

Need for management

DR. KONINIKA MUKHERJEE

Definition

Louis Allen defined profession as "a specialized kind of work practiced through and by use of classified knowledge, a common vocabulary, and requiring standards of practice and code of ethics established by a recognized body."

What is management

Economics	Sociology	Process	Discipline
<p>The economist's view of management is that it is a factor of production just like entrepreneurship, capital and labour.</p> <p>The managerial resource, to a large extent, determines organisational effectiveness and efficiency.</p>	<p>Sociologists view management as a class and status system. Increasing complexity of management in the modern complex organisation has led to managers to be regarded as a distinct class in society, who possess knowledge and skill of a high order.</p>	<p>Interpreted as a process, management consists of a series of inter-related managerial activities classified into various functions like planning, organising, staffing, leading and controlling. Managers undertake these functions with a systematic approach, so as to integrate physical and human resources into an effective operating unit. Management is, thus, regarded as the process by which a co-operative group directs action towards common goals.</p>	<p>Another connotation of management is that it is a separate discipline having a systematised body of knowledge which managers use in performing their jobs.</p>

What is management

Human Relations	Decision	Systems	Contingency
<p>This conceives it as a social system because managerial actions are principally concerned with relations between people and the development of people. The essence of this school is well reflected in the definition of Lawrence Appley to whom management is the accomplishment of results through the efforts of other people.</p>	<p>The Decision School defines management as rule-making and rule-enforcing body. Decision making power provides a dynamic force for managers to transform the resources of organizations into a productive and cooperative concern.</p>	<p>Organizations are organic and open systems consisting of interacting and interdependent parts and having a variety of goals. Managers are supposed to maintain balance among the conflicting objectives, goals and activities of members of the organization.</p>	<p>There is no best way to design organizations and manage them. Managers should design organizations, define goals and formulate policies and strategies in accordance with the prevailing environmental conditions.</p>

System Approach

- System approach to management views the organization as a unified, purposeful system composed of interrelated parts.
- This approach also gives the manager to see the organization as a whole and as a part of the larger external environment.

System

A system has the following components:

a number of parts or sub-systems, which when put together in a specific manner form a whole system;

boundaries within which it exists;

a specific goal(s) expressed in terms of an output, which is achieved by receiving an input and processing it to form the output;

close inter-relationship and inter-dependency amongst various subsystems.

