

**a. Planning**

Planning, is deciding in advance what has to be done, how and when it has to be done. It involves projecting the future course of action (COA) for the business as a whole and helps in bridging the gap between the present and the future. Planning is an intellectual process and signifies the use of rational approach to the solution of any problem. Planning is a fundamental function of management. All other functions of management are greatly influenced by the planning process. A management might plan for both short and long term plans. Very often, planning process is erroneously described to be the prerogative of the top management.

The elements of planning are forecasts, objectives, policies, strategies, programs and schedules.

- *Forecasts are predictions of what is going to happen in the future based on the past and present data*
- *Objectives are set for every individual and department in the organization. Every one works to achieve the given objectives*
- *Policies specifies what can be done or what cannot be done to achieve the given objective*
- *Strategies refer to the course of action to be followed and how the resources are to be deployed to achieve the given objectives*
- *Programs specify what has to be done as per the planned goals*
- *Schedules are prepared as per the plans and objectives which indicates what has to be done at a given point of time.*

**b. Organizing**

Organizing function may be conceived as the structuring of functions and duties to be performed by a group of people for the purpose of attaining enterprise objectives.

More specifically, organizing function of management involves the following steps:

- i. *Determination of activities of the organization keeping in view of its objectives*
- ii. *Classification of such activities into convenient groups*
- iii. *Assignment of these groups of activities to individuals*
- iv. *Delegation of authority for carrying out such assigned duties*
- v. *Coordination of these activities and authority relations throughout the organization*

Organizing is an essential function that makes the plans by identifying and classifying necessary activities. Henry Fayol explains that the organization is the structure of relationships. It explains superior-subordinates relationships.

Organizing shows how the tasks can be achieved with the given resources.

**c. Staffing**

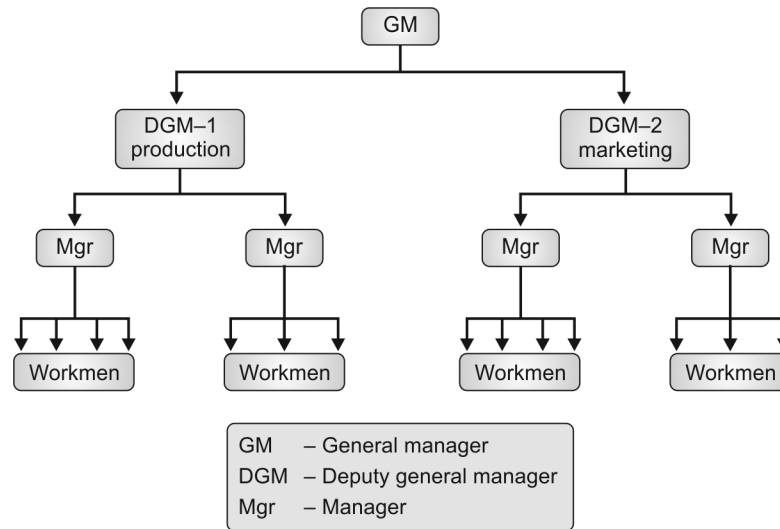
Staffing is a process which includes recruitment, selection, training, placement, appraisal, promotion, and career planning. In small organizations all these activities are taken care by the manager himself. But in larger organizations a separate department is developed which is called as *personal department*.

**d. Directing**

Directing calls for properly motivating, communicating and leading the subordinates.

Directing the subordinates embrace three essential activities:

- i. *Issuing of orders and passing the instructions*



**Fig. 2.3:** Line organization

### *Advantages*

1. This type of organization is simple and easy to organize
2. Very good communication plays in the company
3. \*Accountability for each employee can be recorded easily
4. Quick decisions can be taken
5. Easy to deal all the employees
6. Co-ordination is very easy
7. Better utilization of employee's services

### *Disadvantages*

1. These type of organizations are limited to small organizations
2. It over loads the key role employees
3. It encourages the doctorial way of functioning
4. More concentration on employees may disturb their ethics

### **Functional Organizations**

As the name functional organization implies the whole task of management and direction to subordinates should be divided according to the type of work involved. Almost all business concerns have got some sort of functionalization at the top. With this idea, management is divided into number of functions like production, research and development, purchasing, personal, finance, sales etc.

There are two functional organizations:

1. Project organization
2. Product organization

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\***Accountability:** Recording the employee's output and achievements.

4. Name and describe the principles of organization.
5. What are the various types of organization structures? Explain them with their merits and demerits?
6. State and explain Henry Fayal's principles of management and identify any four principles which you consider as very significant.
7. Discuss the matrix organization structure and explain its strategic advantages and disadvantages.
8. What are different problems and difficulties that are generally faced by managers in decision making? How can you overcome them?
9. Write a detailed note on FW Taylor's principles and contributions under scientific management.
10. How do you strike balance between centralization and decentralization in a department under your control?
11. Explain the evaluation of management thought of various expert's contributions.
12. Explain about the inverted pyramid structure organization and write the advantages over other organization structures.
13. Differentiate between line organization and functional organization.
14. By comparing the organizations like line organization, line and staff organization and functional organization, explain the merits and demerits.
15. State and compare theory-X and theory-Y employee's motivation towards organization as proposed by McGregor.

## ANSWERS

### Fill in the blank

1. Art and Science
2. Money, manpower, materials and machines
3. Organization
4. Leadership, participation and control
5. Relationships
6. Getting the things done
7. Basic needs, safety needs, social needs, esteemed needs and self actualization needs
8. Efficiently and effectively
9. Military organization or scalar organization
10. Top to bottom
11. Servant
12. Span
13. Objectives and goals
14. Framework
15. Unity of command

### Multiple choice questions

1. All the above
2. Blend of art and science

### Comparison between Job, Batch and Mass Production

<b>S. No</b>	<b>Content</b>	<b>Job production</b>	<b>Batch production</b>	<b>Mass production</b>
1.	Number of products	Every time one or two products only	Every time minimum of 100–1000 products	Continuous production with more than 1000 products
2.	Design specification	For every job product to product design changes	Each batch product will have same design	No change in design once it is fixed
3.	Accuracy	Tends to be satisfactory	Likely to be good in quality	Very high accuracy
4.	Production cost/unit	High	Less	Very less
5.	Production time/unit	High	Moderately less	Very less
6.	Productivity	Very less	Moderate	High productivity can be achieved
7.	Preparation time	For each job preparation time is required	For each batch preparation time is required	Only once the preparation time is required
8.	Automation feasibility	No feasibility for automation	Batch wise automation can be done partially	Total product operations automated
9.	Plant layout	Process layout	Process layout and product layout	Product layout is Fixed
10.	Material loss	More material loss for each job	Very less material loss	No chance of material

### TYPES OF PLANT LAYOUT

As per the flow of the job operations in the industry as well as continuity of technical process the plant layout is designed and selected (Fig. 3.2).

The plant layout is classified as:

1. Horizontal flow system
2. Vertical flow system
3. Combined flow system