CHATRAPATI SHAHU JI MAHARAJ UNIVERSITY, KANPUR

Management Concept And Processes
Unit 1 –Introduction And Approaches To Management
Mba 1st Semester

MANAGEMENT

- Management is a universal phenomenon. It is a very popular and widely used term. All organizations - business, political, cultural or social are involved in management because it is the management which helps and directs the various efforts towards a definite purpose.
- According to **Harold Koontz**, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals”.
- According to **F.W. Taylor**, “Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way”.
- Management is a purposive activity. It is something that directs group efforts towards the attainment of certain pre - determined goals. It is the process of working with and through others to effectively achieve the goals of the organization, by efficiently using limited resources in the changing world. Of course, these goals may vary from one enterprise to another.

  E.g.: For one enterprise it may be launching of new products by conducting market surveys.
- Management involves creating an internal environment: - It is the management which puts into use the various factors of production. Therefore, it is the responsibility of management to create such conditions which are conducive to maximum efforts so that people are able to perform their task efficiently and effectively. It includes ensuring availability of raw materials, determination of wages and salaries, formulation of rules & regulations etc.

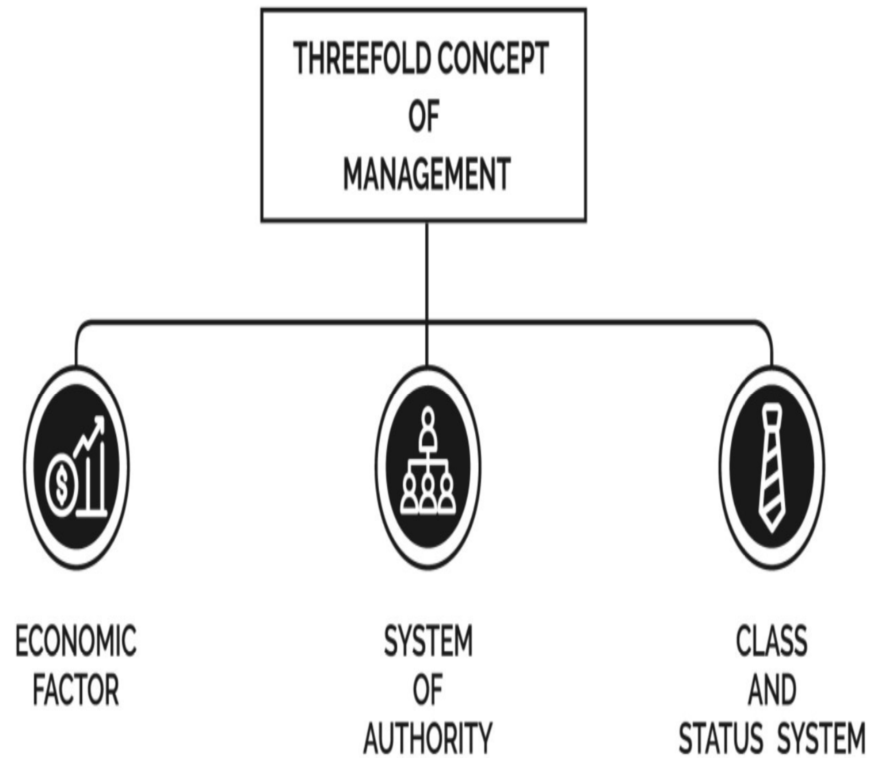
- Management is a process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical, and information resources of an organization to reach its goals efficiently and effectively.
- **Threefold Concept of Management:**

➢ Management is an Economic Factor

➢ Management is a System of Authority

➢ Management is a Class and Status System

- Wherever there is management, there is a purpose. Management deals with the achievement of something definite expressed as a goal or objective.
- Management can neither be replaced nor substituted by anything else.
- Conversely, the identity of management may also be felt by its absence or by the presence of its direct opposite mismanagement. The consequence of mismanagement is anybody's guess.



CONCEPT OF MANAGEMENT

- **The concept of management can be defined as the following ways:**

- **Management is an art of getting things done:** Management is the art of getting things done through those people who can be manager or non-manager. At the level of the chief executive, the work is done through the functional managers, things at the middle level are implemented through the supervisors and at the lower level of the management through the workers.

- **Management as a Process:** Management as a process because it involves many tasks. It refers to everyone, a manager separates. Various works done by managers to efficiently utilize available tasks and human resources so that desired objectives can be achieved are expressed as management.

- **Management as a Discipline:** Sometimes the term 'management' is not used to do the activity, nor is it done to the workers who do it, but rather to the knowledge, practice, and discipline. In this sense, the concept of management refers to management principles and practices as a subject of study.

- **Management: Art or science?** Management includes the characteristics of both art and science. Although some aspects of management make it a science, some others who incorporate the application of the skill make it an art. Every discipline of art is always supported by science, which is the basic knowledge of that art..

- **Management as an Art:** Management can be an art in this sense that it has the following characteristics:

- It is also practiced and performed like other arts. Knowledge should be learned and practiced, just like medical or legal practitioners practice their respective science.

