

Class 12
Business Studies

Chapter - 1_Focus Area 2022

NATURE AND SIGNIFICANCE OF MANAGEMENT

Ajith Kanthi Wayanad



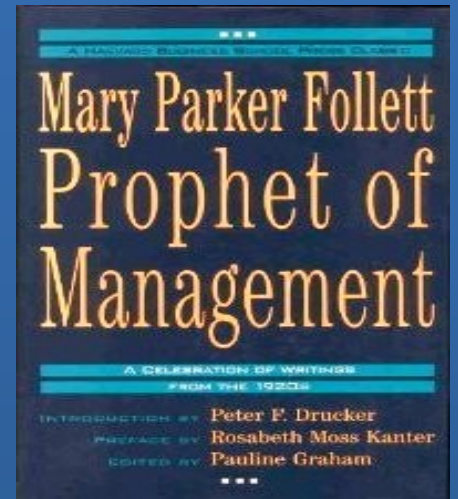
MANAGEMENT

Management is the process of getting things done through others with the aim of achieving organisational goals effectively and efficiently



Management

The art of getting things done through others.....



The background of the slide features a light blue rectangular area. Inside this area, five stylized businessmen in dark suits are walking from left to right. They are positioned on a row of five interlocking gears. The gears are rendered in shades of light blue and cyan. The entire scene is set against a background of a sunset or sunrise sky with orange and red hues, and a green grassy field at the bottom. The text 'Characteristics of Management' is centered over the middle of the image in a bold, dark teal font.

Characteristics of Management

Characteristics of Management

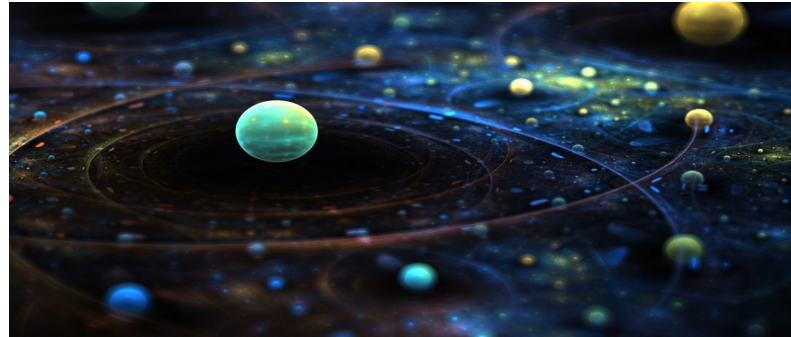
1. Goal Oriented



Management aims at achieving certain specified objectives (goals) of the enterprise

Characteristics of Management

2. Management is Pervasive



Management activities are universally applicable in all types of organizations anywhere in the world

Characteristics of Management

3. Management is Multidimensional

- a) Management of Work
- b) Management of People
- c) Management of Operations



Characteristics of Management

4. Management is a Continuous Process



It involves planning, organizing, staffing, directing and controlling

Characteristics of Management

5. Management is a Group Activity



Goals and objectives of an organization can be effectively attained by a group rather than by an individual

Characteristics of Management

6. Management is a Dynamic Function



Management principles are not static in all situations
It must be adopted according to the changing needs
of the organization

Characteristics of Management

7. Management is Intangible



Its presence is felt by the result of the organization
e.g. increase in profit

Characteristics of Management

1. Goal Oriented
2. Pervasive
3. Multidimensional
4. Continuous Process
5. Group Activity
6. Dynamic Function
7. Intangible Force



Objectives of Management

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Objectives of Management

**Organisational
Objectives**

**Social
Objectives**

**Personal
Objectives**



Objectives of Management

1

Organisational Objectives (Economic Objectives)

Objectives set by management for the organization are called organizational objectives

The elements of economic objectives are Survival, Profit and Growth.



