

# **Module 1**

## **Nature of management**

### **Subtopic- Relation between Law and Management**

# Management and Law

The relationship between management and law in the organizational framework is very complicated as management impacts on law and vice versa. Tasked with guiding the organization toward its desired direction, management is legally mandated to adhere to various country, national, and global laws, rules and regulations.

On the other hand, legal principles and frameworks set limits in which management decisions are based affecting governance, risk management, ethics among other operations aspects. Interplay of management and law does not merely create an environment of legality, but compels strategic response to changeable aspects of legislation.

# The relationship between management and law

- **Legal Compliance:**

Management performs a crucial duty as it ensures the organization observes and complies with local, national, and international laws.

Good leadership helps an organization to abide by the law. They develop rules and regulations geared towards conformity to laws and create a compliant culture in the company.

Additionally, management monitors compliance providing penalties for any violation.

Interpretation and enforcement of laws can also be affected by compliance activities carried out by organizations.

- **Corporate Governance:**

Organizational structures and governance are guided by legal frameworks which influence management, ensuring that it remains transparent and accountable.

The duty to set up a decent corporate governance structure within the organization lies with management itself.

The implementation of good governance principles helps in averting legal issues, increasing transparency, and protecting the rights of stakeholders.

The existence of legislation aimed at holding management accountable for good governance can be influenced by management's commitment to good governance.

# The relationship between management and law

- **Risk Management:**

In line with this concept, management entails the identification of risks, that is, legal risks which include compliance difficulties and regulation alteration.

- **Ethical Considerations:**

Effective management ensures that decisions are legal and support ethics as well. This creates cultural integrity for a good result.

- **Employee Relations and Labor Law:**

Management has to make labor-related decisions that should conform with labor laws, thus creating a just office.

Decisions of management with regard to relations between employees, including the selection process, employment benefits, and terms and conditions of engagement also affect the law. Through management's fairness towards employees and adherence to labor laws, it will help in shaping employment-related laws.

# The relationship between management and law

- **Contractual Agreements:**

When it comes to contract negotiations, management plays this role while legal principles dictate how the contracts are developed and enforced to ensure compliance and legal risk avoidance.

- **Corporate Social Responsibility (CSR):**

Legal expectations of CSR's impact management decisions that push for ethical and social inclusions within companies' strategic decision-making process.

- **Litigation Management:**

Effective management is imperative when it comes to managing litigation processes, working alongside legal counsels to avoid litigations, and avoiding any legal disputes and related risks in legal disputes.

- **Data Protection and Privacy:**

It is management's duty to ensure that they observe data protection and privacy laws, protect confidential information and respect personal privacy rights.

# The relationship between management and law

- **Regulatory Changes:**

This means that management should provide its organization with up-to-date information on changes in law and regulation and be ready to keep them relevant.

- **Conflict Resolution:**

Legality expertise is a must in management for conflict resolution, whether internal disputes between employees; and/or external legal claims against companies.

- **Financial Management:**

Management will also have to take into account legal considerations like tax laws and financial regulations when it comes to financial matters in the organization.

- **Health and Safety Compliance:**

The management should put in place measures that will help in compliance of health and safety laws to ensure a safe working environment.

# The relationship between management and law

- **International Business:**

Managers in international business need to comprehend different legal regimes since they determine management decisions.

- **Environmental Regulations:**

This requires management to abide by environmental legislations and to ensure that they do so through sustained practices which have limited impacts on the environment.

- **Contractual Disputes:**

Legal advice is important for management of contractual disagreements, looking towards solving problems without much legal or financial damages.

# The relationship between management and law

- **Innovation and Technological Advancements:**

The decision of management with respect to innovation and technological change may necessitate new legislations. For instance, the implementation of new innovations like artificial intelligence and autonomous vehicles necessitate the emergence of new laws regarding ethics, safety, and liability. The direction and rapidity of development of law are subjected by management's choices of adopting and using these technologies.

- **Setting Industry Standards:**

Through best practices and voluntary measures, they can help management to set industry standards that management could then enforce. They set policies, procedures and ethics that exceeds legal mandates for conduct in the industry and thus influence industry players into acceptable business behaviors. Such imposed standards can influence the regulatory framework and even encourage changes in legal requirements.

# Module 5

## Functions of Management Staffing

# Introduction

**Staffing is now recognized as a separate management function. Previously it was considered to be a part of organization function of management. The reason for separating the staffing from organizing is to give proper emphasis to the actual manning of organizational roles. The staffing function has assumed greater importance these days because of rapid advancement of technology, increasing size of organizations and complicated behaviour of human beings. The management of the enterprise must give due importance to human resources planning, recruitment, and selection, training, appraisal and remuneration of workers.**

# DEFINITION OF STAFFING

A few definitions by some of the prominent writers on the subject are given below:

- *(1) “The Managerial function of staffing involves manning the organizational structure through proper and effective selection, appraisal, and development of personnel to fill the roles designed into the structure.”*
  - *Koontz and O'Donnell*

Thus, manpower planning, procurement (i.e., selection and placement), training, development, appraisal and remuneration of workers are included in staffing.

# NATURE OF STAFFING

- 1- Managerial Responsibility

Staffing is a basic function of management. Every manager is continuously engaged in performing the staffing function.

- 2- Continuous Function

Staffing function is to be performed continuously. Every manager is engaged in various staffing activities. He is to guide and train the workers and also evaluate their performance on continuous basis.

- 3- Concerned with Human Element

Staffing function is concerned with procurement and development of human resources. Every manager should use human relations skill in providing guidance and training to the subordinates.

# IMPORTANCE OF STAFFING

- 1- Efficient Performance

The efficient performance of the company depends on the quality of the people employed. This has increased the significance of staffing.

