

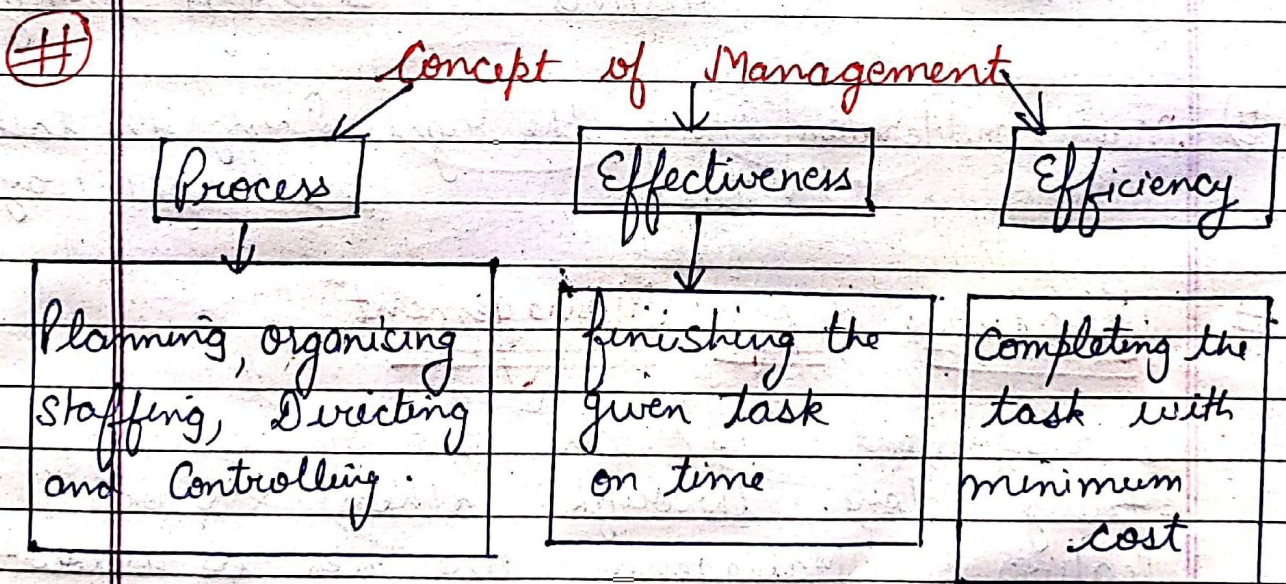
Chapter 1

Nature and Significance of Management

Management: Management is an art of getting things done through others.

Definition

"Management is the process by which a cooperative group directs actions of others towards common goals"
-Marvie and Douglas



According to the above chart, management is a process of getting things done with the aim of achieving goals effectively and efficiently.

Differentiate between Effectiveness and Efficiency on different basis.

S.No	Basis of difference	Effectiveness	Efficiency
1)	Meaning	It refers to complete the task on time, no matter whatever the cost.	It refers to complete the task with minimum cost, optimum utilisation of resources and in cost effective manner.
2)	Objective	To achieve end results.	To conduct cost benefit analysis.
3)	Main consideration	Doing the right task.	Doing the task in right way.

Features of Management

Management is an art of getting things done through others. Various features of Management are given as below:

- 1) Management is goal oriented process: Management always aims at achieving organisational objectives. Management unites the efforts of different individuals in an organisation towards achieving common goals.

2) Management is Pervasive



universal

Management is required in all organisations whether big or small, manufacturing / Service, profit / non profit organisation.

It is applied in all levels of organisation (Top, middle and lower) so, it is pervasive in nature.

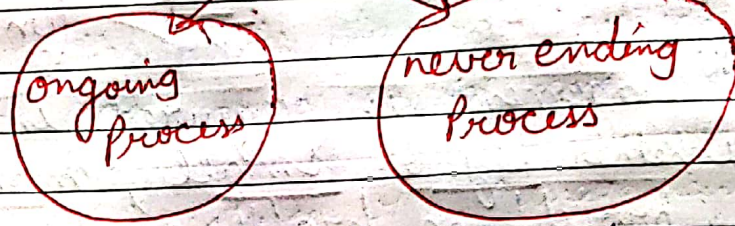
3) Management is Multi-Dimensional: Management does not mean one single activity but it includes:-

(a) Management of work: All organisations are set up to perform some task or goal. Management activities aim at achieving goals or tasks to be accomplished.

