

VIDYA BHAWAN BALIKA VIDYA PITH

शक्ति उत्थान आश्रम लखीसराय बिहार

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Teacher name – Ajay Kumar Sharma

NATURE AND SIGNIFICANCE OF MANAGEMENT

Objectives of Management

Management seeks to achieve certain objectives which are the desired result of any activity. They must be derived from the basic purpose of the business. In any organisation there are different objectives and management has to achieve all objectives in an effective and efficient manner. Objectives can be classified into organisational objectives, social objectives and personal or individual objectives.

(i) Organisational Objectives: Management is responsible for setting and achieving objectives for the organisation. It has to achieve a variety of objectives in all areas considering the interest of all stakeholders including, shareholders, employees, customers and the government. The main objective of any organisation should be to utilise human and material resources to the maximum possible advantage, i.e., to fulfill the economic objectives of a business. These are survival, profit and growth. Survival: The basic objectives of any business is survival. Management must strive to ensure the survival of the organisation. In order to survive, an organisation must earn enough revenues to cover costs. Profit: Mere survival is not enough for business. Management has to ensure that the organisation makes a profit. Profit provides a vital incentive for the continued successful operation of the enterprise. Profit is essential for covering costs and risks of the business. Growth: A business needs to add to its prospects in the long run, for this it is important for the business to grow. To remain in the industry, management must exploit fully the growth potential of the organisation. Growth of a business can be measured in terms of sales volume increase in the number of employees, the number of products or the increase in capital investment, etc. There can be other indicators of growth.

(ii) Social objectives: It involves the creation of benefit for society. As a part of society, every organisation whether it is business or non-business, has a social obligation to fulfill. This refers to consistently creating economic value for various constituents of society. This includes using environmental friendly methods of production, giving employment opportunities to the disadvantaged sections of society and providing basic A quiet digital revolution is reshaping the lives of farmers in remote Indian villages. In these villages, farmers grow soyabeans, wheat and coffee in small plots of land, as they have done for thousands of years. A typical village has no reliable electricity and has antiquated telephone lines. The farmers are largely illiterate and have never seen a computer. But farmers in these villages are conducting e-business through

an initiative called E-Choupal, created by ITC, one of India's largest consumer product and agribusiness companies. ITC's E-Chaupal initiative is a fine example of a business organisation fulfilling corporate social responsibility. The basic aim of the programme is to provide farmers in rural India with the opportunity to make use of a direct marketing channel eliminating multiple intermediation and wasteful handling and unnecessary transaction costs. It is the single-largest information technology-based intervention by a corporate entity in rural India, transforming the Indian farmer into a progressive knowledge-seeking citizen, enriching him with knowledge and elevating him to a new order of empowerment. E-Choupal delivers real-time information and customised knowledge to improve the farmer's decision-making ability, thereby better aligning farm output to market demands; securing better quality, productivity and improved price discovery. Given the low levels of literacy in the rural sector, the role of the Choupal Sanchalak, the lead farmer of the village, in facilitating physical interface between the computer terminal and the farmers is central to the project. E-Choupal Smart Cards enable farmer identification to provide customised information on the E-Choupal website. Online transactions are captured to reward farmers for volume and value of usage. The E-Chaupal initiative has found its way into the Harvard Business School as a leading case study illustrating the use of modern technology by a leading business house for the benefit of the rural poor. Source: Mohanbir Sawhney, McCormick Tribune Professor of Technology, Kellogg School of Management, USA. amenities like schools and crèches to employees. The box given below illustrates how a company can fulfill its social responsibility.

(iii) Personal objectives: Organisations are made up of people who have different personalities, backgrounds, experiences and objectives. They all become part of the organisation to satisfy their diverse needs. These vary from financial needs such as competitive salaries and perks, social needs such as peer recognition and higher level needs such as personal growth and development. Management has to reconcile personal goals with organisational objectives for harmony in the organisation