



H T COMMERCE CLASS

"COMMERCE KE TOPPERS"

"XI, XII & B.com"

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Business Studies

Class : XII



01. NATURE AND SIGNIFICANCE OF MANAGEMENT

Weightage as per CBSE curriculum 2024-25	Max. Marks	01	03	04	06	Total
	No of questions					

There is NO internal choice question from this chapter

Meaning of Management: Management is defined as a process of getting things done with the aim of achieving organizational goals or objectives effectively and efficiently.

Management is defined as a process of getting things done with the aim of achieving goals effectively and efficiently

1	Process	Process in the definition means the primary functions or activities that management performs to get things done. These functions are planning, organising, staffing, directing and controlling.
2	Effectiveness'	Effectiveness' in management is concerned with doing the right task, completing activities and achieving goals. Thus, being effective basically means finishing the given task.
3	Efficiency	Efficiency means doing the task correctly and with minimum cost. Efficiency is increased if by using less resources (i.e., the inputs) more benefits are derived (i.e., the outputs). For management, it is important to be both effective and efficient, i.e. to achieve goals (effectiveness) with minimum resources (efficiency).



EFFECTIVENESS vs. EFFICIENCY

Effectiveness means **finishing the given task in on time**. To say in simple it is concerned with the endResult.

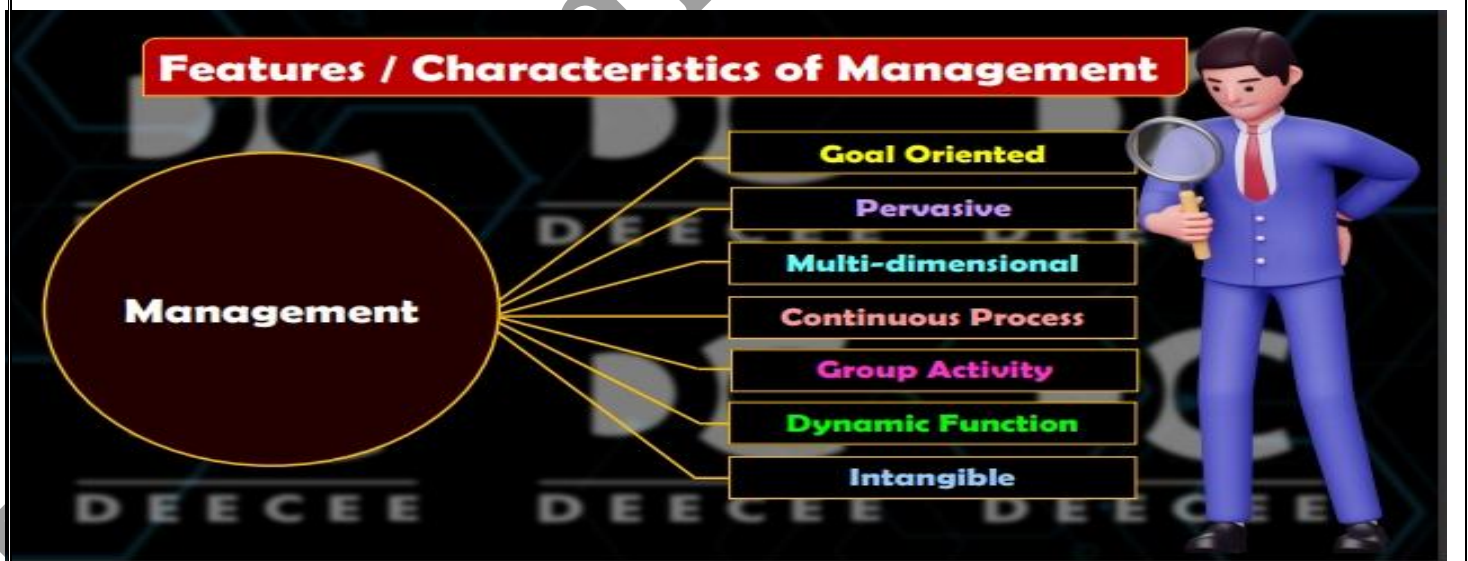
Efficiency means doing the **given task correctly and with minimum cost**.

