
UNIT 3 FUNCTIONS OF MANAGEMENT

Structure

- 3.1 Introduction
- 3.2 Planning
- 3.3 Organizing
- 3.4 Staffing
- 3.5 Directing
- 3.6 Coordination
- 3.7 Controlling
- 3.8 Budgeting
- 3.9 Delegation
- 3.10 Leading
- 3.11 Let Us Sum Up
- 3.12 Keywords
- 3.13 References and Selected Readings
- 3.14 Check Your Progress – Possible Answers

3.1 INTRODUCTION

In the first and second units of this block we discussed an overview of management and important management theories. This unit orients you to the complex dynamics of various functions of management. The management process involves performance of certain fundamental functions. One useful classification of managerial functions has been given by Luther Gulick, who abbreviating them using the word POSDCORB - Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting. There is no commonly held opinion about the managerial functions proposed by different experts. By combining many of those views, this unit discusses the managerial functions under the headings (i) Planning (ii) Organizing (iii) Staffing (iv) Directing (v) Coordinating (vi) Controlling (vii) Budgeting (viii) Delegation and (ix) Leading.

After studying this unit, you should be able to:

- develop conceptual understanding about different aspects of management functions.
- gain insight into the skillful application of various management functions.

3.2 PLANNING

Planning is defined as the process of setting goals and choosing the means to achieve those goals. Planning is the most crucial and foremost function of management. It is an indispensable element which determines the overall functioning of the management system. A sound planning is imperative for the successful achievement of the goals in the desired direction.

Planning spells out the answer to the questions like 'why', 'what', 'how', 'when', and 'where' of the different activities to be performed in the specific sequence. It involves setting of objectives and goals; designing appropriate strategy and course of action; and framing plans and procedures etc. for execution of the proposed activities under the project/programmes.

3.2.1 Advantages of Planning

- i) Help in decision making.
- ii) Enable the organization to utilize opportunities and face challenges.
- iii) Reduce uncertainties.
- iv) Promote efficiency.
- v) Ensure cooperative and coordinated efforts.
- vi) Facilitate timely execution of tasks.
- vii) Provide basis for control.
- viii) Serves as a blue-print for success.

3.2.2 Types of Plans

The plans are of two type viz strategic plans and operational plans.

- i) **Strategic plan:** It has a longer time horizon and designed to meet the broad goals of the organization. The period of long range plans may range from five to ten years or may even be more, depending on the nature and kind of the projects, programmes of the organization.
- ii) **Operational plan:** It is also called as short range plan which usually has a span of one to two years. These plans may also contain details of implementation of the strategic plans in a specific time schedule. The short range plans are an integral part of long range plans. Each short range plan aims at contributing towards achievement of overall outcome envisaged under the long range plans.

3.2.3 Principles of Planning

The basic principles of the planning are briefly discussed below:

- i) **Objectives:** Objectives are to be framed in accordance with the overall goals and expected outcomes. The objectives should be stated clearly and precisely, which should be measurable and attainable in a given period of time. They should be SMART (Specific, Measurable, Action-Oriented, Realistic and Time oriented).
- ii) **Premising:** A consistent assumption based on forecasts of the future environmental conditions is vital, for realistic and effective planning.
- iii) **Commitment:** It is related to the time period of planning for accomplishment of the objectives.
- iv) **Coordinated approach:** It is pertinent that all the plans of the organization are integrated with each other and the strategic procedures, budget etc. are properly tuned to implement the plans effectively.

- v) **Flexibility:** There should be adequate flexibility in the plan to deal with the unexpected circumstances due to situational factors. This implies the principle of flexibility with performance.
- vi) **Efficiency:** The plan estimates should be developed in such a manner that the cost of planning in respect of all the resources viz. physical, financial, and human are minimized and they are utilized to their full capacity.

3.2.4 Steps in Planning

The process of planning involves the following steps.

