

FOCUS ACADEMY.

Ahmedabad 9099818013 8780038581.

**Tuition Classes for primary, 9 to 12,
English & Gujarati Medium**

CLASS- 12

SUBJECT- B.A

CHAPTER- 1 NATURE AND SIGNIFICANCE OF MANAGEMENT

➤ **Nature of management**

- Universal process
- Goal oriented activity
- Group activity
- Continuous process
- Human process
- Decision process
- Science art and profession

➤ **Importance of management**

- Necessary in every field
- Optimum utilization of resources
- Accomplishment of objectives
- Useful for success of business
- Increase in job opportunity
- Increase in profit
- Social benefit
- National motive

➤ **Functions of top level management**

- To lay down primary and subsidiary objectives of business.
- Directors act as the trustees of the business enterprise.
- To select chief executive officer and higher officers and to assign them authority and responsibility.
- To sanction the budget prepared by different department.
- To abide by law and to take care of different stakeholders of the business.
- To plan for enterprise, its implementation and to supervise it.

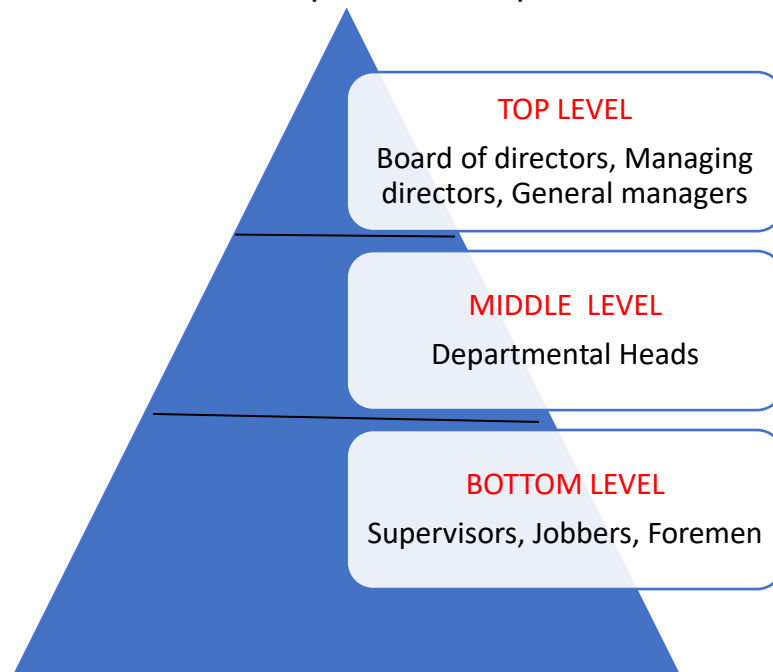
- To analyze reports of different activities and to give instructions accordingly.
- **Functions of bottom level of management**
- To implement the orders and instructions given by chief executive officer.
- To prepare budget by each departmental head and present it before the top level management level
- To take necessary steps to increase efficiency and effectiveness of departmental activities
- To make attempts to entusiast employees and department
- To focus on functioning of subdivisions
- To help the top level management in taking policies decisions

- **Functions of bottom level management**
- To supervise function of employees
- To see that there remains discipline among the employees and their morale is boosted
- To plan routine work of the department
- To perform functions related to employees like transfer promotion training etc
- To solve the genuine problems of workers
- To implement decisions and policies decided by the top level management
- To forward reports of various activities taking place at the bottom level suggestion and complaints of employs the middle level of management

- **Functions of financial management**
- To estimate the financial need.
- To make financial plans from the point of view of time distribution
- To prepare budget
- To allocate funds
- To decide capital structure and to select the source of equation of capital
- To carry out procedure for acquiring the finance
- To form financial policies
- To plan for Taxes
- To make arrangement of assets

- **Functions of production management**
- To decide production plan
- To undertake production research
- To select to select product development

- To select technology and machinery
- To have production control
- To have quality control.
- To introduce variation and simplification in production



CHAPTER- 3 PLANNING

Definition of planning

“Planning is an intellectual process to achieve goal”

“Task of planning is choosing”- **Bill Goetz**

➤ **Characteristics of planning**

- Universal process
- Primary function
- Conscious and Mental process
- Flexibility
- Forecasting is essential ‘
- List of alternatives
- Concerned with future
- Continuous process
- Objective oriented activity
- Requires decision process.

