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# **MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES**

## **M.M.P.C.-001**

**Chapter Wise Reference Book  
Including Solved Sample Papers**

*By: Anand Prakash Srivastava*

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# CONTENTS

## MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES

|   |   |
|---|---|
| <i>Sample Question Paper—1 ( Solved )</i> | 1 |
| <i>Sample Question Paper—2 ( Solved )</i> | 1 |
| <i>Sample Question Paper—3 ( Solved )</i> | 1 |
| <i>Sample Question Paper—4 ( Solved )</i> | 1 |

| <b>S.No.</b> | <b>Chapter</b> | <b>Page</b> |
|--------------|----------------|-------------|
|--------------|----------------|-------------|

### BLOCK-1 : INTRODUCTION TO MANAGEMENT

|  |           |
|--|-----------|
| <b>1. Management: An Overview .....</b>      | <b>1</b>  |
| <b>2. Management and its Evolution .....</b> | <b>10</b> |
| <b>3. Roles of Managers .....</b>            | <b>20</b> |

### BLOCK-2 : MANAGERIAL PROCESSES-I

|  |           |
|--|-----------|
| <b>4. Planning .....</b>               | <b>30</b> |
| <b>5. Organizing .....</b>             | <b>39</b> |
| <b>6. Staffing and Directing .....</b> | <b>50</b> |

| <b>S.No.</b>                              | <b>Chapter</b>                                   | <b>Page</b> |
|---|--|-------------|
| <b>BLOCK-3 : MANAGERIAL PROCESSES-II</b>  |  |             |
| 7.  | Controlling .....                                | 64          |
| 8.  | Leading and Motivating .....                     | 75          |
| 9.  | Decision-Making.....                             | 90          |
| <b>BLOCK-4 : ORGANIZATIONAL PROCESSES</b> |  |             |
| 10.                                       | Organization Structure and Design .....          | 102         |
| 11.                                       | Organization Communication Processes .....       | 112         |
| 12.                                       | Organizational Culture .....                     | 121         |
| 13.                                       | Managing Change .....                            | 138         |
| 14.                                       | Corporate Social Responsibility and Ethics ..... | 153         |
|   |  | ■ ■         |

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of the  
Solved  
Sample Question  
Papers**

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Sample

# QUESTION PAPER-1

(Solved)

## MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES

M.M.P.C.- 001

Time: 3 Hours ]

[ Maximum Marks: 100

Note: Attempt any five questions. All questions carry equal marks.

**Q. 1. What is management? Why is it important in the contemporary world?**

Ans. Ref.: See Chapter-1, Page No. 4, Q. No. 1.

**Q. 2. What is the contribution of scientific management to the management thought?**

Ans. Ref.: See Chapter-2, Page No. 14, Q. No. 1.

**Q. 3. Discuss the role of a manager in an organization?**

Ans. Ref.: See Chapter-3, Page No. 24, Q. No. 1.

**Q. 4. What are the different approaches to organizing and analyzing work?**

Ans. Ref.: See Chapter-5, Page No. 45, Q. No. 1.

**Q. 5. What do you understand by staffing? Explain its characteristics.**

Ans. Ref.: See Chapter-6, Page No. 58, Q. No. 4.

**Q. 6. Highlight the characteristics of a good control system?**

Ans. Ref.: See Chapter-7, Page No. 70, Q. No. 3.

**Q. 7. Is there any difference between a successful and an effective leader? Discuss.**

Ans. Ref.: See Chapter-8, Page No. 84, Q. No. 2.

**Q. 8. Why is effective communication important to the manager?**

Ans. Ref.: See Chapter-11, Page No. 113, Q. No. 1.

**Q. 9. Draw the progression path of the organization culture showing the major changes during the course of formation.**

Ans. Ref.: See Chapter-12, Page No. 134, Q. No. 3.

**Q. 10. Write short notes on the following:**

(a) Planning

Ans. Ref.: See Chapter-1, Page No. 30, 'Meaning of Planning'.