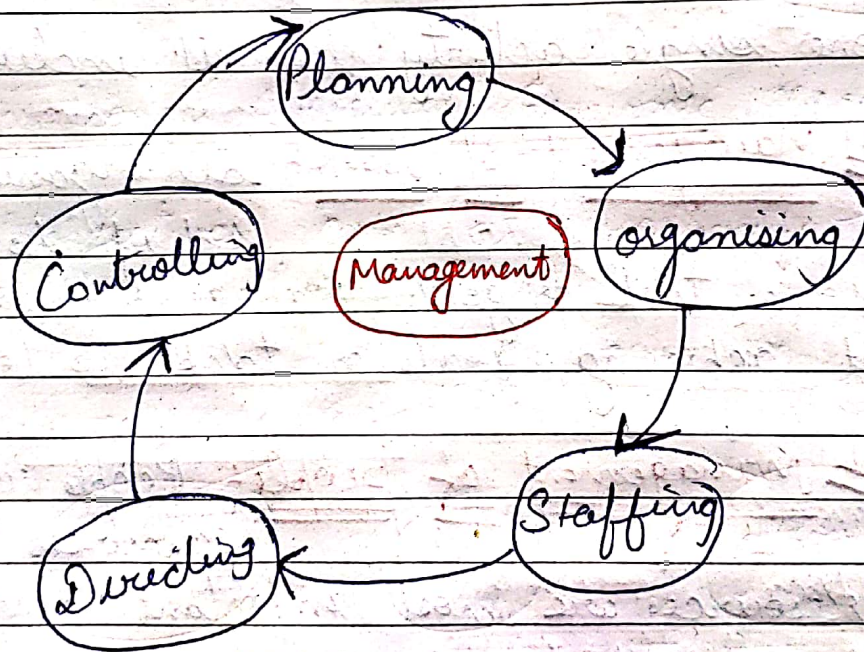
(b) Management of people: People refers to human resources and human resources are most important assets of organisation. Management has to get task accomplished through people by making their strength effective and weakness irrelevant.

(c) Management of operations: Operations refers to activities of production cycle. It concentrates on mixing management of work with management of people.

4) Management is a Continuous Process:



All the functions of management are performed continuously. Planning, organising, staffing, directing and controlling are performed by all the managers all the time.



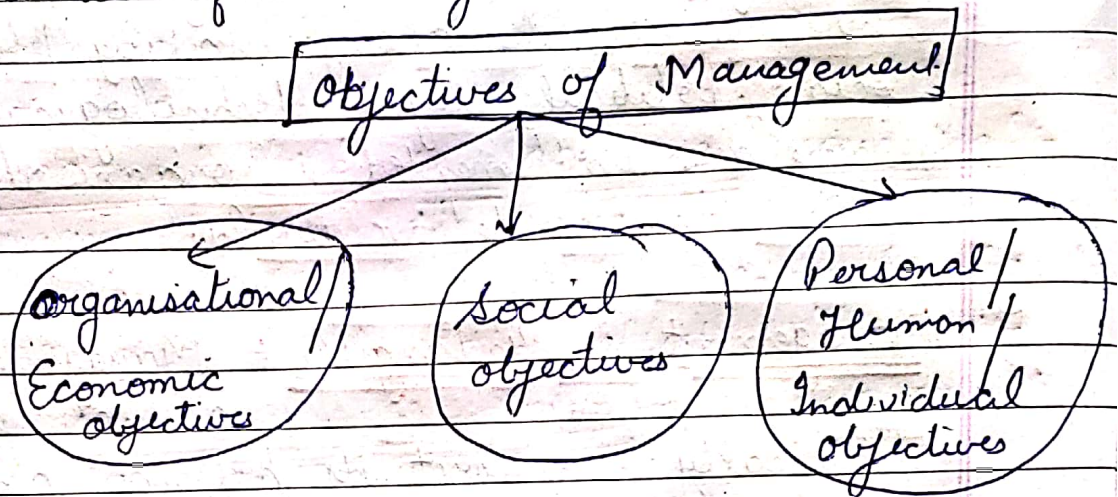
5) Management is group Activity: Different functions of management are performed by different individuals in an organisation. Management can't be done in isolation. So due to involvement of different individuals, management is considered as a group activity.