- i) Establishing the objectives.
- ii) Exploring the alternatives.
- iii) Evaluating the alternatives.
- iv) Deciding the alternatives and their prioritization.
- v) Estimation of needed resources.
- vi) Procedures for attainment of objectives.
- vii) Developing basic plan of action spelling out the details of strategies and procedures to be followed.
- viii) Developing supportive plans or derivative plans to support the basic plan.
- ix) Devising the mechanism of project monitoring and evaluation.

3.2.5 Plan Implementation

For the successful implementation of the plans, it is important to emphasize the following:

- i) Participation of all those concerned at all stages of planning and implementation.
- ii) Provision of required resources for effective implementation of plans.
- iii) Ensuring free flow of communication at all levels of hierarchy in the organization.
- iv) Assignment of responsibilities to the individuals.
- v) Delegation of authority by the superiors to the subordinates.
- vi) Motivating the team members.
- vii) Review and monitoring of implementation of plans at crucial points.

Activity 1: Visit a near by development organization and enquire about different managerial functions they are carrying out. Compare them with those given in this unit and identify the common functions.

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Check Your Progress 1

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

- 1) Effective and sound planning is a pre-requisite for successful management system. Justify the statement.

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- 2) Write the basic principles of planning

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3.3 ORGANIZING

The process of organizing involves establishing an intentional structure of roles for the staff at all levels of hierarchy in the organization. Formal organization is the established structure of roles. Informal organization is a network of personal and social relations not decided by formal authority. Organizing is the function of identifying the required activities, grouping them into jobs, assigning jobs to various position holders, and creating a network of relationships so that the required tasks and functions are performed in a coordinated manner leading to the accomplishment of desired goals. The purpose of organizing is to help create a favorable environment for human performance towards achievement of pre-determined goals of the organization.

The process of organizing involves the following aspects:

- i) Defining tasks, duties and goals of each employee.
- ii) Establishing authority-responsibility relationships for cooperative efforts.
- iii) Providing a framework of decision making.
- iv) Creating a network of communications.

The basic issues in the process of organizing are as follows:

- i) Span of management.
- ii) Basic framework of departmentation.
- iii) Authority relationships within organization.
- iv) Nature and extent of delegation in the organization.

3.3.1 Steps in Organizing

The logical sequence of steps in organizing are as mentioned below:

- i) Establishing objectives.
- ii) Designing policies and plans.
- iii) Identifying specific activities.
- iv) Grouping activities according to available resources.
- v) Delegating the authority necessary to perform the activities.
- vi) Tying the groups together through authority relationships and communication.

3.3.2 Principles of Organizing

Fayol proposed the following classical principles of organizing.

- i) Division of work.
- ii) Unity of direction.
- iii) Centralization.
- iv) Authority and responsibility.
- v) Scalar chain.

Peter Drucker advanced the following principles for designing organization

- i) Clarity.
- ii) Economy.
- iii) Direction of vision.
- iv) Understanding by the individual of his own task and also that of the organization.
- v) Decision making.
- vi) Stability and adaptability.
- vii) Perpetuation and self-renewal.

Activity 2: Visit a near by development organization, enquire about its organizational structure and write your observations.

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Check Your Progress 2

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

1) What do you mean by organizing?

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2) Write the principles of organizing function of management.

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3.4 STAFFING

Staffing may be defined as a process of recruiting and equipping the people to handle various positions and perform the assigned tasks in line with the structure and the overall goals of the organization. It is implicit that staffing is closely linked to organizing to fulfill the intentional structure of roles and position in the organization. The process of staffing involves the following specific activities:

- i) Identification of areas of specialization to match the nature and mandate of the organization.
- ii) Estimation of manpower requirement.
- iii) Recruitment.
- iv) Selection and placement.
- v) Performance appraisal.
- vi) Planning and training.

