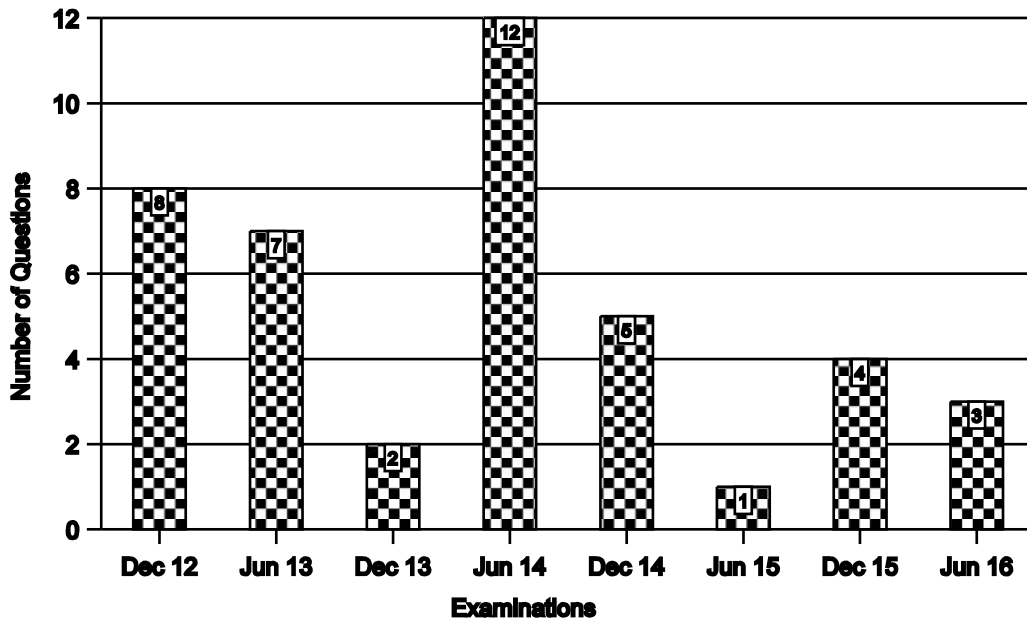


# 1

## Nature of Management and its Process

**This Chapter Includes :** Meaning, Objectives, Importance, Nature of Management - Science, Art Profession, Management Approaches, Management Function - Planning, Organizing, Personnel Management, Directing and Control; Principles of Management - Fayol's and Taylor's Principles, Managerial Skills, Task and Responsibilities of Professional Manager.



### Introduction:

#### Concept of Management:

The economic environment consists of 3 basic entities- House holds (the consumers), firms (the produces) and Government (the co- ordinator)

- ⇒ Origin of management is from a Greek word 'NOMOS'
- ⇒ It denotes not only functions but also the people who discharge these functions.

- ⇒ Management is a vital function which is concerned with all the aspects of working of an enterprise.
- ⇒ It is the art of getting things done.
- ⇒ It is concerned with human being whose behaviour is unpredictable. Ever since people have began forming groups to achieve individual goals, management has become the essence coordinating the individual efforts.
- ⇒ It denotes not only a special position and rank but also a discipline and field of study.

**Definition of Management:**

- ⇒ **Koontz and O'Donnell:** states that management means, "Getting things done through and with people".
- ⇒ **Henry Fayol:** "to manage is to forecast, and to plan, to organize, to command, and to co-ordinate".
- ⇒ **Hicks:** "the process of getting things done by the people and through the people".

**Objectives of Management:**

- ⇒ Management should provide an environment whereby the maximum output can be extracted from an individual.
- ⇒ **Achieving Maximum Output with Minimum Efforts:** Human financial and material resources can be combined in such a manner that it results in reduction of various costs.
- ⇒ **Optimum Use of Resources:** This leads to increase in efficiency which can be obtained by reducing spoilage, wastage and breakage which in turn leads to saving of time, effort and money which is essential for the growth & prosperity of any enterprise.
- ⇒ **Maximum Prosperity:** This means smooth and co-ordinated functioning of the enterprise, which ensures good working conditions, suitable wage system incentive plans and higher profits to the employer.
- ⇒ **Human Betterment and Social Justice:** Through increased productivity and employment, management ensures better standards of living and justice through its uniform policies.

**Importance of Management:**

- ⇒ **Achieving Group Goals:** Management directs group efforts towards

achievement of pre-determined goals. It converts disorganized resources of men, machines, money, etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.

- ⇒ **Optimum Utilization of Resources:** This is possible by selecting its best possible alternate use in the industry from out of various uses. If employees & machines are producing their maximum, there would be no under-employment of any resources.
- ⇒ **Reduces Costs:** Proper planning yields minimum inputs into maximum output. The best combination of physical, human and financial resources also results into the cost reduction.
- ⇒ **Establishes Sound Organisation:** To attain this objective; management must establish effective authority-responsibility relationship. All jobs should be cleared to every one, which means right job for the right person.
- ⇒ **Establishes Equilibrium:** It enables the organisation to survive in the changing environment. To accomplish this, the initial co-ordination of the organisation must be changed with the change in external environment.
- ⇒ **Prosperity of Society:** Efficient management leads to:
  1. Better economic production
  2. Welfare of people
  3. Avoid wastage of scarce resources.
  4. Improved standard of living
  5. Increase in profit.

#### **Management - Science or Art:**

- ⇒ Science may be defined as a body of knowledge systematized through application of scientific methods in any department of enquiry.
- ⇒ Science include physical sciences which have exactness in their nature and also social sciences which is based on unpredictable human behaviour.
- ⇒ Management can then be described as a variable growing science, if compared with the nature of exact physical sciences.
  - ⇒ Management is still a growing science.
  - ⇒ Management has now a theoretical base.
- ⇒ **Features of Management as a Science:**
  1. Inexact science, deals with complex human behavior
  2. Developing science.

3. Inter- Disciplinary Science-learns freely from other disciplines, such as economics, sociology and psychology.

⇒ **Management as an Art:**

1. The function of art is to effect change or accomplish goals by deliberate efforts.
2. Practical application of theoretical knowledge is reflected in art. In this sense management is an art as well.
3. Management principles involves skills to work out situations. This element is so important for executives that some authorities regard management to be essentially an Art.

⇒ **Features of Management as an Art:**

1. Process involves use of know-how and skills.
2. Directed towards accomplishment of concrete results.
3. Creating productive situations needed for further improvement.
4. Personalised because every manager has his own approach to problems.
5. Science and Art are not mutually exclusive but are complimentary. Theory and practice of management are mutually helpful and go side by side for the efficient functioning of any organisation.