- Managers gain experience by constantly experiencing the continuous application of knowledge and new experiences.

- The application calls for innovation and creativity.

- The fourth reason is that in many situations, the theoretical knowledge of management cannot be sufficient or relevant to solve the problem. This can be due to the complexity or unique nature of the problem.

➢ **Management as a science:** Management as science has the following characteristics:

- Its principles, generalizations, and concepts are organized. In this case, the manager can manage the position or organization in a systematic and scientific manner.
- Its theories, generalizations, and concepts are prepared on the basis of observation, research, analysis, and experimentation, as is the case with the principles of other sciences.
- Like other sciences, management theory is also based on the cause and effect relationship. It states that similar causes will cause similar effects. Suppose if the workers are paid more (cause), then production is more (effect).
- Management theories are codified and systematic, and they can be transferred from one to the other and taught.
- The principles of management apply universally to all types of organizations.
- In an organization, there is a set of basic goals which are the root causes of its existence. Management unites the efforts of different people in the organization towards achieving these goals.
- Management is a dynamic task and it has to adapt to the changing environment. To be successful, an organization has to change itself and its goals according to the needs of the environment.

NATURE OF MANAGEMENT

- **Universal:** Management is universal as it's common and crucial in all organizations. You can apply the principles of management in all situations regardless of the nature, location, and size of the enterprise.Management's universality implies that its skills are transferable from one person to another which allows managers to get trained and develop those skills.
- **Social**: Management involves handling people organized in a group. All the individuals a manager has to interact with have various levels of dynamism, understanding, and sensitivity.Management requires retaining, motivating, and developing people at work and ensuring their satisfaction as social beings.
- **Intangible:** Management is intangible. It's not a thing or object which you can touch but you can feel its presence through the results of its efforts as adequate, orderly work output and employee satisfaction.
- **Dynamic:** Management is dynamic as it must remain equipped to face various changes in the corporate environment caused by social, economic, technological, political, or human factors.
- **Goal-Oriented:** All the activities performed in management processes are goal-oriented. They all focus on achieving specific goals. Management processes aim to achieve the organization's goals that are practical and realistic.
- **Production Factor:** Managers are vital to utilizing capital and labour. That's why management is a significant factor of production.

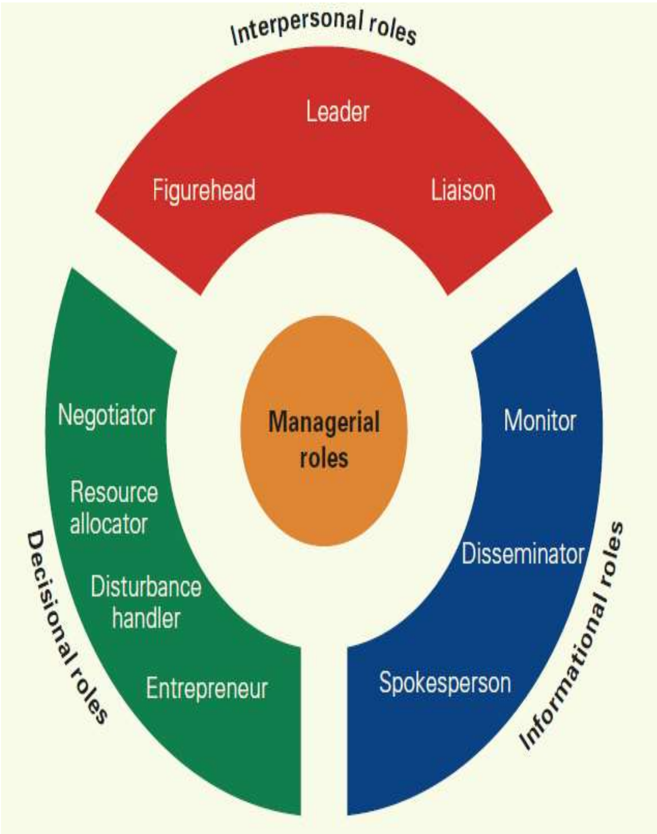
- **Co-ordinating:** Management requires coordination between groups of people. All physical and human resources require efficient coordination to achieve optimal levels of productivity.
- **Crucial Part of Society:** Society has a great impact on management and similarly, management has an impact on society. Managers are responsible for contributing to society through charity, organization, and growth.
- **Professional:** Managers must have the proper knowledge and managerial training.They must also conform to the code of conduct and be conscious of their humans and social responsibilities.
- **Process:** Management consists of a sequence of actions that we conduct towards an end. Handles the planning and regulation of the production process because, without them, the final product wouldn't satisfy the customers, causing the business to close its doors. Deals with controlling and coordinating all office activities to achieve the business's goals. It organizes the office and its tasks so that the management can achieve its objectives efficiently. It involves activities and processes that use and control the enterprise's manpower. Human resources are among the most vital factors determining an organization's success. Focuses on managerial activities that utilize and procure the finances of a business. The finances of an enterprise can become highly complicated that's why effective financial management becomes crucial for its goal achievement.

