Functions of Management


Planning
Controlling
Organizing
Management Functions
Directing
Staffing

Planning

- Planning is fundamental function of management, which provides direction to organizational activities
- Planning is deciding in advance
  - What to do
  - How to do it
  - When to do it
  - Where to do it
  - Who has to do it

Organizing

- Organizing is concerned with the arrangement of resources
  - Men
  - Material
  - Money
  - Machine
  - Method
- It involves decisions about the division of work, allocation of authority and responsibility, and the coordination of tasks

Staffing

- Staffing is concerned with human resource of the organization and involves: Selecting, Directing, Developing, Evaluating
- It is a process of matching jobs with individuals to ensure right man for the right job
- It has four important elements:
  - Recruitment
  - Selection
  - Training
  - Compensation

Directing

- Directing is concerned with guiding and supervising the activities of the subordinates by a leader
- It involves telling people what to do and seeing that they do it to the best of their ability
- It includes motivating and communicating with employees individually and groups with the ultimate purpose of enhancing productivity

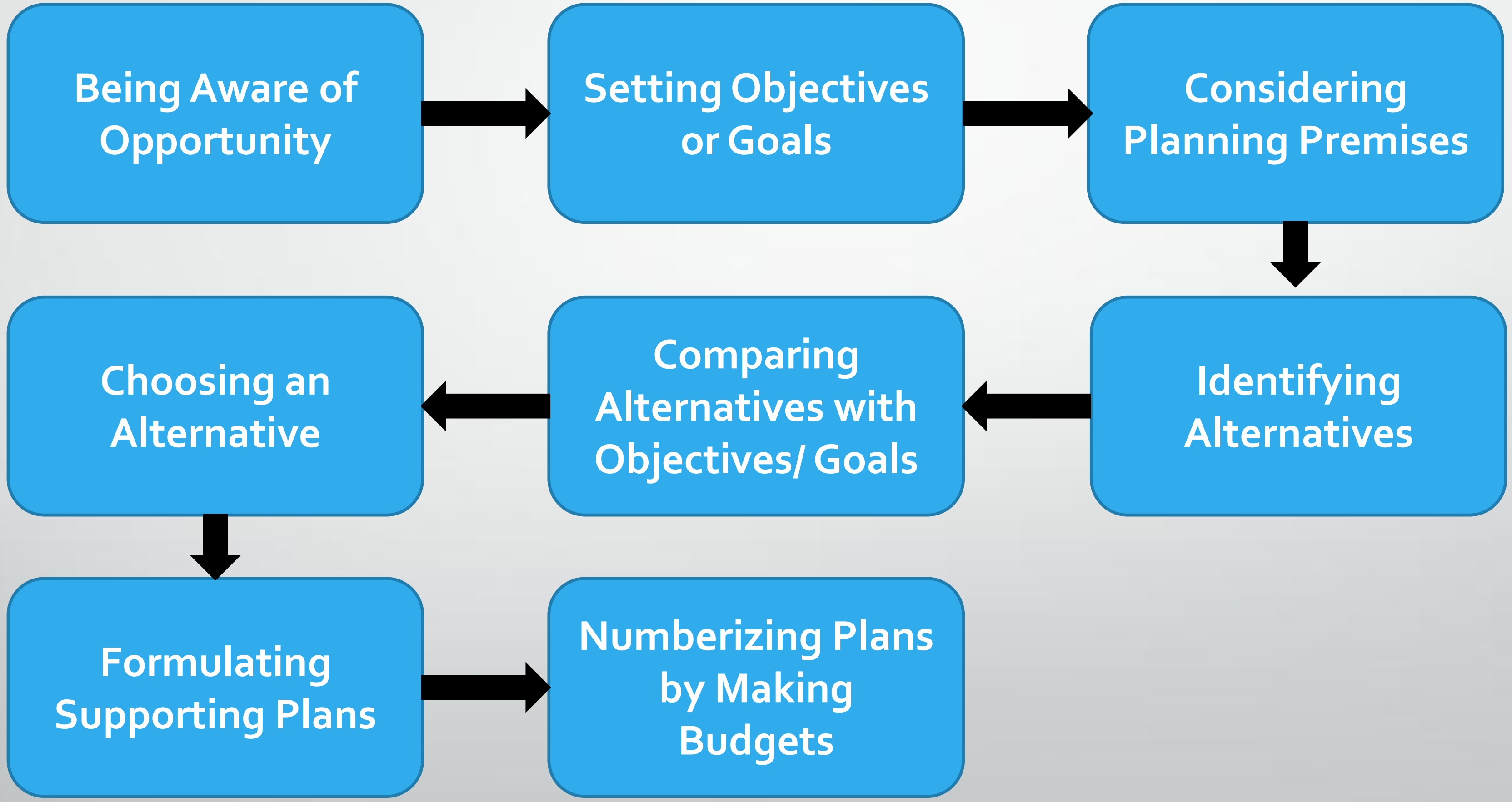
Controlling

- Controlling refers to observing, measuring and comparing performance with what had been planned.
- Its objective is to ensure that actions of all the departments contribute to goal accomplishment.
- It includes following four things:
  - Setting standards of performance
  - Measuring actual performance
  - Comparing actual performance against the standard
  - Taking corrective actions to ensure goal accomplishment