Thus, Science is a body of knowledge while art denotes the mode of practical application of knowledge hence not mutually exclusive.

**Management as Profession:**

⇒ **Features of Management:**

1. Systematic body of knowledge
2. Need for learning and proper organisation.
3. Entry restricted on the basis of examination or education.
4. Dominance of service motive.
5. Except for restricted entry, management qualifies all other tests of a profession.
  - (a) Backed by a systematic body of knowledge.
  - (b) Many management principles have been developed which need proper any learning and education.
  - (c) Management of today must be creative rather than adoptive and be conscious of its ethical and social responsibilities to the society.
  - (d) Professional management consultants are both growing in number and quality.

**Reasons of Raising Management to the status of distinct profession:**

1. Growing administrative complexities.
2. Emergence of the corporate form of organisation.
3. Separation of ownership from management.
4. Development of an organized body of systematic knowledge.

**Schools of Management:**

- ⇒ Effective management is always situational management. The application of knowledge to realities with a view to attaining desired results.
- ⇒ Various Approaches to Management are referred as window.

**Approaches to Management Analysis:**

⇒ **Empirical Approach:**

Clear understanding of management theories can be-

- Developed by study & analysis of cases and comparative approach.
- Application of effective technique in comparable situations can be attained through the study of success & failures and the endeavour of managers to solve specific problems.
- This approach intend to make some generalizations from case study with a view to establishing theories as useful guides for futures course of action.
- Scholars belonging to this school feels that study of management should be based on inter-personal relationship.

⇒ **Inter Personal Behaviour Approach:**

- Also termed as 'Behavioural science', 'leadership' or 'human relations approach.
- Focuses on inter personal relations, personality dynamics, i.e human aspect of management.
- Approach leans heavily on human aspect of management.
- Attention is primarily on his / her motivation as socio-psychological being.

⇒ **Group Behaviour Approach:**

- Focus on studying the behavioural pattern of members & groups in an organisation.
- Closely related to interpersonal behaviour approach.
- Objective is to indicate the ways of achieving effective organisational behaviour.

⇒ **Decision Theory Approach:**

- Emphasizes that decision making is the core of management.

- Involves organisational groups decision making, or analysis of decision making process.
- Concentrate on rational decision making.
- Attempt made to cover the social and psychological aspects of decisions and decision makers.

⇒ **Mathematical Approach:**

- Analysts believe that if planning, decision making and organising conform to logical processes then the same can be presented in mathematical symbols.
- Focus on expressing and interpreting basic relationship of problems in terms of determined goals.
- Closely related to decision theory approach.
- But differs in the sense that it emphasizes on extensive use of mathematics in management.
- Operation Researcher and analysts primarily belong to this group.

⇒ **Operational Approach:**

- Actual managing is real life situation.
- Recognizes that there is a central core of knowledge about managing which exists only in management.
- Consolidated the vital thinking of all approach of management.
- This approach recognizes that the problems faced by executives & managers vary with nature, size & level of enterprise.
- The various approaches to interpret the term management may at best be described as “window” as much as they emphasize a particular aspect of management.
- Management draws heavily from a variety of disciplines further creates interpersonal problems.

**Management Functions:**

⇒ Henry Fayol also known as ‘Founder of Modern Management Theory’, grouped the elements of management into 5 managerial functions and 6 activities:

**Elements/Functions are :**

1. Planning
2. Commanding
3. Controlling
4. Organising
5. Co-ordinating.

**Activities are :**

1. Technical
2. Commercial
3. Financial
4. Security
5. Accounting
6. Managerial

**Top management spend more time in planning, the middle level on organizing and lower level concerned with directing.**

- ⇒ Luther Gulick gave the word POSDCORB using initial letters of management. P-Planning, O-organising, S-staffing, D-directing, Co-co-ordinating, R-Reporting, B-Budgeting,
- ⇒ Reporting is a part of control function,
- ⇒ Budgeting represent both planning and controlling.
- ⇒ Newmann and Summer classified managing process as function of.
  - (i) Organising
  - (ii) Planning
  - (iii) Leading
  - (iv) Controlling

**Management Process:****1. Planning:**

- ⇒ Deciding in advance what is to be done, how and when it will be done.
- ⇒ Projecting the future course of action. Helps to bridge the gap between present & future.
- ⇒ Planning process comprises of
  - (i) Objectives
  - (ii) Policies
  - (iii) Procedures
  - (iv) Rules
  - (v) Programmes
  - (vi) Budget &
  - (vii) Strategies
- ⇒ Is the fundamental function, all other functions of management are greatly influenced by planning process.
- ⇒ Top management spend more time in planning, middle level in organising,

lower level manager in directing.

**2. Organising:** Problem of organising arises only when group efforts are involved.

It consists of the following steps:

- (a) Determine activities of organisation keeping in view its objectives
- (b) Classify activities into groups for purpose of division.
- (c) Assignment of these group of activities to individuals.
- (d) Delegate & fix authority & responsibility to carryout assigned duties.
- (e) Co-ordinate activities & authority relations throughout the organization.

Thus, organising is concerned with orderly assemblage of human & material resources.

**Means to an end and never end in itself.**

**3. Human Resource Management/Staffing:**

- ⇒ Provides the organisation with adequate number of competent and qualified personnel at all levels in an enterprise .
- ⇒ Managers should properly estimate man power requirements consistent with qualification, experience, training.
- ⇒ It is a continuous function. Helps executives to establish positions & lay down their functional relations to each other.

**4. Direction:**

- ⇒ It is through this function that managers enable the employees accomplish their tasks by integrating their efforts with the interest and objectives of the organisation.
- ⇒ Involves the following activities:
  - (a) Issuing orders & instructions;
  - (b) Guiding, counseling & instructing the subordinates.
  - (c) Supervising their work to ensure performance in accordance with the plan.
  - (d) Motivating the subordinates to direct their behaviour towards accomplishing organizational objectives.
  - (e) Maintaining discipline & rewarding effective performance.
- ⇒ It calls for properly motivating, communicating, leading and supervising the subordinates.

**5. Control:**

- ⇒ Good control system should suggest corrective measures so that negative



deviations do not occur.

⇒ Control is closely related to the planning job of the manager.

⇒ **Important steps are:**

(a) Measurement of actual performance against standards & recording deviations. It should not be viewed as the post mortem of past achievement and performance.

(b) Analyzing and probing the reasons for such deviation.

(c) Fixing responsibility in terms of person responsible for negative deviations.

(d) Correction of employee performance so that group goals and plans can be achieved.

⇒ Feedback can be of great use in this regard.

#### **Innovations and Manager:**

⇒ Business conditions keep on changing & so the manager should change so as to survive with the competition. i.e. management is a creative and adaptive process.

