

## NATURE AND SIGNIFICANCE OF MANAGEMENT

**Meaning & Definition:** Management simply means getting things done through other people, getting things done means get the activities carried out through others.

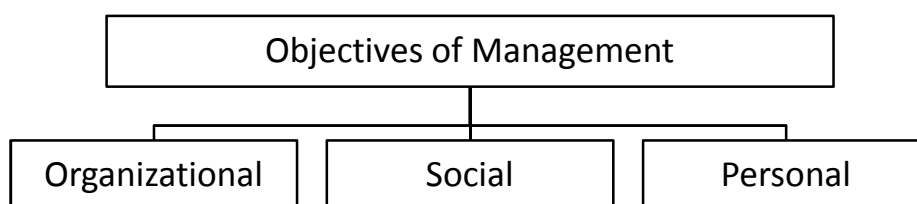
### Definitions:

1. Management is an art of getting things done through other people – Marry Parker Follet.
2. Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups can perform efficiently and effectively towards the attainment of group goals. It is the art of getting the work done through and with people in formally organized groups. – Koonts and O'Donnel.

### Characteristics of Management:

1. Management is goal oriented – Management aims at achieving certain specified objectives (goals) of the enterprise.
2. Management is Pervasive – Management activities are universally applicable in all types organizations anywhere in the world.
3. Management is multidimensional – Management has three dimensions:
  - a. *Management of work* – All organizations are engaged in doing some work such as school for education, factory for production of goods, hospitals for treatment etc.
  - b. *Management of people* – Managing human resource as individual and group.
  - c. *Management of operations* – Management is also focusing in the production process by which the inputs are transformed into output with help of technology.
4. Management is a continuous process - which involves planning, organizing, staffing, directing and controlling.
5. Management is a group activity – Management cannot exist independent of the group or organization it manages. Goals and objectives of an organization can be effectively attained by a group rather than by an individual.
6. Management is a Dynamic Function – Management principles are not static in all situations. It must be adopted according to the changing needs of the organization.
7. Management is an intangible force – Its presence is felt by the result of the organization e.g. increase in profit.

### Objectives of Management



1. **Organization Objectives (Economic Objectives)** – Objectives set by management for the organization are called organizational objectives. The elements of economic objectives are **Survival, Profit and Growth**.
2. **Social Objectives** – A business should conduct the activities to fulfill the expectations of the society. Undesirable activities should not be undertaken for maximizing profit.
3. **Personal Objectives** – The management must reconcile personal goals with organizational objectives to have harmony in the organization.

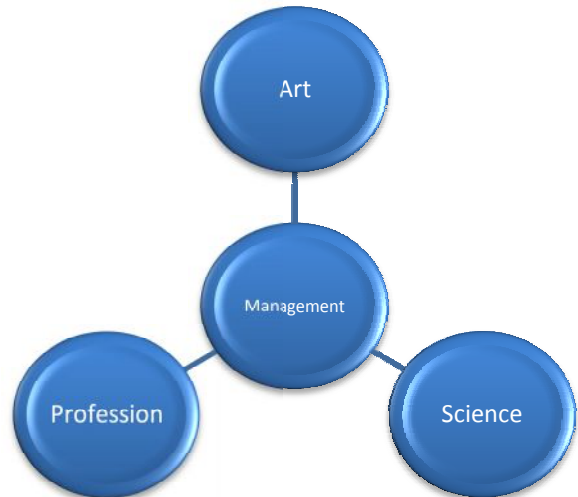


#### Importance of Management:

1. **Helps in achieving group goals** – Proper management of all individuals in an organization is very essential for the accomplishment of organizational objective. Group goal is more important than the individual objectives.
2. **Increases efficiency** – Managements helps to achieve the goals with minimum resources.
3. **Management creates a dynamic organization** – Appropriate changes must be introduced in the organization as and when it is needed. Management helps the people (employees) to adapt such changes through proper training and motivation.
4. **Helps in achieving personal objectives** – Along with the organizational objectives, individual members in the team should be able to achieve their personal goals such as team spirit, cooperation, commitment etc.
5. **Management helps in the development of society** – Management develops not only the organization but also the society.