Managerial Roles in Management

Managerial roles are specific behaviors associated with the task of management. Managers adopt these roles to accomplish the basic functions of management just discussed—planning and strategizing, organizing, controlling, and leading and developing employees. One of the earliest and most enduring descriptions of managerial roles comes from Henry Mintzberg,who (as we have already noted) shadowed managers observing what they did during the day.

Mintzberg developed a list of roles that he grouped into three categories: interpersonal roles, informational roles, and decisional roles.

Mintzberg developed a list of roles that he grouped into three categories Mintzberg emphasized that managing is an integrated activity, so these roles are rarely distinct. Visiting clients, for instance, usually relates to two or more roles simultaneously.



INTERPERSONAL ROLES

Interpersonal roles are roles that involve interacting with other people inside and outside the organization. Management jobs are people-intensive: Research suggests that managers spend somewhere between 66 and 80 % of their time in the company of others. Managers can use their networks to help coordinatethe work of their units with others, to gain access to valuable information, andmore generally to get things done and further their own agendas within the organization.

❖ **Mintzberg identified three types of interpersonal roles: a figurehead role, a leader role, and a liaison role.**

- Managers at all levels are **figureheads .** They greet visitors, represent the company at community events, serve as spokespeople, and function as emissaries for the organization.

- **Leadership** is more than a function that managers must fulfill.Managers also take on a leadership role to get things done within organizations. Managers behave as leaders to influence, motivate, and direct others within organizations and to strategize, plan, organize, control, and develop. A central task of leaders is to give their organizations a sense of direction and purpose.They do this by identify and articulating strategic visions for the organizations (by strategizing) and then by motivating others to work toward this vision. This is exactly what Rose Marie Bravo did at Burberry: She gave the organization a strategic vision, repositioning it as a hip, high-end brand, and she engaged Burberry's employees in that vision.

- In their **liaison role** managers connect with people outside their immediate units.These may be the managers of other units within the organization or people outside the organization,such as suppliers, buyers, and strategic partners. An important purpose of suchliaisons is to build a network of relationships.

INFORMATIONAL ROLES

Informational roles are concerned with collecting, processing, and disseminating information. Managers collect information from various sources both inside and outside the organization, process that information, and distribute it to others who need it.

- **Mintzberg divided the information roles of management into three types: monitor, disseminator, and spokesperson.**

- As **monitors** managers scan the environment both inside and outside the organization. By monitoring the external competitive and internal organizational environment for information, managers try to gain knowledge about how well the organization is performing and whether any changes in strategy or operational processes are required. Managers rely on both formal and informal channels to collect the information required for effective monitoring. Formal channels include the organization's own internal accounting information systems and data provided by important external agencies.

- One thing managers do with this information is **disseminate** it to direct reports and others inside the organization. In their dissemination role managers regularly inform staff about thecompany's direction and sometimes about specific technical issues. At the supervisory level, the disseminator role often takes the form of one-to-one informal conversations with specificemployees about particular matters.

- In their **spokesperson role**, managers deliver specific information to individuals and groups located outside their department or organization. Sales managers communicate with business partners regarding new sales strategies. Division heads give presentations to their colleagues in other divisions about strategies and resource requirements.

DECISIONAL ROLES

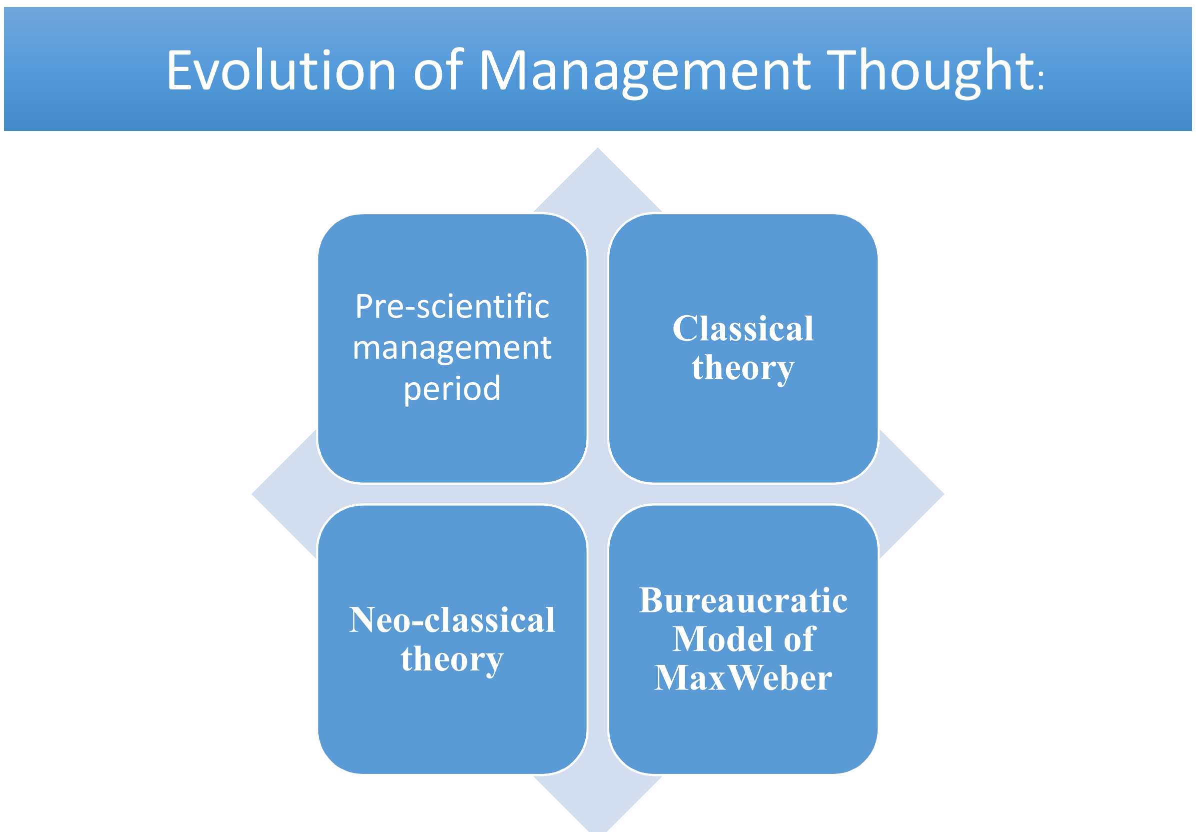
The information collected through monitoring is directed toward discovering problems or opportunities, weighing options, making decisions, and ensuring that those decisions are put into action. They translate the people and information into processes with the purpose of moving the organization toward its strategic goals.