Objectives of Management

2

Social Objectives

A business should conduct the activities to fulfil the expectations of the society

Undesirable activities should not be undertaken for maximizing profit



Objectives of Management

3

Personal Objectives

The management must reconcile personal goals with organizational objectives to have harmony in the organization



Nature of Management



Art



Science



Profession

Nature of Management

1

Management is an Art

Art

Management is an art because a manager uses his skills and knowledge in his day to day activities for achieving the goals of the organization

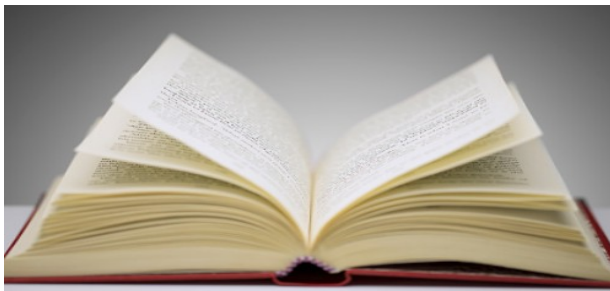


Features of an Art

a

Existence of theoretical knowledge

This knowledge is derived from the experiences of experts and is published in the form of books and literature in different fields like dance, music, public speaking, management etc.



Art

Features of an Art

b

Personalised application

Art

The use of basic knowledge varies from person to person



Eg: Two dancers, two speakers, two actors etc. will differ in demonstrating their art

Features of an Art

C

Based on practice and creativity

Art

Art involves creative practice of existing theoretical knowledge



Nature of Management

2

Management is a Science

Science

Science is a systematically organized body of knowledge

It is based on logically observed findings, facts and events



Features of Science

Science

- a) Systematised body of knowledge
- b) Principles based on experimentation
- c) Universal validity



Management as a Science

Although management has a systematized body of knowledge, they cannot be compared with the principles of physical science, which are definite and exact

Therefore, management is an
inexact or soft science



Nature of Management

3

Management is a Profession

Profession

A profession is an occupation backed by specialized knowledge and training and to which entry is regulated by a representative body



Features of Management as a Profession

a

Well defined body of knowledge

Profession

Developed by management experts



Features of Management as a Profession

b

Restricted Entry

Profession

Management requires formal education and training provided by formal institutions like Universities, Professional Organizations such as Institute of Chartered Accountants of India, IIM etc.



Features of Management as a Profession

C

Professional Association

Profession

For the implementation of code of conduct
Eg. All India Management Association (AIMA).



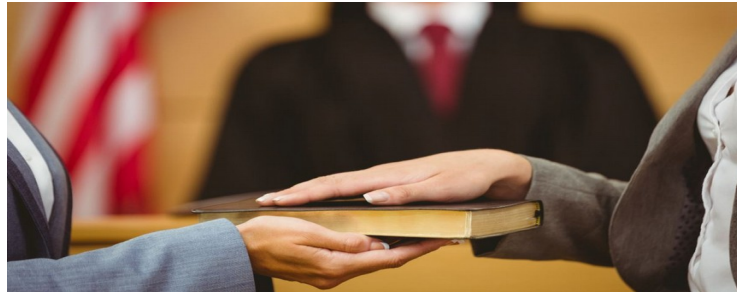
Features of Management as a Profession

d

Ethical Codes of Conduct

Profession

All professions are bound by a code of conduct, which guides the behaviour of its members



Eg: Doctors take an oath of ethical practice at the time they enter the profession

Features of Management as a Profession

e

Service Motive

Profession

The primary objective of a profession is providing service to the society



Levels of Management



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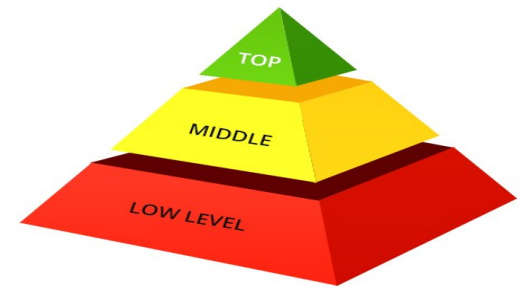
Levels of Management

Levels of management refers to the arrangement of managerial positions in an organization.