Planning, Objectives and Strategies

Purpose of Planning

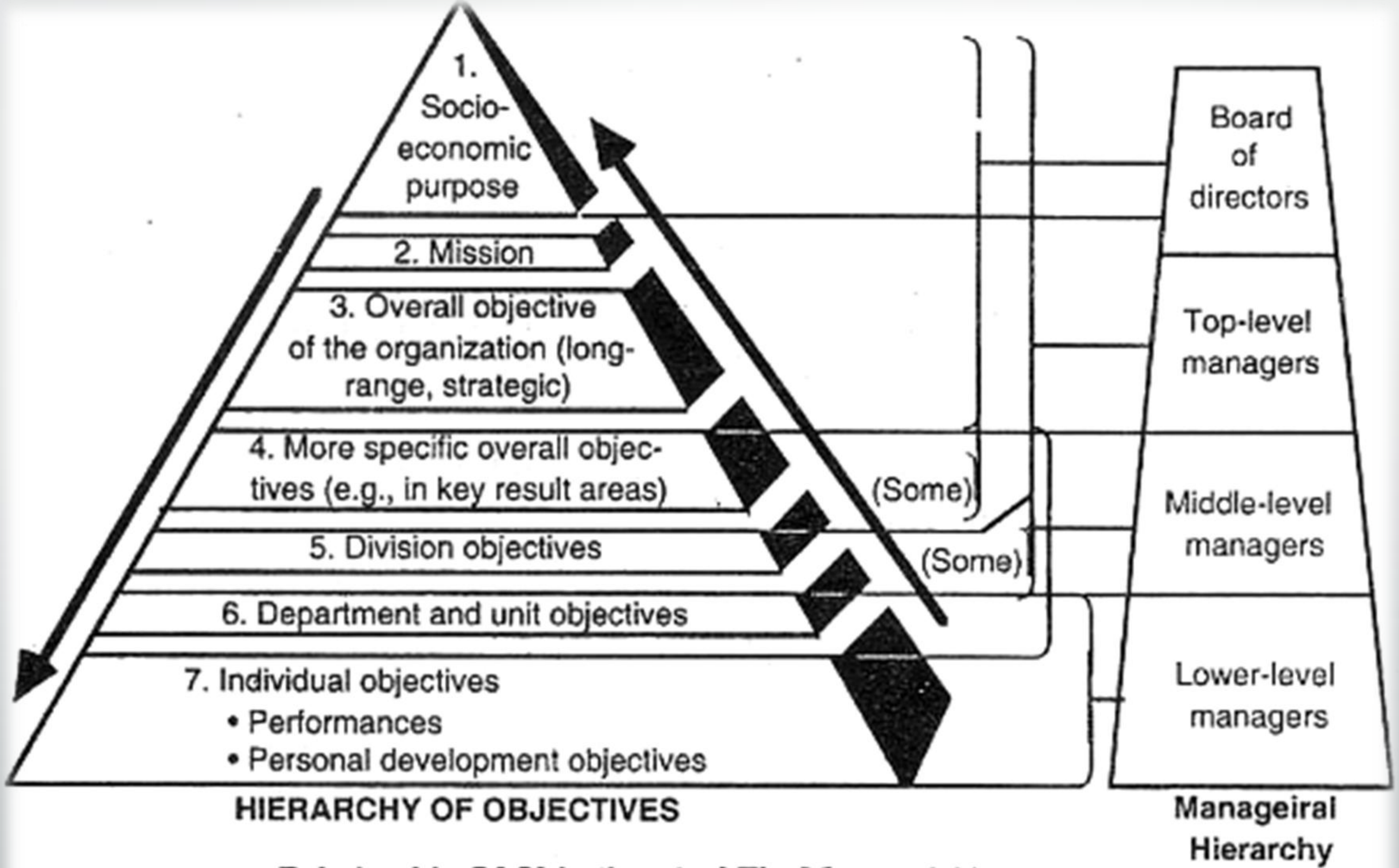
Steps in Planning



Objectives

- Objectives are the important ends toward which organizational and individual activities are directed.
- The objectives should be verifiable, so that at the end of the period the results/ outcome can be compared with it
- Clear and verifiable objectives facilitate measurement of the surplus/ deficit as well as the effectiveness and efficiency of managerial actions

Hierarchy of Objectives



Relationship Of Objectives And The Managerial Hierarchy

Management By Objectives (MBO)

- It is a comprehensive managerial system that integrates many key managerial activities in a systematic manner and that is consciously directed toward the effective and efficient achievement of organizational and individual objectives.