#### Nature of Management:

1. **Management is an Art** – Art means the application of knowledge and personal skill to achieve desired results. Management is certainly considered as an art because a manager uses his skills and knowledge in his day to day activities for achieving the goals of the organization. As an art management has the following features:
  - a. **Practical knowledge** – Only those managers who have practical knowledge can forecast things at the time of uncertainty and prepare good plans for the business.
  - b. **Personal Skills** – Management is a personal and individual skill. For instance, friendship towards the employees may help him to tackle labour problems. Therefore management is an art.
  - c. **Concrete Result** – Every manager applies his skill and knowledge to attain the desired result and he uses the 5 Ms (Men, Material, Machinery, Money and Methods) to achieve it.
  - d. **Creativity** – Every piece of art requires creativity, likewise management is also creative. A manager effectively combines the factors of production to create goods and services in its most efficient manner.



- e. Improvement through practice – Like any other art managerial skills can be improved through practice. (Experience is the best master).
2. **Management as a Science** – Science is a systematically organized body of knowledge. It is based on logically observed findings, fact and events. The essential features of science are as follows:
- a. Systematised body of knowledge
  - b. Principles based on experimentation
  - c. Universality of their application
  - d. Cause and effect relationship
  - e. Verifiability and predictability of results



Although management has a systematized body of knowledge, they cannot be compared with the principles of physical science, which are definite and exact. Management is an inexact or soft science.

3. **Management as Science and Art** - Management is both an art and a science. It is a science because it uses certain principles and it is an art because it requires continuous practice and personal skill. Thus science and art in management exist together in every function of management.
4. **Management as a Profession** – A profession is an occupation backed by specialized knowledge and training and to which entry is regulated by a representative body. Because of satisfying the following features, management may said to be a profession.
- a. Specialized knowledge – developed by management experts.
  - b. Formal education and training – provided by formal institutions like Universities.
  - c. Professional association – for the implementation of code of conduct – eg. All India Management Association (AIMA).
  - d. Service Motive – The primary objective of a profession is providing service to the society.

**Levels of Management** – Levels of management refers to the arrangement of managerial positions in an organization. There are generally three levels of management. They are Top Level, Middle Level and Lower Level Management. The hierarchy of level is shown below:



**Top Level Management:** Top level management consists of managers at the highest level in the management hierarchy. Chairman, managing directors, board of directors, chief executive and general managers are regarded as top level management in a business organization. This level of management is responsible for framing business policies and taking major decisions. They perform administrative functions more than the managerial functions.

Functions of Top Level Management:

- 1. It lays down the objectives of the business organization.
- 2. It prepares strategic plans and policies.
- 3. It issues necessary instructions to departmental heads.

4. They appoint the executives for middle level.
5. It co-ordinates the activities.
6. It controls all the departments of the organization.
7. It builds and maintain relations with outside public.

**Middle Level Management:** This level of management consists of different departmental heads. These managers receive orders and instructions from top level managers and pass them to their subordinates. They are responsible for executing the plans formulated by top management. This level consists of production manager, finance manager etc. This level acts as an intermediary between the top management and the lower level management.

#### Functions:

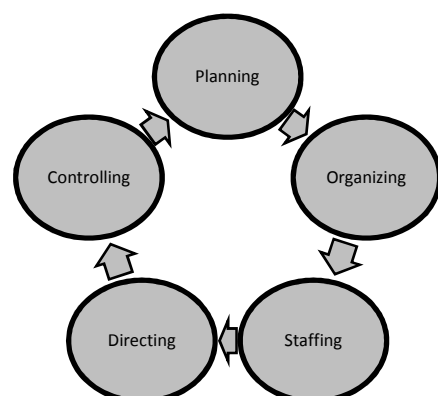
1. Maintain closer watch on day to day results.
2. Participate in operating decisions.
3. Implement the policy decisions made by the top management.
4. Communicating policies of top level to the lower level.
5. Planning the activities to be carried out by their own department.
6. Directing the managers at the lower level.
7. Evaluating the performance of departmental employees.
8. Reporting to top level management.
9. Co-operating with other departments to achieve organizational goals.
10. Motivating and rewarding employees based on their performance.

**Lower Level Management:** This level is also known as **Supervisory Management** or **Operational Management**. It consists of foreman, supervisors, finance and accounts officers, sales officers etc. They assign specific jobs to the workers, evaluate their performance and report to the middle level management.

