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## **Management Functions and Organisational Processes**

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*By: Anand Prakash Srivastava*



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# QUESTION PAPER

June – 2023

(Solved)

## MANAGEMENT FUNCTIONS AND ORGANISATIONAL PROCESSES

M.M.P.C.- 001

Time: 3 Hours ]

[ Maximum Marks: 100

Note: (i) There are **two** sections. A and B. (ii) Attempt any **three** questions from section A. (iii) Section B is compulsory.

### SECTION – A

**Q. 1. Describe any two models of change and discuss the reasons for resistance to change and its management.**

Ans. Ref.: See Chapter-13, Page No. 139, 'Models of Change', Page No. 140, 'Resistance to Change', 'Strategies to Overcome Resistance'.

**Q. 2. Briefly discuss various barriers to effective communication.**

Ans. Ref.: See Chapter-11, Page No. 117, Q. No. 2.

**Q. 3. Discuss the factors influencing the choice of structure of an organisation. Briefly discuss the degree of decentralization required in an organization.**

Ans. Ref.: See Chapter-10, Page No. 102, 'Organisation Structure and Chart', Page No. 103, 'Factors Influencing the Choice of Structure' and 'Degree of Decentralization'.

**Q. 4. Describe and discuss any two theories of motivation and their relevance in the present day context of organizations.**

Ans. Ref.: See Chapter-8, Page No. 80, 'Theories of Motivation' and Page No. 85, Q. No. 4.

**Q. 5. Write short notes on the following:**

(a) PERT and CPM

Ans. Ref.: See Chapter-7, Page No. 71, Q. No. 5.

(b) Characteristics of directing

Ans. Ref.: See Chapter-6, Page No. 55, 'Characteristics of Directing'.

(c) Impact of information technology on organizing work

Ans. Ref.: See Chapter-5, Page No. 43, 'Impact of Information Technology on Organising Work'.

(d) Scientific management

Ans. Ref.: See Chapter-2, Page No. 10, 'Scientific Management' and 'Elements of Scientific Management'.

(e) Single use plan

Ans. Ref.: See Chapter-4, Page No. 32, 'Single-Use Plans'.

### SECTION-B

**Q. 6. Read the case given below and answer the questions given at the end:**

Mr. Renu had graduated with a degree in foreign languages. As the child of a military family, she had visited many parts of the world and had travelled extensively in Europe. Despite these broadening experiences, she had never given much thought to a career until her recent divorce.

Needing to provide her own income, Ms. Renu began to look for work. After a fairly intense but unsuccessful search for a job related to her foreign language degree, she began to evaluate her other skills. She had become a proficient typist in college and decided to look into secretarial work. Although she still wanted a career utilizing her foreign language skills, she felt that the immediate financial pressures would be eased in a temporary secretarial position. Within a short period of time, she was hired as a clerk/typist in a typing pool at Life Insurance Company. Six months later, she became the top typist in the pool and was assigned as secretary to Mrs. Khan, Manager of marketing research. She was pleased to get out of the pool and to get a job that had more variety in the tasks to perform. Besides, she also got a nice raise in pay. Everything seemed to proceed well for the next nine months. Mrs. Khan was pleased with Renu's work, and she seemed happy with her work. Renu applied for a few other more professional jobs in other areas during this time. However, each time her application was rejected for lack of related education and/or experience in the area.

Over the next few months, Khan noticed changes in Renu. She did not always dress as neatly as she had

in the past, she was occasionally late for work, some of her lunches extended to two hours, and most of her productive work was done in the morning hours. Khan did not wish to say anything because Renu had been doing an excellent job and her job tasks still were being accomplished on time. However, Renu's job behaviour continued to worsen. She began to be absent frequently on Mondays or Fridays. The two-hour lunch periods became standard, and her work performance began to deteriorate. In addition, Khan began to suspect that Renu was drinking heavily, due to her appearance some mornings and behaviour after her two-hour lunches. Khan decided that she must confront Renu with the problem. However, she wanted to find a way to help her without losing a valuable employee. Before she could set up a meeting, Renu burst through her door after lunch one day and said:

"I want to talk to you Mrs. Khan"

"That's fine", Khan replied "Shall we set a convenient time?"