3.4.1 System Approach to Human Resource Management

The Human Resource Management (HRM) is a function of staffing. The human resource management process places emphasis on recruitment, placement, training and development of people in the organization. The HRM is an ongoing process that ensures engagement of the specific positions with appropriate manpower at different points of time within the organization. The salient features of HRM are outlined below:

- i) Ttake care of needs and expressions of the staff members.

- ii) Recruitment and selection of staff in line with the human resource plan.
- iii) Placement of staff to fill the roles and positions within the organization.
- iv) Socialization of staff members to familiarize and develop their understanding about responsibilities, organizational culture, policies, expected behaviour etc.
- v) Training and development.
- vi) Appraisal of performance of staff members with adequate provision of reward for high performers and corrective measures for low performers.

3.5 DIRECTING

Directing is the process of integrating the people with in the organization so as to obtain their willing cooperation towards meeting the predetermined goals. This implies integration of organizational goals with those of individual and group goals. The individual and the organization enter into a psychological contract to help one another in their goals achievement.

3.5.1 Principles of Directing

The basics principles understanding the process of directing are highlighted below:

- i) **Integration of individual and organizational goals:** This implies that the individuals contribute to the organizational goals to their maximum capabilities and at the same time satisfy their personal needs for self achievement and growth.
- ii) **Integration of group and organizational goals:** This involves fusion of the group goals with those of the overall organizational goals as unified efforts in order to obtain optimum levels of productivity.
- iii) **Participative decision-making:** Effective direction can be achieved by involving individuals and groups in decision- making process.
- iv) **Delegation of authority:** The subordinates should be delegated with adequate authority in order to facilitate decision-making and performance of tasks towards fulfillment of the desired goals.
- v) **Effective communication:** The managers should ensure free flow of communication at all levels of organizational hierarchy.
- vi) **Efficient control:** There is an imperative need to develop an appropriate control system for monitoring the progress of the performance and behavior of the individuals within the organization. Any deviation or abnormalities should be overcome through suitable corrective measures.

3.6 COORDINATION

Coordination may be conceptualized as a process of integrating the inter-departmental activities as unified action towards fulfillment of the pre-determined common goals of the organization. Fayol regards coordination as pulling together all the activities of an enterprise to make possible its working as well as its success. In his view the purpose of coordination is to ensure the following:

- i) Each department works in harmony with the other departments.
- ii) Each department, division and sub-division knows the share it must assume of the common task.
- iii) Each department and subdivision adjusts its working schedule to circumstances.

Coordination occupies center stage to all the managerial function viz. planning, organizing, staffing, controlling and directing. The purpose of coordinated efforts among various units or activities leads to effective and efficient accomplishment of organizational goals.

3.6.1 Need for Coordination

The major factors which give rise to the need for coordination are discussed here:

- i) Division of labor involves breaking down organizational tasks into smallest possible units in order to take the benefits of specialization. Coordination seeks to integrate the various components and tasks in to a unified system.
- ii) Various departments differ not only in the tasks they perform but also in the underlying attitude and behaviour of their members. These inter-departmental dependencies add to the need of effective coordination.
- iii) The staff-line relations are often characterized more by conflicts than cooperation. This gives rise to need for developing an effective coordinating mechanism.
- iv) The individual and groups quite often tend to compete for scarce resources like material, manpower, fund etc. This results into conflict situations that need to be resolved through an appropriate approach of coordination.

The extent of coordination depends on the nature of the tasks performed and the degree of interdependence of people among different units of the organization. A high degree of coordination is considered desirable for the non-routine kind of work and the situations involving intensive inter-dependence between the units of the organization. It is also needed in the case of organizations aiming at higher level performance objectives. The overall process of coordination places emphasis on strengthening work relationship among the people in the related activities and tasks in order to ensure their maximum contribution towards attainment of organizational goals.

3.6.2 Types of Coordination

Coordination may be classified as vertical, horizontal and diagonal.

