

## 2. Functions of Management

Q.1) (A) Select the correct option and rewrite the sentence.

1) The functions of management start with ..... function.

a) organizing **b) planning** c) coordinating

2) The functions of management end with .....

a) directing b) staffing **c) controlling**

3) ..... sets out standards for controlling.

a) Staffing **b) Planning** c) Coordinating

4) Organization function is important for execution of the plans which have been prepared by

..... management.

**a) top level** b) middle level c) lower level

5) ..... is the function which supports to activate the plans with the help of employees.

a) Staffing **b) Directing** c) Co-ordinating

6) ..... is the function of execution according to the plan and the organizational structure.

a) Controlling **b) Directing** c) Staffing

7) \_ arranges the work in such a way that minimum conflicts are raised.

a) Co-ordinating b) Organizing **c) Controlling**

(B) Match the followings.

Group 'A'	Group 'B'
A) Planning	1.It is the process of instructing, guiding, communicating and motivating.
B) Organizing	2.It is an integration and synchronization of the efforts of group.
C) Staffing	3.Deciding in advance what to do, how to do, when to do and who is to do it.



D) Directing	4.Management is what manager does.
E) Coordinating	5.To focus on the role of manager.
	6.Decides the ways and means to achieve what has been planned
	7.It is the process of comparing the actual performance with the predetermined standard performance.
	8.It is a set of principles.
	9.It is the process of recruiting, selecting, placing and remunerating.
	10.To manage is to forecast and plan.

**Ans: A-3, B-6, C-9, D-1, E-2**

**(C) Give one Word / Phrase / Term for the following statements.**

1) The right person at the job with right pay.

**Ans: Staffing**

2) A person who shows the correct path as well as guides employees in solving the problems.

**Ans: Director**

3) First function of management.

**Ans: Planning**

4) Last function of management.

**Ans: Controlling**

5) It is an intellectual process of logical thinking and rational decision making.

**Ans: Planning**

6) The term that is used to denote the structure.

**Ans: Organization**

7) It is the process of attracting, recruiting, selecting, placing, appraising and remunerating the people.

**Ans: Staffing**

8) The process that leads the employees towards the accomplishment of organizational goals.

**Ans: Directing**



9) It increases the team spirit of work place.

Ans: **Co-ordinating**

10) It is the process of comparing the actual performance with the predetermined standard performance.

Ans: **Controlling**

**(D) State whether following statements are true or false.**

1) Every function of management is not based on planning.

Ans: **False**

2) Specialization in activities leads to increase in organizational efficiency.

Ans: **True**

3) Qualified, efficient and skilled work force is always an asset of the organization.

Ans: **True**

4) Cooperation is not necessary for smooth flow of organizational activities.

Ans: **False**

5) Coordination motivates the employees to take initiative while completing their assigned task.

Ans: **True**

6) Standards are not set for every performance in controlling function.

Ans: **False**

**(E) Answer in one sentence.**

**1. What is management ?**

**Ans:** Management is a set of principles which relate to the various functions such as planning, organizing, staffing, directing, coordinating, controlling etc. which are helpful in achieving organizational goals.

**2. What is Planning?**

**Ans:** Planning is an intellectual process of logical thinking and rational decision making. In short, planning is a detailed programme of future courses of action.

**3. What is Staffing?**

**Ans:** staffing is the process of attracting, recruiting, selecting, placing, appraising, remunerating, developing and retaining the best workforce.

#### 4. What is directing?

**Ans:** Directing is the process of instructing, guiding, communicating, inspiring, motivating and supervising the employees to achieve predetermined goals of an organization.

#### 5. What is controlling?

**Ans:** Controlling is a function of comparing the actual performance with the predetermined standard performance.

#### (I) Correct the underlined word and rewrite the following sentences.

1) Factors of business environment are always fixed.

**Ans:** Factors of business environment are always changing.

2) Staffing is concerned with machines.

**Ans:** Staffing is concerned with humans.

3) Directing is a function of comparing the actual performance with the predetermined performance.

**Ans:** Controlling is a function of comparing the actual performance with the predetermined performance.

4) Co-ordination helps to maximize the wastage of resources and controls the cost of work.

**Ans:** Co-ordination helps to minimizes the wastage of resources and controls the cost of work.

5) Controlling measures are rigid to some extent.

**Ans:** Controlling measures are flexible to some extent.

#### (J) Arrange in proper order.

1) Controlling, Organizing, Planning.

**Ans:** Planning, Organizing, Controlling.

2. Directing, Co-ordinating, Staffing.

**Ans:** Staffing, Directing, Co-ordinating.

#### Q.2 Explain the following terms/concept

1. Management.

**Ans:** Management is a set of principles which relate to the various functions such as

planning, organizing, staffing, directing, coordinating, controlling etc. which are helpful in achieving organizational goals. According to Henry Fayol, "To manage is to forecast and to plan, to organize, to command and to control."