"No! I want to talk now." "OK, why don't you sit down and let's talk?"

Khan noticed that Renu was slurring her words slightly and she was not too steady.

"Mrs. Khan, I need some vacation time."

"I'm sure we can work that out. You've been with the company for over a year and have two weeks vacation coming."

"No, you don't understand. I want to start it tomorrow."

"But, Renu, we need to Plan to get a temporary replacement. We can't just let your job go for two weeks."

"Why not? Anyway anyone with an IQ above 50 can do my job. Besides, I need the time off."

"Renu, are you sure you are all right?"

"Yes, I just need some time away from the job."

Khan decided to let Renu have the vacation, which would allow her some time to decide what to do about the situation.

Khan thought about the situation the next couple of days. It was possible that Renu was an alcoholic. However, she also seemed to have a negative reaction to her job. May be Renu was bored with her job. She did not have the experience or job skills to move to a different types of job at present. Khan decided to meet

with the Personnel Manager and get some help developing her options to deal with Renu's problem.

**Questions:**

**(i) What is the problem in your opinion? Elaborate.**

**Ans.** The core issue of the case is that Ms. Renu wanted a career utilizing her foreign language skills but because of immediate financial pressures, she is forced to work as a clerk/typist and is therefore not able to concentrate in her work. When Ms. Renu's application was rejected, due to self de-motivation, she lost interest in her current job.

**(ii) How would you explain the behaviour of Renu and Mrs. Khan? Did Mrs. Khan handle the situation timely and properly?**

**Ans.** In the beginning, Renu was under financial pressure, so she did excellent in her job as a typist but later as she was more interested in a career in foreign language so she could not do much justice to her job and became careless in her approach.

Mrs. Khan had understood Mrs. Renu's situation, which she noticed over a period of time. She was a little late in handling the situation. To my knowledge and interpretation skills, Mrs. Khan tried her best for Ms. Renu.

**(iii) Assume that you are the Personnel Manager. What are the alternatives available with Mrs. Khan?**

**Ans.** As Renu's job behaviour continued to worsen, Mrs. Khan tried to understand the problems and talked to Renu. But Renu was slurring her words slightly and was not too steady. So Mrs. Khan thought that Renu was an alcoholic or Renu was bored with her job. As a personnel manager, I would like to discuss sending Renu for some counseling for motivation and career guidance purpose.

**(iv) What do you consider the best alternative? Why?**

**Ans.** This is not an isolated case as many people work against their interest and are not able to do justice to their job. There are certain regular checks and amendments that should be made in the organizational systems which should suit the people working in the organization so as to create a healthy and happy working atmosphere. I prefer to help those employees who are passionate to demonstrate their skills and wants to grow aggressively.

■ ■

# **Sample Preview of The Chapter**

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# MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES

## BLOCK-1 : INTRODUCTION TO MANAGEMENT

### Management: An Overview



#### **INTRODUCTION**

One of the most important activities we all do is management. Since human life began to be organized for food or shelter, elements of management have been subtly seen in all these activities. History also confirms the application of management techniques that are still visible today. We believe that the Egyptian pyramids, built centuries ago, are evidence of the excellent organizational strength of dozens of workers at the time, and therefore many administrative functions were used long ago. Similarly, the Indus Valley Civilization has shown the use of more advanced management techniques, given when it was built. In addition, these cases show that management is also an integral part of human survival and organized activities. As society grew, individuals were unable to achieve their individual goals, and group efforts had to be coordinated through administrative functions.

In the current context, competition is a key driver for individuals and organizations. On the one hand, individuals have never had so many opportunities, and on the other hand have never had a challenging work environment.

Management is essential not only for business concerns but also for banks, schools, colleges, hospitals, hotels, religious bodies, charitable trusts, etc. Every business unit has some objectives of its own. These objectives can be achieved with the coordinated efforts of several personnel. The work of a number of persons are properly co-ordinated to achieve the objectives through the process of management is not a matter of pressing a button, pulling a lever, issuing orders, scanning profit and loss statements, promulgating rules and regulations.