⇒ Manager innovates and adapts to the changes on the basis of his experience, skill and knowledge.

⇒ Planning function includes innovations.

#### **Goals of a Manager:**

⇒ Harmonization of various group interests through various forms of side payments itself is an objective for the managers.

⇒ Managers represent a collective view rather than dictate of a dominant group.

#### **Co-ordination: Essence of Management:**

⇒ Coordination is all pervasive and permeates every function of management.

⇒ It is not a separate but an inherent function of management. Failure to perform any function of management is evidently reflected in poor co-ordination.

⇒ Deals with harmonizing work relations & efforts to achieve group goals.

⇒ To adjust, reconcile and synchronize individual efforts for more effective group efforts and achieving some common objectives is termed as co-ordination.

⇒ Corporation helps to achieve coordination.

⇒ Henry Fayol included co-ordination amongst one of the element of management.

#### **Principles of Co-ordination:**

⇒ It is the responsibility of every manager from top to bottom and is necessary to understand that how his job contributes towards accomplishing the goals of the organisation. Every manager should understand and appreciate hierarchy of

objectives or means - ends chain.

- ⇒ Easy synchronisation of efforts is possible if co-ordination is made in early stages of Planning & Policy making.
- ⇒ Co-ordination is better achieved through understanding the interpersonal & horizontal rather than vertical relationships and issuing orders for coordination.
- ⇒ Good communication is an essence. If required information is not communicated in time, achievement of goals will be difficult.

### **Development of Management Theory**

#### **Principles of Management:**

Various management principles given by different authors are as follows:

- ⇒ **Frederick Taylor:** Popularly known as 'father of scientific management'. He began his career as an apprentice in small machine shop and rose to the level of engineer. His writing reflects the practical wisdom and work experience. His main concern was management at shop level and he was mainly concerned with efficiency of workers and managers at production level. Public criticism and opinions compelled him to appear before the special congressional committee hearings in 1912.

The major principles of his scientific management can be summarised as below:

1. Separation of planning and doing, equal division of work and responsibility between labour & management.
2. Replacement of old rule of thumb method of management by scientific method.
3. Scientific selection and training of workers.
4. Absolute co-operation between labour & management in work performance.
5. Determining time standard for each job through a stop watch and studying all the essential elements of the job.
6. System of functional foremanship at supervisory level.
7. Differential piece rates of wage payment. Though Taylor pioneered the scientific managements movement, he was by no means the lone contributor.

Now, we will also look at the work of some of the other authors also.

- ⇒ **Henry Fayol:** Popularly known as father of modern management theory; Published, (1916) “Administration Industries and General” (Industrial and General Administration) No English translation could be available until year 1929. He started his carrier as coal mine engineer in 1860 in french coal mine and was MD (chief executive) from 1883-1918.
- (a) He divided all activities of industrial enterprise into the following 6 groups:
1. Technical activities concerning production.
  2. Commercial activities of buying & selling.
  3. Financial activities to seek optimum use of capital.
  4. Accounting activities pertaining to final accounts and costs and statistics.
  5. Security activities relating to protection of property ; and
  6. Managerial activities.
- (b) He observed that importance of managerial ability increases with the increase in hierarchy.
- (c) Also emphasised on training in management.
- (d) He suggested 14 principles of management which are as follows:
1. **Division of Work:** For more production & better performance with same effort.
  2. **Authority and Responsibility:** Whenever authority is used responsibility arises. These two are co-extensive.
  3. **Discipline:** Ensuring respect for seniors.
  4. **Unity of Command:** Employee should receive orders from one senior only.
  5. **Unity of Direction:** Activities with common objectives to have one head & one plan.
  6. **Subordination:** of individual interest to general interest.
  7. **Remuneration:** Should be fair and ensure satisfaction to employees.
  8. **Centralization:** Top management should decide the extent to which authority is to be dispersed in the organisation or retained at higher level.
  9. **Scaler Chain:** Refers to the superior-subordinate relations throughout the organisation.
  10. **Order:** Their must be an appointed place for every employee and that employee must be at such place only.

11. **Equity:** Means equality of treatment which involves kindness and justice in a manager.
12. **Stability of tenure of personnel:** Management should strive to reduce employee turnover.
13. **Initiative:** Thinking art and executing of a plan.
14. **Espirit de corps:** Need for teamwork and importance of effective communication in obtaining it.

### **Contributions of Behaviouralists, Sociologists, and Psychologists:**

- ⇒ The behaviouralists says that the study of management should be concerned with human behaviour in organisations and related matters:-
  - \* Organisational effectiveness depend on the quality of relationships among people.
  - \* Hawthorne experiments (1928-32) conducted by Elton Mayo.
  - \* Good management requires ability to develop interpersonal competence and support collaborative efforts.
- ⇒ Psychologists and Sociologists have laid the foundation of interdisciplinary approaches to the study of organisation and management.
- ⇒ Psychologists & sociologists have made significant contributions to the behavioural school of thoughts.

### **Systems Approach:**

- ⇒ A system is a set of things interdependent so as to form a complex unity.
- ⇒ This approach defines organisation as a complex whole consisting of mutually interdependent parts which interacts with the environment of which it is a part.
- ⇒ Views management as a system of inter-relationships involving processes of decision making, communication and balancing.
- ⇒ Management is an open and adaptive system. It affects and is in turn affected by the environment in which it operates. Systems approach to management enables to see the critical variables and constants & their interaction with one another. Chester I Barnard viewed the executive as a component of a formal organisation and the latter part as an entire cooperative system involving physical, biological, social and psychologic elements.
- ⇒ System approach management enables us to see the critical variables and constant and their interactions.

**Importance of Management Theory:**

- ⇒ Increase efficiency
- ⇒ Crystallize the nature of management.
- ⇒ Improve research in management.
- ⇒ Attain social goals by co-ordinating the efforts of people so that individual objective become social attainments.
- ⇒ Internal states & process of organisation are contingent upon external requirements & members need.

**Contingency Management:**

- ⇒ Management theories do not advocate ‘one best way to do things’. Thus actual practice and solution of varied problems differs depending upon the circumstances.
- ⇒ Contingency management means internal functioning of the organisation must be consistent with the demands of organisation task, technology & needs of members, if the organisation is to be effective.
- ⇒ The task of manager is to apply his knowledge to realities in order to attain the desired results.
- ⇒ All the three level of management have obligate as towards.
  1. Those who have appointed them.
  2. Those whom they manage.
  3. General community.

**Responsibilities of Management:**

Whole composed of parts in orderly arrangement according to some scheme or plan.