6) Management is a Dynamic function: Management has to make changes in goals, objectives and other activities according to changes taking place in the environment. As changes taking place in social, political, legal, technological environments, some are implemented in organisation to survive in competitive world.

7) Management is intangible: Management function cannot be physically seen but its presence can be felt. The presence of management can be felt by seeing the orderliness and coordination in the working environment.

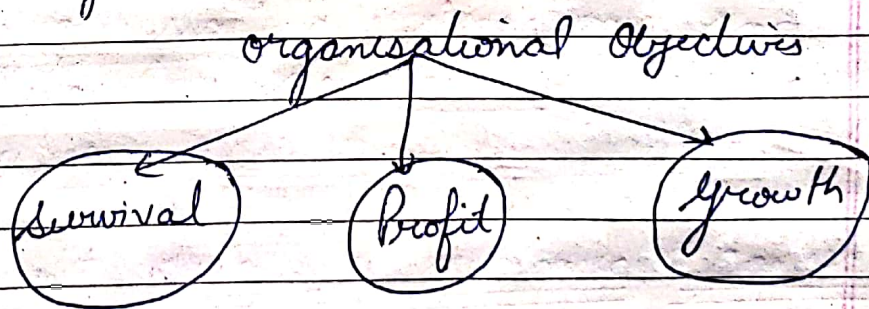
Objectives of Management

Meaning Objectives are the ends towards which the activities of an organisation are directed.



→ Organisational Objectives / Economic Objectives

Meaning: These objectives aim at prosperity & growth of every organisation.



Survival: The basic purpose of every organisation is to survive and exist in the competitive market for a long period and it is only possible when business is able to cover its costs.

Profit: The most important objective of every organisation is earning adequate

amount of profits. Profit is the reward for risk bearing.

Growth: Business organisations must grow and expand their activities. Growth is measured in terms of sales, number of branches, number of products, employees etc.



Social Objectives

Meaning: Social objectives deal with the commitment of the organisation towards the society. It includes:

- (a) Supply of quality products at reasonable prices.
- (b) Contribution towards desirable civic activities.
- (c) Generation of economic wealth.
- (d) Generation of employment opportunities.
- (e) Financial support to community.
- (f) Organising educational, health and vocational training programmes.
- (g) Participating actively in social service projects of government and NGOs.
- (h) Using environment friendly methods of production.
- (i) Contribution for weaker section of society.



Personal Objectives

Meaning: These objectives are related to employees of organisation.

- (a) Competitive salary.
- (b) Promotion, training, personal growth.
- (c) Good working conditions.
- (d) Peer recognition, self respect.

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Importance of Management

In the absence of management, no organisation can run successfully. The major importance of management are:-

- 1) Management helps in achieving group goal:-
Management tries to integrate the objectives of individuals along with organisational goal. Management directs the efforts of all the individuals in the common direction of achieving organisational goal.
- 2) Management increases efficiency:- Efficiency refers to complete the task with minimum cost. Management follows a proper process of planning, organising, staffing, directing and controlling to achieve efficiency and effectiveness.
- 3) Management creates a dynamic organisation:-
Organisations have to survive in dynamic environment so managers keep making changes in the organisation to match the environmental changes. The employees are always resistant to change. Efficient management motivates employees to adopt changes willingly.

4) Management helps in achieving personal objectives. An efficient manager is the one who brings maximum prosperity for employer as well as employees. Managers lead the people in such a manner that along with the organisational goal, individual goals of employees are also achieved.

5) Management helps in development of society: Efficient management always has multiple objectives, the give the due importance to social obligations towards different groups of people such as employees, customers, suppliers etc. It insists on providing quality goods, competitive salary, create employment opportunity etc.

#

Nature of Management

Science

Art

Profession

Some authors regard management as science because there are well tested and experimented principles of management as an art because more practice is required in management and some authors consider that management is going towards the path of profession.

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Management as a Science

Science: Science can be defined as a systematic and organised body of knowledge based on logically observed findings, facts and events.

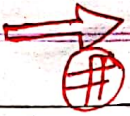
Main features of science are:

- 1) Systematic body of knowledge: In science, organised and systematic body of knowledge (study material) is available which is used to acquire the knowledge of science. Like science, in management also there is availability of systematic and organised study material. So first feature of science is present in management.

