

1 Management

1.1 | Definition

Management is a process of conducting and coordinating various human activities. It is a method of optimizing results with minimum efforts so as to secure maximum efficiency and growth for both, the employer and the employee. Management is a subject which comes under the purview of both science and art. It can be called a science because it proves, defines, measures and uses knowledge. It is an art because it communicates, expresses, describes and practices. Management can also be called a profession because knowledge, skill and aptitude are required and also a positive work nature.

“Management is a multipurpose organ that manages a business, manages managers and manages workers and work.”

– **Peter Drucker**

“Management is getting things done by developing people and not directing people.”

“Management is a process of planning, organizing, actuating and controlling performance to determine and accomplish the objectives by the use of people and resource.”

– **George Terry**

“Management is a process of doing and managing various activities.”

LEARNING OBJECTIVES

- ◆ *Meaning of Management*
- ◆ *Characteristics of Management*
- ◆ *Importance of Management*
- ◆ *Strata (levels) of Management*
- ◆ *Functions of Management (Elements of Management)*

Management is adoption of congenial and coherent atmosphere within the internal environs of an organization where people work in teams and groups for fulfilling the goals and objectives of an organization in a efficient way.

Basically management consists of planning, controlling, coordinating, motivating, directing and channelizing the group efforts for a specific objective.

1.2 | Meaning of Management

The term “Management” has different connotations. It is an activity, a process and it is also interpersonal achievement of goals. In one context, it means a group of individuals and in another context it is a process.

- **Management as an activity:** It is an art of getting work done through organized effort of individuals and groups by informal and motivational way. It is carried out by a manager who coordinates and directs the group of individuals in their work. A manager usually performs several functions in this regard. He is a conduit between his superiors and subordinates and people outside the organization. He is also a decision initiator. He decides about the new projects, work distribution, resources distribution and other important decisions.
- **Management as a process:** It is a process because it consists of several interlinked functions. It helps in fixing the objectives and taking steps to achieve the objectives. It is a process of directing, controlling and coordinating the activities of people in a unidirectional way of achieving the preset goals. Management as a process involves the interaction between the people, bringing people together and channelizing their energies. It is also a never ending process which involves continuous planning and solving of problems.
- **Management as a discipline:** It is a well organized branch of science which consists of organized body of knowledge which can be used for training and teaching. It can be called a discipline because people are learning the principles, preaching and practicing them universally. Management is a recently developed branch which is gaining popularity very fast. There is no place where these principles cannot be applied.
- **Management as a group:** Generally management means people who are on the top rung of the ladder. They are the individuals who are responsible for formulating the policies of the organization.

Characteristics of Management

- **Management as a science and art:** It has a pool of systematic knowledge which has to be applied skillfully to the practical situations. Scientific principles help to improve the art of management.

- ***The multi disciplinary nature of management:*** It is a branch of science that has evolved from other subjects like anthropology, sociology, public administration and psychology. These subjects are interlinked with the issues of management.
- ***Management as integrated process:*** It is the sum total of human effort with money and machine effort. It creates an environment where people can discharge their duties in a best possible way.
- ***Management as a totality:*** The basic role of management is to achieve certain goals. They are called organizational goals. As a totality, it involves the fulfillment of these goals.
- ***Unobservable nature of Management:*** Management is a force which cannot be seen. The results are very clear but we cannot see it functioning. The effectiveness of the management will be judged by the end results but we cannot see the management operations.
- ***Management towards goal orientation:*** Every organization has certain goals and objectives. These are fulfilled by means of the management. The basic objectives of management are to ensure optimum utilization of men, machinery and monetary resources for fulfilling the goals of the organization. The success of management is measured by the extent to which the established goals are achieved.
- ***Management is a human activity:*** Management consists of interrelated human activities. It requires knowledge and skill for correct utilization to obtain good results.
- ***Management as a collective effort:*** It is a group effort where several people work together in coordination and cooperation in fulfilling the goals. There are different levels of management. But usually management refers to all those individuals who perform managerial functions.
- ***The universality of management:*** Management is all pervading. Every sphere of human activity requires management. Any organization irrespective of the size or type, careful planning and organization is required which is nothing but management. All types of organizations like house, university, college, commercial enterprises, business organizations, hospitals and charity homes require management. Hence management is universal.

Importance of Management

Management is a part and parcel of any organized human activity. Optimum utilization of human and material resources is necessary for achievement of pre-determined objectives of any organization. It is the process of formulation of thoughts and passing them into action. The significance of it can be summed up in the following points.

1. It determines the objectives of a firm
2. It helps in achieving the stated objectives

3. It helps in organizational development
4. It helps in optimum utilization of resources
5. Virtually, progress and development of an organization or country depends on careful planning and management of various issues.

“Management is utilization of all available resources to the maximum in attaining all the objectives of the organization and the individual goals as well.”