(b) Brainstorming

Ans. Ref.: See Chapter-9, Page No. 93, 'Brainstorming'.

(c) Formal and Informal Organizations

Ans. Ref.: See Chapter-10, Page No. 103, 'Formal and Informal Organizations'.

(d) Mckinsey 7-S Model

Ans. Ref.: See Chapter-13, Page No. 139, 'Mckinsey 7-S Model'.



Sample

# QUESTION PAPER-2

(Solved)

## MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES

M.M.P.C.- 001

Time: 3 Hours ]

[ Maximum Marks: 100

Note: Attempt any five questions. All questions carry equal marks.

**Q. 1. What are the salient features of building a great organizational culture?**

Ans. Ref.: See Chapter-12, Page No. 135, Q. No. 4.

**Q. 2. Explain the elements of the communication process.**

Ans. Ref.: See Chapter-11, Page No. 114, Q. No. 2.

**Q. 3. Why motivation is a critical issue of interest to managers in organizations?**

Ans. Ref.: See Chapter-8, Page No. 84, Q. No. 3.

**Q. 4. Describe the basic elements of the control process with examples?**

Ans. Ref.: See Chapter-7, Page No. 70, Q. No. 4.

**Q. 5. What are the elements of direction? Define in detail.**

Ans. Ref.: See Chapter-6, Page No. 60, Q. No. 10.

**Q. 6. Write down the impact of IT in organising work with suitable examples.**

Ans. Ref.: See Chapter-5, Page No. 47, Q. No. 3.

**Q. 7. List out the skills needed for a manager?**

Ans. Ref.: See Chapter-3, Page No. 25, Q. No. 2.

**Q. 8. What are the experiments conducted by F. W. Taylor? What is your learning from them?**

Ans. Ref.: See Chapter-2, Page No. 15, Q. No. 2.

**Q. 9. Is management a science or an art? Substantiate your answer**

Ans. Ref.: See Chapter-1, Page No. 5, Q. No. 2.

**Q. 10. Write short notes on the following:**

(a) Nature of Planning Process

Ans. Ref.: See Chapter-4, Page No. 30, 'Nature of Planning Process'.

(b) Synectics

Ans. Ref.: See Chapter-9, Page No. 93, 'Synectics'.

(c) Degree of Decentralization

Ans. Ref.: See Chapter-10, Page No. 103, 'Degree of Decentralization'.

(d) Ross 5 Stage Model

Ans. Ref.: See Chapter-13, Page No. 139, 'Ross 5 Stage Model'.



# Sample Preview of The Chapter

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# MANAGEMENT FUNCTIONS AND ORGANIZATIONAL PROCESSES

## BLOCK-1 : INTRODUCTION TO MANAGEMENT

### Management: An Overview



#### **INTRODUCTION**

One of the most important activities we all do is management. Since human life began to be organized for food or shelter, elements of management have been subtly seen in all these activities. History also confirms the application of management techniques that are still visible today. We believe that the Egyptian pyramids, built centuries ago, are evidence of the excellent organizational strength of dozens of workers at the time, and therefore many administrative functions were used long ago. Similarly, the Indus Valley Civilization has shown the use of more advanced management techniques, given when it was built. In addition, these cases show that management is also an integral part of human survival and organized activities. As society grew, individuals were unable to achieve their individual goals, and group efforts had to be coordinated through administrative functions.

In the current context, competition is a key driver for individuals and organizations. On the one hand, individuals have never had so many opportunities, and on the other hand have never had a challenging work environment.

Management is essential not only for business concerns but also for banks, schools, colleges, hospitals, hotels, religious bodies, charitable trusts, etc. Every business unit has some objectives of its own. These objectives can be achieved with the coordinated efforts of several personnel. The work of a number of persons are properly co-ordinated to achieve the objectives through the process of management is not a matter of pressing a button, pulling a lever, issuing orders, scanning profit and loss statements, promulgating rules and regulations.