➤ **Limitation of Planning**

- Uncertain future
- Expensive process
- Time consuming
- Planning is irrelevant

- Tends towards rigidity
- Uncertainty of External factors
- Incomplete information
- Restriction of employees' creativity
- Use of faulty

- **Process of planning**
- Determination of objectives
- Clarifying planning premises
- Collection and analysis of Information
- Preparation of alternative plan
- Evaluation of alternatives
- Selection of the best alternative
- Formulation and evaluation of subsidiary plan.
- Evaluation of plan
- **Types of planning**
- Standing plan
- Strategic plan
- Tactical plan
- Operational plan
- Single use plan
- Contingency plan
- **Elements/Components of planning**
- Objectives
- Strategy
- Policy
- Method/procedure
- Rules
- Budget
- Programme

STAFFING

The function of staffing is also important as other functions of management. The term staffing is not merely recruitment but also includes acquiring employees, training and maintaining them in the organization.

Characteristics of staffing:

1. Important Function of Management.

2. Perennial Process.
3. Concerned with Human Relations.
4. Staffing is a Dynamic Process.
5. Related with Other Managerial Functions.
6. Wide Scope.
7. Capital Expenditure (Investment).

Importance of Staffing:

An expert has rightly said, “Mind your men, men will mind everything for you.”

1. Driving Force.
2. Dynamic Activity.
3. Important for Other Functions of Management.
4. Limbs of the Business Enterprise.
5. Job Satisfaction among Staff.
6. Harmony in Relations.
7. Increases the prestige of the Organization.
8. Continuous Process.

Process of Staffing

Recruitment:

“Recruitment is the process of acquiring at the right time, in the right number, in the right place, persons with the right qualifications.”

Source of Recruitment:

	(A) Internal Sources		(B) External Sources
1	Promotion	1	Through Advertisement
2	Transfer	2	Through employment exchange
3	Friends and relatives of employees	3	Through educational institutions
4	Recalling retrenched employees	4	Through trade unions
5	Promotion with transfer	5	Through contractors and jobbers

6	Waiting list	6	Recruitment at the gate
.		.	
		7	Modern methods

Selection:

Selection means to select the proper Candidate from the applications received. Selection is the part of recruitment process. The selection is done on the basis of size, type of organization and kind of employees required.

The Process of Selection:

1. Welcoming and Primary Meeting.
2. Receiving and Screening of Applications.
3. Taking necessary Tests:
 - i) IQ Test
 - ii) Aptitude Test
 - iii) Trade Test
 - iv) Psychological Test
4. Personal Interview.
5. Checking References.
6. Preliminary Selection.
7. Physical (Medical) Examination.
8. Appointment Letter.
9. Induction into the Organization and Allotment of Work.

Training and Development

Training: “training means providing theoretical and practical knowledge with reference to the work of the employees.”

Stated by expert, “ training means giving up-to-date Information about the organization and also to increase efficiency, skill, aptitude, attitude and technical skill of the employees.”

Importance:

1. Modern Information.
2. Safety.
3. Increase in Job Satisfaction.
4. Reduction in Rate of labour Turnover.
5. Increase in Profit.
6. Reduction in Expenses.
7. Growth and Development of Employees.
8. Other Benefits.

Development:

Development is the process of imparting theoretical and practical knowledge to top level management and department heads.

Importance:

1. Increase in Technical knowledge.
2. Research and New Ideology.
3. Development of the Organization.
4. Optimum Use of Organization.
5. Solution to Problems.
6. Effective Supervision.
7. Reduce Stress.
8. Development Programs.

DIRECTING

“Direction means to guide the workers, make them aware of the work, supervise them and to maintain their enthusiasm for the work.”

According to **Koontz and O’Donnell**, “Direction is the executive function of guiding and observing subordinates.”

Characteristics of Directing:

1. Goal Oriented Activity.
2. Function at Every Level of Management.
3. Continuous Process.

4. Observation of Functions.
5. Wider scope.
6. Communication.
7. Motivation.
8. Flow of Direction.
9. Managerial Function.

Importance of Directing:

1. Increase in Efficiency.
2. Assessment of Efficiency.
3. Motivation to employees.
4. Effective Planning.
5. Effective Organisation.
6. Co-ordination and Co-operation.
7. Function of Control.
8. Increase in Enthusiasm.
9. Finding out Deviation.