2) Principles are based on experimentation
Scientific principles are developed through observations and then tested through repeated experiments. The management principles are also developed through observation and experiments but since management deal with human being and human behaviour cannot be accurately predicted. This feature of science is partially present - so management can be called as inexact science / social science.

3) Universal validity :- Scientific principles have universal application and validity. Management principles are not exact like Scientific principles so their application and use is not universal. They have to be modified according to the given situation. So this feature of science is not present in management.

Conclusion:- on comparing the features of science with management, it can be concluded that one feature of science is present, one feature is partially present whereas one feature is totally absent. So management cannot be considered as pure or exact science but it can be considered as inexact or social science.



Management as an Art

Art: Art can be defined as systematic body of knowledge which requires skill, creativity and practice to get perfection.

Main features of Art are:

- 1) Existence of theoretical knowledge: In every art there is systematic and organised study material available to acquire theoretical knowledge of the art. For example various ragas are available in music. In management also there is systematic and organised body of knowledge available which helps in acquiring managerial studies so this feature is present in management.
- 2) Personalised application: In the field of art, only theoretical knowledge is not enough. Every artist must have personal skill and method to apply that knowledge. For example: all musicians learn some ragas but they apply these ragas according to their personal skill. In management also all managers learn some management theories and principles and they apply differently in different situations so this feature is present in management.

3.) Based on practice and creativity: The artists ^{require} regular practice of art to become more fine and perfect. Art requires creative practice i.e. artist must add his creativity to the theoretical knowledge. Same way with experience managers also improve their managerial skills and efficiency. So this feature is present in management also.

Conclusion: On comparing the features of art with management, it can be concluded that all the features of art are present in management, so management is considered as an art of getting things done through others.



Management as a Profession:

Profession: Profession can be defined as an occupation backed by specialised knowledge and training, in which entry is restricted.

Main features of Profession are:

1) Well-defined body of knowledge: In every profession there is practice of systematic body of knowledge which helps in the professionals to gain specialised knowledge

of that profession. In case of management also there is availability of systematic body of knowledge. There are large number of books available in management studies. So this feature of profession is present in management.

2) Restricted entry: The entry to a profession is restricted through an examination or degree. For example, a person can practice as doctor only when he is having MBBS degree.

Whereas there is no legal restriction on appointment of manager, anyone can become a manager irrespective of educational qualification. But now many companies prefer to appoint managers only with MBA degree.

So presently this feature of profession is not present but soon it will be included with statutory backing.

3) Presence of professional associations: For all the professions, special associations are established and every professional has to get registered himself with association before practising the profession. For example: doctors have to get themselves registered with Medical Council of India etc.

In case of management various management

associations are set up at national and international levels. For example AIMA in New Delhi but legally it is not compulsory for managers to become part of these organisations. So presently this feature of profession is not present in management but very soon it will be included and get statutory backing also.

4) Existence of ethical codes: For every profession there are set of ethical codes fixed by professional organisations. In case of management there is growing emphasis on ethical behaviour of managers. But legally it is not compulsory for all the managers to abide by ethical codes. So this feature is not present but soon it will be added by statutory backing.

5) Service Motive: The basic motive of every profession is to serve the clients with dedication. Whereas the basic goal of management is to achieve management goals. But now a days management start performing social responsibility. So presently this feature of manas is not present but soon it will be added with statutory backing.

Conclusion: It can be concluded that management is on the way to become a full fledged profession.

Overall Conclusion of Nature of Management

⇒ Management is considered as both science and art.

Social

True / False
MCQ

Q5 Management is:

- (a) an art (b) science
(c) both art + science (d) profession

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Levels of Management

There are three levels of management and different individuals are working at different levels and performing different jobs.

The main levels of management are:

- 1) Top level Management.
- 2) Middle Level Management.
- 3) Lower Level Management.

TOP LEVEL MANAGEMENT

Top level Management consists of
 * Board of Directors, Chairman, General Manager, President, Vice President, Chief Executive officer (CEO), Chief Financial officer (CFO) and Chief Operating officer (COO). etc.

Functions of Top level Management

- (a) Determining the objectives of enterprise.
- (b) Framing of plans and policies.
- (c) organising activities to be performed by persons working at middle level.
- (d) Assembling all resources such as finance, fixed assets etc.
- (e) Responsible for welfare and survival of organisation.
- (f) Liaison with outside world eg: government.
- (g) Coordinate and integrate diverse elements.