❖ **Mintzberg identified four decision roles: entrepreneur, disturbance handler, resource allocator, and negotiator.**

- To survive in competitive markets, firms must be **entrepreneurial.** They must pioneer new products and processes and quickly adopt those pioneered by others. In their role as entrepreneurs, managers must make sure that their organizations innovate and change when necessary,developing or adopting new ideas and technologies and improving their own products and processes. They must make decisions that are consistent with such entrepreneurial behavior.
- Managing is full of paradoxes, and this is partly apparent when we contrast the proactive entrepreneurial role with the reactive **disturbance handler role.** Disturbance handling includes addressing unanticipated problems as they arise and resolving them expeditiously.
- An important class of management decisions involves **resource allocation** . Organizations never have enough money, time, facilities, or people to satisfy all their needs. A crucial decision responsibility of managers is to decide how best to allocate the scarce resources under their control between competing claims in order to meet the organization’s goals.
- **Negotiating** is continual for managers. They negotiate with suppliers for better delivery, lower prices, and higher-quality inputs. Managers who are successful when making negotiation decisions can lower input costs, strike better deals with customers, gain access to more high-quality resources within the organization, and better organize their own subordinates. Skilled negotiators are more likely to successfully implement strategy and raise the performance of their organizations.

Evolution of Management Theory

Evolution of the management thought is a process that began in the earlier days of humans. It began when the man found the need to live in the groups. Then, mighty men soon organized the masses and distributed them among the groups. The sharing and distribution process completed according to the strength, intelligence, and mental capabilities of the masses. Thus, with the beginning of civilization, the effective practice of management also began.



Pre-Scientific Management Period

As the industrial revolution occurred in the 18th century, there was a huge impact on management. The scenario changed the method of raising capitals, organizing labour, and goods' production for the individuals and businesses. Entrepreneurs then had access to production factors like land, labour, and capital. The final step was only to make some effort for combining these factors to achieve the target successfully.But, after the industrial revolution, the newer dimension taken by management is because of the involvement of certain notable personalities who introduced some effective ideas and approaches for giving management an acceptable and precise direction..

The Classical Theory

Robert Owens, Charles Babbage, and other prominent personalities are regarded as management's pioneers. However, their contribution to the evolution of management is lower. Further, by the last decade of 19th century, the science of management began, and with it, some professionals like H. L. Grant, F. W. Taylor, Emerson, and others entered for the establishment of scientific management.Further, during the classical period, management thought focused on standardization, job content, labour division, and scientific approaches for the organization. It also related closely to the industrial revolution and the rise of large-scale enterprises

The Neo-Classical Theory

This duration of the evolution of the management thought is a better version of classical theory. It is a modified version of classical theory with several improvements. The classical theory focused mainly on the areas of job including physical resources and their management, but neo-classical theory focuses on employee relationships in the work ecosystem.

The Bureaucratic Model

Max Weber, a German sociologist, proposed the bureaucratic model. This includes a system of labour division, rules, authority hierarchy, and employees' placement based on their technical capabilities.

Conclusion :Evolution of Management Theory

Organizations shaped effectively and the writings of some prominent writers consisted of the management and governance of various kingdoms. These descriptions formed the literature that helped develop the management theories. Several heads of religions, political affairs, and military also gave the management models. For example, the books like Sun Tzu's "The Art of War" and Chanakya's Arthashastra used some managerial purposes and the governance of the kingdom concerning the policy formulations respectively.