## **2. Planning:**

**Ans:** Planning is the basic function of management. Every function of management is based on planning. It includes deciding the things to be done in advance. Planning is an intellectual process of logical thinking and rational decision making. It focuses on organization's objectives and develops various courses of action. Designing a proper planning and implementing accordingly is the key of achieving the objectives of an organization.

In short, planning is a detailed programme of future courses of action

## **3. Organizing**

**Ans:** Organizing is the process of identifying, bringing the required resources together such as men, money, material, machine and method, grouping and arranging them properly for achieving the objectives. In planning, the management decides what is to be done in future whereas organizing function decides the ways and means to achieve what has been planned. This function is important for execution of the plans which have been prepared by top level management people. The synchronization and combination of workforce, physical, financial and information resources are established in the process of organizing.

## **4. Staffing**

**Ans:** Staffing is the function of execution according to plan and organizational structure. It is

the process of attracting, recruiting, selecting, placing, appraising, remunerating, developing and retaining the best workforce.

The need of staffing arises since the initial period of organization. Due to promotion, transfer, business expansion, retirement, resignation, accidents, death of employee etc. vacancies are created in organization. In this context, staffing function plays very important role in organization. Right person at right job with right pay is the basic principle of staffing.

## **5. Directing:**

**Ans:** Directing is the soul of management function. It is the process of instructing, guiding, communicating, inspiring, motivating and supervising the employees to achieve predetermined goals of an organization. Direction is a continuous function initiated at top level and flows to the lower level through organizational hierarchy. It is a continuous managerial process that goes on throughout the tenure of the organization. Director is the person who shows the correct path as well as guides



the employees in solving the problems wherever necessary. A few philosophers called direction as "Life Spark of an Enterprise".

**Q.3 Study the following case/situation and express your opinion.**

**Mr. Ram, an emerging entrepreneur has designed a structure of his business organization by taking into consideration the required resources such as land, money, machinery, workforce etc, for his new business. He appointed Mr. Shyam as a manager. Mr. Ram has assigned the responsibilities such as recruitment, selection, training and development and to determine the remuneration of the employees' to Mr. Shyam. Mr. Ram has also appointed Mr. Shubham to supervise the work done by the employees according to the standards given to the employees. Mr. Shubham has to also suggest the remedies to the employees wherever necessary. On this context, find out the management functions performed by**

**i. Mr. Ram**

**Ans:** Mr. Ram performs the function of planning and organising. He is an emerging entrepreneur and plans the business structure and organises different resources.

**ii. Mr. Shyam**

**Ans:** Mr. Shyam is performing the function of staffing as his main duty is to recruit, select, train and develop the employees and to decide their remuneration accordingly.

**iii. Mr. Shubham**

**Ans:** Mr. Shubham is performing the function of controlling. He compares actual performance of employees with standard performance given. He discovers causes of deviations and suggests remedies to overcome deviations.

**2) In XYZ Company, Mr. Lele gives instructions to the employees working under him, provide guidance and motivates them for their best performance. On the other hand Mr. Sayyad takes effort to harmonize the work done by the employees of different departments while achieving organizational goal. Mr. Desai is looking after the arrangement of required resources to the business organization. Mention the name of employee engaged in following functions:**

**i. Organization :**

**Ans:** Mr Desai is engaged in the organization function as he is looking after arrangement of required resources for the business organisation.

**ii. Direction:**

**Ans:** Mr. Lele is engaged in the function of directing as he gives instructions to the employees working under him, provides guidance and motivates them for their best performance.

**iii. Coordination:**

**Ans:** Mr. Sayyed is engaged in the function of co ordination as he takes effort to harmonize the work done by the employees of different departments.

**Q.4 Distinguish between.**

**1) Planning and organizing**

Points	Planning	Organizing
1. Meaning	1. Planning is deciding in advance what to do how to do it, when to do it and who is to do it.	1. Organizing is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.
2. Objective	2. To set goals and choosing the means to achieve these goals.	2. To identify and bring together all required resources.
3. Area of function	3. It includes setting objectives by identifying the ways of attaining the goal and selecting the best plan.	3. It includes identification and grouping of activities, assigning the work and establishing the authority relationship.
4. Factors	4. Internal and External factors are considered in planning process.	4. Internal and external factors are considered in arrangement of resources.
5. Order	5. It is the basic first function of management process.	5. It is based on planning.
6. Resources	6. Planning is done as per the requirement and availability of resources.	6. All available resources i.e. men, money, material, machine and method are arranged in a systematic manner.



7. Nature	7. It is continuous in nature. It exists in the whole life of organization.	7. It takes place till the time all the resources are collected and arranged.
8. level of Management	8. Top management is concerned with planning the activities.	8. Top and middle level management s related with organizing the required resources.