- ⇒ Peter Drucker assigns jobs to management:

He felt that management must place economic performance above everything else.

  - (a) Managing a business
  - (b) Managing managers
  - (c) Managing workers & work.
- ⇒ According to Henry Mintzberg. manager’s work has 3 phases:-
  - 1. Interpersonal Role:** Relates to contacts and dealings with other people.
  - 2. Informational Role:** Manager must receive & transmit information so that he can develop a thorough understanding of his organisation.

**3. Decisional Role: These are of 4 types:**

- (a) Entrepreneur's Role by initiating change and taking risk. Which is involved in introducing change.
- (b) Role of disturbance handler by taking charge whenever the organisation is threatened either due to external or internal reasons.
- (c) Role of allocator of resources.
- (d) Negotiator's Role in which he deals with those situation's where he has to enter into negotiations on behalf of the organisation.

**Administration and Management:**

<b>Administration</b>	<b>Management</b>
<ol style="list-style-type: none"> <li>1. Concerned with policy making.</li> <li>2. Functions are legislative and determinative.</li> <li>3. Concerned with planning and organizing.</li> <li>4. Normally involves Board of Directors.</li> </ol>	<p>Policy implementation.</p> <p>Functions are executive and governing.</p> <p>Concerned with motivating and controlling.</p> <p>Involves personnel below the level of Board of Directors.</p>

**Practically:**

- Practically management is as much responsible for planning as is administration.
- Administration is a process of laying down broad policies & objectives of the organisation, whereas management directs & guides the operating towards relating the objective set forth by former.
- It is also said that administration is a function while management is a lower level.
- Management includes administrative management (i.e;) administration & operative management.

**Managerial Skills:**

- ⇒ Essential skills which every manager needs for doing better management are called as 'Managerial Skills'.
- ⇒ According to Katz "Managerial skills can be technical, human & conceptual."
- ⇒ Top level — more conceptual and less technical skills
- Lower level — more technical and less conceptual. Human relation skills are

equally required by all three level of management.

**1. Conceptual Skills:**

- The ability to visualize the organization as a whole.
- Includes analytical, creative & initiative skills. Helps the managers to identify the problems.
- Mostly required by top level managers because they spend more time in planning organising and problem solving.

**2. Human Relation Skills:**

- Also known as inter personal skills.
- Help the managers to understand, communicate and work with others, and to lead, motivate and develop team spirit.

**3. Technical Skills:**

- Helps the managers to use different machines and tools. i.e. improves their ability to perform.
- Mostly low-level managers require these skills.

**4. Communication Skills:**

- Manager must be able to communicate the plans & policies to the workers.
- He should encourage free flow of communication.

**5. Administrative Skills:**

- Mostly required at the top level management. It involves knowledge of plans & policies and how to get the work done.

**6. Leadership Skills:**

- Ability to influence human behaviour.
- These help the managers to get the work done through the workers.

**7. Problem Solving Skills:**

- Also known as 'Design skills'.
- Involves identifying a problem, and find out the best solution using knowledge and expertise.

**8. Decision-Making Skills:**

- Required more at top level of management.
- The success or failure of a manager depends upon the correctness of his decisions.

**Competent Managerial Personnel:**

⇒ George R. Terry remarked that "The demand for competent administration has

always been strong, but for the several decades the executive man-hunt has acquired greater & greater emphasis”

- ⇒ Urwick contended that "business are made or broken in the long run not by markets or capital patents or equipment but by men".
- ⇒ Job involvement of these executives can be grouped into two heads:
  - (i) distinct functions concerning one's specific area.
  - (ii) general functions relating over-all prosperity of the concern.
- ⇒ Success on the part of executives essentially calls for capability to utilize material and human resources most effectively.
- ⇒ From rational point of view, leadership as essential character, and decision making their primary job.

#### **Concern over relationship:**

- ⇒ Optimal utilisation of human resources is pivotal to all of their responsibilities.
- ⇒ Most of the management writers acknowledge leadership skill as the determining trait to managerial effectiveness.
 

W J Reddin gave emphasis on the intellectual skill as one of the most significant factor in managerial effectiveness of changing environment.
- ⇒ It should be recognised the human factor is the cockpit of all problem in an organisation.

#### **Tasks and Responsibilities of Professional Managers:**

- ⇒ A professional manager is an expert, trained and experienced to adeptly manage any type of organisation.

#### **⇒ Qualities of a Professional Manager:**

1. Objective, focused & performance oriented.
2. Help in meeting competitive challenges.
3. Creative and dynamic.
4. Follow management practices based on experience & information.
5. Apply management theories to solve emerging problems.

#### **⇒ Professional Manager's Tasks include the following:**

1. **Providing Direction to the Firm:** It means envisioning goals.
  - Effectively declare what's possible for the team to achieve and compelling them to accomplish more than they thought.
2. **Managing Survival and Growth:**
  - Two factors are important for survival & growth internal and external



factors.

- Internal factors are largely controllable such as choice of technology, efficiency of labour etc.
  - External factors are government policy, changing taste of customer, attitudes & values, increasing competition etc.
3. **Maintaining Firm's Efficiency:** The manager should complete his task in an efficient manner. The more output he will produce with given input, greater will be his profit.
  4. **Meeting the Competition Challenge:**
    - Manager must anticipate & prepare for increasing competition.
  5. **Innovation:** It is an on-going task, necessary for survival in this age of competition.
  6. **Renewal:** Means providing new processes and resources. Renewal also helps the business to survive.
  7. **Building Human Organisation:** Every manager must constantly look out for people with potential and attract them to join the company.
  8. **Change Management:** It's the manager's task to ensure that the change is introduced and incorporated in a smooth manner.
  9. **Selection of Information Technology:** Computers, Internet, Intranet confront the modern manager with the challenge of using the best technology.
  10. **Leadership:** "A leader can be a manager, but a manager is not necessary a leader". says's Gemmy Allen.
    - It is the persuasion of the person over others to inspire actions for achieving the goals.
    - Involves inter personal characteristic of a manager's position that involves communication with team members.
  11. **Change Management:** A manager's task is to ensure that the change is introduced and incorporated in a smooth manner.
  12. **Selection of Information Technology:** Computers, internet, Intranets, telecommunication and infinite range of software application poses the managers with the challenge of using best technology.