CHARACTERISTICS/FEATURES OF MANAGEMENT

01	Mgt. is a goal oriented process	It is a goal oriented process, which is undertaken to achieve already specified and desired objectives by proper utilization of available resources
02	Management is all pervasive	Mgt is universal in nature. It is used in all types of organizations whether economic, social or political irrespective of its size, nature and location and at every level
03	Management is Multi dimensional (work, people, operations)	It is multidimensional as it involves management of work, people and operations . Every organization is established for doing some work. The management has to ensure the participation, of its people in the realization of the organization goal. Also mgt. needs to conduct the various operations such as production, sale, purchase etc.
04	Management is a continuous process	Management is not a process which can be performed once and for all, but it is a continuous process. Functions of management like planning, organizing, staffing, directing and controlling continuously need to be done
05	Management is a group activity	It is a group activity since it involves managing and coordinating activities of different people as a team to attain the desired objectives.
06	Management is a dynamic function:	It is a dynamic function since it has to adapt according to need, time and situation of the changing environment. In order to be successful, an orgn. must change itself and its goals
07	Management is an intangible force:	Management is such a force that cannot be seen; only its presence can be felt. When the goals of an organization are being realized in accordance with its plans, we can say that the management of the organization is good.



OBJECTIVES OF MANAGEMENT		
1	Organizational objectives	<p>An organization has to achieve its different objective like Survival, Profit, Growth</p> <p>Survival—An organisation must earn enough revenues for survival.</p> <p>Profit—Profit is essential to cover costs and risks of the business.</p> <p>Growth—Management must exploit fully the growth potential of the organisation. Indicators of growth are increase in sales turnover, capital investment and number of products and employees.</p>
2	Social objectives	An organization has social objectives towards different groups of society like providing quality products at fair prices, generating employment opportunities, etc.,
3	Personal objectives	<p>An organization strives to fulfill personal objectives of its employees and also to reconcile their objectives with the organizational objectiveness. e.g., Competitive salaries, personal growth and perks for employees etc.</p> <p>Personal objectives which aim to satisfy the needs of the employees working in the organisation such as</p> <ul style="list-style-type: none"> • Financial needs by giving them competitive salary and perks, • Social needs such as peer recognition, and • Higher level needs such as personal growth and development.



IMPORTANCE/SIGNIFICANCE OF MANAGEMENT		
01	Mgt. helps in achieving group goals	Management creates team work and coordination in the group. Managers give common direction to individual efforts in achieving the overall goals of the orgn.
02	Mgt. increases efficiency	Management increases efficiency by using resources in the best possible manner to reduce cost and increase productivity
03	Mgt. creates a dynamic organization	Management helps the employees overcome their resistance to change and adapt as per changing situation to ensure its survival and growth
04	Mgt. helps in achieving personal objectives	Management helps the individuals achieve their personal goals while working towards organizational objectives.

05	Mgt. helps in the development of society	Management helps in the development of society by producing good quality products, creating employment opportunities and adopting new technology.
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NATURE OF MANAGEMENT

Science is a systematised body of knowledge that explains certain general truths or the operation of general laws.

Art is the skillful and personal application of existing knowledge to achieve desired results. It can be acquired through study, observation and experience.

Management is both art and science. The practice of management is an art. However, managers can work better if their practice is based on the principles of management. These principles constitute the science of management.

Management as an art and a science are therefore not mutually exclusive, but complementary to each other.

01	Mgt as an Art	<p>1. Existence of theoretical knowledge (✓) As in art, in management too, there is a lot of literature available in various areas of management which the manager has to specialise in.</p> <p>2. Based on practice and creativity (✓) Management satisfies this criteria as manager gains experience through regular practice and becomes more effective.</p> <p>3. Personalized application (✓) Like in any art, in management too, a manager applies his acquired knowledge in a personalised and unique manner. This gives rise to different styles of management.</p> <p>CONCLUSION: Hence, management can be said to be an art since it satisfies the all criteria</p>
02	Mgt as a Science	<p>1. Systematized body of knowledge (✓) Like science, management is a systematic body of knowledge with its own theories and principles that have developed over a period of time. So, this feature of science is present in management.</p> <p>2. Universal validity (X) Principles of management like principles of pure science provide managers with certain standardised techniques that can be used in different situations. However, since the principles of management have to be modified according to a given situation, their application and use is not universal. So, this feature of science is not fully present in management.</p> <p>3. Principles based on experimentation (✓-human beings) Like science, management principles are derived through observation and repeated experimentation. However, since management deals with human beings the outcome of these experiments are not capable of being accurately predicted. So, this feature of science is not fully present in management.</p> <p>CONCLUSION: Since management deals with human beings and their behaviour, the outcomes of these experiments are not capable of being accurately predicted or replicated. Therefore, management can be called an inexact Science//soft science/social science.</p>
03	Mgt as a Profession	<p>1. Well-defined body of knowledge (✓) All professions are based on a well-defined body of knowledge that can be acquired through instruction. Management too is based on a systematic body of knowledge comprising well-defined principles. This feature of profession is present in management.</p> <p>2. Restricted entry (X) The entry to the above stated profession is restricted through a prescribed qualification. But there is no restriction on anyone being appointed as a manager in any business enterprise. So, presently this feature of profession is not present in management</p> <p>3. Professional association (✓) Legal and medical professions are affiliated to a professional association like bar council and medical council which regulates entry, grants certificate of practice and formulates and enforces a code of conduct. There are several associations of practising managers in India, like the AIMA that has laid down a code of conduct to regulate the activities of their members. There is, however, no compulsion for managers to be members of such an association. So, presently this feature of profession is not present in management</p> <p>4. Ethical code of conduct (X) Legal and medical professions are bound by a code of conduct which guides the behaviour of its members. AIMA has devised a code of conduct for Indian managers but there is no statutory backing for this code. So, presently this feature of profession is not present in management.</p> <p>5. Service motive (X) The motive of legal and medical profession is to serve their client's interests by rendering dedicated and committed service. The basic purpose of management to help the organisation achieve its goals by providing good quality products at reasonable prices, thereby serving the society is being increasingly recognised. So, presently this feature of profession is not fully present in management.</p> <p>CONCLUSION: Since management does not meet the exact criteria of a profession, hence it is not treated as a Profession.) { * Fit (✓) and Not Fit (X) }</p>