## 2. Organizing and staffing

Ans:

Points	Organizing	Staffing
1. Meaning	1. Organizing is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.	1. The staffing function pertains to the recruitment, selection, development, training and compensation of subordinate managers.
2. Objective	2. To identify and bring together all required resources.	2. To appoint right type of people at the right positions and the right time.
3. Area of function	3. It includes identification and grouping of activities, assigning the work and establishing the authority relationship.	3. It includes recruitment, selection, training, development and compensation of human resources.
4. Factors	4. Internal and external factors are considered in arrangement of resources.	4. Staffing is mostly concerned with internal factors.
5. Order	5. It is based on planning.	5. It follows organizing function.
6. Resources	6. All available resources i.e. men, money, material, machine and method are arranged in a systematic manner.	6. It is the process relating to organization of human resources.
7. Nature	7. It takes place till the time all the resources are collected and arranged.	7. It is a continuous process as it deals with employees i.e. human resources.





8. level of Management	8. Top and middle level management s related with organizing the required resources.	8. Middle level management is related with recruitment, training and selection Top level is concerned with promotion and compensation.
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### 3. Staffing and directing

Ans:

Points	Staffing	Directing
1. Meaning	1. The staffing function pertains to the recruitment, selection, development, training and compensation of subordinate managers.	1. Directing is the guidance inspiration, the leadership of those men and women constitute the real case responsibilities of management.
2. Objective	2. To appoint right type of people at the right positions and the right time.	2. To direct the subordinates to get the things done in the right manner.
3. Area of function	3. It includes recruitment, selection, training, development and compensation of human resources.	3. It includes instructing, guiding, inspiring, communicating and motivating the human resources.
4. Factors	4. Staffing is mostly concerned with internal factors.	4. Directing is concerned directly with internal factors i.e. human resources.
5. Order	5. It follows organizing function.	5. It follows organizing and staffing for execution of planning.
6. Resources	6. It is the process relating to organization of human resources.	6. It gives direction to the employees regarding use of other resources.
7. Nature	7. It is a continuous process as it deals with employees i.e. human resources.	7. This continuous process is necessary in the process of achievement of the goals.



8. level of Management	8. Middle level management is related with recruitment, training and selection Top level is concerned with promotion and compensation.	8. Middle level management is involved in directing the employees.
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#### 4. Directing and controlling

Ans:

Points	Directing	Controlling
1. Meaning	1. Directing is the guidance inspiration, the leadership of those men and women constitute the real case responsibilities of management.	1. Controlling is the process of taking steps to bring actual results and desired results closer together.
2. Objective	2. To direct the subordinates to get the things done in the right manner.	2. To ensure that the objectives are achieved according to the plan.
3. Area of function	3. It includes instructing, guiding, inspiring, communicating and motivating the human resources.	3. It includes setting up of standards, measurement, and comparison with actual performance and taking corrective steps whenever necessary.
4. Factors	4. Directing is concerned directly with internal factors i.e. human resources.	4. Internal and external factors are taken into account for taking corrective action.
5. Order	5. It follows organizing and staffing for execution of planning.	5. It is an end function of management process.
6. Resources	6. It gives direction to the employees regarding use of other resources.	6. It is related to all organizational resources which help to achieve goal of organization.
7. Nature	7. This continuous process is necessary in the process of achievement of the goals.	7. It is the process which starts once the actual plan is executed.



8. level of Management	8. Middle level management is involved in directing the employees.	8. Top and middle level management are responsible for controlling the activities.
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## 5. Co-ordinating and controlling

Points	Co-ordinating	Controlling
1. Meaning	1. Coordination is orderly arrangement of group efforts to provide unity of action in the pursuit of common goal.	1. Controlling is the process of taking steps to bring actual results and desired results closer together.
2. Objective	2. To ensure harmony of efforts of the employees for smooth functioning of organization.	2. To ensure that the objectives are achieved according to the plan.
3. Area of function	3. It includes integration of efforts of top level, middle level and lower level.	3. It includes setting up of standards, measurement, and comparison with actual performance and taking corrective steps whenever necessary.
4. Factors	4. It is harmonization of human resources.	4. Internal and external factors are taken into account for taking corrective action.
5. Order	5. It is an important element of organizing which follows planning.	5. It is an end function of management process.
6. Resources	6. It is related to human resources.	6. It is related to all organizational resources which help to achieve goal of organization.
7. Nature	7. This is a continuous process related to all managerial levels.	7. It is the process which starts once the actual plan is executed.



8. level of Management	8.It is related to all the levels of management to achieve the goal of organization.	8. Top and middle level management are responsible for controlling the activities.
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## 6. Planning and Controlling

Points	Planning	Controlling
1. Meaning	1. Planning is deciding in advance what to do how to do it, when to do it and who is to do it.	1. Controlling is the process of taking steps to bring actual results and desired results closer together.
2. Objective	2. To set goals and choosing the means to achieve these goals.	2. To ensure that the objectives are achieved according to the plan.
3. Area of function	3. It includes setting objectives by identifying the ways of attaining the goal and selecting the best plan.	3. It includes setting up of standards, measurement, and comparison with actual performance and taking corrective steps whenever necessary.
4. Factors	4. Internal and External factors are considered in planning process.	4. Internal and external factors are taken into account for taking corrective action.
5. Order	5. It is the basic first function of management process.	5. It is an end function of management process.
6. Resources	6. Planning is done as per the requirement and availability of resources.	6. It is related to all organizational resources which help to achieve goal of organization.
7. Nature	7. It is continuous in nature. It exists in the whole life of organization.	7. It is the process which starts once the actual plan is executed.