Levels of Management

The term "Levels of Management' refers to a line of demarcation between various managerial positions in an organization. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories:

1. Top level / Administrative level
2. Middle level / Executory
3. Low level / Supervisory / Operative / First-line managers

❖ Managers at all these levels perform different functions. The role of managers at all the three levels is discussed below:

1. Top Level of Management

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows -

- Top management lays down the objectives and broad policies of the enterprise.
- It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
- It prepares strategic plans & policies for the enterprise.
- It appoints the executive for middle level i.e. departmental managers.
- It controls & coordinates the activities of all the departments.
- It is also responsible for maintaining a contact with the outside world.
- It provides guidance and direction.
- The top management is also responsible towards the shareholders for the performance of the enterprise.

2. Middle Level of Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as -

- They execute the plans of the organization in accordance with the policies and directives of the top management.
- They make plans for the sub-units of the organization.
- They participate in employment & training of lower level management.
- They interpret and explain policies from top level management to lower level.
- They are responsible for coordinating the activities within the division or department.
- It also sends important reports and other important data to top level management.
- They evaluate performance of junior managers.
- They are also responsible for inspiring lower level managers towards better performance.

3. Lower Level of Management

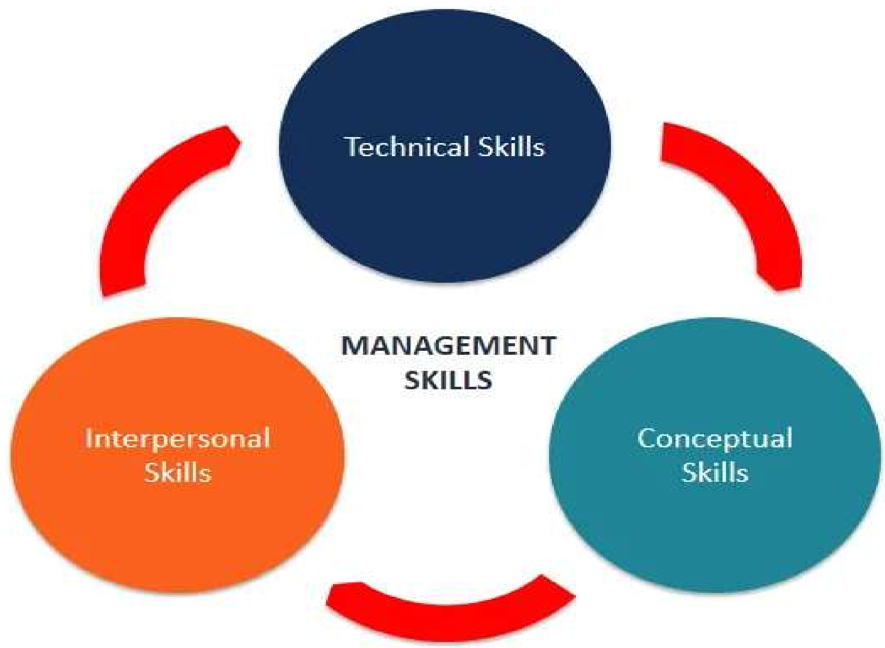
Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. According to R.C. Davis, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management. Their activities include -

- Assigning of jobs and tasks to various workers.
- They guide and instruct workers for day to day activities.
- They are responsible for the quality as well as quantity of production.
- They are also entrusted with the responsibility of maintaining good relation in the organization.
- They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
- They help to solve the grievances of the workers.
- They supervise & guide the sub-ordinates.
- They are responsible for providing training to the workers.
- They arrange necessary materials, machines, tools etc for getting the things done.
- They prepare periodical reports about the performance of the workers.
- They ensure discipline in the enterprise.
- They motivate workers.
- They are the image builders of the enterprise because they are in direct contact with the workers.

Management Skills

Management skills can be defined as certain attributes or abilities that an executive should possess in order to fulfill specific tasks in an organization. They include the capacity to perform executive duties in an organization while avoiding crisis situations and promptly solving problems when they occur. Management skills can be developed through learning and practical experience as a manager. The skills help the manager to relate with their fellow co-workers and know how to deal well with their subordinates, which allows for the easy flow of activities in the organization.

Good management skills are vital for any organization to succeed and achieve its goals and objectives. A manager who fosters good management skills is able to propel the company's mission and vision or business goals forward with fewer hurdles and objections from internal and external sources.



Types of Management Skills

According to American social and organizational psychologist Robert Katz, the three basic types of management skills include:

- **Technical Skills**

Technical skills involve skills that give the managers the ability and the knowledge to use a variety of techniques to achieve their objectives. These skills not only involve operating machines and software, production tools, and pieces of equipment but also the skills needed to boost sales, design different types of products and services, and market the services and the products.

- **Conceptual Skills**

These involve the skills managers present in terms of the knowledge and ability for abstract thinking and formulating ideas. The manager is able to see an entire concept, analyze and diagnose a problem, and find creative solutions. This helps the manager to effectively predict hurdles their department or the business as a whole may face.

- **Human or Interpersonal Skills**

The human or the interpersonal skills are the skills that present the managers' ability to interact, work or relate effectively with people. These skills enable the managers to make use of human potential in the company and motivate the employees for better results.