Types of Systems

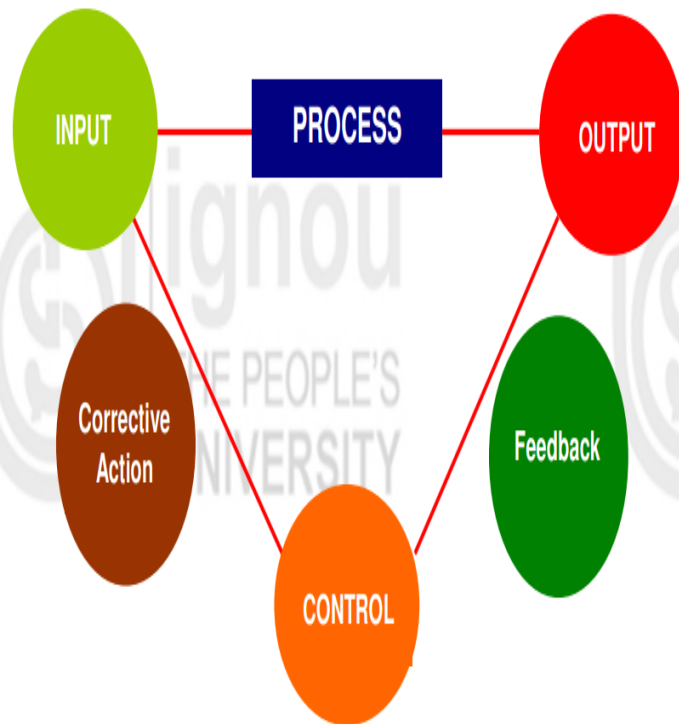


Fig.1.1: A Closed System

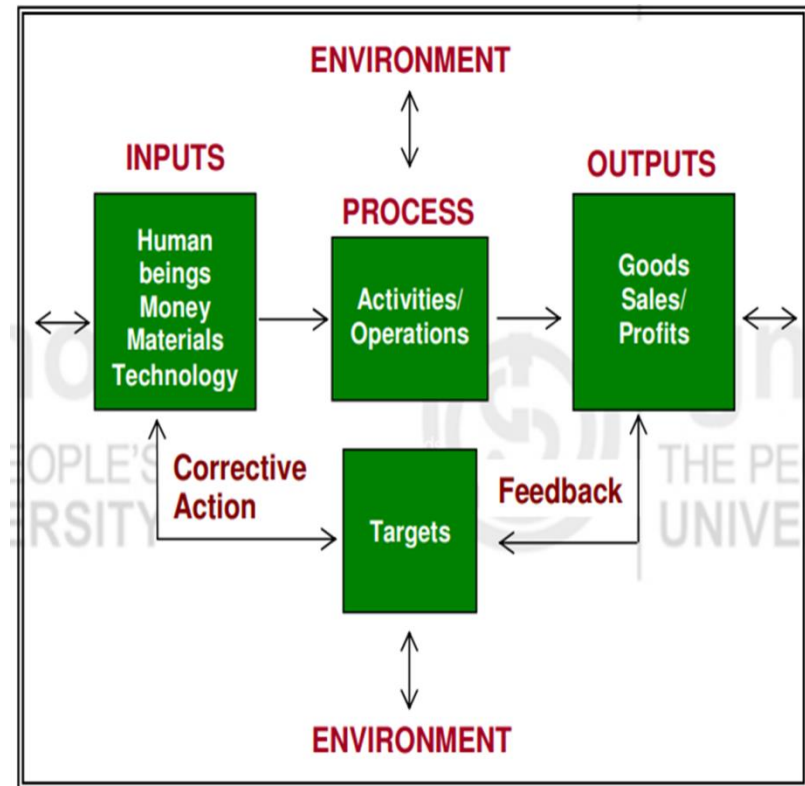
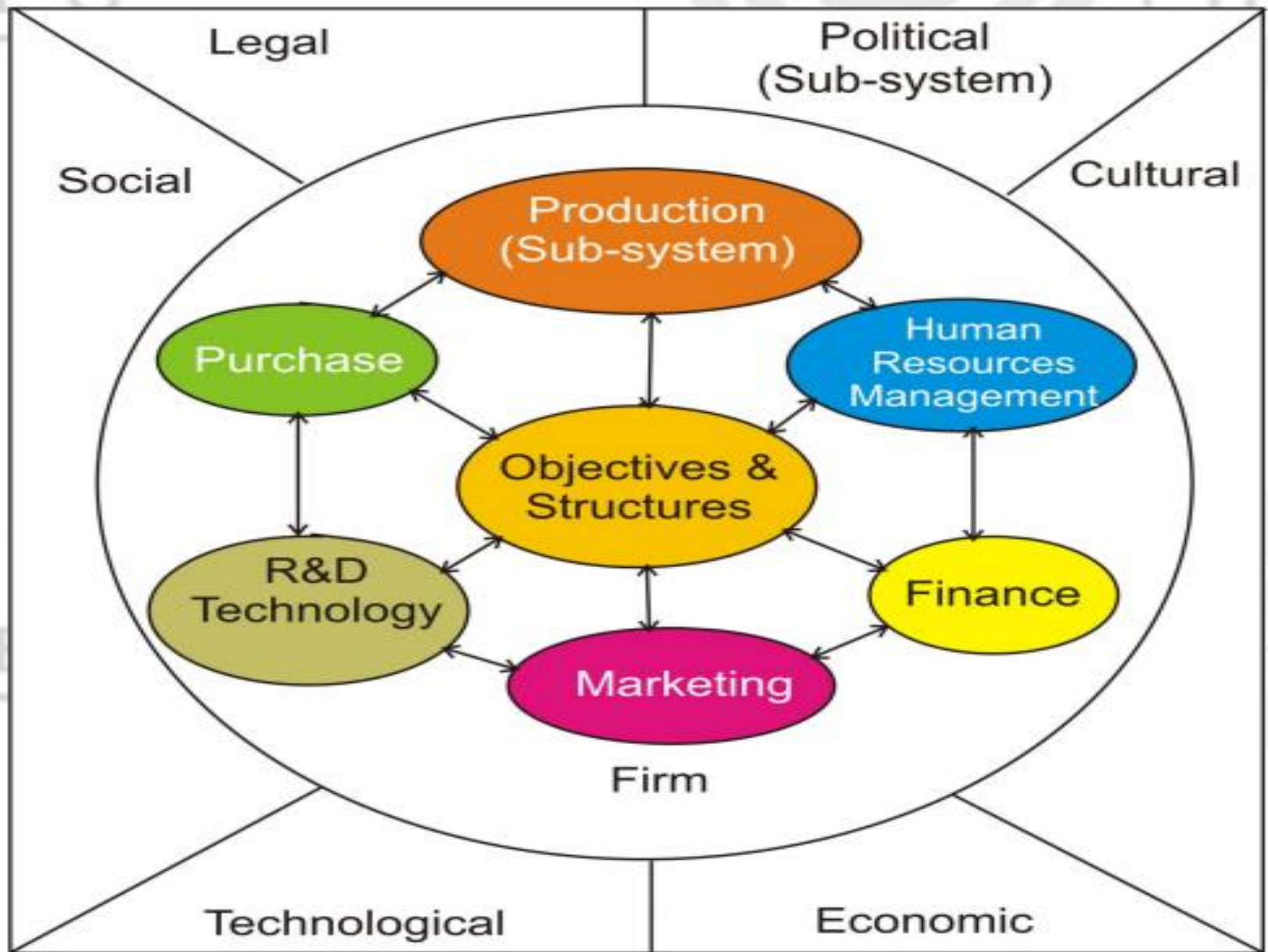


