

Management Functions

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Abstract: *Management is an activity consisting of process which is mainly concerned with important task of goal achievement. No business enterprise can achieve its objective until all the members of the organization work in planned and integrated way. Therefore the process of management involves the determination of objectives and putting them in action.*

Keywords: *Management*

I. INTRODUCTION

Planning – It bridges the gap between where we are and where we want to go.

Importance of Planning

- Increase efficiency
- Reduces business related risks
- Provides direction
- Encourages creativity and innovation
- Helps in motivation
- Helps in decision making
- Helps to achieve objectives
- Provides basis of control

Steps in Planning Process –

- Establishing verifiable goals
- Planning Premises
- Deciding the Planning Period
- Finding alternative course of action
- Evaluating and selecting a course of action
- Implementing the Plan
- Measuring and Controlling the Programme

Types of Plans –

- Objectives
- Strategies
- Policies
- Procedure
- Programmes

Organising – It involves division of work among people to achieve the desired objectives.

Importance of organization –

- Facilitates efficient management
- Coordination and communication
- Growth and diversification
- Optimum use of resources

- Provides for optimum use of technological innovations

Organization as a process –

- Determination of objectives
- Identification and grouping of activities
- Assignment of duties
- Establishing relationship among individuals and group

Organization structure –

- Functional Structure
- Divisional Structure

Types of organization –

- Formal Organisation
- Informal Organisation.

Staffing – It is concerned with planning right kind of people at right place.

Importance of staffing –

- Helps in finding efficient worker
- Helps in increased productivity
- Maintains Harmony
- Helps in morale boosting
- Helps in Optimum utilization of human resources.

Functions of Management:-

Management is an activity consisting of process which is mainly concerned with important task of goal achievement. No business enterprise can achieve its objective until all the members of the organization work in planned and integrated way Therefore the process of management involves the determination of objectives and putting them in action.

According to G.R. Terry ‘Management is a distinct process consisting of planning, organizing, actuating and controlling, performed to determine and accomplish stated objectives by the use of human beings and other resources’ Management is considered a continuing activity made up of basic management functions which are Planning , Organising, Staffing, Directing and Controlling. The managers have to perform all these functions in order to achieve the desired organizational goals.



Planning :-

The first and the most important function of management is Planning. Planning involves setting objectives in advance, a goal which is to be achieved within stipulated time. Various alternatives are formulated in order to achieve the goals. The best alternative courses of action is then selected which will help the organization to achieve its objectives. Planning is the most basic function of management. It is deciding in advance what to do and how to do when to do and by whom it is to be done. It bridges the gap between where we are and where we want to go. All the other functions of management like organising, staffing, directing, controlling are dependent on planning. Planning is related to future and is a continuous process. All the organisation have to make a concrete plan before they start business or execute any project.

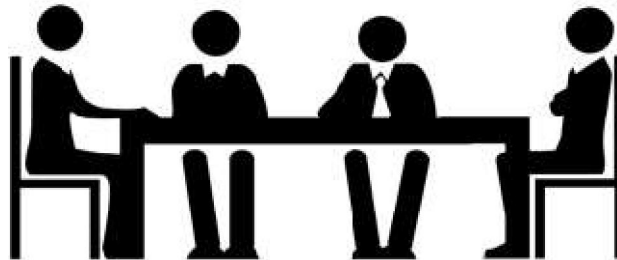
Definition of Planning :-

According to Theo Haiimann

“Planning is deciding in advance what is to be done .When a manager plans, he projects a course of action for the future, attempting to achieving a consistent, coordinated structure of operation aimed at desired result ”.

Importance of Planning :-

Planning increases the efficiency of an organisation. All business organizations would like to be successful, have a goodwill in the market, have higher profits. For attaining these attributes the thinking process has to be very effective. Now let’s understand why planning is important for the organization.