Examples of Management Skills

There is a wide range of skills that management should possess to run an organization effectively and efficiently. The following are six essential management skills that any manager ought to possess for them to perform their duties:

- **Planning**

Planning is a vital aspect within an organization. It refers to one's ability to organize activities in line with set guidelines while still remaining within the limits of the available resources such as time, money, and labor. It is also the process of formulating a set of actions or one or more strategies to pursue and achieve certain goals or objectives with the available resources.
The planning process includes identifying and setting achievable goals, developing necessary strategies, and outlining the tasks and schedules on how to achieve the set goals. Without a good plan, little can be achieved.

- **Communication**

Possessing great communication skills is crucial for a manager. It can determine how well information is shared throughout a team, ensuring that the group acts as a unified workforce. How well a manager communicates with the rest of his/her team also determines how well outlined procedures can be followed, how well the tasks and activities can be completed, and thus, how successful an organization will be. Communication involves the flow of information within the organization, whether formal or informal, verbal or written, vertical or horizontal, and it facilitates smooth functioning of the organization. Clearly established communication channels in an organization allow the manager to collaborate with the team, prevent conflicts, and resolve issues as they arise. A manager with good communication skills can relate well with the employees and thus, be able to achieve the company's set goals and objectives easily.

❖ Decision-making

Another vital management skill is decision-making. Managers make numerous decisions, whether knowingly or not, and making decisions is a key component in a manager's success. Making proper and right decisions results in the success of the organization, while poor or bad decisions may lead to failure or poor performance.

For the organization to run effectively and smoothly, clear and right decisions should be made. A manager must be accountable for every decision that they make and also be willing to take responsibility for the results of their decisions. A good manager needs to possess great decision-making skills, as it often dictates his/her success in achieving organizational objectives.

❖ Delegation

Delegation is another key management skill. Delegation is the act of passing on work-related tasks and/or authorities to other employees or subordinates. It involves the process of allowing your tasks or those of your employees to be reassigned or reallocated to other employees depending on current workloads. A manager with good delegation skills is able to effectively and efficiently reassign tasks and give authority to the right employees. When delegation is carried out effectively, it helps facilitate efficient task completion.

Delegation helps the manager to avoid wastage of time, optimizes productivity, and ensures responsibility and accountability on the part of employees. Every manager must have good delegation abilities to achieve optimal results and accomplish the required productivity results.

❖ Problem-solving

Problem-solving is another essential skill. A good manager must have the ability to tackle and solve the frequent problems that can arise in a typical workday. Problem-solving in management involves identifying a certain problem or situation and then finding the best way to handle the problem and get the best solution. It is the ability to sort things out even when the prevailing conditions are not right. When it is clear that a manager has great problem-solving skills, it differentiates him/her from the rest of the team and gives subordinates confidence in his/her managerial skills.

❖ Motivating

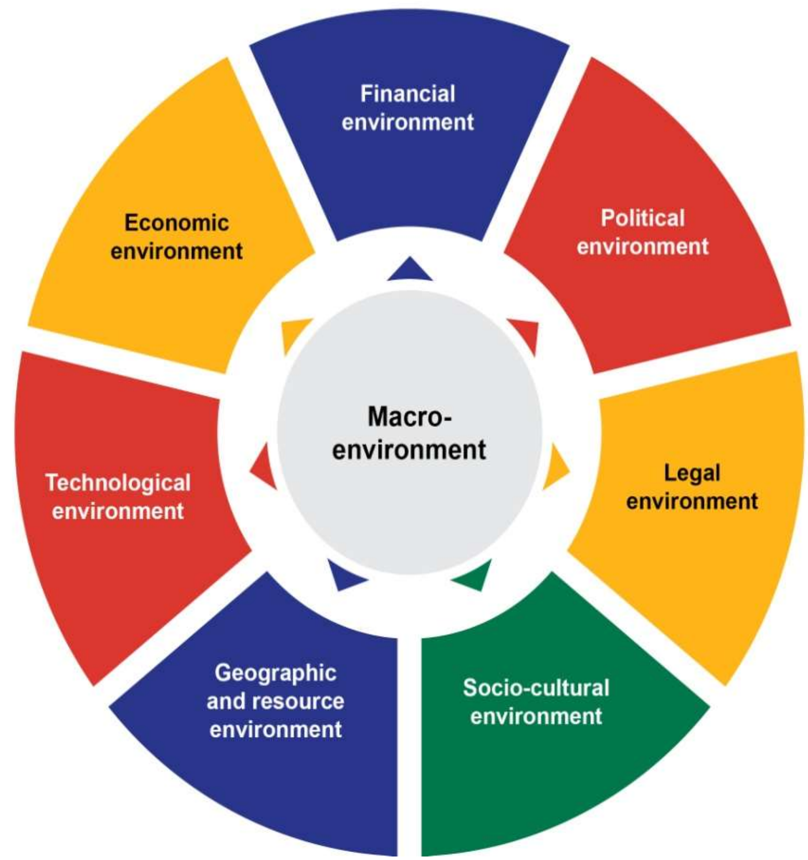
The ability to motivate is another important skill in an organization. Motivation helps bring forth a desired behavior or response from the employees or certain stakeholders. There are numerous motivation tactics that managers can use, and choosing the right ones can depend on characteristics such as company and team culture, team personalities, and more. There are two primary types of motivation that a manager can use. These are intrinsic and extrinsic motivation.