Multiple Choice Questions

1. The economic environment consists of 3 basic entities:  
(a) Households (consumers), firms (producers), and manufacturer.  
(b) Producer (firms), Retailer and Consumer.  
(c) Households (consumers), firms (producers) and Government (co-ordinator)  
(d) None of the above.  
**Answer:**
2. Management is originated from the Greek word:  
(a) Kiyō (b) Nomos  
(c) Oikeu (d) None of the above  
**Answer:**
3. \_\_\_\_\_ defined management as the process of getting things done by and through the people.  
(a) Hicks (b) Koontz and O'Donnell  
(c) Henry Fayol (d) Haimann  
**Answer:**
4. The combination of human, material and financial resources should result in:  
(a) Reduction of cost (b) Increase in revenue  
(c) Greater production (d) None of the above  
**Answer:**
5. The efficiency of factors of production can be increased by:  
(a) Optimum utilisation of resources  
(b) Reducing costs  
(c) Good working conditions  
(d) None of the above  
**Answer:**
6. Management is a \_\_\_\_\_ and \_\_\_\_\_ science.  
(a) Exact & disciplinary (b) Inexact and inter disciplinary  
(c) Exact and social (d) None of the above  
**Answer:**
7. Management is an art because it involves \_\_\_\_\_ and \_\_\_\_\_.  
(a) Experience and intelligence

- (b) Creativity and personalization
- (c) Skills and knowledge
- (d) None of the above

**Answer:**

8. Management as a profession satisfies all the tests. True or false?
- (a) True
  - (b) Partly True/Partly false
  - (c) False
  - (d) None of the above

**Answer:**

9. Which approach involves making generalizations from case study to establish theories as a useful guide?
- (a) Group Behaviour Approach
  - (b) Decision Theory Approach
  - (c) Emperical Approach
  - (d) Operational Approach

**Answer:**

10. Inter personal behaviour approach also known as:
- (a) Behavioural science, leadership or human relations approach
  - (b) Behavioural science and decision making approach
  - (c) Leadership group behaviour approach
  - (d) None of the above

**Answer:**

11. \_\_\_\_\_ is the core of management according to decision theory approach.
- (a) Leadership
  - (b) Decision making
  - (c) Motivation
  - (d) Planning

**Answer:**

12. Mathematical approach is closely related to:
- (a) Emperical approach
  - (b) Inter personal behaviour approach
  - (c) Operational approach
  - (d) Decision theory approach

**Answer:**

13. \_\_\_\_\_ approach recognize that the problems faced by managers vary with nature and size of enterprise.
- (a) Operational
  - (b) Group Behaviour

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- (c) Decision theory (d) Mathematical approach

Answer:

14. \_\_\_\_\_, a french industrialist is known as 'father of modern management theory'.

- (a) Luther Gulick (b) Henry Fayol  
(c) Newmann & summer (d) None of the above.

Answer:

15. Which word did Luther Gulick coin using initial letters of management.

- (a) POSBRD (b) POSDBRD  
(c) POSDCORB (d) None of the above.

Answer:

16. True or false: Success on part of executives essentially calls for capability to promote self appraisal.

- (a) True (b) False  
(c) Partly True (d) None to these.

Answer:

17. \_\_\_\_\_ is a preparatory step and bridges the gap between present and future.

- (a) Organising (b) Staffing  
(c) Directing (d) Planning

Answer:

18. \_\_\_\_\_ and \_\_\_\_\_ are fundamental aspects of organisation.

- (a) Division of work and co-ordination of their efforts  
(b) Delegation of authority & determination of activities  
(c) Determination & classification of activities  
(d) Delegation of authority & co-ordination of activities

Answer:

19. \_\_\_\_\_ function calls for properly motivating, communicating, leading & supervising the subordinates.

- (a) Staffing (b) Organising  
(c) Direction (d) Controlling

Answer:

20. True or false: If co-operation exists, co-ordination will automatically follow.

- (a) True (b) False  
(c) Partly True (d) Partly False

Answer:

21. Co-ordination is achieved through understanding of \_\_\_\_\_ relationships.
- (a) Interpersonal, (horizontal)
  - (b) Vertical
  - (c) Hierarchical
  - (d) None of the above

Answer:

22. \_\_\_\_\_ is the father of 'scientific management'.
- (a) Henry Fayol
  - (b) Frederich Taylor
  - (c) Luther Gulick
  - (d) Newmann & Summer

Answer:

23. 'Task and Bonus Plan' was devised by:
- (a) Taylor
  - (b) Fayol
  - (c) Newmann & Summer
  - (d) None of the above

Answer:

24. Authority and responsibility are \_\_\_\_\_ .
- (a) Co-extensive
  - (b) Mutually exclusive
  - (c) Complimentary to each other
  - (d) None of the above

Answer:

25. Management is affected by and in turn affects the system in which it operates. Thus, it is a \_\_\_\_\_ system.
- (a) Closed
  - (b) Open
  - (c) Neither closed nor open
  - (d) Notice of the above

Answer:

26. Entrepreneur's, role of a disturbance handler, allocator of resources & negotiator's role are the ..... roles that the manager has to perform.
- (a) Inter personal
  - (b) Decisional
  - (c) International
  - (d) None of the above

Answer:

27. Functions of administration are \_\_\_\_\_ & \_\_\_\_\_ .
- (a) Executive & governing
  - (b) Policy making & implementation
  - (c) Legislative & determinative

(d) Sustaining & controlling

Answer:

28. Managerial skills are classified as \_\_\_\_\_ & \_\_\_\_\_ by Katz.

- (a) Technical, human & conceptual
- (b) Communication, administrative & leadership
- (c) Conceptual, technical & leadership
- (d) Administrative, decision making & communication

Answer:

29. \_\_\_\_\_ is one of the objectives of the management .

- (a) Establishing equilibrium
- (b) Maximum Prosperity
- (c) Prosperity of society
- (d) Reducing cost

Answer:

30. It refers to superior subordinate relations throughout the organisation.

- (a) Espirit de corps
- (b) Order
- (c) Equity
- (d) Scalar chain

Answer:

31. Management is an \_\_\_\_\_ science.

- (a) Exact
- (b) Inexact
- (c) Flexible
- (d) Rigid

Answer:

32. Management as an Art denotes the mode of:

- (a) Body of knowledge
- (b) Sociology
- (c) Practical application of
- (d) None knowledge

Answer:

33. Management fails to qualify the test of Professionalism relating to:

- (a) Systematic body of knowledge
- (b) Dominance of service motive
- (c) Restricted entry
- (d) None

Answer:

34. Which of these provides the organisation with adequate number of competent and qualified personal at all levels of Management.

- (a) Human Resource Management

- (b) Planning
- (c) Organising
- (d) None of the above

Answer:

35. Which is the 'last' Process of Management?

- (a) Directing
- (b) Planning
- (c) Controlling
- (d) Organising

Answer:

36. "Maintaining discipline and rewarding effective Performance " comes under.