Fig.1.2: An Open System



Inter-relationship of sub-systems

The inter-relationship of sub-systems can be defined in terms of the:

- a) flows such as of information, funds, materials, etc. The most important of these is the information flow;
- b) structure within which they relate to each other. The structure may be physical, geographic or organizational;
- c) procedures by which the sub-systems relate to each other. By procedures we mean those planned activities, which influence the performance of the entire system. In the context of an organization, this refers to planning.
- d) feedback and the control process mechanisms which ensure that the system is moving towards its desired objectives.

Difference between administration and management (American school of thought)

ADMINISTRATION

Broader concept

Sets objectives

Lays down policies

thinking function or a top level
function

MANAGEMENT

Relatively narrower concept

leads, directs and guides the
organisation in the accomplishment of
predetermined objectives.

management operates under said
policies

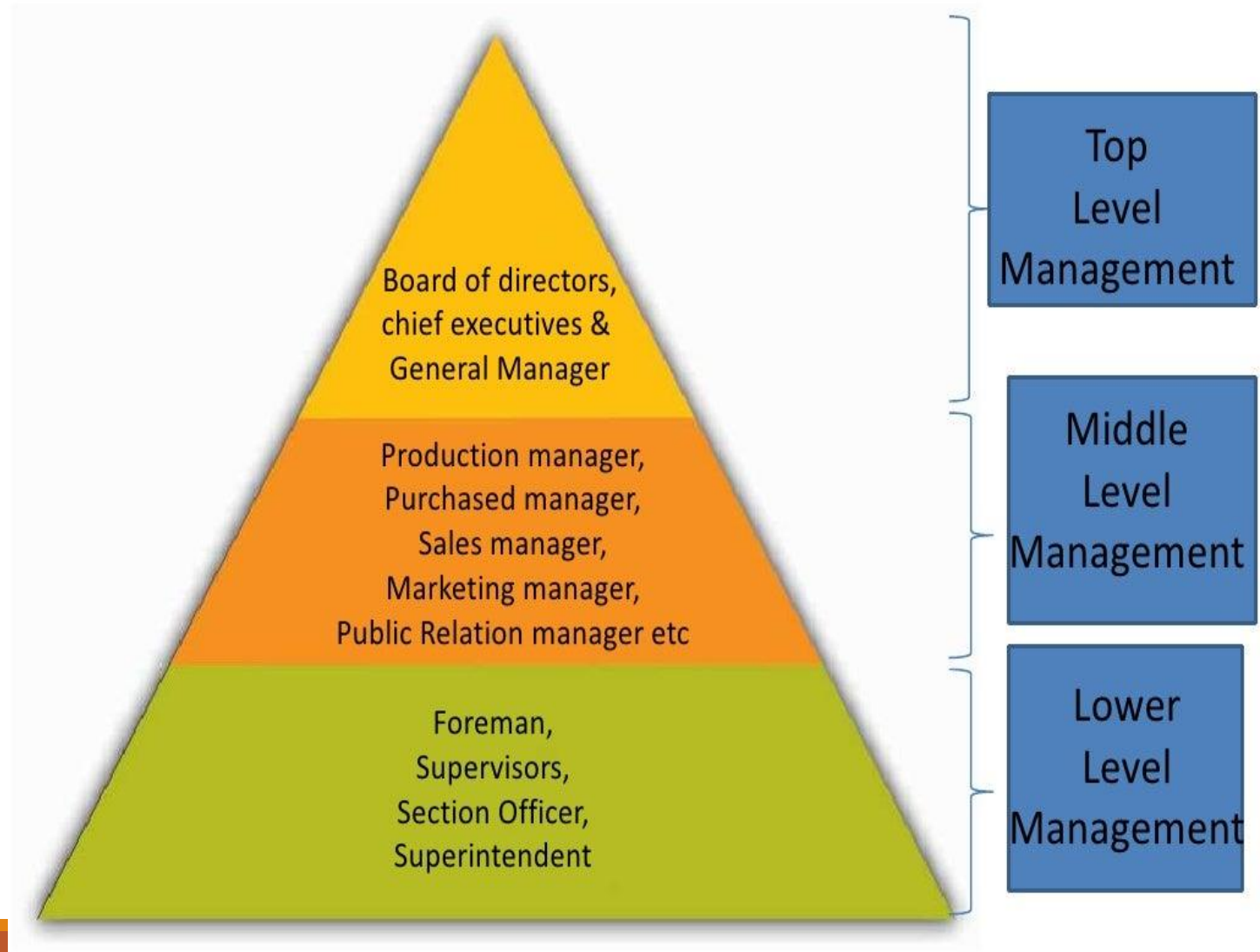
management is a doing function or
lower level function engaged in
execution of the plans