Macro Environment

The general environment within the economy that influences the working, performance, decision making and strategy of all business groups at the same time is known as Macro Environment. It is dynamic in nature. Therefore it keeps on changing.

It constitutes those outside forces that are not under the control of the firm but have a powerful impact on the firm's functioning. It consists of individuals, groups, organizations, agencies and others with which the firm deals during the course of its business.

Figure 8.1: The marketer's macro-environment



EXAMPLE OF MACRO ENVIRONMENT

A government can enact tariffs that increase the cost of an imported good a company needs to manufacture its products. Rather than paying the tariff, the company can look for a domestic source for these goods that is cheaper than the imported good. If they can't find a domestic source, they will have to purchase the more expensive imported goods. In many cases, the company will need to pass the additional cost on to the consumer in the form of increased product prices. This could reduce the company's revenue if sales decrease because of the company's higher prices.

MICRO ENVIRONMENT

Microenvironment refers to the environment which is in direct contact with the business organization and can affect the routine activities of business straight away. It is associated with a small area in which the firm functions.

The microenvironment is a collection of all the forces that are close to the firm. These forces are very particular for the said business only. They can influence the performance and day to day operations of the company, but for the short term only. Its elements include suppliers, competitors, marketing intermediaries, customers and the firm itself.

ELEMENTS OF MICRO ENVIRONMENT

Elements of Micro Environment:

The elements of the micro environment are closely associated with the company and they do not affect all the companies operating in the industry, in a similar manner, as some factors are specific to the firm.

So we can say that the micro environment is one which the firm addresses in its specific arena, such as the industry or the strategic group.

- **COMPETITOR**

Competition is what keeps the firm thriving. Competitors are the rival sellers operating in the same industry. It must be noted that the nature and intensity of competition highly influence the firm's products and services. Product Differentiation is something that helps the firm to beat the cut-throat competition in the market.

- **SUPPLIERS**

Suppliers are the one who provides inputs such as material, components, labour and other stock of goods to the firm, which is required to undertake manufacturing activities. when there is uncertainty as to the supply constraints, it usually builds pressure on the firms and they are required to maintain high inventories, which leads to cost increases.

- ## Customers

The success of the organization greatly depends on how effectively the firm fulfils the needs and wants of the customers, which is profitable to the firm and also provides value to the customer. The firm needs to analyze what the customers expect from their products and services so that the firm can satisfy them.

It must be noted that without customers no business can survive for a long time. So, the primary objective of the firm is to create and retain customers, to keep itself going

- ## Intermediaries

Intermediaries refer to marketing intermediaries which cover agents, merchants, distributors, dealers, wholesalers, etc. that participate in the company's supply chain, in stocking and transporting the goods from their source location to their destination.

It acts as a link between the business organization and the ultimate consumer.

- **Shareholders**

Shareholders are the real owners of the company who invest their money in the company's business, by purchasing the shares, for which they are paid a dividend every year as a return. Shareholders have the right to vote in the company's general meeting

- **Employees**

Placing the right person at the right job and retaining them for the long term by keeping the staff motivated is very important for the strategic planning process. Training and development act as a guide to the firm's employees which ensures an up-to-date workforce.

A qualified and competent workforce can help the firm to achieve success with little efforts.

- **Media**

We all know the power of media these days, it can make or break an organization or its products/services overnight.

Management of media whether electronic media, press media or social media is really important not just to create a positive and clean image of the company and its products in front of the audience but also to support the firm in building a good reputation in the market. The right use of media can do wonders for the company and boost its sales. When the firm competes with the firm operating in the same industry, with the same micro environmental factors, the relative success of the company is based on the relative effectiveness of the company in dealing with these factors.

Functional Areas of Management

1. **Production Management:** The term 'production' was closely associated with manufacturing physical goods and, therefore, production management was also known as manufacturing management. Today, goods are not only physical goods but also services. Production is related to both goods and services and, therefore, production management is known as operations management. It deals with conversion of inputs into outputs. It is a "set of components whose function is to transform a set of inputs into some desired output." "It is the management of productive processes that convert inputs into goods and services." The inputs are the men, material, equipment, technical knowledge etc. The conversion process that transforms the inputs can be physical transformation in manufacturing operations, locational transformation in transportation, exchange transformation in retailing, storage transformation in warehousing, informational transformation in legal firms, physiological transformation in medicine, and gratification transformation in entertainment. Outputs are the goods and services produced through the conversion process. Outputs also include by-products of goods, whether in the form of pollutants or wastes. This input-output conversion process is also affected by the environmental forces like Government regulations, economic-political-legal framework of the country, policies of competitors, international policies, etc. The feedback mechanism helps to know effectiveness of the conversion process and whether or not it requires changes in its components.