- i) **Vertical Coordination:** It refers to coordination between activities of a manager and his subordinates. This is achieved through job assignments, specifying the mutual role relationships, supervision and formal authority.
- ii) **Horizontal Coordination:** It refers to coordination among peers- employees working at the same level in organizational hierarchy, and among various departments. Much of horizontal coordination is achieved through the agency of the common superior in the chain of command. Organizational objectives provides focus to this kind of inter- departmental coordination.

- iii) **Diagonal Coordination:** Diagonal coordination appears in organizations which establish centralized service units such as centralized information system, centralized typing pool, and so forth. Coordination among the users and between users and service personnel is achieved through understanding, negotiation and voluntary effort.

3.6.3 Approaches to Effective Coordination

According to Mary Parker Follet coordination can be effectively attained through direct horizontal communication and relationships. She also emphasized that coordination can be achieved more easily in the early stages of planning and policy making. She also regarded coordination as a continuous process which could not be left to chance.

Some guidelines for developing an effective coordination strategy are presented below:

- i) Authority is the foundation of the first principle of organization- the coordinative principle, and regarded it as the supreme coordinative force. In every form of organization, this authority must rest somewhere, else there would be no directive for coordinated effort.
- ii) Objectives, policies, rules, procedures and methods serve as impersonal mechanisms of control and are more effective coordinators.
- iii) Liaison personnel are often used as inter-departmental coordinators.
- iv) Most organizations use committees, conferences, team, task forces and other forms of groups for achieving coordination.
- v) Communications is one of the most effective tools of coordination which aids in coordination by transmitting policies, rules, procedures, methods, instructions and orders throughout the organization.
- vi) Reward system, bargaining or negotiation may be used as a method of achieving coordination among individuals and groups.

Coordination among varied organizational activities cannot be achieved only through a formalized pattern. The managers should encourage voluntary coordination and create an environment conducive to such coordination. Voluntary coordination is of great significance in case of horizontal or lateral relationships. Project management is used for the accomplishment of tasks requiring a great amount of inter-departmental coordination.

<p>Activity 3: Visit a near by development organization, enquire about staffing function. Write your observations.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
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Check Your Progress 3

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

1) What do you mean by staffing?

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2) Write the principles of directing?

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3) Name different types of coordination?

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3.7 CONTROLLING

The control function is closely related with all other functions of management. The management control is the process of ensuring that the actual plan implementation matches with the original plan. The mechanism of control ensures that the plans and programmes move in the desired direction towards goals achievement in an efficient and effective manner. The control aids in monitoring the progress and effectiveness of activities such as planning, organizing, leading etc. A characteristic feature of control system is to exercise corrective actions to take care of deviations from the normal or expected standards of performance. It is an ongoing and dynamic function and linked with other functions of the management in a circular relationship.

3.7.1 Steps in Control Process

The control process involves four basic steps as mentioned below:

i) **Establishing standards:** Standards represents criteria of performance. This implies the statement of goals and objectives envisaged under the planning.

process are stated in clear and measurable terms along with specific milestones.

- ii) **Measurement of performance against standards:** The measurement of performance is an ongoing process. The frequency of measurement depends on the specific kind of activity.
- iii) **Comparing performance with the standards:** The measured results are compared with the project/programme targets and standards. In case the performance meets the standards then it would mean that the programme or the activity is progressing in the desired direction.
- iv) **Taking corrective action:** In the situations where performance does not conform to the specified criteria of the standards, then it is necessary taking corrective measures to deal with the observed deviations or the shortcomings in the performance.

3.7.2 Types of Controls

The major types of controls are cited below:

- i) **Operational Controls** are related to functional performance in different areas like production, procurement, marketing, finance, accounting etc.
- ii) **Managerial Controls** are broad in scope and involve measurement, monitoring and evaluation and adjustment of performance of sub units of the organization.
- iii) **Financial Controls** depict the status about cash flows, receivables, payables, costs, capital outlays, investments, profit and loss etc. The budgets serve as the important means of financial control.
- iv) **Predictive Controls** aim at visualizing and identifying deviations before they actually occur.
- v) **Concurrent controls** serve as valuable guides to planning and improving the future performance of the organization.

