Taking decisions regarding the number of personnel in the department.
* Assigning duties and responsibilities to employees in their department.
* Convey suggestions and grievances of the supervisory level to the top level for the overall smooth functioning of the organisation.
* Liable for the ultimate production of respective departments.
* To act as a link between the lower level and the management.

--->Functions performed at the lower level of management are:

* Providing on the job training to the workers
* Ensuring the good performance of the workers
* Giving feedback to the workers
* Influence others to work more by setting an example
* Responsible for group unity
* Act as a link between the management and the workers

Ans 23. Co-ordination plays a vital role as it binds all the other functions of management. It is the common thread of all activities such as purchase, production, sales etc that runs through. Some of the basic features are as follows  
(i) Integrates Group Efforts Co-ordination brings unity to all. It gives a common focus to group efforts.  
(ii) Ensures Unity of Actions It acts as a binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.  
(iii) It is a Continuous Process Co-ordination is not a one time function but a continuous process. It begins at the planning stage and continues till controlling.  
(iv) It is an All-Pervasive Function Co-ordination is required at all levels of management due to the interdependent nature of activities of various departments. It integrates the efforts of different departments and different levels.  
(v) It is the Responsibility of All Managers All managers need to co-ordinate something or the other. A manager of production department needs to co-ordinate the work within his department and also with the other departments at the same time.  
(vi) It is a Deliberate Function Whatever the managers are doing in an organisation they are doing it knowingly. Co-ordination is one of the most important functions of all managers. Thus co-ordination is also done deliberately. Whatever the managers do, they do it deliberately to achieved the predetermined goals and objectives.

Ans 24. Coordination is missing in the company . All the departments are not coordinating with each other and that is why they end up in blaming each other for the poor performance.  
To bring coordination, management should take the following steps:  
(i)After the goals are established, it should be communicated to all departments well in advance to understand its importance and their specific roles.  
(ii) Managers ensure that all departments coordinate with each other.  
(iii) Whenever there is a difference of interest, the managers should try and strike a balance so that they all work in the same direction.  
(iv) Meetings between the departmental heads of production, marketing, finance, etc, should be organised on a regular basis and in routine to solve problems when they emerge.

Ans 25. The steps involved in the process of management are:  
(i) Planning: In this step, everything before acting the managements helps in determining objective, forecasting and plans in formulation of policies.  
(ii) Organising: Once the plans are formulated in an organisation, the next step is organising which means providing all necessary things for its functioning-raw materials, tools, capital, personnel, etc.  
(iii) Staffing: In this step, right person is placed at the right job according to the need of work force which is required to achieve the organisational goals.  
(iv) Directing: At this stage, actual work is started as it implies initiating or instructing employees to act.  
(v) Controlling: This step helps in binding the efforts at every step. It ensures that the organisation is moving on the right track to achieve its goal.  
The various functions of manager are usually performed in the order given above, suggesting that a manager first plans In reality, managers are rarely able to carry out these functions in isolation.  
The activities are interrelated and it is often difficult to pinpoint where one ended arid the other began. e.g. while performing the staffing function, HR Managers have to plan for the future manpower requirements, recruitment, selection, etc, all at the same time.  
Thus, management functions are continuous and interrelated, with no predetermined sequence.

Ans 26. Any five features of coordination are:

1. Coordination integrates group efforts by integrating the activities performed by the individual towards a common direction.

2. Coordination is a continuous function as it is never ending because manager works continuously to achieve coordination and maintain coordination because without it the organisation cannot function efficiently.

3. Coordination is an all pervasive function: Coordination is a universal function because it is required at all the levels of management, in all the departments and to perform all functions due to interdependence of various activities on each other.

4. Coordination is a deliberate function as every manager tries to coordinate the activities of the organisation to avoid confusion and chaos in the organisation.

5. Coordination is the responsibility of all managers and not just the top level management in an organisation.

Ans 27. All the three brothers of mine are working on three different levels of management, such as top-level, lower level and middle level. They are performing the same functions of management, such as planning, organising, staffing, directing and controlling. It means all the functions of management are performed at all three levels of management. But there is only a difference of degree. For example, planning is considered the most important function at the top while at the lower level directing is all-important.

(Explain the functions of each level of management for explanation ,see Ans 22)

Ans 28. The concept of management has been identified in the lines mentioned in the question. Following are the various concepts and functions that can be identified by quoting lines from the paragraph mentioned in the question.

* The function of planning is reflected in the lines ‘He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance.’ Planning refers to the process of setting objectives for an organisation and also developing an appropriate course of action to achieve the desired objectives.
* The function of organising is reflected in the lines ‘The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them.’ Organising is a function of management which involves coordinating human efforts, assembling resources and integrating both in a way which helps in achieving the specified objectives of the organisation.
* The function of staffing is reflected in the lines ‘Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department.’ Staffing refers to the process of filling up and keeping filled the vacancies for job positions in the organisation.
* The function of directing is reflected in the lines ‘Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs.’ Directing refers to instructing, guiding, counselling, motivating and leading people in the organisation for achieving the goals of the organisation.
* The function of controlling is reflected in the lines ‘Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.’ Controlling refers to the function of management which involves evaluating the performance of the organisation by comparing the actual performance with the set standards and taking corrective actions in case of any deviations.