Elements of Directing:

- COMMUNICATION
- SUPERVISION
- MOTIVATION
- LEADERSHIP



Supervision:

Supervision means to get the assurance that, subordinates have implemented the work given to them as per orders and instructions or not.

According to **R.C. Davis**, “Supervision is the function of assuring that the work is being done in accordance with the plan and instructions.”

Motivation:

motivation means the process of stimulating people to perform action and to make it possible to have maximum work satisfaction.

As per **Morgan**, “motivation is that state of mind that leads workers towards objectives.”

Characteristics of Motivation:

1. Internal Inspiration.
2. Psychological Concept.
3. Increase Efficiency of Employees.
4. Continuous Process.
5. Reduction in Labour Turnover Rate.
6. Achievement of Goals.
7. Wider scope.
8. Adopting changes in an Organization.
9. Tool to get cooperation.
10. Positive Attitude.
11. One of the Function of Management.

Hierarchy needs by Maslow:

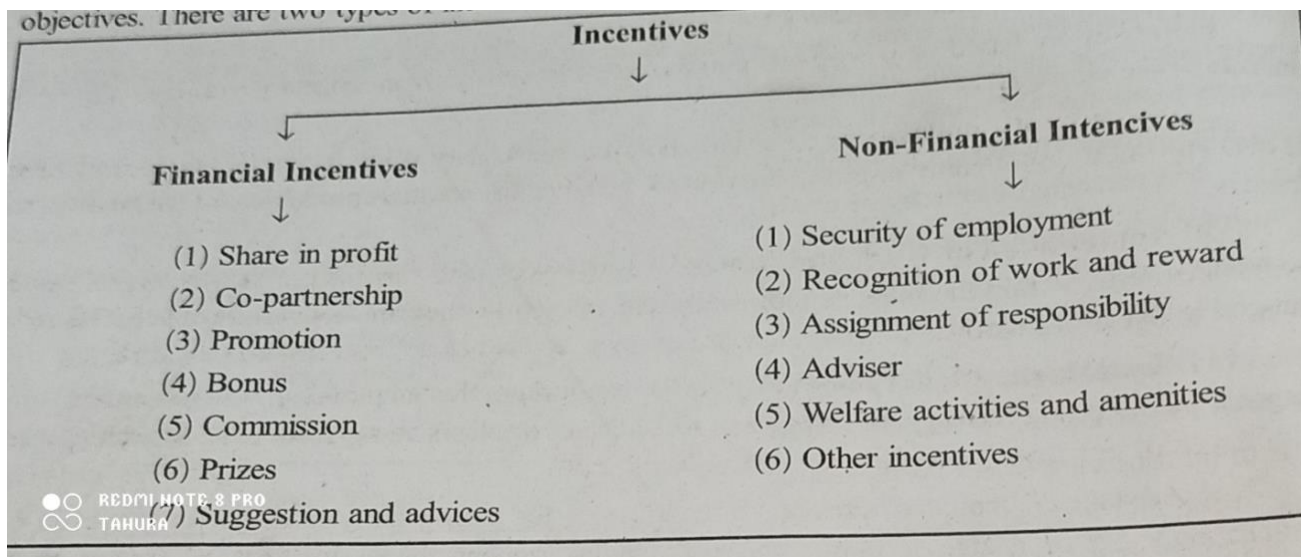
1. Physiology or primary needs.
2. Safety needs.
3. Social needs (Love/belonging).
4. Esteem and status needs.
5. Self Esteem and Self Actualization Needs.



Financial and Non-financial Incentives

Incentives:

Business inspires their workers to maintain their work aptitude and increase their efficiency continuously, such inspiration is called incentives.



Leadership:

Leadership is the art and skill of creating the desire in others, for achieving objectives.

According to **Dr. George R. Terry**, "leadership is the quality of influencing others to work willingly for the realization of specified goals."

Characteristics of Leadership:

1. Existence of Followers.
2. Continuous Process.
3. Acceptance of leadership.
4. Creates informal and effective relationship.
5. Ideal Personality.
6. Motivation.
7. Harmony of Interest.
8. Effect of Situation.