2. Financial Management: All activities (production, marketing or personnel) require constant flow of funds. Finance department takes care of financial requirements of the enterprise. It makes arrangements for acquisition and effective utilisation of funds. With increase in the size of business, its relationship with the internal and external environment, product diversification and differentiation, Government regulations and technological developments, finance manager assumes important role in management of finance. Financial management deals with management of finance. It is "the operational activity of a business that is responsible for obtaining and effectively utilizing the funds necessary for efficient operations."

3. Personnel/Human Resource Management: Traditionally what was known as personnel management is now replaced with human resource management (HRM) today. Initially, in small organisations all the managerial functions of planning, organising, staffing, directing, and controlling (for all the functional areas of management) were performed by the managers but with increase in size of the organisations, managers could not look after all the functional areas. Personnel specialists or senior managers were appointed to look into matters related to personnel policies and separate departments called personnel departments were created. Human resource department performs the following functions:

(a) Human resource planning or manpower planning balances the demand for employees in qualitative and quantitative terms and its supply from various internal and external resources. Internal sources fill organisational posts from within the organisation and external sources provide labour from outside sources such as labour market.

(b) Recruitment analyses requirements of the job, prepares job description and invites applications from those whose qualifications match the job description.

(c) Selection selects the most suitable person out of those who have applied for the job. Written tests and interviews are conducted to select the suitable candidates.

(d) Performance appraisal assesses the performance with the targeted performance to check deviations and provide training to improve the performance.

(e) Training enhances the knowledge and skills of employees. It enables them to effectively manage the organisational positions and promotes their growth. Training programmes can be conducted on-the-job or external agencies can provide training to the employees.

(f) Rewards deal with the pay structure for each job. Rewards vary with the skill, knowledge and competence for each job position.

(g) Industrial relations maintain harmonious relations between the management and employees. Grievances or disputes are settled by the personnel manager by following legal provisions and rules.

(h) Employee communication and participation communicates managerial decisions to employees and allows them to participate in the decision-making processes.

(i) Personnel records maintain record of employees regarding their qualification, experience and achievements. It is maintained by the personnel department. This serves as the basis for internal recruitment where employees can be placed at jobs within the organisation. These records help in matching job description with job specification, that is, matching the requirement of the job with qualifications of the person.

4. Marketing Management: Traditionally, markets were a place for exchange of goods and services between sellers and buyers to the mutual benefit of both. Today, marketing is exchange of values between the seller and the buyer. Value implies worth related to the goods and services being exchanged. The buyer will pay for the goods if they have value for him. Marketing management is "planning, organising, controlling and implementing of marketing programmes, policies, strategies and tactics designed to create and satisfy the demand for the firms' product offerings or services as a means of generating an acceptable profit." It deals with creating and regulating the demand and providing goods for which customers are willing to pay a price worth their value.

Elements of marketing management: The basic elements of marketing management are:

- (a) Customer orientation: The focus of marketing function is to sell goods desired by consumers; the goods that satisfy their needs.
- (b) Integrated effort: Marketing function should be co-ordinated with other functional areas of production, finance and personnel management.
- (c) Profitability: While the consumer wants a product that satisfies his needs, seller sells a product which provides profit. A successful marketing strategy should provide profits to the marketer along with customer satisfaction.
- (d) Viability: The goods should not only earn profits, they should also build reputation of the firm in terms of quantity, quality and the price at which goods are sold.

Management as a Profession

Over a large few decades, factors such as growing size of business unit, separation of ownership from management, growing competition etc have led to an increased demand for professionally qualified managers. The task of manager has been quite specialized. As a result of these developments the management has reached a stage where everything is to be managed professionally. A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body. The essentials of a profession are: Specialized Knowledge - A profession must have a systematic body of knowledge that can be used for development of professionals. Every professional must make deliberate efforts to acquire expertise in the principles and techniques. Similarly a manager must have devotion and involvement to acquire expertise in the science of management.

Formal Education & Training - There are no. of institutes and universities to impart education & training for a profession. No one can practice a profession without going through a prescribed course. Many institutes of management have been set up for imparting education and training. For example, a CA cannot audit the A/C's unless he has acquired a degree or diploma for the same but no minimum qualifications and a course of study has been prescribed for managers by law. For example, MBA may be preferred but not necessary.

Social Obligations - Profession is a source of livelihood but professionals are primarily motivated by the desire to serve the society. Their actions are influenced by social norms and values. Similarly a manager is responsible not only to its owners but also to the society and therefore he is expected to provide quality goods at reasonable prices to the society.

Code of Conduct - Members of a profession have to abide by a code of conduct which contains certain rules and regulations, norms of honesty, integrity and special ethics. A code of conduct is enforced by a representative association to ensure self discipline among its members. Any member violating the code of conduct can be punished and his membership can be withdrawn. The AIMA has prescribed a code of conduct for managers but it has no right to take legal action against any manager who violates it.

Representative Association - For the regulation of profession, existance of a representative body is a must. For example, an institute of Charted Accountants of India establishes and administers standards of competence for the auditors but the AIMA however does not have any statuary powers to regulate the activities of managers.

THANK YOU