- (a) Human Resource Management
- (b) Control
- (c) Organising
- (d) Directing

Answer:

37. Fayol suggests the following \_\_\_\_\_Principles of the management.

- (a) 12
- (b) 14
- (c) 11
- (d) 8

Answer:

38. According to which Principle "An employee shall receive orders from one senior only".

- (a) Unity of direction
- (b) Unity of command
- (c) Discipline
- (d) Division of work.

Answer:

39. According to which Principle "The need for team work and the importance of effective communication is needed."

- (a) Equity
- (b) Esprit de corpse
- (c) Initiative
- (d) Remuneration.

Answer:

40. Psychologist and \_\_\_\_\_have made significant contributions to the behavioural school of thought.

- (a) Mentors
- (b) Trainers
- (c) Sociologists
- (d) Scientists

Answer:

41. Which managerial skills are also called as 'design skill'.

- (a) Technical skill
- (b) Leadership skills

- (c) Problem-solving skill (d) None

Answer:

42. The lower level managers require more technical skills because they are \_\_\_\_\_ of the actual operation.

- (a) Supervisor (b) Charge  
(c) Incharge (d) Performer

Answer:

43. Technical, human and conceptual are the types of.

- (a) Technical skills (b) Managerial skills  
(c) Specific (d) None.

Answer:

44. Which of the following is not the task of Professional management.

- (a) Innovation (b) Renewal  
(c) Change management (d) None of these

Answer:

45. Administration does the function of:

- (a) Policy making (b) Implementing Plan  
(c) Compromising Plan (d) None

Answer:

46. Analytical creative and initiative skills comes under which managerial skill.

- (a) Technical skills (b) Leadership skills  
(c) Administrative skill (d) Conceptual skills

Answer:

47. Conceptual skills are generally needed by:

- (a) Top level management (b) Lower level management  
(c) Middle level management (d) Both b & c

Answer:

48. Which of the following is the third step in the process of organising.

- (a) Determination of activities of the  
(b) Co-ordination of activities enterprise  
(c) Assignment of the groups of activities  
(d) Delegation of authority to individuals



**Answer:**

49. Behaviouralist and Psychologist approach was given by:

- (a) Elton Mayo
- (b) A.H. Maslow
- (c) R.C. Dewis
- (d) Henri Mintzbery.

**Answer:**

**Answer**

<b>1</b>	(c)	<b>2</b>	(b)	<b>3</b>	(a)	<b>4</b>	(a)	<b>5</b>	(a)	<b>6</b>	(b)
<b>7</b>	(b)	<b>8</b>	(c)	<b>9</b>	(c)	<b>10</b>	(a)	<b>11</b>	(b)	<b>12</b>	(d)
<b>13</b>	(a)	<b>14</b>	(b)	<b>15</b>	(c)	<b>16</b>	(b)	<b>17</b>	(d)	<b>18</b>	(a)
<b>19</b>	(c)	<b>20</b>	(a)	<b>21</b>	(a)	<b>22</b>	(b)	<b>23</b>	(b)	<b>24</b>	(a)
<b>25</b>	(b)	<b>26</b>	(b)	<b>27</b>	(c)	<b>28</b>	(a)	<b>29</b>	(b)	<b>30</b>	(d)
<b>31</b>	(b)	<b>32</b>	(c)	<b>33</b>	(c)	<b>34</b>	(a)	<b>35</b>	(c)	<b>36</b>	(d)
<b>37</b>	(b)	<b>38</b>	(b)	<b>39</b>	(b)	<b>40</b>	(c)	<b>41</b>	(c)	<b>42</b>	(c)
<b>43</b>	(b)	<b>44</b>	(d)	<b>45</b>	(a)	<b>46</b>	(d)	<b>47</b>	(a)	<b>48</b>	(c)
<b>49</b>	(a)										

**Questions of December - 2012**

1. Who coined the word POSDCORB about functions of management ?
  - (a) Henry Lawrence Gantt
  - (b) Henry Fayol
  - (c) Newmann and Summer
  - (d) Luther Gulick
2. Management is a/an:
  - (a) Exact science
  - (b) Science as well as art
  - (c) Inter disciplinary science
  - (d) All of the above
3. Who corrected the difficulties of Taylor's differential piece rate system ?
  - (a) Henry Lawrence Gantt
  - (b) Henri Fayol

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- (c) Newmann and Summer (d) Max Weber
4. Which one of the following definitions of management is given by Henry Fayol ?
- (a) Management is to forecast, to plan, to organise, to command, to co-ordinate and control activities of others.  
(b) The process of getting things done by the people and for the people  
(c) The functions of getting things done through people and directing efforts of individuals towards a common objective  
(d) None of the above.
5. Who distinguished between 'principles' and 'elements' of management?
- (a) Fredrick Taylor (b) Newmann and Summer  
(c) Henry Fayol (d) Henry Lawrence Gantt
6. At which level of management hierarchy intellectual skill is the most important & vital ?
- (a) Lower (b) Middle  
(c) Higher (d) All of the above.
7. Superior - Subordinate theory was given by.
- (a) Henry Fayol (b) V. A. Graicunas  
(c) Koontz O' Donnel (d) Joseph Jecard
8. Which of the following is a concept given by Frederick Taylor ?
- (a) Division of work (b) Unity of command  
(c) Stop watch study (d) None.

Solutions of December - 2012

1. (d) **Luther Gulick** coined the word POSDCORB using the initial letters of Management functions
- P Planning  
O Organising  
S Staffing  
D Directing  
Co. Co-ordinating  
R Reporting  
B Budgeting
2. (c) Management is an **Inter-disciplinary science**-it draws freely from other

disciplines such as economics, sociology and psychology.

3. (a) **Henry Lawrence Gantt** for instance corrected to some extent the difficulties of Taylor's differential piece rate ' system where two rates of wage, one lower and one higher are fixed. Those who fail in attaining the standard, are paid at lower rate and those exceeding the standard or just attaining the standard get higher rate' by devising a new method known as the "task and bonus plan".
4. (a) According to Henry Fayol management is "**to manage is to forecast, and to plan, to organise to command, to co-ordinate and to command**".
5. (c) **Henry Fayol** distinguished between principles and elements of management, using the former for rules and guides, and the element of management for its functions. He grouped these elements into five managerial functions as:
  - Planning
  - Organising
  - Commanding
  - Co-ordinating
  - Controlling
6. (c) The top level managers require more conceptual skills and less technical skills. Thus, intellectual skills are most vital for **higher** level of management since they have to make plans keeping in mind the whole organisation.
7. (a) **Henry Fayol** gave the 14 principles of management among which one is Scalar chain which refers to superior-subordinate relations throughout the organisation. It should be short circuited and not to be carried to the extent it proves detrimental to the business.
8. (c) Fredrick Taylor gave the following principles and elements of management-
  - (i) Separation of planning and doing.
  - (ii) Replacement of old rule of Thumb by scientific method.
  - (iii) Scientific selection and training of workers.
  - (iv) Absolute co-operation between labour and management in work performance.
  - (v) Determining time standard for each job through **stop watch study**.
  - (vi) Introduction of system of functional foremanship.
  - (vii) Differential piece rates of wage payment.