Qualities of Good Leader: (PIP)

1. Physical Qualities.
2. Intellectual Qualities.
3. Psychological Qualities.

Communication:

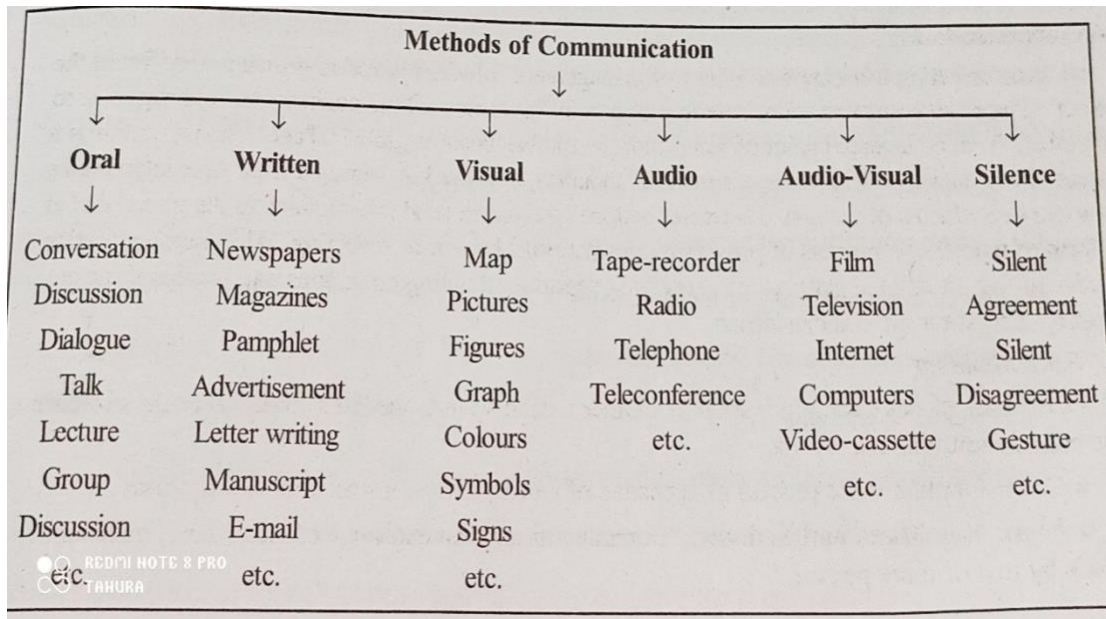
One person clear information to another person so that, the latter understands the objective of the communication and acts on it.

As per **New Mann and Summer**, “communication is an exchange of facts, ideas, opinions or emotions by two or more persons.”

Characteristics of communication:

1. Goal oriented Process.
2. Clear words and Language.
3. Two-way process.
4. Continuous process.
5. Many Equipments.
6. Many types and methods.
7. Motivating activity.
8. Relation with administrative process.
9. Human process.

Method of Communication:



Formal and Informal Communication:

There are two types of communication:

1. Formal communication.
2. Informal communication.

Formal Communication:

Any communication that depends on the structure of an organisation and its rules and regulations and is implemented for the accomplishment of business objective, is called as formal communication.

Example:

- I. Notice or memo is given as warning to the employees who are irregular and remaining absent without prior permission.
- II. A letter given by superior to subordinate for his transfer or promotion.

Informal Communication:

Communication system which depends on human relations and friendship among employees of an organisation is known as Informal Communication.

Example:

- I. Industrial manager instructs the labourer to work.
- II. Sales manager gives information and suggestions regarding presentation to the salesman in a easy going manner.

Barriers of Effective Communication:

1. Lack of Planning.
2. Faulty Translation.
3. Unclear Messages.
4. Unclear Assumption.
5. Shortage of Time.
6. Overburden in Communication.
7. Ignorance Towards Message.
8. Improper Selection of Media.
9. Distrust and Fear.

Difference between Formal and Informal Communication:

No.	Points	Formal Communication	Informal Communication
1.	Meaning	Communication system which depends on rules, regulations and accomplishment of business objectives, is known as Formal Communication.	Communication system which depends on human relation and friendship is known as Informal Communication.
2.	Purpose	The purpose of formal communication is control and co-ordination.	The purpose of informal communication is to give more co-ordination and credibility to the organisation.
3.	Base	Due to rules and regulations, exchange of informations between two people takes place.	Due to personal and friendly relations, exchange of informations between two people takes place.
4.	Control and Supervision	It requires control and supervision.	It does not require control and supervision.
5.	Flexibility	It is less flexible.	It is more flexible.
6.	Time	It takes place at the work place during working hours.	It takes place at any place or during working hours.
7.	Information in advance	Here, sender and receiver of information as well as form of communication are decided before hand.	Form of communication and procedure are not decided before hand. It takes place as per time and situation.