Process of MBO

Setting Objectives

- Objectives must be clear, specific and measurable, else managing is haphazard.
- No individual or group can be expected to perform effectively and efficiently unless there is a clear aim.

Non-verifiable Objectives	Verifiable Objectives
To make a reasonable profit	To achieve a ROI of 12% by the end of the current financial year
To improve communication	To issue a two page monthly news letter , beginning from 1st September, 2016 involving not more than 40 working hours of preparation time
To improve productivity of the production department	To increase production output by 5% by 31st December, 2016 without additional cost and while maintaining the current quality level

Strategy and Policy

- **Strategy** refers to the determination of the purpose/ mission and basic long term objectives of an enterprise, adoption of courses of action and allocation of resources necessary to achieve these aims.
- **Policies** are general statements or understandings that guide managers' thinking in decision making. It ensure that decisions fall within certain boundaries.

TOWS Matrix

	Strengths 1. Availability of Time 2. Good Reputation of Researcher 3. Links with Ministry	**Weakness** 1. No links in other parts of the Government. 2. Small Skill base 3. Little alternative in case of absentees.
Opportunities 1. Working on topical issue. 2. Government support to NGO. 3. NGO support.	Maxi Max	Mini Max
Threats 1. Reaction to Report. 2. Chances of Nullification of Findings by Government Departments	Maxi Min	Mini Min

The WT Strategy (Mini-Min)

- In general, the aim of the WT strategy is to minimize both weaknesses and threats.
- An organization faced with external threats and internal weaknesses may indeed be in a precarious position.
- In fact, such a firm may have to fight for its survival or may even have to choose liquidation.
- But there are other choices.
- For example, such a firm may prefer a merger, or may cut back its operations, with the intent of either overcoming the weaknesses or hoping that the threat will diminish over time (too often wishful thinking).
- Whatever strategy is selected, the WT position is one that any firm will try to avoid.

The WO Strategy (mini-max)

- The second strategy attempts to minimize the weaknesses and to maximize tile opportunities.
- A company may identify opportunities ill the external environment but have organizational weaknesses which prevent the firm from taking advantage of an opportunity. For example, lack of Skills/technology in certain areas.
- One possible strategy would be to acquire this Skills/technology through cooperation with a firm having competency in this field.
- An alternative tactic would be to hire and train people with the required technical capabilities.
- Of course, the firm also has the choice of doing nothing, thus leaving the opportunity to competitors.

The ST Strategy (maxi-min)

- This strategy is based on the strengths of the organization that can deal with threats in the environment. The aim is to maximize the former while minimizing the latter.
- This, however, does not mean that a strong organization can meet threats in the external environment head-on.