Types of Management

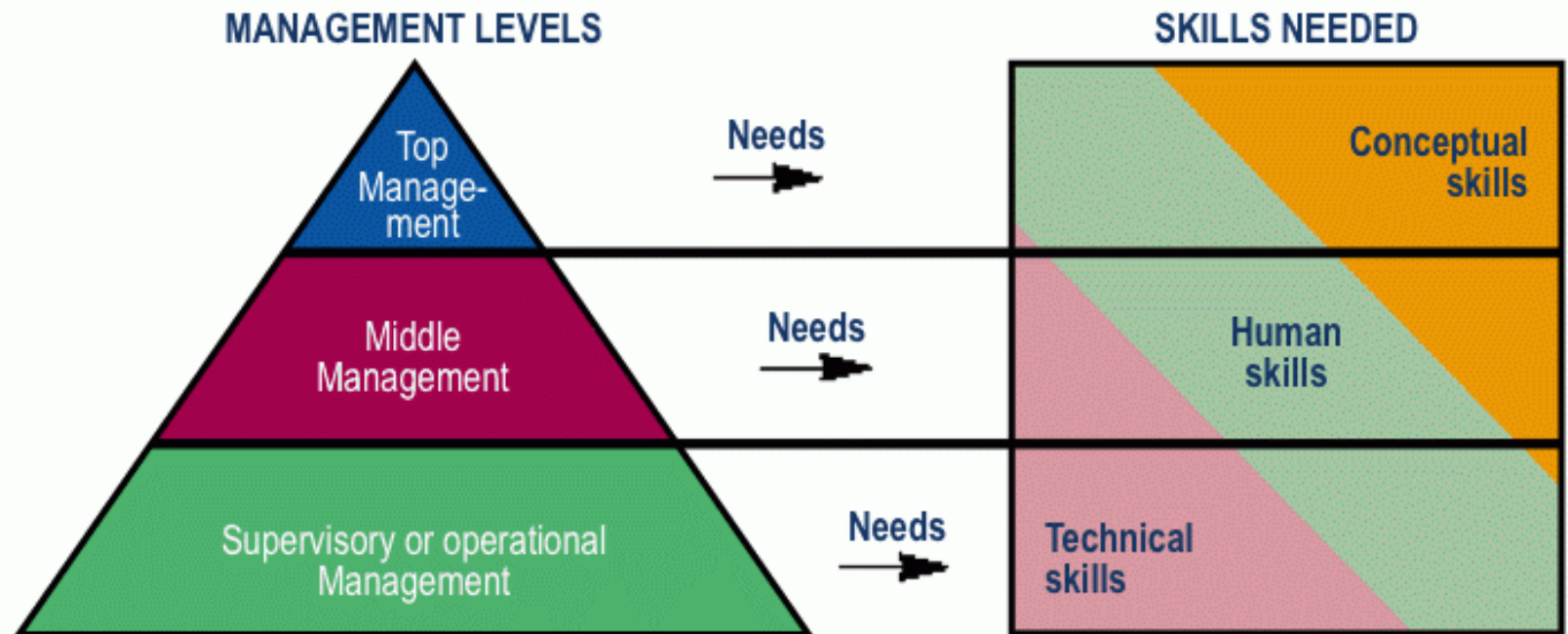
Administrative management is top management in-charge of planning function.