- (h) Analyse the business environment.
 (i) Responsible for the activities of organisation.

⇒ MIDDLE LEVEL MANAGEMENT

Middle level management consists of departmental heads such as purchase department head, sales department head, finance manager, marketing manager, plant superintendent, divisional heads etc who are responsible for executing the plans and policies made by top level.

⇒ Functions of Middle level Management

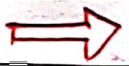
- (a) Interpretation of policies framed by top management to lower level.
- (b) Organising the activities of their department.
- (c) Finding out or recruiting / selecting and appointing the required employees for department.
- (d) Motivating the persons to perform to their best ability.
- (e) Cooperate with other departments.
- (f) Responsible for the activities of first line managers.
- (g) Coordinate the activities of our department.



TOP LOWER LEVEL MANAGEMENT

- ↳ also known as supervisory level
- ↳ also known as Operational level.

Lower level of Management consists of supervisors, superintendents, sub-department executives, clerk, section officer, foreman etc who carry out the work according to the plans of top and middle level management.



Functions of Lower level Management

- (a) Representing the problems of workers.
- (b) Maintaining good working conditions and developing healthy relations between superior and subordinate.
- (c) Looking to safety of workers.
- (d) Try to maintain precise standard of quality.
- (e) Responsible for boosting the morale of workers.
- (f) Minimising the wastage of materials.
- (g) Interact with actual workforce and pass on instructions of middle level management.
- (h) Responsible for quantity, quality and of output and loyalty of workers.

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Coordination :- The process by which manager synchronises the activities of different departments is known as coordination. It is a force that binds all other functions.

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Coordination is the Essence of Management.

M. J. J. J.
31/1/16

Coordination is considered as an essence of management because of the following reasons:-

1) Coordination is needed to perform all the functions of management.

(a) Planning: coordination is required between the main plan and supportive plans.

(b) Organising: coordination is required to arrange the resources according to the set plans.

(c) Staffing: Coordination is required between the skill of a person and job assigned to them.

(d) Directing: Coordination is required to execute the plans by providing the right directions.

(e) Controlling: Coordination is required between the actual performance & planned performance.

2). Coordination is required at all the levels of management.

(a) Top level: Top level requires coordination to coordinate the activities of whole organisation.

(b) Middle level: Middle level requires coordination to coordinate the activities of their own departments.

(c) Lower level: requires coordination to coordinate the activities of workers.

3). Coordination is most important function of management. Any company which fails to coordinate activities cannot survive and run successfully for a long period of time. So coordination is also considered as most important function of management.

Conclusion: In a nutshell, it can be concluded that, coordination is like a thread which binds all the functions (flowers) to form a garland named organisation.

→ management.

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Nature / Features of Coordination

Various features of Coordination are as follows:-

① Coordination integrates group efforts.

Coordination integrates the efforts of all the employees of an organisation to achieve an organisational objective.

② Continuous process: Coordination is a never-ending process.

It is continuous its degree may vary. The managers continuously coordinate the activities of employees.

③ Pervasive: Coordination is required in every organisation and at every level so it is considered as a pervasive function.

④ Coordination is responsibility of all managers. Coordination is not a task of top level managers only but it is performed by all the managers working at different levels (middle, lower level also).

5. Coordination is a deliberate function:

Without coordination efforts of individuals cannot be united and integrated, that is why managers deliberately perform coordination function.

Importance of Coordination/Need of coordination

1. Growth in size: The need of coordination increases with the increase in size of organisation.

2. Functional differentiation: When an organisation performs different functions, to integrate the different functions, need of coordination increases.

3. Specialisation: Number of specialists are working in organisation to take specialised decisions. So coordination is required to integrate specialised decisions.

Functions of Management

Various functions are performed in the process of management.

① Planning: Planning refers to thinking in advance what is to be done, when it is to be done, how it is to be done and by whom it should be done.

② Organising: Organising can be defined as identifying and grouping different activities in an organisation and bringing together the physical, financial and human resources to establish most productive relations for the achievement of specific goal of organisation.

③ Staffing: Staffing involves finding the right person for the right job having right qualification, doing right job at right time.

④ Directing: Directing is telling people what to do and seeing that they do it to the best of their ability.

⑤ Controlling: Controlling can be defined as comparison of actual performance with the planned performance, finding deviations and taking corrective actions.