**Questions of June - 2013**

1. Functions of administration are:
  - (a) Executive and governing
  - (b) Policy making and implementation
  - (c) Legislative and determinative
  - (d) None of the above.
2. Which one of the following acronym did 'Luther Gulick' coin using initial letters of management's functions?
  - (a) POSBRD
  - (b) POSDBRD
  - (c) POSDCORB
  - (d) POCDSORB.
3. Mathematical approach to management is closely related to:
  - (a) Empirical approach of management
  - (b) Inter personal behaviour approach of management
  - (c) Corporate approach of management
  - (d) Decision theory approach of management
4. How many principles of management have been suggested by Henry Fayol ?
  - (a) 10
  - (b) 14
  - (c) 12
  - (d) 16
5. Entrepreneur's role of a disturbance handler, allocator of resources and negotiator's role are \_\_\_\_\_ roles that the manager has to perform.
  - (a) Interpersonal
  - (b) Decisional
  - (c) International
  - (d) None of the above.
6. According to decision theory approach, which one of the following is the core of management?
  - (a) Leadership
  - (b) Decision-making
  - (c) Motivation
  - (d) Planning.

7. Management is an art because it involves use of:
- (a) Experience and intelligence
  - (b) Creativity and personalization
  - (c) Skills and know how
  - (d) None of the above.

**Solutions of June - 2013**

1. (c) Functions of administration:
- 1. Administration is concerned with policy making.
  - 2. Function of Administration are **legislative and largely determinative**.
  - 3. Administration is concerned with planning and organising.
  - 4. BOD are concerned with administration.
2. (c) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:-
- (P) Planning
  - (O) Organising
  - (S) Staffing
  - (D) Directing
  - (Co) Coordinating
  - (R) Reporting
  - (B) Budgeting
3. (d) Mathematical approach to management is closely related to **decision theory approach** but unrelated in the sense that it emphasizes on extensive use of mathematics in management.
4. (b) Henry fayol suggested 14 principles of Management. They are as follows-
- (i) Division of work,
  - (ii) Authority & Responsibility,
  - (iii) Discipline,
  - (iv) Unity of command,
  - (v) Unity of direction,
  - (vi) Subordination,
  - (vii) Remuneration,
  - (viii) Centralization,

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- (ix) Scalar Chain,
  - (x) Order
  - (xi) Equity
  - (xii) Stability of tenure of personnel
  - (xiii) Initiative
  - (xiv) Esprit de corps
5. (b) According to Henry Mintzberg, a manager's work role has three phases -
- (i) Interpersonal Role
  - (ii) Informational Role
  - (iii) Decisional Role
- There are four **decisional roles** that a manager has to perform -
- (a) Entrepreneurs role by initiating change and taking risk.
  - (b) Assume the role of a disturbance handler.
  - (c) Performs the role of an allocator of resources.
  - (d) Performs the negotiators' role.
6. (b) The exponents of decision theory emphasize that **decision making** is the core of management. They concentrate on rational decision making, selection from among possible alternatives of a course of a action or policy.
7. (c) Management is an art because it involves use of **know how and skills**, it is directed towards the accomplishment of concrete results, it is creative in the sense that it is the function of creating productive situations needed for further improvements. Decision-making is the core of management.

Questions of December - 2013

1. The Greek word 'nomos' means —
- (a) Control
  - (b) Norms
  - (c) Management
  - (d) Business.
2. Differential Piece Rate system was devised by —
- (a) Henri Fayol
  - (b) Henry Lawrence Gantt
  - (c) Frederick Taylor
  - (d) Peter Drucker.

**Solutions of December - 2013**

1. (c) The word “**Management**” derives its origin from a Greek work ‘nomos’ which means ‘management’.
2. (c) Differential piece rate system was devised by **Frederick Taylor**. Under this piece rate system, those workers who fail in attaining the standard, are paid at a lower rate and those exceeding the standard or just attaining the standard gets a higher rate.

**Questions of June - 2014**

1. Which of the following principles is not related to Henry Fayol’s principle?  
(a) Division of work (b) Authority & Responsibility  
(c) Unity of command (d) Differential piece wage system
2. Management is a \_\_\_\_\_  
(a) Dynamic process (b) Continuous process  
(c) Both (a) and (b) (d) None of the above.
3. Management is concerned with the —  
(a) Executive Governing (b) Implementing planning  
(c) Policy implementation (d) Policy making
4. Which theory is known as the core of management?  
(a) Operational Approach. (b) Mathematical Approach.  
(c) Group Behaviour Approach. (d) Decision Theory Approach.
5. It is defined as a systematized body of knowledge through application of a scientific method in one department of enquiry.  
(a) Science (b) Management as a science  
(c) Only (b) (d) None of the above.
6. Administration is mostly used at \_\_\_\_\_ of management.  
(a) Top level (b) Lower level  
(c) Middle level (d) All levels
7. ‘Getting things done through and with the people’ is given by:  
(a) Koontz and O’donnell (b) Henry Fayol  
(c) Haimann (d) Hicks

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8. Who is the father of Scientific Management ?  
(a) Henry Fayol (b) Fedrick Taylor  
(c) Fedrick Lawrance Cantt (d) Fedrick Gillbath
9. Which approach involves making generalization from case study to establish theories as a useful guide ?  
(a) Group behaviour approach (b) Decision theory approach  
(c) Emperical approach (d) Operational approach
10. "The process of getting things done by the people and through the people" is given by:  
(a) Hick (b) Henry Fayol  
(c) Koontz O'donnell (d) Haimann
11. "To manage is to forecast and to plan, to organize, to command, to co-ordinate and to command" is given by ?  
(a) Haimann (b) Luther Gulick  
(c) Newmann and Summer (d) Henry Fayol
12. "Knowhow and skill" are the features of:  
(a) Management as a Science (b) Management as an Art  
(c) Management as a Profession (d) All of the above

**Solutions of June - 2014**

1. (d) Principles of Henry Fayol :
  - (i) Division of work
  - (ii) Authority and Responsibility
  - (iii) Discipline
  - (iv) Unity of Command
  - (v) Unity of Direction
  - (vi) Sub-ordinate
  - (vii) Remuneration
  - (viii) Centralisation
  - (ix) Scalar Chain
  - (x) Order
  - (xi) Equity
  - (xii) Stability of Tenure of Personnel
  - (xiii) Initiative



