

BAL BHARATI PUBLIC SCHOOL, PITAMPURA

CLASS 12 BUSINESS STUDIES 2020-2021

TEXTBOOK: BUSINESS STUDIES NCERT PART -2

CHAPTER: NATURE AND SIGNIFICANCE OF MANAGEMENT

STEP 1: Revision of previous topics covered in Consumer Protection and Marketing Management.

NAME: _____

**BUSINESS STUDIES, CLASS-12
REVISION SHEET NO 8
CONSUMER PROTECTION
MARKETING MANAGEMENT**

Maximum Marks: 10

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| 1. | Zoom Udyog, a car manufacturing Co., has started its business with Zoom 800 and slowly launched Zoom-1000, Wagon-Z, Swy-fy etc. and offered various services like after sale service, availability of spare parts etc. Identify the element of marketing mix referred here. _____ | 1 |
| 2. | State whether the manager is effective/ ineffective or efficient/inefficient in the following cases. Mr. Manager was asked to produce 10 units @ Rs.50 per unit within a week. He results were as: i) He produced 10 units @ Rs.60 per unit within a week. ii) He produced 10 units @ Rs.50 per unit within ten days. iii) He produced 10 units @ Rs.60 per unit within one week. iv) He produced 10 units @ Rs.50 per unit within one week. _____ _____ _____ _____ _____ | 4 |

STEP 2: Read the following topics to be covered in the Chapter 1: Nature and Significance of Management from NCERT and underline keywords/value points.

STEP 3: Revise the chapter through the following notes.

- Levels of Management
- Coordination

LEVELS OF MANAGEMENT

- Levels of management mean the hierarchy of organization representing the relationships among managers and subordinates on the basis of their relative authority status and responsibility.
- The authority-responsibility relationship binds individuals as superiors and subordinates and gives rise to different levels in an organisation.
- The level of management determines a chain of command.
- There are three levels in the hierarchy of an organization.

They are:-

- i) Top Level
- ii) Middle Level
- iii) Operational Level

(i) Top Management:

They consist of the senior-most executives of the organisation by whatever name they are called.

Designations

- Chairman
- Managing Director
- General Manager
- Chief Executive Officer
- Chief Operating Officer
- President
- Vice-President
- Different Functional Levels, heading finance, marketing etc.
- ✓ Chief Finance Officer
- ✓ Vice President (Marketing)

Functions of Top Management:

1. They formulate overall organisational goals and strategies for their achievement.
2. Their basic task is to integrate diverse elements and coordinate the activities of different departments of the organisation.
3. These top level managers are responsible for the welfare and survival of the organisation.
4. They analyse the business environment and its implications for the survival of the firm.
5. They are responsible for all the activities of the business and for its impact on society.

Conclusion:

The job of the top manager is complex and stressful, demanding long hours and commitment to the organisation.

(ii) Middle Management/ Division Heads:

Middle Management is the link between top and lower level managers.

They are subordinate to top managers and superior to the first line managers (Operational Management).

Designations

- Division Heads
- ✓ Production Manager
- ✓ Sales Manager
- ✓ Marketing Manager
- ✓ Finance Manager
- ✓ Human Resource Manager
- ✓ OPERATION MANAGER

Functions of Linking pin/ Middle Management:

1. Their main task is to carry out the plans formulated by the top managers. They interpret the policies framed by top management,
2. They ensure that their department has the necessary personnel,
3. They assign necessary duties and responsibilities to them,
4. They motivate them to achieve desired objectives, and

5. They co- operate with other departments for smooth functioning of the organisation.
6. At the same time they are responsible for all the activities of first line managers.

Conclusion:

- Middle management is responsible for implementing and controlling plans and strategies developed by top management.
- At the same time they are responsible for all the activities of first line managers.

(iii) Supervisory / Operational /Lower/ First Line Management:

They directly oversee the efforts of the workforce.

Their authority and responsibility is limited according to the plans drawn by the top management.

Designations

- Foreman
- Supervisor
- Superintendent
- Overseer
- Gang Chief

Functions of Supervisory Management:

1. Supervisory management plays a very important role in the organisation since they interact with the actual work force and pass on instructions of the middle management to the workers.
2. Through their efforts quality of output is maintained and wastage of materials is minimized.
3. Safety standards are maintained for employees

Conclusion:

The quality of workmanship and the quantity of output depends on the hard work, discipline and loyalty of the workers.