There are generally three levels of management

Top Level, Middle Level and Lower Level

(Supervisory or Operational) Management



Top Level Management

Top level management consists of managers at the highest level in the management hierarchy

Chairman, managing directors, board of directors, chief executive and general managers are regarded as top level management in a business organization



Top Level Management

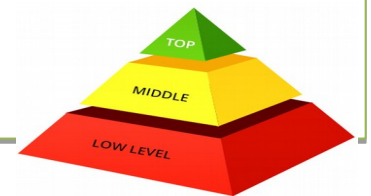
This level of management is responsible for framing business policies and taking major decisions

They perform administrative functions more than the managerial functions



Functions of Top Level Management

1. Lays down the objectives of business.
2. Prepares plans and policies.
3. Issues instructions to departments.
4. Appoint executives in middle levels.
5. Coordination of activities.
6. Controls the departments.
7. Maintain relationship with outsiders.



Middle Level Management

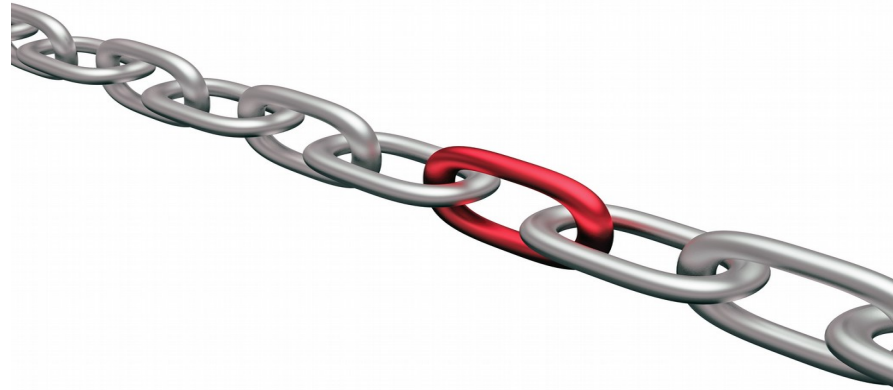
This level of management consists of different departmental heads



These managers receive orders and instructions from top level managers and pass them to their subordinates

Middle Level Management

These managers are responsible for executing the plans formulated by top management



This level acts as an intermediary between the top management and the lower level management

Functions of Middle Level Management

1. Closer watch on day to day results
2. Participate in operating decisions
3. Implementation of policies
4. Communicating policies to lower level
5. Planning the activities of own department



Functions of Middle Level Management

6. Directing managers at lower level
7. Evaluating performance of employees
8. Reporting to top level
9. Cooperating with other departments
10. Motivating employees based on performance



Lower Level Management

This level is also known as Supervisory Management or Operational Management



It consists of foreman, supervisors, finance and accounts officers, sales officers etc. They assign specific jobs to the workers, evaluate their performance and report to the middle level management.

Functions of Lower Level Management

- 1.Planning day to day activities
- 2.Assign jobs and tasks to workers
- 3.Reporting feedback to higher level
- 4.Taking corrective actions
- 5.Personal contact with the employees
- 6.Link between middle level and workers
- 7.Providing on the job training to workers



Coordination

The essence of Management

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Coordination

Coordination refers to the process of integrating the activities of different units of an organization to achieve the organizational goals



Coordination

Coordination is needed in all the functions of management and in all the levels of management, therefore, coordination is considered as the **essence of management**





Importance of Coordination

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Importance of Coordination

1

Growth in Size

As an organization grows in size, the number of people employed will also be increased.

All individuals differ in their habits, approaches etc. So that it becomes necessary to coordinate their efforts to the common goal



Importance of Coordination

2

Functional Differentiation

The functions of an organization is divided into departments and their objectives are also different.

Marketing department may try to increase the sales volume by offering 10% discount, but the finance department may not approve it because of loss in revenue

In such a situation coordination has a vital role in the integration of efforts by the above two departments

Importance of Coordination

3

Specialisation

Now a days many organizations appoint specialists in different jobs

These specialists may think that, they are qualified to evaluate, judge and decide in their professional area. They do not take advice from others

This often leads to conflict among different specialists

Coordination plays an important role to bring harmony among these personnel for the benefit of the organisation

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graph TD; A([Importance of Coordination]) --> B([Growth In Size]); A --> C([Functional Differentiation]); A --> D([Specialisation]);
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Importance
of
Coordination

Growth
In
Size

Functional
Differentiation

Specialisation

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END

BEST ANIMATIONS