(xiv) *Espirit De Corps*

So, Differential Piece Wage System is not related to the principle of Henry Fayol

2. (c) Management is a **dynamic process** because it keeps on changing with the changes which takes place in environment and as well as **a continuous process** because it is required until the goal of organisation is achieved. Hence, both the processes are related with management, thus **option C** is correct i.e. **both (a) & (b)**.
3. (c) Management is a lower level function, it only directs and guides the operations of an organisation towards realizing set forth by the administration. Administration is concerned with policy making whereas management is concerned with **policy implementation**.
4. (d) **Decision theory approach** is known as the core of management. They concentrate on rational decision making, selection from among possible alternatives of a course of action or policy.
5. (a) **Science** is defined as a systematized body of knowledge through application of a scientific method in one department of enquiry.
6. (a) Administration is a process of laying down broad policies and objectives of the organisation. It a **top - level function**. It is mainly concerned with policy making.
7. (a) **Koontz and O'Donnell** states that Management means, "Getting things done through and with people".
8. (b) **Frederick Taylor** is popularly known as the 'father of scientific management'.
9. (c) Scholars belonging to **Empirical Approach** believed that clear understanding of the management theories can only be developed by the study and analysis of cases and comparative approach. In this approach, they intend to make some generalisations from case study with view to establishing theories as useful guides for future course of action.
10. (a) **Hick** defines management as "the process of getting things done by the people and through the people."
11. (d) According to **Henry Fayol**, "to manage is to forecast, and to plan, to organize, to command, to co-ordinate and to command."

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Model Solved Scanner CS FP-BMEC Paper 2 (New Syllabus)

12. (b) Following are the features of **management as an art** :-
- (i) Process of management involves the use of knowhow and skills.
  - (ii) Process of management is directed towards the accomplishment of concrete results.
  - (iii) It is creative in the sense that it is the function of creating productive situations needed for further improvements.
  - (iv) Management is personalized in the sense that every manager has his own approach to problems.

**Questions of December - 2014**

1. Which word did Luther Gulick coin, using the initial letters of management functions?  
(a) POSCRD (b) POSBRD  
(c) POSCARB (d) POSDCORB.
2. The principals of unity of command and unity of direction was given by:  
(a) W.F. Taylor (b) Lyndall Urwick  
(c) George Tenny (d) Henry fayol.
3. Which of the following statement is not true?  
(a) Advertisements are never targeted to improve sales  
(b) Advertisements are prepared by professional agencies  
(c) Advertisements make positive impact on sales  
(d) Advertisements are expensive.
4. How many principles of management were suggested by Henry fayol?  
(a) 13 (b) 16  
(c) 12 (d) 14
5. According to Katz which one of the following is a combination of technical Human and conceptual skills?  
(a) Analytical skills (b) Management functions  
(c) Managerial skills (d) Behavioural skills.

**Solutions of December - 2014**

1. (d) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:

P = Planning  
O = Organising  
S = Staffing  
D = Directing  
Co = Co-ordinating  
R = Reporting  
B = Budgeting

2. (d) **Henry Fayol** is popularly known as father of unlearn management theory. He suggested 14 principles of management; which includes Unity of command & Unity of direction.
3. (a) Some of the essentials of a good advertisement are:  
(i) It should be targeted to improve sales of product.  
(ii) It should be prepared by professional agencies.  
(iii) It must leave a positive impact over sales.  
(iv) It may be expensive for small enterprises.  
Thus, **option a** is not true among the following.
4. (d) Henry Fayol, “father of unlearned modern management theory” suggested **14** principles of management.
5. (c) According to Katz, “**Managerial skills** can be technical, human and conceptual”.  
Hence, option c is correct.

**Question of June - 2015**

1. Greek work ‘Nomos’ means:  
(a) Controlling (b) Planning  
(c) Organizing (d) Management.

**Solution of June - 2015**

1. (d) The Greek word ‘nomos’ means **Management**.

**Questions of December - 2015**

1. Who gave manager’s role three phases:  
(a) Frederick Taylor (b) Henry Fayol

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Model Solved Scanner CS FP-BMEC Paper 2 (New Syllabus)

- (c) Henry Mintzberg (d) Luther Gulick
2. Technical, human, and Conceptual are type:  
(a) Specific (b) Technical Skills  
(c) Managerial Skills (d) All are applicable
3. The essential skills which every manager needs for doing better management is known as:  
(a) Leadership skills (b) Teaching skills  
(c) Professional skills (d) Managerial skills
4. 'Luther Gulick coined the term:  
(a) POSDCORBS (b) POSD  
(c) PODSCORB (d) POSDCORB

Solutions of December - 2015

1. (c) According to **Henry Mintzberg**, a manager's work role has three phases:  
(i) Interpersonal role  
(ii) Informational role  
(iii) Decisional role
2. (c) Essential skills which every manager needs for doing better management are called as Managerial Skills. **Managerial skills** are classified as technical, human and conceptual by Katz.
3. (d) The essential skills which every manager needs for doing better management are called as **Managerial Skills**.
4. (d) 'Luther Gulick' coined the word 'POSDCORB' using initial letters of management functions:  
(P) - Planning  
(O) - Organising  
(S) - Staffing  
(D) - Directing  
(CO) - Co-ordinating  
(R) - Reporting  
(B) - Budgeting

Questions of June - 2016

1. Inter personal, informational and decisional roles are the three phases of a manager's work role. This theory was given by:  
(a) Henry Mintzberg (b) Koontz 'O' Donnell  
(c) Luther Gulick (d) Henry Fayol.
2. Greek word "Nomos" means:  
(a) Management (b) Organising  
(c) Controlling (d) Planning.
3. Which word did Luther Gulick coin, using the initial letters of management functions?  
(a) POSDCORB (b) POSCARB  
(c) POSCRD (d) POSBRD.

Solutions of June - 2016

1. (a) According to **Henry Mintzberg**, a manager's work role has three phases which include interpersonal role, informational role and decisional role which thereby focuses in contact and dealings with other people, understanding of his organisation and role of initiating change, taking risk and performing role of allocator, negotiator as well.
2. (a) The word "**management**" has its origin in the greek word "nomos" which means management. It involves not only a function but also the people who discharge it. It is management that provides planning, organization and direction which are necessary for business operations.
3. (a) Luther Gulick coined the word **POSDCORB** using the initial letters of management functions:  
Planning(P), Organising(O), Staffing(S), Directing(D), Coordinating (Co), Reporting (R) and Budgeting (B).