3.7.3 Nature of Management Control Standards

- 2) **Tangible control standards** imply precise measurements in terms of outputs, revenues, resources, time etc.
- 3) **Intangible control standards** imply the measurement of performance in terms of attributes like productivity, initiatives etc. of the employees. The performance is usually measured on the basis of intangible criteria such as judgment, observation, inter personal relations etc.

3.7.4 Some Guidelines/ Tips for Designing Effective Management Control System

Some of the useful parameters for effective control system are listed below:

- i) Compatibility with the plans and goals of the organization.
- ii) Clarity and specificity.
- iii) Relevancy.

- iv) Flexibility.
- v) Objectivity (Without biasness).
- vi) Consideration for individual differences.
- vii) Adequate- means and position for corrective actions.
- viii) Regularity and continuity.
- ix) Adequate monitoring and evaluation mechanisms.
- x) Effective communication and feedback mechanisms.
- xi) Economically feasibility.
- xii) Timely application.

3.8 BUDGETING

The Budgets are important instruments of controls. Budgets regulate all the financial aspects of the functioning of an organization. The overall budget represents the anticipated expenditure of resources/inputs and receipts from outputs. Budgets are quantitative statements of the resources for carrying out planned activities over given periods of time. They serve as the means for planning and controlling activities at every level of the organization. Budgeting is the process of formulation of budget plans in numerical terms for a financial period of time.

The salient features of budget are:

- i) Budgets are stated in monetary terms
- ii) Monetary aspects of budgets are concerned with information in terms of organizational resources viz. capital, key organizational goal and profit
- iii) Budgets establish clear cut standards of performance over a specific period of time, usually one year.

3.8.1 Types of Budgets

Organizational budgets are of two kinds

- a) **Operating budgets** indicate the goods and services the organization expects to consume during the given period. They list both physical quantities and cost figures.
- b) **Financial budgets** spell out the details about money in terms of income and expenditure.

A comparison between fixed and variable budgets is given below.

Fixed Budget	Variable Budget
Inflexible in nature.	Flexible in nature.
Expresses individual costs at one specified volume.	Represents cost schedules showing variation at different levels of activity.
Appropriate for more (less constant) situations.	Appropriate for situations that are influenced by changes beyond control.

The budgets are useful means of controlling day to day operations and measuring actual performance in relation to pre-set standards. The necessary corrective measures are taken to overcome the deviations from the normal course of action.

3.9 DELEGATION

Delegation refers to the assignment to another person of formal authority and accountability for carrying out specific activities. The delegation of authority by managers to subordinates is essential for the efficient functioning of any organization. The authority can be delegated but not the responsibility.

3.9.1 Advantages of Delegation

- i) Provides opportunity for freedom to function with maximum effectiveness.
- ii) Ensures freedom and acceptance of accountability by the subordinates.
- iii) Improves self confidence and willingness of subordinates to take initiative.
- iv) Leads to speedy and better decision making.

3.9.2 Objectives / Purpose of Delegation

The delegation serves to fulfill the following objectives/ purpose:

- i) To assign that part of work to subordinates which he himself need not do, so that he can devote his time to more important areas like planning, coordination, and controlling.
- ii) To develop the subordinates to take more responsibilities, and to occupy higher position in organizational hierarchy.
- iii) To push decision making to the lowest levels.
- iv) To motivate the subordinates.

3.9.3 Tasks of Effective Delegation

The important tasks of delegation are indicated below:

- i) Identify tasks to be delegated.
- ii) Identify the person to whom the specific tasks are to be assigned.
- iii) Provide sufficient resources for carrying out the delegated tasks.
- iv) Actually delegate the assignments/ task.
- v) Monitor progress and exercise interfaces, if necessary.
- vi) Provide a mechanism of feedback system.