Operative management is middle and lower level managements responsible for execution of the plans.

LEVELS OF MANAGEMENT



Managerial Skills



As a manager moves from supervisory to top-management, conceptual skills become more important than technical, but human remain important

Management Process

- **Planning** - Planning refers to anticipating the future conditions and choosing from among the alternative future courses of action.
- **Organizing** - The organising function of management is the process of defining and grouping of activities and creating authority relationship among them. It consists of:
 - i) *Developing the organisation structure* which involves identification of task and grouping them into units or departments for performance.
 - ii) *Delegating authority* to the managers and making him responsible for group performance.
 - iii) *Establishing relations* creating conditions necessary for mutually cooperative efforts of people in the organisation.

Management Process

Staffing : It involves selection, training and development, compensation, and appraisal of subordinates by the manager.

Directing : Directing involves managing people and the work through the means of motivation, proper leadership, effective communication and coordination. A manager must be able to secure willing obedience from his subordinates without destroying their initiative and creativity. Moreover, it requires a sound communication system to enable exchange of ideas and information for common understanding.

Controlling : It enables management to ensure that achievement is in accordance with the established plans. It involves

Establishing performance standards for evaluating results

Performance on the basis of records and reports on the progress of work.

Performance evaluation against the standards set.

Corrective action to regulate operations, remove deficiencies and improve performance.

Nature of Management

Systematic knowledge : Every profession has a well defined area of organized knowledge. Techniques of management developed by drawing knowledge from other branches like economics, mathematics and so on, facilitate managers to perform their, job better. Coordinated decision making in organization is made possible by application of the same theory by all managers in their decision making. Managers should possess experimental attitude in acquisition of new knowledge so as to prove successful in an ever-changing organizational environment.

Performance-based status : Manager's status in the present day organization is linked to its performance rather than other extraneous factors like family or political connections.

Code of ethics : Professionals must be governed by a strict code of ethics formulated and enforced by professional bodies to protect their members integrity. Since it is difficult to identify clearly the membership of management associations and their role, managerial codes of ethics has not yet evolved so as to be acceptable to all practicing managers.

Dedication and commitment : True professionals through dedication and commitment serve their clients interest. Managers today are expected to serve the long-run interest of the organization but they are also conscious of their social responsibilities. Besides, they are entrusted with wealth producing resources of society which they are expected to put to the most effective use.

Managerial Responsibilities

Responsibility towards owners : The primary responsibility of management is to assure a fair and reasonable rate of return on capital and fair dividend to the shareholders as investors and risk bearers. What is a fair return on investment can be determined on the basis of difference in the risks of business in different fields of activity. With the growth of business the shareholders can also expect appreciation in the value of their capital.

Responsibility towards employees : Management responsibility towards employees relate to the fair wages and salaries, satisfactory work environment, labour management relations, and employee welfare. Fair wages should be fixed in the light of labour productivity, the prevailing wage rates in the same or neighbouring areas and relative importance of jobs. Managers salaries and allowances are expected to be linked with their responsibility, initiative and skill. But the spread between minimum wages and highest salaries should be reasonable. Managers are expected to build up and maintain harmonious relations between superior and subordinates. Management and union relations should be harmonious and cooperative. Another aspect of management responsibility towards employees is the provision of welfare amenities like safety and security of working conditions, medical facilities, housing, canteen, leave and retirement benefits.

Responsibility towards consumers : In a competitive market, serving consumers is supposed to be a prime concern of management. Management should satisfy consumer needs and protect consumer interests. Goods must be of appropriate standard and quality **and** be available in adequate, quantities at reasonable prices.

Responsibility towards the governments : As a part of their social responsibility, management must conduct business affair in lawful manner, honestly pay all the taxes and dues, and should not corrupt public officials for selfish ends. Business activities must also confirm to the economic and social policies of the government.

Social responsibility: The socially responsible role of management in relation to the community are expected to be revealed by its policies with respect to the employment of handicapped persons, and weaker sections of the community, environmental protection, pollution control, setting up industries in backward areas, and providing relief to the victims of natural calamities.