#### **CHAPTER AT A GLANCE**

##### **MEANING AND DEFINITION OF MANAGEMENT**

Many management experts have tried to define management. But, no definition of management has been universally accepted. Let us discuss some of the

leading definitions of management: Peter F. Drucker defines, "Management is an organ; organs can be described and defined only through their functions".

According to Terry, "Management is not people; it is an activity like walking, reading, swimming or running. People who perform Management can be designated as members, members of Management or executive leaders."

Ralph C. Davis has defined management as, "Management is the function of executive leadership anywhere."

Henry Fayol, "To manage is to forecast and plan, to organize, to compound, to co-ordinate and to control." Harold Koontz says, "Management is the art of getting things done through and within formally organized group."

#### **NATURE OF MANAGEMENT**

There has been a long debate about what exactly is the nature of management. One school of thought considers management to be a science, while another school of thought disagrees and sees it as an art. Science represents a systematic body of knowledge with generally applicable fundamental principles. Scientific procedures rely on reliability and validity based on experiments and generalizations. One of the principles of science is also the use of regular imagination to explain causal phenomena. Applying these principles, management has developed certain principles, laws, theories, and generalizations over the years that can be universally applied in a variety of organizations. According to Luther Gullick, managing a body of knowledge has fundamental principles and is in the process of being called a science.

The scientific management method proposed by F.W. Taylor is called scientific management and is a good proof of the status of science based on the number of human experiments on the manufacturing floor using management techniques. Some argue that this field is an inaccurate science because it does not enjoy the status of an accurate science due to the nature of pure science such as physics and chemistry. Because management deals with humans, it is difficult to verify and predict complex human behaviour.

The nature of management can also be understood in terms of professional status. A profession, by definition, is an individual's accredited profession that allows the basic principles and practices to be applied under a particular code of conduct. Based on the above definition, efforts have been made to consider management as a profession.

According to psychologist Edgar Shane, the vocational criteria are:

- Systematic body of knowledge
- Long-term formal education and training
- Specified criteria for entry
- Code of Conduct/Ethical Code
- Professional tools/techniques
- Specialized research
- Academic institution/association

### CHARACTERISTICS OF MANAGEMENT

Management is characterized by a few elements. They are:

**Management is a Group Activity:** Management is commonly defined as activity done by people to maintain and manage the business environment and structure.

**Management is Universal in its Application:** Management is a universal phenomenon in the sense that it is a common and essential element in all enterprises.

**Management is a Continuous Activity:** Management is a series of continuous or never-ending functions. All the functions of management are performed simultaneously and continuously.

**Management as an Integrated Effort:** Management is an integrating process-Management undertakes the job of bringing together human physical and financial resources so as to achieve organizational purpose.

**Management as a Well-defined Process:** In simple words, a management process is a well-defined system of setting goals, planning and controlling any action's execution.

**Management is Objective-driven and Result-oriented:** The success of any management activity is assessed by its achievement of the predetermined goals or objective. Management is a purposeful activity. It is a tool which helps use of human and physical resources to fulfil the pre-determined goals.

**Management as a Set of Roles and Skills:** Being able to communicate clearly, coordinate and motivate staff, as well as plan tasks effectively are vital skills that all managers need.

**Management as a Function:** There are four fundamental functions of management i.e. planning, organizing, actuating and controlling.

**Management as a Discipline:** Management as a discipline refers to that branch of knowledge which is connected to study of principles and practices of basic administration.

### MANAGEMENT AND ADMINISTRATION

The use of two terms management and administration has been a controversial issue in the management literature. Some writers do not see any difference between the two terms, while others maintain that administration and management are two different functions. Those who held management and administration distinct include Oliver Sheldon, Florence and Tead, Spriegel and Lansburg, etc. According to them, management is a lower-level function and is concerned primarily with the execution of policies laid down by administration.

This controversy is discussed as under in three heads:

- (i) Administration is concerned with the determination of policies and management with the implementation of policies. Thus, administration is a higher level function.
- (ii) Management is a generic term and includes administration.
- (iii) There is no distinction between the terms management and administration and they are used interchangeably.