3.9.4 Process of Delegation

According to Newman, delegation process is composed of following inter-related steps.

- i) Assignment of duties by a manager to his subordinates.
- ii) Delegation or transfer of authority for making necessary decision, taking appropriate action and utilizing resources.
- iii) Creation of an obligation on the part of each subordinate.

- iv) Establishment of an adequate control system to ensure utilization of delegated authority toward attainment of specified outcomes.

3.9.5 Strategy for Effective Delegation

Some tips to facilitate successful delegation are mentioned below:

- i) Delegate sufficient authority to match the given tasks.
- ii) Select the right person for the specific task
- iii) Ensure mechanism for free flow of information between superior and subordinate.
- iv) Exercise proper controls. The controls should be broad and designed to check deviation from plans, rather than interfering with routine activities.
- v) Ensure regular mechanism of monitoring of progress of work.
- vi) Reward effective delegation and assumption of authority.

Decentralization vs. Centralization

Centralization of management is the tendency to restrict delegation of decision making. Decentralization implies more than delegation. In a relatively decentralized organization, considerable authority and accountability are passed down the organizational hierarchy. In a relatively centralized organization, considerable authority and accountability remain at the top level of the hierarchy. Decentralization has the same advantages as delegation such as better and faster decision making, better training, morale, and initiative at lower levels; and more flexibility. But total decentralization, without effective coordination and leadership from the top, would clearly be undesirable. Accordingly, certain amount of centralization is imperative condition for efficient functional management.

3.10 LEADING

Leadership is the art of influencing the group members to direct their capabilities and efforts towards meeting the organizational goals. Leadership is an important component of management functions. It is indeed the indispensable attribute and a pre-requisite for managing the sub-ordinates effectively. Effective leading is crucial to induce the employees to contribute to their best possible abilities. Leadership is the art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals.

Leadership focuses on human aspects of management and is based on the assumption that organizational effectiveness significantly depends on motivation, effort and abilities of the members of the group organization. The principal task of leadership is to integrate the individual and informal groups with the organization in order to secure their full potential and contribution towards meeting the common goals of the organization. The role of effective leadership is of utmost significance to create a conducive environment for motivated performance in the organization. The manager as a group leader should facilitate his subordinates rather than act as boss and maintain better interpersonal relationships.

3.10.1 Leadership Styles

There are various leadership styles. Leadership style is based on two leadership functions-task related and group maintenance. A comparison of two leadership styles is given below:

Task-oriented	Behaviour-oriented
Emphasis is on controlling subordinates.	Emphasis is on motivating subordinates.
Close supervision of subordinates by the managers to ensure the task is performed satisfactorily.	Maintain friendly, trusting and respectful relationship with employees.
Emphasis on getting the work done at any cost.	Emphasis on employees growth and personal satisfaction.

However, most managers use at least a part of each of the leadership style but, place more emphasis on either of the two styles.

To be effective, a leader should possess skillful qualities as pointed out below:

- i) Recognize that people differ in their motivational patterns which may change over a period of time.
- ii) Develop insight about group dynamics.
- iii) Create conducive environment to facilitate integration of individual and group goals with those of organization goals.
- iv) Motivate group members for their optimum contribution towards attainment of organizational goals.
- v) Adopt a flexible approach and be able to adjust to the changes in the internal and external environment.
- vi) Display sense of morality, honesty and responsibility.
- vii) Make use of appropriate strategies to motivate group members.

Check Your Progress 4

Note: a) Use the spaces given below for your answers.

b) Check your answers with those given at the end of the unit.

- 1) What do you mean by control?

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2) Comment on the statement 'budgeting is a type of control of process'.

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3) What do you mean by delegation?

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4) Write the purpose of delegation

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5) Define the concept of leading.

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6) Indicate the requisite traits/qualities of effective leadership.