- 1. Planning increase efficiency** –Planning makes optimum utilization of all available resources. It helps to reduce wastage and avoids duplication of work.
- 2.Planning reduces business related risks-** Planning helps to forecast the business related risk and also helps to take necessary precautions to avoid these risks and prepare for future uncertainties
- 3.Planning provides direction** – Direction means to give proper information, accurate instructions and guidance to the subordinates. Planning tells us what to do, how to do and when to do . It help the organization to achieve the goals through systematic coordination of the employees.
- 4.Planning encourages creativity and innovation-** Planning helps the managers to express their creativity and innovation. It brings satisfaction to the managers and eventually success to the organization.
- 5. Planning helps in motivation-** A good plan provides various financial and non-financial incentives to both managers and employees. These incentives motivate them to work hard and achieve the objectives of the organisation.
- 6. Planning helps in decision making** – A manager makes many different plans. Then they evaluate every course of action and choose the best strategy. So decision making is facilitated by planning.
- 7.Planning helps to achieve objectives-** Without Planning each and every activity will be based on trial and error which will give rise to confusion Every organization has certain targets. Planning helps an organization to achieve their aims by avoiding overlapping, confusion and misunderstanding.
- 8. Planning provides basis of control-**Planning is the first function of management. The other functions like organising, staffing, directing and controlling etc. are organized for implementing plans. Controlling records the actual performance and compares it with standards set. In case the performance is less than the standards set then deviations are ascertained and proper corrective measures are taken to improve the performance in future. Planning and controlling

both are dependent on each other. Planning establishes standards for controlling. Therefore, Planning is necessary for effective and efficient functioning of every organisation irrespective of its size, type and objectives.

Steps in Planning Process :-

1. **Establishing verifiable goals-** The first step in planning is to determine the enterprise objectives. These are more often set by upper level managers. The objective may vary from a desired sales volume or growth rate to development of a new product.
2. **Establishing Planning Premises-** Plans are made to operate in the future. The second step in planning is to establish planning premises i.e. assumption on the basis of which plans will be ultimately formulated. Planning premises are vital to the success of planning as they supply important facts and information related to future like population trends, economic condition, production cost, government control etc.
3. **Deciding the Planning Period** –The next task is to decide the period of the plan whether it's a yearly plan or a plan which is spread over for longer span of time. Choice of planning period is decided based on time required in development of new product, time required to recover capital investment and length of commitments already made.
4. **Finding alternative course of action** – The next in planning is to search for and examine alternative course of action. For Ex-Products may be sold directly to the consumers by the company's salesman or through exclusive agencies.
5. **Evaluating and selecting a course of action-** Having searched the alternative courses, the next step is to evaluate and analyze them in the light of premises and goals and select then best alternative. This is done with the help of quantitative techniques and operations research.
6. **Implementing the Plan-** The best possible course of action has now to be implemented i.e. putting the plan into action . For this the managers have to develop derivative plans for each department. A draft version of the action plan should be communicated to inform those directly affected and gain their cooperation.
7. **Measuring and Controlling the Programme** –The process of controlling is a critical part of any plan. Managers need to check the progress of their plans i.e. follow up, so that they can take remedial action if the plan is not working as per schedule or change the original plan if it is unrealistic.

Types of Plans:-

1. **Objectives** - Objectives may be defined as the goals which an organisation tries to achieve. Objectives are the ends towards which the activities of the enterprise are aimed. Objectives provide direction to various activities and serve as benchmark of measuring the efficiency and effectiveness of the organization
2. **Strategies** - A strategy is a special kind of plan formulated to meet the challenge of the policies of the competitors. Strategy can be shaped by the general forces operating in an industry and the economy. The strategy must be consistent with external environment
3. **Policies** - Policies may be described as plans which are meant to serve as broad guidelines to decision making in a firm. Policies exist at various levels of the enterprise. A policy should be definite, positive and clear. A policy is a standing plan which assist decision making and should be referred as a general statement of the established rule. For example –A firm has a policy of promotion from within the organisation. If a vacancy arises; the first preference is given to existing employees.
4. **Procedure** – Procedure lays down the manner or method by which work is to be performed in a standard and uniform way. Procedure is a standing plan acting as a means of implementing a policy. For Example –Sales department lays down a policy to execute all orders within 48 hours. So a procedure has to be followed in a chronological and systematic order to fulfill the orders.
5. **Programmes** – Programmes are precise plans which need to be made to discharge a non –repetitive task. The essential ingredient of every programme are time phasing and budgeting. Specific dates should be laid down for the completion of each successive stage of a programme. For Example –An enterprise has a programme of opening 5 branches in different parts of a

country so they have to allocate funds and time period for -

- a) Securing the necessary accommodation.
- b) Recruiting personnel to manage business
- c) Arrange the supply of goods that are to be sold through the branches Often a single step in a programme is set up as a project.