8. level of Management	8. Top management is concerned with planning the activities.	8. Top and middle level management are responsible for controlling the activities.
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## 7. Organizing and Directing

Points	Organizing	Directing
1. Meaning	1. Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.	1. Directing is the guidance inspiration, the leadership of those men and women constitute the real case responsibilities of management.
2. Objective	2. To identify and bring together all required resources.	2. To direct the subordinates to get the things done in the right manner.
3. Area of function	3. It includes identification and grouping of activities, assigning the work and establishing the authority relationship.	3. It includes instructing, guiding, inspiring, communicating and motivating the human resources.
4. Factors	4. Internal and external factors are considered in arrangement of resources.	4. Directing is concerned directly with internal factors i.e. human resources.
5. Order	5. It is based on planning.	5. It follows organizing and staffing for execution of planning.
6. Resources	6. All available resources i.e. men, money, material, machine and method are arranged in a systematic manner.	6. It gives direction to the employees regarding use of other resources.
7. Nature	7. It takes place till the time all the resources are collected and arranged.	7. This continuous process is necessary in the process of achievement of the goals.



8. level of Management	8. Top and middle level management s related with organizing the required resources.	8. Middle level management is involved in directing the employees.
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## 8. Organising and Co-ordinating.

Points	Organizing	Co-ordinating
1. Meaning	1.Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationships among them.	1.Coordination is orderly arrangement of group efforts to provide unity of action in the pursuit of common goal.
2. Objective	2. To identify and bring together all required resources.	2. To ensure harmony of efforts of the employees for smooth functioning of organization.
3. Area of function	3. It includes identification and grouping of activities, assigning the work and establishing the authority relationship.	3. It includes integration of efforts of top level, middle level and lower level.
4. Factors	4. Internal and external factors are considered in arrangement of resources.	4. It is harmonization of human resources.
5. Order	5. It is based on planning.	5. It is an important element of organizing which follows planning.
6. Resources	6. All available resources i.e. men, money, material, machine and method are arranged in a systematic manner.	6. It is related to human resources.
7. Nature	7. It takes place till the time all the resources are collected and arranged.	7. This is a continuous process related to all managerial levels.
8. level of Management	8. Top and middle level management s related with organizing the required resources.	8. It is related to all the levels of management to achieve the goal of organization.



**Q.5 Answer in brief.**

**1) Explain any five points of importance of planning.**

**Ans:** Refer Q.8 (1)

**2) Explain any five points of importance of organizing.**

**Ans:** Refer Q.8 (2)

**3) Describe any five points of importance of staffing.**

**Ans:** Refer Q.8 (3)

**4) Explain any five points of importance of directing.**

**Ans:** Refer Q.8 (4)

**5) Describe any five points of importance of coordinating.**

**Ans:** Refer Q.8 (5)

**Q.6 Justify the following statements.**

**1. Planning is the first function of Management :**

(1) Planning is the basic function of management. Every function of management is based on planning. Planning is an intellectual process of logical thinking and rational decision making.

(2) Designing i.e. doing a proper planning and implementing it accordingly is the key of achieving the objectives of organisation.

(3) Planning means deciding in advance what to do, when to do, how to do, where to do and who is to do it. Thus, it is a detailed programme of future course of action.

(4) Planning involves setting objectives, identifying alternative courses of action and selecting the best plan. It focuses on organisation's objective and develop various course of action to achieve those goals.

**2. Controlling is the last function of Management.**

**Ans:** (1) It is important for an organisation to keep a check on whether things are moving as per plan or not. So controlling function comes as the last but indispensable function of management. The effectiveness of planning can be determined with the function of controlling.

(2) Controlling function helps in comparing the actual performance with the pre-determined standard and performance. It is the process of bringing about conformity of performance with planned action.

(3) Controlling function helps in measuring deviation, if any, identifies the course of deviation and suggest corrective measures. The process of controlling helps in formulation of future plans also.



(4) Controlling helps in checking and measuring performance at all the levels of management, as it compare and find deviation, analyses the causes of deviation and suggest corrective measures. All planning may fail in the absence of proper controlling measures.

### **3. Organizing facilitates administration as well as operation of the Organization.**

**Ans:** (1) Organising function is also called as doing function' i.e. putting the plan into action. Administration and operation both are doing function as organising is the process of putting together various resources and activities of the organisation into a system.

(2) Organising involves identifying the activities and grouping of relative activities of administration and operational department.

(3) Organising function defines, departmentalized and assigns activities so that they can be most effectively executed for the smooth flow of administration.

(4) Due to proper grouping of the tasks and the employees, there is increase in production and reduction in wastage. The duplication of work can be avoided and effective delegation becomes possible.