#### Functions:

1. Plan day to day activities.
2. Assign workers to different jobs and task.
3. Report feedback information daily.
4. Take corrective actions whenever necessary.
5. Maintain personal and immediate contact with production employees.
6. Act as a link between middle level management and workers.
7. Provide on the job training to workers.

**Functions of Management:** “Management is what management does”. It is a dynamic process consisting of several activities. The activities or elements which a manager performs are called functions of management. They are planning, organizing, staffing, directing and controlling.



**Planning :** Planning is the initial task of every management. It helps in determining future course of action to be followed for achieving organizational goals. It is the act of deciding in advance 'what to do', 'when to do', 'who will do' a particular job. It is a process which involves thinking before doing.

**Organizing:** It is a process of establishing relationship among the members of the enterprise. The relationship is created in terms of authority and responsibility. Organization provides the framework within which people associate for the attainment of organizational goals.



**Staffing:** Staffing function comprises recruitment, selection, training, development and appraisal of employees in an organization. Its aim is to place the right person at the right job at the right time.

**Directing:** It is concerned with instructing, guiding, and inspiring people in the organization to achieve organizational goals. Direction is not only issuing orders and instructions by superior to subordinate, but also guiding, motivating and leading them.

**Controlling:** It deals with the measurement and correction of the performance of persons against the predetermined standard. It involves the following steps:

- a) Establishment of standards, b) Measurement of performance, c) Comparing actual performance with standards, d) Taking corrective actions.

## Coordination

Coordination refers to the process of integrating the activities of different units of an organization to achieve the organizational goals. Coordination is needed in all the functions of management and in all the levels of management, therefore, **coordination is considered as the essence of management.**

### Elements of Coordination:

1. **Integration:** It refers to the unification of all the unrelated activities or diverse interest which must be brought together so as to accomplish the work effectively.
2. **Balancing:** Coordination helps to maintain a balance between the activities of one department with that of another. For instance, the purchase department should purchase enough material which are necessary for the production department. Imbalance between these two departments will cause loss to the organization.
3. **Proper Timing:** Business activities are to be planned according to a time schedule. If things are not happening according to the time schedule the organizational objectives cannot be achieved. In case the business cannot supply goods to customers at the stipulated time, there is a chance of losing dissatisfied customers.

**Nature of Coordination –** The nature of coordination can be studied under the following heads:

1. **Essence of Management:** This function is performed to see whether all other managerial functions are performing in the right way and it should be performed at all levels and at all time.
2. **It is a continuous process:** Management is a continuous process and coordination is associated with all other functions of management, so that it is a continuous process.

3. **Group Effort:** Coordination is needed when there is group effort is involved for the achievement of organizational goals.
4. **Unity of Effort:** When all the members of the organization work according to the predetermined plan in time there is unity in effort and it is very essential for the accomplishment of objectives. 
5. **Common Purpose:** Coordination is very essential for the achievement of common goal of the organization.

#### Importance of Coordination:

1. **It increases efficiency:** Coordination helps the organization to increase its efficiency by avoiding duplication of efforts.
2. **Key to other functions:** Coordination is the key to all other functions of management. It makes planning more effective, it makes staffing more effective, it makes controlling more effective.
3. **Importance of Human Relations:** Coordination gives greater importance to human relations in the organization. Movement of various activities in a harmonious way will be appreciated by the employees who are really working for the organization.
4. **Unity in diversity:** There are a large number of employees in an organization with different ideas, culture, views etc. and hence coordination helps us to bring unity in diversity which will results in greater efficiency.
5. **Specialization:** Coordination enables the organization to bring the efforts of all employees and departments who are specialized in their own areas to the common goal.
6. **Reconciliation of Goals:** Proper and effective coordination helps to reconcile (maintain proper balance) the individual goals and departmental goals to attain the goals of the organization.

#### Co-ordination and Co-operation – Differences

1. Cooperation is a voluntary attitude on the part of the members while coordination is a deliberate effort on the part of the manager.
2. Cooperation originates out of informal relations while coordination is accomplished through formal and informal relations.
3. Cooperation is the base on which coordination can be achieved.

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