6. **Rules** – Rules are an explicit statement that tells the members of the organization what they can or cannot do. Rules do not allow any room for interpretation because it clearly specifies the action needed to be done in a particular situation. Rules enforce discipline. For e.g. - Use of Mobile Phone at workplace during office hours is restricted.

7. **Budgets** - Budgets are plans for future period of time containing statements of expected results in numerical terms. Budgets are very useful for an enterprise. Being expressed in numerical terms, they facilitate comparison of actual results with planned ones and serve as a control device. The important budgets are sales budget, production budget, cash budget, Revenue –Expense Budget.

Organising :-

After planning the next function of management is organising. Organising involves division of work among people whose efforts must be coordinated to achieve specific objectives and to implement pre-determined strategies. It is the backbone of management. After the objectives of an enterprise are determined and the plan is prepared, the next step in the management process is to organize the activities of the enterprise.

According to Louis Allen "Organising is the process of identifying and grouping the 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."

According to the Haiimann "Organising is the process of defining and growing the activities of the enterprise and establishing authority relationships among them. "

With reference to above definitions its clear that organising refers to the way in which the work of a group of people is arranged and distributed among group members.

Importance of Organising :-

The following points highlight the crucial role that organizing plays in any business enterprise-

1. **It facilitates efficient management** -Organising is necessary for the performance of other functions of management .Poor organisation may result in duplication of work and efforts.
2. **It facilitates coordination and communication** - Organisation creates a clear cut relationships between the departments and helps in laying down balanced emphasis on various activities. It also provides channels of communication and coordination of activities of different departments.
3. **It facilitates growth and diversification-** Sound organization hepls in the growth and expansion of the enterprise by facilitating its efficient management .It also increases the capacity of the enterprise to undertake more activities.
4. **It ensures optimum use of resources** -Organising leads to the optimum use of all material, financial and human resources. It matches the jobs with the individuals and vice versa and ensures that job position is clearly defined. It minimizes confusion and wastage of resources.
5. **It provides for optimum use of technological innovations-**Sound organisation structure is not rigid. It is flexible and provides adequate scope for adoption of new technology.

Staffing :-

After planning and organizing the next function of management is 'Staffing' .It is important to have a good organization structure, but it is even more important to fill the jobs with the right people. Filling and keeping the position provided for by the organization structure with right people at the right place is the staffing phase of the management function. All the managers have a responsibility for staffing. The staffing function deals with the human elements of management. The staffing function has assumed great importance these days because of rapid advancement of technology, increasing size of organizations and complex behavior of human beings.

Importance of Staffing :-

Staffing is people centered. Success in dealing with people will depend upon the degree to which they are perceived as making realistic contribution to the solution of management's problems. It should be remembered that every manager is expected to perform this function because he is engaged in getting things done through and with the help of people. There are various benefits of proper and efficient staffing. These are as under:

- a) **Helps in finding efficient worker-** Staffing helps in discovering talented and competent workers and develops them to work more efficiently for achievement of organizational goals.
- b) **Helps in increased Productivity** –Staffing ensures greater production by putting right man at the right job. It helps in improved organisational productivity through proper selection according to requirement.
- c) **Maintains Harmony-** Staffing maintains harmony in the organisation. Through proper staffing, individuals are not just recruited and selected but their performance is regularly appraised and promotions are done. This gives everyone an equal opportunity for getting better compensation which finally results in peace and harmony.
- d) **Helps in morale boosting-** Job satisfaction keeps the morale high of the employees. Through training and development programmes their efficiency improves and they feel assured of their career advancement.
- e) **Helps in Optimum utilization of human resources-**Staffing helps in proper utilization of the available personnel. Manpower forecasting provides a basis for recruitment, transfer and training of employees. Shortage or surplus of manpower will be revealed by proper manpower planning.