

NATURE AND SIGNIFICANCE OF MANAGEMENT

Concept: process of getting things done with the aim of achieving goals effectively and efficiently

Effectiveness: achieving the target or objective in or before time.

Efficiency: achieving the target or objective with the optimum utilisation of resource, but might be not in time.

Characteristics of Management:

1. **Management is a goal-oriented process:** every organisation has a set of basic goals which are the basic reason for their existence these objectives affects the management of the organisation.
2. **Management is all pervasive:** management is requirement of each and every organisation irrespective of its type, scale or any other characteristics.
3. **Management is multidimensional:**
 - a. Management of work: All organisations exist for the performance of some work.
 - b. Management of people: Human resources or people.
 - c. Management of operations: each and every has some basic product or service to provide in order to survive.
4. **Management is a continuous process:** it is a series of continuous, composite, but separate functions, planning, organising, directing, staffing and controlling). These functions are simultaneously performed by all managers all the time.
5. **Management is a group activity:** it requires team work and coordination of individual effort in a common direction.
6. **Management is a dynamic function:** An organisation interacts with its external environment which its d has to adapt itself with.
7. **Management is an intangible force:** Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions.

Objectives of Management:

1. **Organisational Objectives:**

- a. Survive: means an organisation must earn enough revenues to cover costs.
 - b. 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.
 - c. Growth: management must exploit fully the growth potential of the organisation.
2. **Social objectives**: refers to consistently creating economic value for various constituents of society.
 3. **Personnel objectives**: Management has to reconcile personal goals with organisational objectives for harmony in the organisation.

Importance of Management:

1. **Management helps in achieving group goals**: it gives a common direction to the individual effort in achieving the overall goal of the organisation.
2. **Management increases efficiency**: reduce costs and increase productivity through better planning, organising, directing, staffing and controlling the activities of the organisation.
3. **Management creates a dynamic organisation**: it helps people adapt to these changes so that the organisation is able to maintain its competitive edge.
4. **Management helps in achieving personal objectives**: it leads personnel in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective.
5. **Management helps in the development of society**: it provides good quality products and services, creates employment opportunities and leads the path towards growth and development.

◇ Management as an Art:

Management can be said to be an art since it satisfies the following criteria:

1. **Theoretical knowledge**: There is a lot of literature available in various areas of management, there is existence of theoretical knowledge.
2. **Personalised application**: A manager applies these principles differently depending on how creative they are and the prevailing business environment situations.

3. **Based on practice and creativity:** A manager studies critical situations and formulates his own theories for use in a given situation.

◇ Management as a Science:

management has following characteristics of science:

1. **Management has a systematised body of knowledge:** It has its own theory and principles that have developed over a period of time its own vocabulary of terms and concepts.
2. **Principles based on experimentation:** The principles of management have evolved over a period of time based on repeated experimentation and observation in different types of organisations.

This is why management is not exact science:

1. The outcomes of these experiments are not capable of being accurately predicted or replicated. Therefore, management can be called an inexact science.
2. **Universal validity:** the principles of management, their application and use are not universal. They have to be modified according to a given situation.

◇ Management as a Profession:

Features common in management and profession:

1. **Well-defined body of knowledge:** It is based on a systematic body of knowledge comprising well-defined principles based on a variety of business situations.
2. **Professional association:** There are several associations of practising managers in India, like the AIMA that has laid down a code of conduct to regulate the activities of their members, no compulsion for managers to be members of such an association.
3. **Service motive:** The basic purpose of management is to help the organisation achieve its stated goal. This may be profit maximisation for a business enterprise and service for a hospital.

Why management is not profession:

1. **There is no restriction** on anyone being designated or appointed as manager in any business enterprise. Anyone can be called a manager irrespective of the educational qualifications possessed.

Levels of Management:

1. **Top Management:** They consist of the senior-most executives of the organisation.

Functions of top-level management:

- a. integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organisation.
- b. These are responsible for the welfare and survival of the organisation.
- c. They formulate overall organisational goals and strategies for their achievement.

2. **Middle Management:** usually known as division heads.

Functions of middle level management:

- a. link between top and lower level managers
- b. responsible for implementing and controlling plans and strategies developed by top management.
- c. interpret the policies framed by top management
- d. ensure that their department has the necessary personnel
- e. assign necessary duties and responsibilities to them
- f. motivate them to achieve desired objectives
- g. cooperate with other departments for smooth functioning of the organisation

3. **Supervisory or Operational Management: Foremen and supervisors comprise the lower level:**

Function of Supervisory or Operational Management:

- a. interact with the actual work force and pass on instructions of the middle management to the workers.
- b. quality of output is maintained; wastage of materials is minimised and safety standards are maintained

Functions of Management:

1. **planning:** the process of setting up of organisational objective, and developing the course of action to achieve those objectives.
2. **Organizing:** the process which coordinates human efforts, assembles resources and integrates both into a unified whole for the achievement of the organisational objectives.
3. **Staffing:** instructing, guiding, supervising, motivating, leading and coaching people in the organization to achieve its objectives.
4. **Directing:** the process of obtaining, utilizing and maintaining satisfactory & satisfied work force.
5. **Controlling:** the process of ensuring that actual activities conform to planned activities.

◇ **Coordination:**

Coordination — The Essence of Management: synchronisation of the different actions or efforts of the various units of an organisation.

Characteristics of Coordination:

1. **Coordination integrates group efforts:** It gives a common focus to group effort to ensure that performance is as it was planned and scheduled.
2. **Coordination ensures unity of action:** It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.
3. **Coordination is a continuous process:** It begins at the planning stage and continues till controlling.
4. **Coordination is an all-pervasive function:** it is required at all levels of management due to the interdependent nature of activities of various departments.
5. **Coordination is a deliberate function:** to coordinate the efforts of different people in a conscious and deliberate manner.

Importance of Coordination:

1. **Growth in size:** organisations grow in size, the number of people employed by the organisation also increases. It may become difficult to integrate their efforts and activities.

2. **Functional differentiation:** Departments may have their own objectives, policies and their own style of working, coordination helps to integrate efforts of such departments.
3. **Specialisation:** as Specialisation arises out of the complexities of modern technology and the diversity, it reduces conflict amongst different specialists as well as others in the organisation.

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