### **4. Right person at right job with right pay is the basic principle of staffing.**

**Ans:** (1) The main function of staffing is to select the right person for the right job with right pay. Selecting the right person for the right job brings efficiency and specialisation in the organisation.

(2) It also bring job satisfaction as adequate remuneration increase morale of the employees. Training and development programmes and job security are the factors which are important in providing job satisfaction.

(3) Proper selection of qualified, efficient and skilful work force is always an asset of the organisation. Proper selection of employees contributes in the higher efficiency and leads to long term positive effects in the organisation.

(4) With proper selection process, right persons for right jobs are placed and regularly appraised on merit basis. The criteria of appraisal are duly communicated which brings peace and harmony in the organisation.

### **5. Co-ordination between different functions and all levels of Management is the essence of organizational success.**

**Ans:** (1) Co-ordination is an integration of different activities which is essential for their smooth flow. It establishes harmony among all the activities of an organisation





in achieving desired goals. Co-ordination will not exist unless efforts are taken at all levels of management.

(2) Co-ordination is the synchronization of the efforts of a group so as to provide unity of action for organisational goals. It is a hidden force which binds all other functions at all levels of management.

(3) In an organisation, a number of persons are working together to achieve a common goal. Their work is closely linked with each other. Co ordination function brings all the group efforts together and harmonise them carefully.

(4) Co-ordination is orderly arrangement of group efforts to provide unity of action to achieve common goals. Co-operation, team work and higher efficiency level lead to attainment of goals and thus, it is the essence of organisational success.

**Q.7 Attempt the following.**

**1) Explain the importance of planning.**

**Ans:** Refer Q.8 (1)

**2) Describe the importance of organizing.**

**Ans:** Refer Q.8 (2)

**3) Explain the importance of staffing.**

**Ans:** Refer Q.8 (3)

**4) Explain the importance of directing.**

**Ans:** Refer Q.8 (4)

**5) Describe the importance of coordinating.**

**Ans:** Refer Q.8 (5)

**6) Explain the importance of controlling.**

**Ans:** Refer Q.8 (6)

**Q.8 Answer the following.**

**1) Define the term planning and explain the importance of planning.**

**Ans. James Stoner:** "Planning is the process of establishing goals and a suitable course of action for achieving these goals."

**Importance of Planning:**

It is the fundamental function which gives an outline about where to go, how to go and reduces the risk of uncertain future with the help of forecasting. The importance of planning is as follows:

**1) Helps to set clear objectives:**

Planning is concerned with setting objectives, targets, and formulating plans to

achieve them.

It helps managers to analyze the present condition of the organization and on that basis to identify the ways of attaining the desired position in future.

**2) Provides path of action:**

Planning ensures that the goals or objectives are clearly stated. They act as a guide and they provide direction for doing the right things at the right time with right way. It helps employees to know what organization has to do and what they must do for achieving the goals.

**3) Planning improves performance:**

It helps managers to improve future performances of employees by establishing objectives and selecting a course of action. It is beneficial for the organization. Planning leads to efficient working of the employees. Due to proper planning, the employees can work according to timely guidelines. This improvement in performances results into higher profitability of the organization.

**4) Minimizes the risk:**

Planning is based on forecasting technique. It is the process of looking into the future and anticipating the future changes. By deciding in advance the tasks to be performed, planning shows the way to deal with changes and uncertain events. Changes or risks cannot be eliminated totally but they can be anticipated and can be tackled with preventive measures. It minimizes the risk of future or uncertainties of future.

**5) Planning leads to optimum utilization of resources:**

Organizational plans are prepared by taking into consideration the availability of resources and proper allocation of resources for various activities. It also facilitates optimum utilization of resources which brings higher efficiency and better results. One can avoid wastage of resources by proper planning.

**6) Helps in decision making:**

There are various alternatives in front of the management. For achieving goals planning helps the management to select the best alternative by considering all positive and negative outcomes of all the alternatives. Decisions are taken after selecting alternative courses of action to achieve a predefined goal. It helps the manager to take rational decisions.

**7) Useful in setting the standards for controlling:**

Planning set out standards for controlling. So, the actual performance can be compared with the standards and managers can find out the deviation, if any between the actual and the standard performance. Such deviation can be bridged by



taking controlling steps. Therefore, planning provides basis for control. It is also important for maintaining discipline at working place of organization.

#### **8) Facilitates Coordination of all activities:**

Planning facilitates the coordination of activities. It reduces overlapping among activities.

All activities of business organization are closely linked with each other which is considered in the process of planning. Sound planning inter-relates all the activities and resources of an organization. Thus, various departments work as per the overall plan and coordination is achieved.

#### **9) Facilitates other management functions:**

Every organization functions towards achieving goal and goal is set at the planning stage.

Unless the plan is ready, other management functions such as organizing, staffing etc. cannot be undertaken thus, planning facilitates all other functions of management.

#### **10) Promotes innovative ideas:**

Planning is the basic function of management. It is a process of decision making which involves promotion of innovative ideas after critical thinking. Ultimately, these innovative plans result into attainment of the goals of the organization. It is the most challenging activity for the management as it guides all future actions leading to growth and prosperity of the organization.