Levels of Management

The authority-responsibility relationship binds individuals as superiors and subordinates and gives rise to different levels of management in an organization.



LEVELS OF MANAGEMENT

01	Top level Mgt	Frames policies for overall attainment of management objectives. Responsible all the activities of the business and for its impact on society. Ex. , Chairman, Chief Executive Officer, Chief Operating Officer, President and Vice-President) Functions: (a) Integrated diverse elements and coordinate the activities. (b) Responsible for the welfare and survival of the organization. (c) Analyze the business environment (d) Formulate Organizational goals and strategies.
02	Middle level Mgt	1. They are link between top and lower level managers and known as division heads, e.g. Production Manager. They are interprets and explains the policies framed by the top level mgt and collects and reports feedbacks to top level mgt. Responsible for implementing a Functions: (a) Interpret the policies. (b) Ensure that their department has the necessary personnel, (c) Assign necessary duties and responsibilities; (d) Motivate personnel (e) Co-operate with other departments.
03	Supervisory level Mgt	They are mainly concerned with technical and routine work on day-to-day basis. e.g. Foremen and supervisors Functions: (a) Oversee the efforts of the workforce. (b) Passon instructions to the workers. (c) Ensures quality of output is maintained, wastage of materials is minimized and safety standards are maintained.

FUNCTIONS OF MANAGEMENT

01	Planning	It refers to deciding in advance what to do, how to do and developing a may of achievinggoal efficiently and effectively
02	Organizing	It refers to the assigning of duties, grouping tasks, establishing authority and allocating of resources required to carry out a specific plan.
03	Staffing	It implies right people for the right job.
04	Directing	It involves leading, influencing. Motivating employees to perform the task assigned to them.
05	Controlling	It refers to the performance measurement and follow up actions that keep the actual performance on the path of plan.

COORDINATION

Coordination — The Essence of Management: The process by which a manager **synchronizes** the activities of different departments is known as coordination. Coordination is the **force that binds all the other functions** of management.

Coordination is the process by which a manager synchronises the activities of different departments towards the achievement of a common goal.



CHARACTERISTICS/FEATURES OF COORDINATION

01	Coordination integrates group efforts	It integrates diverse business activities into purposeful group activity ensuring that all people work in one direction to achieve organizational goals.
02	Coordination ensures unity of action	It directs the activities of different departments and employees towards achievement of common goals and brings unity in individual efforts.
03	Coordination is a continuous process	It is not a specific activity matter; it is required at all levels, in all departments till the organization continues its operations
04	Coordination is an all pervasive function	It is universal in nature. It synchronizes the activities of all levels and departments as they are interdependent to maintain organizational balance
05	Coordination is the responsibility of all managers	It is equally important at all the Three-Top, Middle and Lower levels of management. Thus it is the responsibility of all managers that they make efforts to establish coordination.
06	Coordination is a deliberate function	Coordination is never established by itself rather it is a conscious effort on the part of every manager. Cooperation is voluntary effort of employees to help one another.

IMPORTANCE/SIGNIFICANCE OF COORDINATION

01	Growth in size	When there is a growth in size, the number of people employed by the organization also increases. Thus to integrate the efforts. Co-ordination is needed.
02	Functional differentiation	In an organization there are separate department and different goals. The process of linking those activities is achieved by co-ordination
03	Specialization	Modern organisation. is characterized by a high degree of specialization. Co-ordinations required among different specialists because of their different approaches, judgment etc