### THE IMPORTANCE OF MANAGEMENT

**1. It helps in Achieving Group Goals:** It arranges the factors of production, assembles and organizes the resources, integrates the resources in effective manner to achieve goals.

**2. Optimum Utilization of Resources:** Management utilizes all the physical and human resources productively.

**3. Reduces Costs:** It gets maximum results through minimum input by proper planning and by using minimum input and getting maximum output.

**4. Establishes Sound Organization:** No overlapping of efforts (smooth and coordinated functions).

**5. Establishes Equilibrium:** It enables the organization to survive in changing environment. It keeps in touch with the changing environment.

**6. Essentials for Prosperity of Society:** Efficient management leads to better economical production which helps in turn to increase the welfare of people.

### FUNCTIONS OF MANAGEMENT

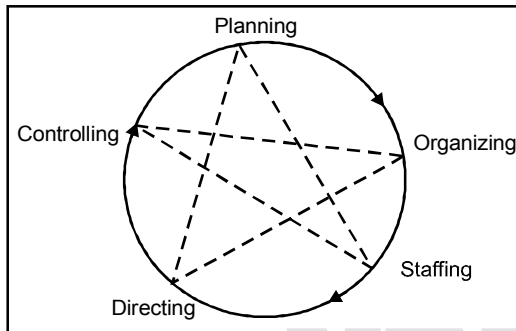
Management has been described as a social process involving responsibility for economical and effective planning and regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase, etc. Rather these activities are common to each and every manager irrespective of his level or status. Different experts have classified functions of management.

According to George and Jerry, "There are four fundamental functions of management i.e. planning, organizing, actuating and controlling".

According to Henry Fayol, "To manage is to forecast and plan, to organize, to command, and to control".

Whereas, Luther Gullick has given a keyword 'POSDCORB' where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting and B for Budgeting.

But the most widely accepted are functions of management given by KOONTZ and O'DONNELL i.e. Planning, Organizing, Staffing, Directing and Controlling.



Source: Harold Koontz and O'Donnel

### Planning

According to Koontz, "Planning is deciding in advance – what to do, when to do and how to do. It bridges the gap from where we are and where we want to be". A plan is a future course of actions.

### Organizing

According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". To organize a business involves determining and providing human and non-human resources to the organizational structure.

### Staffing

According to Kootz and O'Donell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of personnel to fill the roles designed un the structure".

### Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes.

### Controlling

According to Theo Haimann, "Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation". According to Koontz and O'Donell "Controlling is the measurement and correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished".

### CHALLENGES OF MANAGEMENT

Some of the challenges of management are as follows:

**Globalization:** Globalization means that activities be managed from an overall global perspective as part of an integrated system.

**Technology:** Technology "refers to the resources used by an organisation to manage information that it needs to carry out its mission".

**Workforce Diversity:** Diversity in the workforce exists when members differ along dimensions like race, colour, caste, creed, nationality, gender, etc.

**Innovation:** The organizational world which existed in those companies who set up manufacturing facilities in foreign countries had to send technical experts at initial times.

**Ethics and Governance:** Firms which do not adhere to ethical standards and social responsibilities are not accepted by the society. It is, therefore, a challenge for managers to define relationships with the social environment.

**Quality:** Quality is "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs".

**Cost:** Aligning the schedule and budget of the project is another difficult task that project professionals come across in cost control management.

**Change Management:** Change is a continuous process. If firms want to compete in the complex, dynamic and diverse environment as they are facing today, where expectations from managers and their organizations are on an ever increase, they must accept the changes that confront their everyday life.

### ACTIVITIES

**Q. 1. All of us manage our daily routine. Write down the activities which reflect some form of management in your daily routine.**

**Ans.** A daily schedule helps you prioritize your wants and needs efficiently and offers you structure to support your productivity. Once established, a daily routine can help you achieve long-term goals by ensuring you're regularly working towards them. Other benefits of a daily schedule include:

- Scheduling time to meet all daily goals
- Boosting productivity
- Limiting procrastination
- Establishing healthy habits
- Enjoying a good work-life balance

Follow these steps:

**1. Write everything down:** Begin by writing down every task, both personal and professional, you want to accomplish during a normal week. Focus on brainstorming rather than editing or organizing. Remember to include tasks that you complete intermittently, like changing the sheets on the bed or mowing the lawn, and everyday tasks like making breakfast or doing dishes.