#### **CHAPTER AT A GLANCE**

##### **MEANING AND DEFINITION OF MANAGEMENT**

Many management experts have tried to define management. But, no definition of management has been universally accepted. Let us discuss some of the

leading definitions of management: Peter F. Drucker defines, "Management is an organ; organs can be described and defined only through their functions".

According to Terry, "Management is not people; it is an activity like walking, reading, swimming or running. People who perform Management can be designated as members, members of Management or executive leaders."

Ralph C. Davis has defined management as, "Management is the function of executive leadership anywhere."

Henry Fayol, "To manage is to forecast and plan, to organize, to compound, to co-ordinate and to control." Harold Koontz says, "Management is the art of getting things done through and within formally organized group."

#### **NATURE OF MANAGEMENT**

There has been a long debate about what exactly is the nature of management. One school of thought considers management to be a science, while another school of thought disagrees and sees it as an art. Science represents a systematic body of knowledge with generally applicable fundamental principles. Scientific procedures rely on reliability and validity based on experiments and generalizations. One of the principles of science is also the use of regular imagination to explain causal phenomena. Applying these principles, management has developed certain principles, laws, theories, and generalizations over the years that can be universally applied in a variety of organizations. According to Luther Gullick, managing a body of knowledge has fundamental principles and is in the process of being called a science.

The scientific management method proposed by F.W. Taylor is called scientific management and is a good proof of the status of science based on the number of human experiments on the manufacturing floor using management techniques. Some argue that this field is an inaccurate science because it does not enjoy the status of an accurate science due to the nature of pure science such as physics and chemistry. Because management deals with humans, it is difficult to verify and predict complex human behaviour.

The nature of management can also be understood in terms of professional status. A profession, by definition, is an individual's accredited profession that allows the basic principles and practices to be applied under a particular code of conduct. Based on the above definition, efforts have been made to consider management as a profession.

According to psychologist Edgar Shane, the vocational criteria are:

- Systematic body of knowledge
- Long-term formal education and training
- Specified criteria for entry
- Code of Conduct/Ethical Code
- Professional tools/techniques
- Specialized research
- Academic institution/association

### CHARACTERISTICS OF MANAGEMENT

Management is characterized by a few elements. They are:

**Management is a Group Activity:** Management is commonly defined as activity done by people to maintain and manage the business environment and structure.

**Management is Universal in its Application:** Management is a universal phenomenon in the sense that it is a common and essential element in all enterprises.

**Management is a Continuous Activity:** Management is a series of continuous or never-ending functions. All the functions of management are performed simultaneously and continuously.

**Management as an Integrated Effort:** Management is an integrating process-Management undertakes the job of bringing together human physical and financial resources so as to achieve organizational purpose.

**Management as a Well-defined Process:** In simple words, a management process is a well-defined system of setting goals, planning and controlling any action's execution.

**Management is Objective-driven and Result-oriented:** The success of any management activity is assessed by its achievement of the predetermined goals or objective. Management is a purposeful activity. It is a tool which helps use of human and physical resources to fulfil the pre-determined goals.

**Management as a Set of Roles and Skills:** Being able to communicate clearly, coordinate and motivate staff, as well as plan tasks effectively are vital skills that all managers need.

**Management as a Function:** There are four fundamental functions of management i.e. planning, organizing, actuating and controlling.

**Management as a Discipline:** Management as a discipline refers to that branch of knowledge which is connected to study of principles and practices of basic administration.

### MANAGEMENT AND ADMINISTRATION

The use of two terms management and administration has been a controversial issue in the management literature. Some writers do not see any difference between the two terms, while others maintain that administration and management are two different functions. Those who held management and administration distinct include Oliver Sheldon, Florence and Tead, Spriegel and Lansburg, etc. According to them, management is a lower-level function and is concerned primarily with the execution of policies laid down by administration.