In short, planning plays vital role in every walk of life of an organization as well as of an individual. Future is highly uncertain and the business environment is changing. With the help of proper planning, the risks and uncertainties can be minimized definitely. Hence, planning is the basic requirement of any organization for the survival, growth and success.

#### **2) What is organizing? Explain the importance of organizing.**

**Ans:** The term 'organization' is used to denote the structure. It is a unit or a group of people who come together to achieve a common goal whereas 'organizing' is a process and a function. Some of the definitions are as follows:

#### **Importance of Organizing:**

Organizing is concerned with grouping and assigning the organizational activities among different departments and workforce. The importance of organizing can be stated as follows:

#### **1) Facilitates Administration as well as Operation:**

Organizing process leads to identify and to group the activities. Grouping and



assigning the activities is the task of administration whereas processing according to it is operational activity.

Thus, organizing facilitates administration as well as operation of the organization. Due to proper grouping of the tasks and the employees, there is increase in production and reduction in wastage. Duplication of work is restricted and effective delegation becomes possible.

## **2) Brings Specialization:**

Organizational structure is a network of relationships in which the work is divided into units and departments. This division of work helps in bringing specialization in various activities of organization. Specialization in activities leads to increase in organizational efficiency.

## **3) Defines the Jobs Properly:**

Organizational structure helps in putting right men on right job which can be done by selecting people for various departments according to their qualification, skill and experience. This is helping in defining the jobs properly which clarifies the role of every person.

## **4) Clarifies Authority and Responsibility:**

Organizational structure defines the role to every manager. This can be done by delegating the authority to every manager and clarifying the way he has to exercise those powers. So that misuse of powers does not take place. Well defined jobs and responsibilities helps in bringing efficiency into managers working. This helps in increasing productivity.

## **5) Establishes Coordination:**

This function helps in establishing co-ordination among different departments of organization.

It creates clear cut relationships among positions and ensures mutual co-operation among individuals. Coordination or synchronization between all departments and different level of managers is important for smooth functioning of organizational activities.

## **6) Helps for Effective Administration:**

This function determines different positions, departments, activities and the roles are clearly structured. The utmost care is taken while placing right person in right job with right authorities and responsibilities. It is achieved through division of work and delegation of authorities. This all leads to efficient and effective administration.

## **7) Helpful for Growth and Diversification:**



The growth of every organization depends on its smooth and efficient functioning. Clearly defined roles and responsibilities, coordination among all levels of management personnel and use of appropriate control techniques bring efficiency at work place and organization grows well. This is possible only when the organization structure is well- defined.

**8) Creates Sense of Security:**

Organizational structure clarifies the job positions. It clearly states the duties and responsibilities of everyone. Everyone can work accordingly. Clarity in jobs and powers helps in increasing mental satisfaction and it creates sense of security among the employees.

**9) Scope for Innovation:** Organizing function clears the roles and activities to be performed. Employees can work by using their new ideas. This provides enough space to the manager to develop talent and flourish the knowledge. This scope for innovation into adopting new changes in methods of work is possible only through a set of organizational structure.

**10) Helps in Optimum Utilization of Resources:**

This function provides different jobs to different employee according to the job specification.

Due to this, specialization of work becomes possible. This right workforce utilizes other resources at its optimum level so that desired results are achieved within defined period.

**3) What do you mean by staffing? Describe the importance of staffing.**

**Ans:** Meaning:

Staffing is the function of execution according to plan and organizational structure. It is

the process of attracting, recruiting, selecting, placing, appraising, remunerating, developing and retaining the best workforce. Overall growth and success of every venture is based on appropriateness of staffing function. It is very challenging for organization to focus on best utilization of workforce by using their talents and skills, retaining them and arranging training and development programmes.

The function emphasizes managing human and not material or financial resources.

**Importance of Staffing:**

**1) Effective Managerial Function:**

Staffing is the key to effective performance of other functions of management such as planning, organizing, directing and controlling. Competent workforce can work effectively in different functional areas like production, sales, finance etc. The outcome of other functions is based on the effectiveness of staffing.



**2) Leads to Effective Utilization of Human Resources:**

Staffing function leads to effective utilization of human resources i.e. workforce. Proper care is taken at every stage such as recruitment, selection, placement, remuneration, training, development etc. Excessive burden of work is avoided. Optimum utilization of human resources results in improvement in performances and progress of organization.

**3) Builds Cordial Relationship:**

This function is helpful in building healthy relationships among all levels of employees in the organization. A smooth human relation is the key to better communication and coordination of managerial efforts in an organization.

**4) Helps Human Resource Development:**

Skilled and experienced employee is an asset of a business organization. Staffing helps to inculcate the organizational culture into employees. It trains and develops the existing workforce. It also ensures smooth functioning of all the managerial aspects of the business organization.

**5) Helps in Effective use of Technology and Other Resources:**

Trained employees can use the latest technology, capital, material and methods of work effectively. It helps in building competitive strength of the organization. It is also helpful in improving standard of work and productivity in terms of quality and quantity.