COORDINATION

Coordination is the process by which a manager ensures the orderly arrangement of individual and group efforts to ensure unity of action in the realisation of common objectives. Coordination therefore involves synchronization of the different actions or efforts of the various units of an organisation. This provides the requisite amount, quality, timing and sequence of efforts which ensures that planned objectives are achieved with a minimum of conflict.

Characteristics of Coordination

Coordination integrates group efforts:

Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to group effort to ensure that performance is as it was planned and scheduled.

Coordination ensures unity of action:

The purpose of coordination is to secure unity of action in the realisation of a common purpose.

It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.

Coordination is a continuous process:

Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.

Coordination is an all pervasive function:

Coordination is required at all levels of management due to the interdependent nature of activities of various departments.

It integrates the efforts of different departments and different levels.

For example,

The purchase, production and sales departmental efforts have to be coordinated by Suhasini for achieving organisational objectives harmoniously. The purchase department is responsible for procuring fabric. This then becomes the basis of the activities of the production department and finally sales can take place. If fabric purchased is of an inferior quality or is not according to the specifications of the production department, further sales will also decline. In the absence of coordination there is overlapping and chaos instead of harmony and integration of activities.

Coordination is the responsibility of all managers:

Coordination is the function of every manager in the organisation.

Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out.

Middle level management coordinates with both the top level and first line managers.

Operational level management coordinates the activities of its workers to ensure that work proceeds according to plans.

Coordination is a deliberate function:

A manager has to coordinate the efforts of different people in a conscious and deliberate manner.

Even where members of a department willingly cooperate and work, coordination gives a direction to that willing spirit.

Cooperation in the absence of coordination may lead to wasted effort and coordination without cooperation may lead to dissatisfaction among employees.

Importance of coordination

(i) Growth in size:

As organisations grow in size, the number of people employed by the organisation also increases.

At times, it may become difficult to integrate their efforts and activities.

All individuals differ in their habits of work, background, approaches to situations and relationships with others.

It becomes necessary to ensure that all individuals work towards the common goals of the organisation.

But employees may have their own individual goals also.

Therefore, for organisational efficiency, it is important to harmonise individual goals and organisational goals through coordination.

(ii) Functional differentiation:

Functions of an organisation are divided into departments, divisions and sections.

In an organisation there may be separate departments of finance, production, marketing or human resources.

All these departments may have their own objectives, policies and their own style of working.

For example,

The marketing department's objective may be to increase sales by 10 per cent by offering discounts. But, the finance department may

not approve of such discounts as it means loss of revenue. These kinds of conflict arise in organisations because each unit/department is performing activities in isolation from others and barriers between departments are becoming more rigid. However, all departments and individuals are interdependent and they have to depend on each other for information to perform their activities.

The activity of each department needs to be focused on attainment of common organisational goals.

The process of linking the activities of various departments is accomplished by coordination.

(iii) Specialisation:

Modern organisations are characterized by a high degree of specialisation.

Specialisation arises out of the complexities of modern technology and the diversity of tasks to be performed.

Organisations, therefore, need to employ a number of specialists. Specialists usually think that they only are qualified to evaluate, judge and decide according to their professional criteria.

They do not take advice or suggestions from others in matters pertaining to their area of specialisation.

This often leads to conflict amongst different specialists as well as others in the organisation.

Therefore, some coordination is required by an independent person to reconcile the differences in approach, interest or opinion of the specialists

Coordination is the essence of management

For achieving harmony among individual efforts towards the accomplishment of group goals. Each managerial function is an exercise contributing individually to coordination. Coordination is implicit and inherent in all functions of an organisation.

- ✓ The process of coordinating the activities of an organisation begins at the planning stage itself. Top management plans for the entire organisation.
- ✓ According to these plans the organisational structure is developed.
- ✓ Positions created by the organisational structure are staffed.
- ✓ In order to ensure that these plans are executed according to plans directing is required.
- ✓ If any discrepancies between actual and realised activities are then taken care of at the stage of controlling.

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