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3.11 LET US SUM UP

Management is an ongoing process dealing with various functions like planning, organizing, coordinating, leading and controlling in an integrated manner. The managerial functions have been classified in different ways by the management experts. Although a number of classification of management functions have been proposed by many management experts, there is no common agreement among them. For the purpose of the present learning module, we have delineated the various functions of management specifically planning, organizing, staffing, directing, coordinating, controlling, budgeting, delegating and leading. We discussed each of these functions of management taking into consideration the conceptual understanding and the significant dimensions of the processes involved.

3.12 KEYWORDS

- Organization** : Two or more people who work together in a structured way to achieve a specified goal or set of goals.
- Management** : The process of planning, organizing, leading and controlling the work of organizational members and of using all available organizational resources to reach the stated organizational goals.
- Planning** : It is the mental process of setting of goals and choosing means to achieve these goals.
- Organizing** : It involves establishing an intentional structure of roles for the staff at all levels of hierarchy in the organization.
- Directing** : It is the process of integrating the people with the organization so as to obtain their willing cooperation towards meeting the predetermined goals.
- Staffing** : It is a process of recruiting and equipping the people to handle various positions and perform the assigned tasks in line with the structure and the overall goals of the organization.
- Delegation** : It refers to the assignment to another person of formal authority and accountability for carrying out specific activities.
- Leadership** : It is the process of directing and influencing the task-related activities of group members.
- Control** : It is the process of ensuring the actual plan implementation matches with the original plan/planning.
- Budget** : It is a quantitative statement of the resources for carrying out planned activities over given periods of time.

3.13 REFERENCES AND SELECTED READINGS

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3.14 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress 1

- 1) Planning is the most crucial and foremost function of management and a sound planning is imperative for the successful achievement of the goals in the desired direction. It spells out the answer to the questions like ‘why’, ‘what’, ‘how’, ‘when’, and ‘where’ of the different activities in the specific sequence. Hence, effective and sound planning is a pre-requisite for successful management system.
- 2) The basic principles of planning are: objectives framing, commitment, coordinated approach, flexibility and efficiency.

Check Your Progress 2

- 1) Organizing is the function of identifying the required activities, grouping them into jobs, assigning jobs to various position holders, and creating a network of relationships so that the required tasks and functions are performed in a coordinated manner leading to the accomplishment of desired goals
- 2) Principles of organizing as per Fayol are: division of work, unity of direction, centralization, authority and responsibility and scalar chain.

Check Your Progress 3

- 1) Staffing is the process of recruiting and equipping the people to handle various positions and perform the assigned tasks in line with the structure and the overall goals of the organization.

- 2) The principles of directing are: integration of individual and groups with organizational goals; participative decision-making; delegation of authority; effective communication and; efficient control.
- 3) Vertical, horizontal and diagonal are different types of coordination

Check Your Progress 4

- 1) Control is the process of ensuring that the actual plan implementation matches with the original plan..
- 2) Budgets regulate all the financial aspects of the functioning of an organization. The overall budget represents the anticipated expenditure of resources/inputs and receipts from outputs. They serve as the means for planning and controlling activities at every level of the organization. Hence budgeting is a type of control of process.
- 3) Delegation refers to the assignment to another person of formal authority and accountability for carrying out specific activities.
- 4) The purpose of delegation includes: assign part of work to subordinates; develop the subordinates to take more responsibilities and to occupy higher position in organizational hierarchy; push decision making to the lowest levels and; motivate the subordinates.
- 5) Leading is the art of influencing the group members to direct their capabilities and efforts towards meeting the organizational goals.
- 6) Requisite traits/qualities of effective leadership includes: Recognition of people motivational patterns; develop insight about group dynamics; create conducive environment to facilitate integration of individual and group goals with those of organization goals; adopt a flexible approach and be able to adjust to the changes in the internal and external environment and ; display sense of morality, honesty and responsibility.