

Q2: Describe major functions of management. Discuss its significance for modern business organizations.

Introduction

Management is one of the core functions of a business, not only is it necessary for achieving the goals of an enterprise but also is crucial for achieving those goals efficiently. Therefore, companies in the modern times ~~are~~ invest heavily on strengthening their management ~~so~~ in order to achieve their desired goals.

Management Definition

Management is defined as planning, organizing, leading and controlling of the physical, financial and human resources ~~at~~ in order to efficiently achieve the organization goals.

Major functions of management

Management is a complex and specialized task which requires the managers to be shrewd, skillful, experienced and professional. Following are the 4 functions performed by a manager.

1- Planning

Planning means foresightness, the manager is required to plan for the future of the organization. He sees the "big picture" and takes necessary actions to reach the desired results. Planning

bridges the gap between where we are now and where we want to be in the future. A manager uses different types of tools in order to plan for the future like:

a) Tools for Planning

- 1- Forecasting
- 2- Scenario planning
- 3- Staff planners
- 4- Situational analysis / Benchmarking
- 5- Contingency planning

b) Steps involved in Planning

- 1- Manager first establishes the organization goals which he intends to achieve
- 2- He then identifies the available resources which will help him achieve those goals
- 3- In the third step he identifies various alternatives through which he will achieve maximum benefit and minimum loss.
- 4- The manager then evaluates the different alternatives in order to find the one that best suits the organization in achieving the goals.
- 5- In the 5th step he formulates a supporting plan which will help him achieve the main goal more efficiently
- 6- At last the manager evaluates the whole plan that he has drafted and keeps on monitoring it after it is implemented in order to

see if the goals are being met or not.

2- Organizing

The second major function of the manager is to organize the work that is to be done for the accomplishment of the plan in order to achieve the firm's goals effectively. Organizing is basically the practical implication of the plan.

a) Principles of Organizing

- 1- There should be a proper delegation of authority in the organization
- 2- Tasks must be divided according to ones specialization
- 3- There should be unity of command which means that a employee takes and receives order from one manager and is responsible to him only.
- 4- There must be a proper distinguishment between the levels of the organizations from top to bottom
- 5- Similiar tasks must be grouped together in a single category
- 6- Proper span of control should is present. which means the number of people under a managers supervision can be either wide or narrow.

b) Steps in Organizing

- 1- The first step in organizing is identifying the activities which are to be carried out like record keeping, quality control, inventory control etc.
- 2- The second step will be ~~to~~ departmentally organizing the activities for eg record keeping and payroll management can be departmentalized as accounting department.
- 3- The third step will be to classify the authority and powers to the managers and clearly stating the responsibilities of them.
- 4- The fourth step would be to properly clarify the relationship or span of control ^{between} ~~the~~ the managers and the employees. All managers must be aware of the people working under him.

The manager organizes the organization according to the principles of organizing for effectively achieving the firms goals.

3- Leading

The third major function of the manager is to lead the employees in order to get the job done. leading is a very important function of the manager, without proper leading the employees will never be motivated to do the work. The leading function therefore involves motivating, influencing ~~a group~~ and forming effective groups of employees.

a) ~~Steps~~ Principles involved in leading

- 1- Managers are required to have a positive attitude and relation with the employees.
- 2- Managers are to keep motivation levels high of their employees.
- 3- They are to influence the employees in getting the job done.
- 4- They must possess leadership qualities so that they can persuade the employees to get the work done.
- 5- They must encourage a healthy and competitive working environment to promote employee efficiency.

b) Types of leadership styles

- 1- Transformational leadership
- 2- Charismatic leadership
- 3- Transactional leadership
- 4- Authoritarian leadership
- 5- Participative leadership

4- Controlling

The fourth major function that a manager performs is of controlling. Controlling refers to the monitoring of the day by day tasks carried out by the employees. It is

done in order to prevent error and improve efficiency of the business. Controlling is a continuous management process which is closely linked with planning.

a) Steps involved in Controlling

- 1- The first step that the manager takes in controlling is measuring the actual performance of the employees.
- 2- The second step would be to measure the actual performance with the standards that were already set during the planning stage. This helps in understanding whether the performance of employees is on track or not.
- 3- In the third step the manager takes any corrective actions if there was any error found in the second step. Here the manager will either try to solve the problem causing the decline in performance or will revise the targets which were set.

b) Types of Controls

- 1- Feed forward control
- 2- Concurrent control
- 3- Feedback control

Significance of management for organizations

Management holds great importance for

businesses in the modern times. Today's businesses as compared to the old times have become more complex in nature and without proper management a business cannot operate effectively.

1- Assists in achieving organization goals

Management function assures that the firm is successful in achieving its goals. It helps in the proper organization of tasks, duties and responsibilities to get the work done in the least amount of time with the best results.

2- Ensures optimum utilization of resources

Proper management of the firm resources whether it be human, physical or financial resources, is made efficient only through the proper use of the management function. This ultimately leads to fulfillment of the firm's goals.

3- Provides guidance and direction to employees

Management allows a firm to properly establish a firm's goals and to ~~man~~ pursue people to fulfill the goal. The constant check and balance keeps the employees directed towards the organization goal.

4- Maintains an efficient work culture

A good work culture is where an employee

is motivated at all times to do the work. Management ensures that all employees get access to the available resources that are crucial for the work they performed. This keeps the morale of the employees high at all times and improves efficiency of the business.

5. Organizational growth and development

Management makes sure that the goals of the organization are being met, sales are growing, profit is increasing and the customers are being pleased by the service. This stimulates organizations growth and helps in development.

6. Ensures proper staffing

Management allows for the proper planning of the human resource required by the firm. It keeps human resource adequate at all levels of the organization and also ensures the required skills are available for the organization.

7. Constant check and balance on the employees

Management keeps an proper check and balance on the performance of the employees. This keeps them motivated and directed towards the goal of the firm. Moreover this ensures that all operations are efficiently being carried out without any errors or mistakes.

8- Efficiency in operations of the firm

Management ensures that all individuals are responsibly performing their jobs and that all ~~available~~ resources required for the work ~~is~~ ~~are~~ are available to the employees. Furthermore, employees are given assistance ~~is~~ by the managers where they require it.

9. Minimizes waste and cost reduction

The manager makes sure that all the resources are properly being utilized by the employees and that no unnecessary work or resource is being done. This ensures reduction in the variable cost, overhead and production cost.

10- Management gives competitive advantage

Effective management gives a firm an edge over its competitors. It allows the firm to have reduced costs, more profits, effective utilization of resources and promotes operational efficiency thereby giving the organization an upper hand in the industry in which it operates.

Conclusion

Management is core and most vital function a business manager performs. It would not be an exaggeration to say that without proper management a firm or business can

not achieve its goals. The ^{effective} management of all the ~~assets~~ and resources of a business is made possible only through a skilled manager. Therefore, in order for a firm to survive and reach its goals, management play a pivotal role.