This controversy is discussed as under in three heads:

- (i) Administration is concerned with the determination of policies and management with the implementation of policies. Thus, administration is a higher level function.
- (ii) Management is a generic term and includes administration.
- (iii) There is no distinction between the terms management and administration and they are used interchangeably.

### THE IMPORTANCE OF MANAGEMENT

**1. It helps in Achieving Group Goals:** It arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals.

**2. Optimum Utilization of Resources:** Management utilizes all the physical and human resources productively.

**3. Reduces Costs:** It gets maximum results through minimum input by proper planning and by using minimum input and getting maximum output.

**4. Establishes Sound Organization:** No overlapping of efforts (smooth and coordinated functions).

**5. Establishes Equilibrium:** It enables the organization to survive in changing environment. It keeps in touch with the changing environment.

**6. Essentials for Prosperity of Society:** Efficient management leads to better economical production which helps in turn to increase the welfare of people.

### FUNCTIONS OF MANAGEMENT

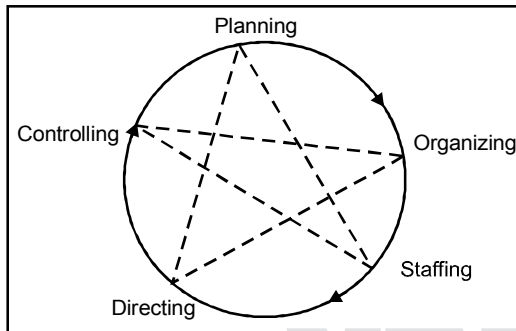
Management has been described as a social process involving responsibility for economical and effective planning and regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase, etc. Rather these activities are common to each and every manager irrespective of his level or status. Different experts have classified functions of management.

According to George and Jerry, "There are four fundamental functions of management i.e. planning, organizing, actuating and controlling".

According to Henry Fayol, "To manage is to forecast and plan, to organize, to command, and to control".

Whereas, Luther Gullick has given a keyword 'POSDCORB' where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting and B for Budgeting.

But the most widely accepted are functions of management given by KOONTZ and O'DONNELL i.e. Planning, Organizing, Staffing, Directing and Controlling.



Source: Harold Koontz and O'Donnell

#### Planning

According to Koontz, "Planning is deciding in advance – what to do, when to do and how to do. It bridges the gap from where we are and where we want to be". A plan is a future course of actions.

#### Organizing

According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". To organize a business involves determining and providing human and non-human resources to the organizational structure.

#### Staffing

According to Kootz and O'Donell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of personnel to fill the roles designed un the structure".

#### Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes.

#### Controlling

According to Theo Haimann, "Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation". According to Koontz and O'Donell "Controlling is the measurement and correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished".

#### CHALLENGES OF MANAGEMENT

Some of the challenges of management are as follows:

**Globalization:** Globalization means that activities be managed from an overall global perspective as part of an integrated system.

**Technology:** Technology "refers to the resources used by an organisation to manage information that it needs to carry out its mission".

**Workforce Diversity:** Diversity in the workforce exists when members differ along dimensions like race, colour, caste, creed, nationality, gender, etc.

**Innovation:** The organizational world which existed in those companies who set up manufacturing facilities in foreign countries had to send technical experts at initial times.

**Ethics and Governance:** Firms which do not adhere to ethical standards and social responsibilities are not accepted by the society. It is, therefore, a challenge for managers to define relationships with the social environment.

**Quality:** Quality is "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs".

**Cost:** Aligning the schedule and budget of the project is another difficult task that project professionals come across in cost control management.

**Change Management:** Change is a continuous process. If firms want to compete in the complex, dynamic and diverse environment as they are facing today, where expectations from managers and their organizations are on an ever increase, they must accept the changes that confront their everyday life.