- 2- Use of Latest Technology

Many significant changes are taking place in technology. In order to make use of the latest technology, the appointment of right type of persons is necessary.

- 3- Development of Manpower

The management has to train and develop the existing personnel for future promotion. This will meet the requirements of the company in future.

# IMPORTANCE OF STAFFING

- 4- Optimum Use of Manpower

Management has to spend money on recruitment and selection, training wages, salaries, etc. In order to get the optimum out from the personnel.

- 5- Proper Motivation

The workers are to be motivated properly through financial and non-financial incentives.

- 6- Higher Morale

Right type of atmosphere should be created for the workers to contribute to the achievement of the organizational objectives. This will increase the morale of the employees.

# Leadership

- **Leadership** is a relationship where influence is given to meet individual or group goals.
- **A leader** is a person who helps an individual or a group of individuals in achieving their goals.
- ***A leader does not always have to be the president, or the elected leader. It may be an active leader of the group, or someone who reaches out to help another person.***
- **A follower** is an individual who follows the ideas, goals, or tasks of a leader. Followers are developed by working together to identify goals and strategies for achieving the goals.

# Traits of Effective Leaders

- Know strengths and weaknesses
- Hard working
- Self confident
- Speak effectively in front of people
- Follow directions
- Think logically

# Qualities of a leader

## 1. SHARE THEIR VISION

A leader with vision has a clear idea of where they want to go, how to get there and what success looks like. Be sure to articulate your vision clearly and passionately, ensuring your team understands how their individual efforts contribute to higher level goals. Personally working toward your vision with persistence, tenacity, and enthusiasm will inspire and encourage others to do the same.

# Qualities of a leader

- HONESTY

The foundation of any relationship, both personal and professional is honest. People want to work for a leader they can trust, who has morals, values, and integrity. They want to work for a company that offers a great product or service they can believe in, and that has an honorable reputation. Honest leaders interact with their employees build the kind of relationships that make success in workplace attainable for the entire team not just the boss.

# Qualities of a leader

- COMMUNICATE EFFECTIVELY

The ability to communicate clearly, concisely and tactfully is a crucial leadership skill. Communication involves more than just listening attentively to others and responding appropriately. It also includes sharing valuable information, asking intelligent questions, soliciting input and new ideas, clarifying misunderstandings, and being clear about what you want. The best leaders also communicate to inspire and energize their staff.

# Qualities of a leader

- CONFIDENCE

Another quality that defines a good leader is having confidence. Admit it, there may be days where the future of your brand is cloudy or the monthly sales do not look promising. Any company or businesses would have gone through these issues before; so it is not something new. As a leader, it is your responsibility to maintain the team morale and keep moving forward. Keep your confidence level up and assure everyone that setbacks are being looked into. By staying calm and confident, the team would not worry as they put their trust in you.

# Qualities of a leader

- HUMOR

Although not a requirement, a sense of humor goes a long way in leadership. It helps create a positive work environment. Warren buffet, for example, once said „I buy expensive suits. They just look cheap on me“. Your unique personality and sense of humor shows your employees that you are more than a leader, and that you aren't a machine, which encourages them to feel comfortable around you.

# Qualities of a leader

- PASSION

Passionate leaders often have a strong, uncontrollable desire that pushes them forward. The amount of passion you have directly affects your attitude, energy and that of your followers as well.

You have to be burning with an idea, or a problem, or a wrong that you want to right. If you're not passionate enough from the start, you'll never stick it out. – Steve Jobs

# **Module 7**

## **Strategic Management**

# What is a strategy?

1. A plan or course of action which is of vital, pervasive and continuing importance to the organisation as a whole.
2. The pattern of plan that integrates an organisation's major goals, policies and action sequences.
3. **Strategy** is an action that managers take to attain one or more of the organization's goals. Strategy can also be defined as "*A general direction set for the company and its various components to achieve a desired state in the future.*"

# What is strategic management?

- Strategic management is concerned with deciding on strategy and planning how the strategy is to be put into effect. It basically consists of-



Where,

1. Strategic analysis seeks to understand the strategic position of the company
2. Strategic choice is to do with the formulation of possible course of action.
3. Strategic implementation is concerned with planning how the choice of strategy can be implemented.

# Key areas in developing a strategy

1. The type of good or service the firm will produce and sell.
2. The mode of producing the goods and rendering service.
3. Who are and will be the firm's customers.
4. The methods of financing the various operations of the firm.
5. The amount of risk the firm will take.
6. Method of implementing the strategy.

# What aspects are to be considered while formulating a strategy?

- Financial aspects
- Production/ Operational aspects
- Marketing aspects
- R & D aspects.

# Financial Aspects

- Capital- debt and or equity
- Cash flow management
- Asset management
- Financial Ratios- Profitability ratios
  1. Gross/ Net profit ratio
  2. Operating ratio

# Production/Operational aspect

- What to produce?
- How to produce?
- Where to procure raw material from?
- How to smoothly run the operating cycle?
- How to sell the product?
- Turnover

# Marketing aspect

- How well do you market your product?
- Who would be the target customers?
- How to advertise the product?
- Selling and distribution factors

R & D aspect

Strategies to be used while researching and developing a product

# Formulation of strategy

Once the corporate strategist has assessed the forces affecting competition in his industry and their underlying causes, he can identify his company's strengths and weaknesses. The crucial strengths and weaknesses from a strategic standpoint are the company's posture vis-à-vis the underlying causes of each force. Where does it stand against substitutes? Against the sources of entry barriers?

Then the strategist can devise a plan of action that may include

- (1) positioning the company so that its capabilities provide the best defense against the competitive force; and/or
- (2) influencing the balance of the forces through strategic moves, thereby improving the company's position; and/or
- (3) anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it. Each strategic approach will now be considered in turn.