Measures to Overcome the Barriers of Communication:

- I. It should be arranged as per organisation structure.
- II. Message should be clear to understand.
- III. Proper selection of medium of communication.
- IV. Message should be flow in both the direction easily.
- V. Feeling of mutual Trust and cooperation.
- VI. Communication channel will not stop and delayed.
- VII. Communication should be fast.
- VIII. It should be goal oriented.
- IX. Proper broad-casting.
- X. Time to time evaluation.
- XI. Sender should not have any personal interest in the process of communication.

ORGANIZING

1. Responsibilities.
2. Establishment of Inter Relationship.

Meaning:

The structure formed in order to enable delegation of authority and responsibility towards the people actively engaged for common goal is organizing.

Definition:

As per **Chester I. Bernard**, “The activity conducted by the co-operation of two or more people and their co-ordination is called Organizing.”

CHARACTERISTICS:

1. Goal Oriented Activity.
2. Planning Based.
3. The Delegation of Authority and Responsibilities.
4. Importance to Human Element.
5. Flexibility.
6. Establishment of Inter Relationships.
7. Monitoring and Control.
8. Group Activities
9. Controlled Administrative Structure.

STEPS FOR THE PROCESS OF ORGANIZING

3. Clarification of Objectives.
4. List of Functions.
5. Departmentation of Function.
6. To Determine Departmental Position and Abilities.
7. The Delegation of Power and.

STRUCTURE OF AN ORGANIZATION

1. Linear organization.
2. Functional organization.
3. Formal organization.

CHARACTERISTICS OF FORMAL ORGANIZATION:

1. Formal structure.
2. Lacking Flexibility.
3. Delegation of Power from Upper to Lower level.
4. Large size.
5. Particular relations.
6. Communication.

4. Informal organization.

CHARACTERISTICS OF INFORMAL ORGANIZATION:

1. Informal Structure.
2. Based on Human Relation.
3. Ever Changing.
4. Universal.
5. Informal communication.
6. Small size.
7. Lack of control.
8. Complement to Formal Structure.

5. Matrix Organization.

DECENTRALIZATION

Meaning:

The Delegation of Power from Upper to Lower level in orderly manner is known as decentralization of Power.

Definition:

- According to **Henry Fayol**, “To assign the powers to the superiors, to enable distribution of work, and to include in decision making process is called decentralization”

Importance:

1. Quick Decisions.
2. Less Work Load on Top level.
3. Increased In Motivation.
4. Increase in Management Abilities.
5. Effective Control.
6. Harmony is Created.

DELEGATION OF AUTHORITY:

Meaning:

According to legal view, power means, authority to take legal action. But in business units, power is to give orders and also to see is that the orders are followed.

Definition:

According to **Louis Allen**, “Delegation of Power is such kind of process In which the help of others, for the purpose of work performance, accept such powers consciously.”

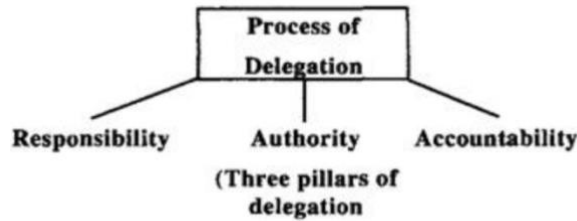
IMPORTANCE:

1. Work Efficient Management.
2. Development of Employees.
3. Motivation.
4. Benefits of Specialization.
5. Co-ordination.
6. Scope for Expansion.

Elements of Delegation of Authority:

According to Louis Allen, “ Delegation of authority means assignment of responsibility and power to the subordinates by creating accountability for effective performance.”

1. Entrustment of Responsibility.
2. Conference of Authority.
3. Creation of Accountability.



Almas Ahmed Shaikh

(B.Sc. B.Ed)
+91 9099818013
+91 8401729898

Nusrat Fatima

(M.Com, B.Ed, D.El.Ed)
+91 8780997670
+91 8780038581

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📍 19-B, Muslim Soc.,
B/H. Firdos Masjid, Danilimda,
Ahmedabad.
📍 2 & 3rd Floor, Unique Appt.,
Juhapura Cross Road,
Ahmedabad.