

MANAGEMENT

PRINCIPLES AND APPLICATIONS

UNIT-1

PART-V

MANAGERIAL FUNCTIONS

Subsidiary Functions of Management

Different thinkers on the subject do not agree on a common list of functions of management. However, what has been given above can be considered to be generally most commonly accepted principles of management. In addition, many thinkers have given few other functions which are as follows:

1. Decision making
2. Innovation
3. Communication
4. Representation
5. Co-ordination
6. Motivation

1. Decision-making: Management is inseparable from decision-making. Right decision at the right time by the right person is essential for the success of any business. Right decision at the right time helps the management in the growth of a business.

According to **R.S. Davar**, "*Life of a manager is a continuing decision-making process.*" **Peter F. Drucker** is of the opinion, "*Every activity done by a manager is done through decision-making.*"

Steps involved in the process of decision-making are as follows:

- (i) Analysing the problem;
- (ii) Ascertaining the problem;
- (iii) Study and evaluation in of alternative solutions to the problem;
- (iv) Choice of the best solution;
- (v) Execution of decision; and
- (vi) Follow-up action.

2. Innovation: It involves preparing people and organisation to face new challenges of fast changing conditions. Any business enterprise has to make continuous progress and innovation is perhaps, the only means of achieving this ideal. Innovation implies better and more satisfaction to consumers. The famous, modern thinker of the Science of Management Peter F. Drucker says that management is a creative rather than an adaptive task. The management must try to create new product, new practices, new ideas and new structure keeping in mind the needs of the future. Furthermore, the function of innovation involves preparing people and organisation to face new challenges, otherwise the organisation will become static.

3. Communication: Communication is transmission of human thought from one person to another. In any enterprise, people are to be informed, guided and directed as to what should be done by them every now and then. Communication is a bridge of meaning among people. By using this bridge, a person can cross safely the river of misunderstanding. Effective communication, finally leads to a higher level of shared understanding. In other words, it is 'Meeting of minds'.

- (i) "Communication is the transfer of information and understanding from one person to another person. It is a bridge of meaning among people."

-Keith Davis

- (ii) "Communication is the cement that makes organisation."

-Norbert Wiener

(iii) "Communication involves a systematic and continuing process of telling, listening and understanding."

-Allen

Communication is a two-way process-orders and instructions are communicated from top level to lower levels, suggestions and complaints from lower levels are communicated upwards. The importance of communication can hardly be over-emphasised. According to **Theo Haiman**, "Communication is fundamental and vital to all managerial functions."

Communication process has the following characteristics:

- (i) It is an exchange of ideas;
- (ii) Communication is a two-way traffic;
- (iii) Communication is possible with the help of words and signs;
- (iv) Communication can be both direct and indirect;
- (v) Communication increases mutual understanding; and
- (vi) Communication depends on personal understanding and individual state of mind.

4. Representation: Representation means representing the business concern in outside world. The managers are leaders of their organisation. As the leaders of organisation, they have a responsibility of representing the organisation before the interested groups, government, trade unions, customers, employees, financiers and suppliers and so on. The management has to project its own image as well as the image of its organisation before others. So the management must be well-informed, inspired and loyal to the objectives of its organisation.

5. Co-ordination: Co-ordination is not a separate function of management but an essence of management. Co-ordination is the art of achieving harmony of individual and group efforts for the achievement of common goals. Co-ordination means common action and movement. It seeks to bring dissimilar persons or things into proper relation so that they act together in harmony and produce an agreeable effect, just as a speaker co-ordinate his different ideas when speaking and a swimmer co-ordinate the movements of different parts of his body while

swimming. Today, organisations have grown in size and co-ordinates character. A large number of people work therein. Hence, co-ordination is essential.

(i) "The best co-ordination occurs when individuals see how their jobs contribute to the dominant goals of the enterprise. This implies knowledge and understanding of enterprise objectives."

-Koontz and O'Donnell

(ii) "Co-ordination is a function of management in as much as it harmonises, synchronises and unifies individual efforts for better action and for the achievement of the business objectives."

-Fayol

(iii) "Co-ordination is balancing and keeping together the team by ensuring a suitable allocation of task to the various members and seeing that the tasks are performed with due harmony amongst the members themselves."

-E.F.L. Brech

Aims of Co-ordination: Aims of co-ordination may be summarised as under:

- (i) Eliminating inconsistencies in objectives and policies.
- (ii) Operations of business activities in a systematic sequence.
- (iii) Removal of possible causes of difference of views and conflict of interests among the personnel at all levels of the organisation.
- (iv) Completion of production processes and fulfilment of other functions as per planned schedules.
- (v) Developing team spirit and atmosphere of co-operation among the staff and motivating their efforts in tune with the overall objectives of the enterprise.
- (vi) Avoidance of interruption in the operations due to omission, or wrong allocation of duties, misplaced responsibility or delay in provision of materials, tools or vague directions.