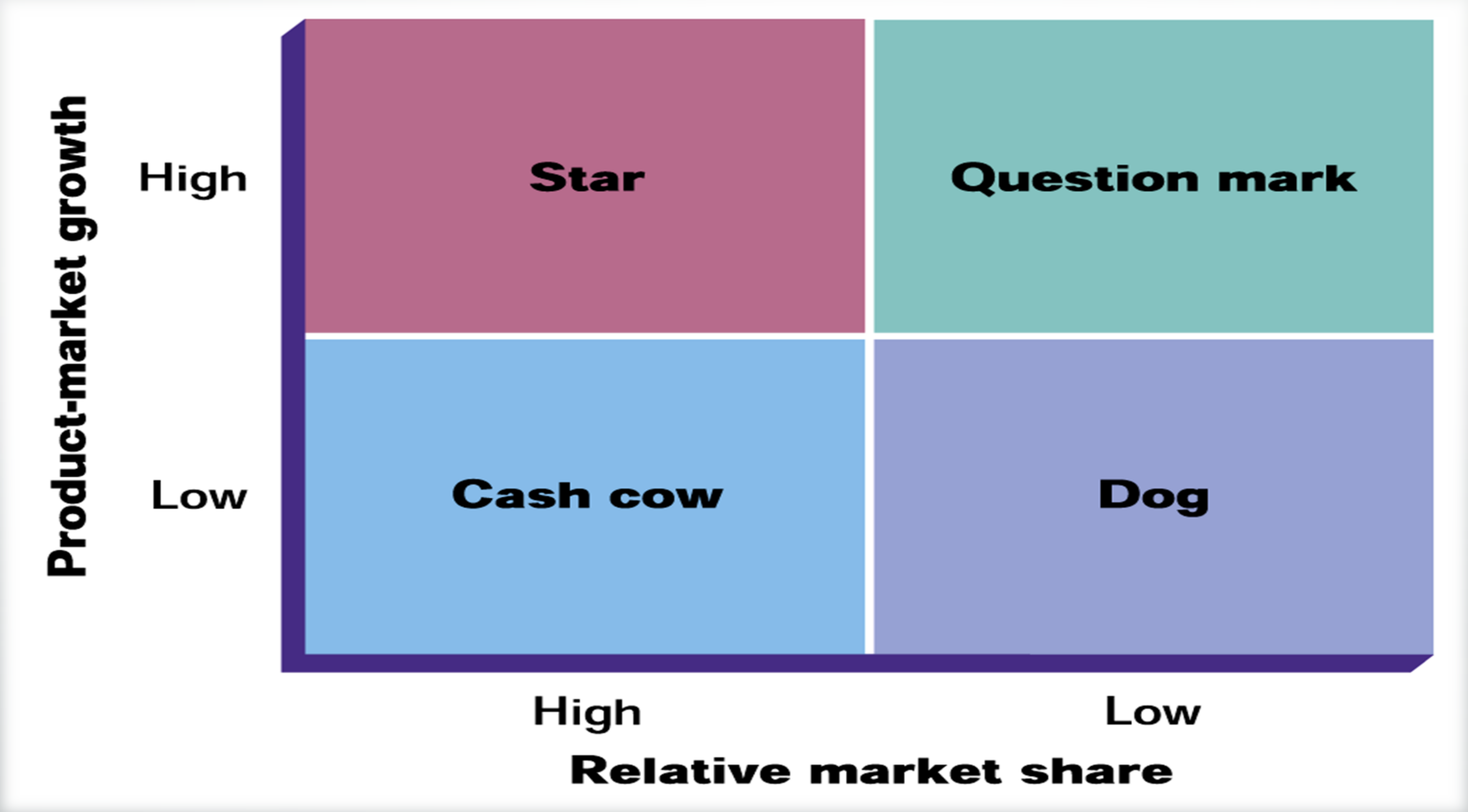
The SO Strategy (maxi-max)

- Any company would like to be in a position where it can maximize both, strengths and opportunities.
- Such an enterprise can lead from strengths, utilizing resources to take advantage
- Successful enterprises, even if they temporarily use one of the three previously mentioned strategies, will attempt to get into a situation where they can work from strengths to take advantage of opportunities.
- If they have weaknesses, they will strive to overcome them, making them strengths. If they face threats, they will cope with them so that they can focus on opportunities.

BCG MATRIX

- **Market-Growth/Market-Share Matrix**
  - A strategic planning tool based on the philosophy that a product’s market growth rate and market share are important in determining marketing strategy
  - Factors determining SBU/product’s position within a matrix
    - Product-market growth rate
    - Relative market share

Growth-Share Matrix Developed by the Boston Consulting Group



BCG Classification

- **Star**—high growth market, dominant market share
  - requires additional resources for continued growth
- **Cash cow**—low growth, dominant market share
  - generates surplus resources for allocation to other SBUs
- **Dog**—low/declining market, subordinate market share
  - has diminished prospects and represents a drain on the portfolio
- **Question mark** — high growth market, low market share
  - represents a high-risk/cost opportunity requiring a large commitment of resources to build market share

Premising and Forecasting

- Planning Premises are defined as the anticipated environment in which plans are expected to operate. They include assumptions or forecasts of the future and known conditions that will affect the operation of plans
- Forecasts are predictions or estimate of the change, if any in characteristic economic phenomena which may affect one's business plans

Types of Planning Premises

- Internal Premises:
  - Include those that originate from the sales forecast, existing policies and procedures of an organization and capital
- External Premises:
  - Relating to Political, Social, Technological and economical forces.
  - These are beyond the powers of any organization.

Types of Planning Premises

- Controllable Premises:
  - Factors like materials, money and machine are controllable factors.
- Semi Controllable Premises :
  - These are under partial control of a business like labor relations and marketing strategy.
- Non Controllable Premises:
  - which are beyond the control of any organization like govt. policy, wars and natural calamities