Resources (6 M):

INPUT	OUTPUT
MEN	
MATERIALS	* ORGANIZATIONAL OBJECTIVES
MACHINERY	* RESULTS
MONEY ----- ⇒⇒ ⇒⇒	* PRODUCTIVITY
METHODS	* EMPLOYEE SATISFACTION
MARKET	* SALES PROMOTION

Strata (levels) of Management:

In any organization, there are 3 levels of management. They are :

- Top Level Management
- Middle Level Management
- Lower Level Management

Top Level Management: It consists of the Managing Director, Board of Trustees, Board of Directors and advisers. It is the ultimate source of planning and authority of the organization. The top level management performs the following important functions:

- It designs and formulates the vision and goals of the organization.
- It lays down the objectives and policies of the organization.
- It is responsible for organizing the business activity into departments and revisions.
- It appoints the personal required for the organization.
- It performs the functions of directing and coordinating the activities of the departmental heads of the organization.
- It reviews the progress of various departments and evaluates the performance in relation to the laid down objectives of the organization.

Middle Level Management: It consists of managers and heads of the departments. These people report to the top level management. They coordinate the work of supervisors and junior staff and workers and they provide necessary leadership, direction and initiative to the lower rung of management.

Lower level Management: It consists of supervisors, employees and field staff. These people are responsible for carrying out day to day activities. They solve the problems of the workers and represent the grievances to the higher authorities.

The important functions of lower level management are :

- Planning of work daily
- Assigning tasks and supervising the work
- Giving necessary guidelines and directions to the workers regarding the work to be done
- Maintaining discipline and decorum in the organization
- Maintaining cordial relationship with the work force
- Improving the morale and motivation of work force
- Evaluation of the work done
- Fixing the targets and fixing the compensation for the workers

Functions of Management (Elements of Management): The Management has several important functions. The success of an organization depends upon the efficient discharge of these functions.

The important functions are :

- Planning
- Organizing
- Staffing
- Directing
- Controlling
- Co-ordination

Planning: Planning is an organized approach for accomplishment of pre-determined objectives. It is decision-making in advance regarding what to do, when to do, where to do, how to do, who has to do and methods of result evaluation.

The process of planning involves the following steps :

- (a) Determining the objective
- (b) Forecasting
- (c) Search for alternatives
- (d) Evaluation of alternative course of actions and designing of plans
- (e) Formulation of plans and procedures
- (f) Preparation of programmes and schedules
- (g) Financial including budgeting

Organizing: It is a grouping of similar activity together with a view to attain the planned objectives defining the responsibilities of the people in the organization, delegating,

suitable authority to them to discharge their respective responsibilities and establishing relationship of coordinating the individual efforts to fulfill the objectives of the enterprise.

The process of organization involves the following steps :

- (a) Finding the objectives and locating the main activities
- (b) Division of act and creation of jobs
- (c) Filling individuals into jobs developing norms, for delegating authorities and responsibilities.

Staffing: It involves placing the right people into the organizational structure by means of effective selection and appraisal procedure. A right person should be selected for a right type of job. A staffing function includes selection, communication, counseling, training, compensation, dismissals etc.

The board of directors of a company take-up the staffing functions by selecting and appraising a chief executive who in turn perform these functions in relation to the heads of various divisions or departments of the enterprise.

Direction: A management function also involves giving proper direction to its employees to work efficiently and effectively to fulfill the objectives of the organization. To do this function, manager must have leadership qualities and he should be able to influence, motivate and persuade the people. Then only he will be in a position to command or control a group of persons.

This function consists of 3 important sub functions:

- (a) Communication
 - (b) Leadership
 - (c) Motivation
- (a) **Communication:** Communication is a process of downward and upward movement of information among the employees. A manager should be able to tell his subordinate what to do, how to do, which to do in his job.
- (b) **Leadership:** It is the process of giving guidance and influencing the work of subordinates in the designed direction.
- (c) **Motivation:** It is the process of creating enthusiasm to do work among the employees. Different people are motivated by different means, financial incentives motivates some people. Whereas freedom to work, recognition etc., motivates some other. It is the responsibility of the manager to recognize this factor and he should motivate the sub-ordinates to work harmoniously towards the achievement of organizational objectives.

Controlling: It is the process of checking whether the proper progress is made or not to fulfill the objectives and goals of the organization.

Controlling involves the following elements:

- Creating standards of performance

- Measuring the actual performance.
- Comparison of the actual performance with the standard performance.
- Taking corrective steps if the performance is not up to the standard level.

Coordination: It is essential that everybody in the organization understands the main objectives of the business and work towards the common goal of the organization with active cooperation of other employees. The objectives of an organization should be clearly laid down and all the employees should work hand in glove to achieve these objectives.

The important features of coordination areas are as follows:

1. It is a continuous process.
2. Its purpose to creation of uniform action for a common goal
3. It is the unification of group efforts
4. It is the activity of a manager. It is required at all levels of hierarchy in the organization.
5. It coordinates, harmonizes, synchronizes and unites individual efforts for better action and for the achievement of business objectives.

■ | Review Questions

Short Answer Questions

1. Explain the term management
2. Explain the different levels of Management
3. State the importance of management
2. Name the fundamental functions of management and explain each of them briefly?
3. Explain the term management? Describe its main characteristics

Long Answer Questions

1. What are the different levels of Management? Explain the role of different people at each level of management