**2. Identify priorities:** Once you have your master list, go through it and identify daily priorities. Consider

using a highlighter to help visually organize your priorities by work, personal, wants and needs. For example, highlight daily work needs, like answering emails or returning phone calls, in blue and highlight personal wants, like reading a book for pleasure or going out for coffee with a friend, in green. Do this for your full list of tasks.

**3. Make a weekly chart:** Create, purchase or print a weekly chart. Begin filling it in with daily and weekly personal and work needs. Identify where it makes sense to complete tasks that recur weekly to keep your schedule as open as possible. For example, if on Mondays you have only four priority tasks, consider adding a weekly task like mowing the lawn rather than doing it on Saturdays when you have six priority tasks.

**4. Optimize your tasks:** Review your weekly schedule and determine if there are areas or tasks you can simplify or optimize to save time.

**Q. 2. Take the example of any successful organization in India and reflect on how management contributed to its success.**

**Ans.** Organizational learning is a buzzword used to describe the process of transferring knowledge within an organization. As your business gains experience, it should improve over time. You, your team, and your organization should be creating a broad base of knowledge during this time, covering any and all topics that could improve the way you do business. For example, you should learn more about your ideal customer, or create more efficient processes for running your business.

In general, the experts talk about four different types of knowledge that exist and grow within an organization. They divide them up into “communities” of learning:

- Individual
- Group
- Organizational
- Inter-organizational

**Individual Learning:** Obviously, this is the smallest learning community – a community of just one. When an individual worker learns new skills or ideas, productivity and performance generally improve. In order to maximize the benefit of this individual learning to the organization, the worker who learns the new skill must share it with co-workers.

**Group Learning:** Groups, or teams of employees, can also learn new skills together. When people spend the majority of their time working on a team with specific coworkers, those teams tend to coordinate in such a way that they learn as a group.

There are a number of steps management contributed to its success.

**Create knowledge:** The first step toward learning is creating, or taking in, knowledge and information. Managers should constantly seek to uncover new knowledge about their business, customers and

environment. They can do this by conducting surveys, performing market analyses, networking with colleagues in their industry and studying competitors.

**Retain the knowledge:** Once managers have created, or obtained the knowledge, they need a system for retaining it within the organization. It should be recorded or stored in a place where it will be accessible to other employees in the future. Many companies achieve this goal by using an intranet. (The organizational learning gurus would call these “knowledge management systems.”)

**Transfer the knowledge:** Finally, the knowledge must be transferred out of the individual community and into the organizational community as a whole. Some methods for transferring knowledge are simple, like conducting training or writing articles to share online. But it’s important to also use the information to inform your business processes.

### SELF-ASSESSMENT QUESTIONS

**Q. 1. What is management? Why is it important in the contemporary world?**

**Ans.** Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

Let us discuss some of the leading definitions of management: Peter F. Drucker defines, “Management is an organ; organs can be described and defined only through their functions”.

According to Terry, “Management is not people; it is an activity like walking, reading, swimming or running. People who perform management can be designated as members, members of management or executive leaders.”

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Henry Fayol, “To manage is to forecast and plan, to organize, to compound, to co-ordinate and to control.” Harold Koontz says, “Management is the art of getting things done through and within formally organized group.”

The importance of management to a modern business is discussed below:

**1. Accomplishment of Goals:** It is the management which determines the goals of the organization and of various departments and functional groups. The goals are communicated to the employees to seek their cooperation. All organizational activities are directed towards the organizational objectives. Clear-cut definition of goals is essential for the success of any organization.

**2. Effective Utilization of Resources:** Management ensures optimum utilisation of resources. Through planning and organisation, management eliminates all types of wastages and achieves efficiency in all business operations. Management motivates workers to put in