**6) Improves Efficiency:**

Training and development programmes are offered to the employees for self-development and organizational development. Through proper selection, the organization gets quality employees and through proper training the performance level of the employees can be improved.

**7) Long Term Effect:**

Qualified, efficient and skillful workforce is always an asset of the organization. Proper selection of employees leads the organization towards the path of success. Naturally, long term positive effects can be observed on the efficiency of an organization.

**8) Essential Contribution:**

Staffing ensures the continuity and growth of the organization through development of employees. Selection is based on the ability of the prospective employees. So that organization can meet the future challenges wisely. Therefore, the contribution of the staff in their future roles is taken into account in staffing function.





#### **9) Provides Job Satisfaction:**

Employees can be motivated through financial and non-financial incentives. Adequate remuneration increases job satisfaction and morale of the employees. Training and development programmes, fair remuneration and job security are the factors which are important in providing job satisfaction.

#### **10) Maintains Harmony:**

In staffing process, individuals are recruited, selected and placed as well as their performance is regularly appraised and promotions are given on the basis of merit. For this, criteria is made and duly communicated to concerned employees. It brings peace and harmony in organization.

#### **4) Give the definition of directing and explain the importance of directing.**

**Ans: Theo Haimann:** "Direction consists of the process and techniques utilizing in issuing instructions and making certain that operations are carried out as planned."

#### **Importance of Directing:**

Directing refers to a process or technique of instructing, guiding, inspiring, counselling, overseeing and leading people towards the accomplishment of organizational goals.

Supervision is an integral part of direction function. The director supervises employees by observations, examining the reports and behavior of employees. On the basis of the above definitions, the importance of directing can be stated as follows:

#### **1) Initiates Action:**

Direction is the function which supports to activate the plans with the help of employees.

Every action is initiated through timely direction. Proper instructions are given to subordinates

while completing their assigned task. The managers direct the subordinates about what to do,

how to do, when to do and also to see that their instructions are properly followed.

#### **2) Integrates Efforts:**

Communication is one of the elements of direction. It helps in integrating the efforts of all the employees and departments which results in achievement of organizational goal. Integration of efforts is possible through persuasive leadership and effective communication towards the accomplishment of organizational goals.

#### **3) Means of Motivation:**

While directing the subordinates, their opinions are also considered. A manager identifies the potential and abilities of its subordinates and helps them to give their



best. He also motivates them by offering them financial and non-financial incentives to improve their performance. It boosts the morale of subordinates.

#### **4) Provides Stability:**

Stability plays significant role in the growth and survival of the organization. Effective leadership, communication, supervision and motivation develop co-operation and commitment among the employees. It provides stability and creates balance among various departments and groups.

#### **5) Coping up with the Changes:**

Factors of business environment are always changing. Adapting to the environmental changes is necessary for the growth of the organization. With the help of motivation, proper communication and leadership, the employees can clearly understand the nature of change and also the positive outcome of adopting to the change. For example, e-filing, use of Robots at workplace etc.

#### **6) Effective Utilization of Resources:**

Direction involves assigning duties and responsibilities to everyone. Proper instructions and systems are developed to avoid wastages, duplication of efforts etc. Subordinates are guided to utilize the resources i.e. men, machine, materials, and money in the maximum possible way. It helps in reducing costs and increasing profits.

#### **7) Creates Team Spirit:**

Direction focuses on motivating the subordinates for group efforts. Group efforts or team spirit plays vital role in success of an organization than individual efforts. Therefore, the role of manager as a director plays very important role in guiding and motivating the employees to achieve the predetermined goals.

#### **8) Explores Capabilities of Individuals:**

Every individual has various capabilities or potentials in addition to their formal qualifications.

Direction helps to identify and utilize their abilities for best performance by encouraging and motivating them just like a leader.

#### **9) Increases Efficiency Level:**

Guidance and motivation is given to subordinates to perform at their best level. Being a leader, team spirit is created by the manager as well as proper techniques of supervision are used. It works positively and results into enhancing the efficiency level of the whole organization.





### **10) Co-operation:**

Co-operation is necessary for smooth flow of organizational activities. It should be created by manager i.e. director from top level to the bottom level of management. Healthy cooperation, team work and higher efficiency level lead to attainment of goals.

Thus, Directing to subordinates is a basic management function that includes building an effective work climate through motivation.

### **5) What is coordinating? Describe the importance of coordinating.**

**Ans: Henry Fayol:** "To co-ordinate is to harmonise all the activities of a concern to facilitate its working and its success."

#### **Importance of Co-ordinating:**

Need for co-ordination arises out of the fact that different elements and efforts of an organization are to be harmonized and unified to achieve the common objectives.

Importance of coordination can be discussed as follows:

#### **1) Encourages Team Spirit:**

In organizations, group of individuals work together. There may be existence of conflicts, disputes between individuals, departments and employer and employees regarding organizational policies, roles and responsibilities etc. Coordination arranges the work in such a way that minimum conflicts are raised. It increases the team spirit at work place.