#### ACTIVITIES

**Q. 1. All of us manage our daily routine. Write down the activities which reflect some form of management in your daily routine.**

**Ans.** A daily schedule helps you prioritize your wants and needs efficiently and offers you structure to support your productivity. Once established, a daily routine can help you achieve long-term goals by ensuring you're regularly working towards them. Other benefits of a daily schedule include:

- Scheduling time to meet all daily goals
- Boosting productivity
- Limiting procrastination
- Establishing healthy habits
- Enjoying a good work-life balance

Follow these steps:

**1. Write everything down:** Begin by writing down every task, both personal and professional, you want to accomplish during a normal week. Focus on brainstorming rather than editing or organizing. Remember to include tasks that you complete intermittently, like changing the sheets on the bed or mowing the lawn, and everyday tasks like making breakfast or doing dishes.

**2. Identify priorities:** Once you have your master list, go through it and identify daily priorities. Consider

using a highlighter to help visually organize your priorities by work, personal, wants and needs. For example, highlight daily work needs, like answering emails or returning phone calls, in blue and highlight personal wants, like reading a book for pleasure or going out for coffee with a friend, in green. Do this for your full list of tasks.

**3. Make a weekly chart:** Create, purchase or print a weekly chart. Begin filling it in with daily and weekly personal and work needs. Identify where it makes sense to complete tasks that recur weekly to keep your schedule as open as possible. For example, if on Mondays you have only four priority tasks, consider adding a weekly task like mowing the lawn rather than doing it on Saturdays when you have six priority tasks.

**4. Optimize your tasks:** Review your weekly schedule and determine if there are areas or tasks you can simplify or optimize to save time.

**Q. 2. Take the example of any successful organization in India and reflect on how management contributed to its success.**

**Ans.** Organizational learning is a buzzword used to describe the process of transferring knowledge within an organization. As your business gains experience, it should improve over time. You, your team, and your organization should be creating a broad base of knowledge during this time, covering any and all topics that could improve the way you do business. For example, you should learn more about your ideal customer, or create more efficient processes for running your business.

In general, the experts talk about four different types of knowledge that exist and grow within an organization. They divide them up into “communities” of learning:

- Individual
- Group
- Organizational
- Inter-organizational

**Individual Learning:** Obviously, this is the smallest learning community – a community of just one. When an individual worker learns new skills or ideas, productivity and performance generally improve. In order to maximize the benefit of this individual learning to the organization, the worker who learns the new skill must share it with co-workers.

**Group Learning:** Groups, or teams of employees, can also learn new skills together. When people spend the majority of their time working on a team with specific coworkers, those teams tend to coordinate in such a way that they learn as a group.

There are a number of steps management contributed to its success.

**Create knowledge:** The first step toward learning is creating, or taking in, knowledge and information. Managers should constantly seek to uncover new knowledge about their business, customers and

environment. They can do this by conducting surveys, performing market analyses, networking with colleagues in their industry and studying competitors.

**Retain the knowledge:** Once managers have created, or obtained the knowledge, they need a system for retaining it within the organization. It should be recorded or stored in a place where it will be accessible to other employees in the future. Many companies achieve this goal by using an intranet. (The organizational learning gurus would call these “knowledge management systems.”)

**Transfer the knowledge:** Finally, the knowledge must be transferred out of the individual community and into the organizational community as a whole. Some methods for transferring knowledge are simple, like conducting training or writing articles to share online. But it’s important to also use the information to inform your business processes.

### SELF-ASSESSMENT QUESTIONS

**Q. 1. What is management? Why is it important in the contemporary world?**

**Ans.** Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

Let us discuss some of the leading definitions of management: Peter F. Drucker defines, “Management is an organ; organs can be described and defined only through their functions”.

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Henry Fayol, “To manage is to forecast and plan, to organize, to compound, to co-ordinate and to control.” Harold Koontz says, “Management is the art of getting things done through and within formally organized group.”

The importance of management to a modern business is discussed below:

**1. Accomplishment of Goals:** It is the management which determines the goals of the organization and of various departments and functional groups. The goals are communicated to the employees to seek their cooperation. All organizational activities are directed towards the organizational objectives. Clear-cut definition of goals is essential for the success of any organization.

**2. Effective Utilization of Resources:** Management ensures optimum utilisation of resources. Through planning and organisation, management eliminates all types of wastages and achieves efficiency in all business operations. Management motivates workers to put in