#### **2) Gives Proper Direction:**

Coordination integrates departmental activities for achieving common goal of the organization.

The work is arranged in a very systematic way. The interdependence of departments gives proper direction to the employees.

#### **3) Facilitates Motivation:**

Coordination motivates the employees to take initiative while completing their assigned task.

An effective co-ordination increases efficiency and results into growth and prosperity of the organization. A prosperous organization ensures job security, higher income, promotion and incentives. Such monetary and non- monetary incentives provide job security and motivate the employees for hard work.

#### **4) Optimum Utilization of Resources:**

Managers try to integrate all the resources systematically. It helps in utilizing all available resources at its optimum level. Co-ordination also helps to minimize the wastage of resources and control the cost of work.



### **5) Achieve Organizational Objectives:**

Co-ordination leads to minimize the wastages of materials, idle time of employees, delay in completion of targets, departmental disputes etc. to a great extent. It ensures smooth working of the organization in the process of achieving the objectives of the organization.

### **6) Improves Relation:**

Co-ordination develops cordial relations between all the levels of management of an organization. Every department depends on functioning of other department. For example, sales department works according to production department, Production department depends on Purchase department and so on. Coordination helps the employees to build strong relations among them and achieve the given targets.

### **7) Leads to Higher Efficiency:**

With the help of optimum utilization of resources and effective integration of resources, the organization can achieve high returns in terms of high productivity, high profitability as well as can reduce the cost. Thus, co-ordination leads to higher efficiency.

### **8) Improves Goodwill:**

Higher sales and higher profitability can be achieved due to synchronized efforts of organizational people, strong human relations and lower costs. It directly results into creating goodwill for organization in the market. It reflects on market value of shares as well as it helps in building good image in society.

### **9) Unity of Direction:**

Different activities are performed by different departments. Coordination harmonizes these activities for achieving common goal of organization. Thus, coordination gives proper direction to all departments of the organization.

### **10) Specialization:**

All departments of the organization are headed by experts in their respective fields. The specialized knowledge of these departmental heads helps in managerial decisions. It leads organization to march towards growth and success in the competitive world of business.

### **6) Define the term controlling and explain the importance of controlling.**

**Ans: Philip Kotler:** "Control is the process of taking steps to bring actual results and desired results closer together."

### **Importance of Controlling:**

Controlling is important in maintaining standards and to achieve desired goals



effectively and efficiently. It is a function of checking the performances of employees at every stage of their work in process. The importance of controlling function in an organization is as follows:

**1) Fulfilling Goals of Organization:**

Controlling is the function of measuring the performances at every possible stage, finding out the deviations, if any; and taking corrective actions according to planned activities for the organization. Thus, it helps in fulfilling the organizational goals.

**2) Making Efficient Utilization of Resources:**

Various techniques are used by managers to reduce wastage of material and spoilage of other resources. Standards are set for every performance. Employees have to follow these standards.

As the effect of this, the resources are used by employees in the most efficient and effective manner so as to achieve organizational objectives.

**3) Accuracy of Standards:**

An efficient control system helps management in judging the accuracy of standards whether they are accurate or not. Controlling measures are flexible to some extent. So after reviewing them according to changing circumstances, they are revised from time to time which is beneficial for checking performances accurately.

**4) Motivates Employee:**

After setting standards of checking performance, they are communicated to employees in advance. Due to this, employees get an idea about what to do and how to do. Performances are evaluated and on that basis employees are rewarded in the form of increment, bonus, promotion etc. It motivates the employees to perform at their best level.

**5) Ensures Order and Discipline:**

Controlling is the function of order and maintaining discipline. It works for reducing unprofessional behavior of the employees. Discipline is maintained by continuous checking of performances by the superiors and preventive actions are taken to minimize the gap between actual and standards.

**6) Facilitates Co-ordination:**

Control is a function in which the roles and responsibilities of all departmental managers and the subordinates are designed clearly. Coordination between them helps to find out the deviations in their respective departments and to use remedial measure for desired results of the organization.

**7) Psychological Pressure:**



The performances are evaluated with the standard targets. The employees are very well aware that their performance will be evaluated and they will be rewarded accordingly. This psychological pressure works as a motivational factor for employees to give their best performance.

**8) Ensures Organizational Efficiency and Effectiveness:**

Factors of control include making managers responsible, motivating them for higher performance and achieving departmental coordination. It ensures about organizational efficiency and effectiveness.

**9) Builds Good Corporate Image:**

Controlling function helps to improve the overall performance of the organization. Minimum deviation in predetermined standards and actual performance results into the progress of business. It can be achieved with the help of proper control. This builds good corporate image and brings goodwill for the business.

**10) Acts as a Guide:**

Controlling function provides set of standard performance. Managers as well as subordinates work according to it. Wherever necessary, they can take the help of these standards and can achieve desired results. Thus, controlling function acts as a guide for everyone. The steps taken for controlling an activity guide the management while planning the future activities.