

Chapter Outline :

Definition of Management, Purposes of Management, Functions / Process of Management, Decision Errors of Management, Nature and Scope of Management, Importance of Studying Management, Management: Art or Science? Level of Management, Managerial Skills, Some Key Terms, Questions to Answer, Multiple Choice Questions, Indicate True or False & References.

15.1 Definition of Management

Managing is necessary whenever one needs to get things done. No organization can carry on its business without management, which is done by managers. Managing is universal and management is everywhere. Management is essential to ensure the co-ordination of individual efforts within an organization. It deals with setting, seeking and reaching objectives of an organization. Each and every one of us is a manager and the practice of management is found in every facet of human endeavor- educational institutions, business, government or non-government organizations, associations, and even mosques and families.

- ▷ Management is getting things done through others.
- ▷ Management is a process of planning, organizing, staffing, leading and controlling.
- ▷ Management is the decision making process among various alternatives.

Various authors/ authorities have defined management in various ways. Some of them are quoted below:

According to Heinz Weihrich & Harold Koontz, "Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims."

According to Henri Fayol, "To manage is to forecast and plan, to organize, to command and control."

According to Tarry & Franklin, "Management is a distinct process consisting of activities of planning, organizing, actuating and controlling, performed to determine and accomplish stated objectives with the use of human beings and other resources."

Finally we can say that management is a set of activities (planning, organizing, leading and controlling) directed at an organization's resources (human, financial, physical and information), with the aim of achieving organizational goals in an efficient and effective manner.

15.2 Purposes of Management

The main purpose of management is to increase productivity; this implies effectiveness and efficiency.

▷ **Productivity** : It can be defined as the output-input ratio within a time period with due consideration for quality.

▷ **Effectiveness** : Effectiveness is the achievement of objective or reaching to the goal. (Making the right decisions and successfully implementing them)

▷ **Efficiency** : Efficiency is the achievement of the end with the least amount of resources. (Using resources wisely and in a cost-effective way)

15.3 Functions / Process of Management

There are four basic functions of management. These are :

▷ **Planning** : Planning involves selecting missions and objectives and the actions to achieve them.

According to Newman, "Planning is deciding in advance what is to be done; that is, a plan is a projected course of action".

▷ **Organizing** : Organizing is the part of managing that involves establishing an intentional structure of roles for people to fill in an organization.

▷ **Leading** : Leading is influencing the people so that they will contribute to organization and group goals

▷ **Controlling** : Controlling is measuring and correcting individual and organizational performance to ensure organizational success

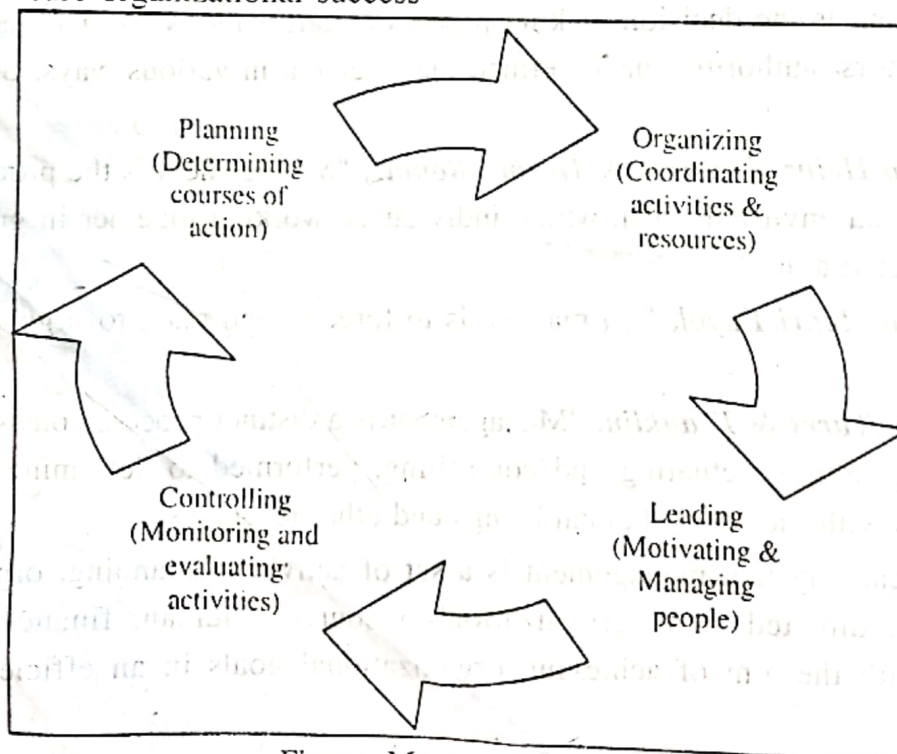


Figure : Management Porcess.

154 Decision Making Errors

There may be three errors in the decision-making process

▷ **Go Error** : The decision taken is not good but we move forward. *For Example* : To collect information from the sister-in-law of the Managing Director of an organization and to take decision based on that information.

- ↳ **Down Error** : The decision was good but we omitted it. *For Example* : To collect information from lower level employee but management can not rely on that information.
- ↳ **Two way Error** : Management takes decision without consulting any group or collecting any information.

15.5 Nature and Scope of Management

As a term "Management" is very comprehensive. No organized effort can be successful without proper management. As a result, some form of management is inevitable in every type of organization. In short the nature of management can be stated as under:

- ↳ Management as a system comprises of planning, organizing, staffing, leading and controlling.
- ↳ Factors of production of an organization such as labor, capital, land, equipment etc. are used effectively and efficiently through management for achieving organizational goals.
- ↳ Management applies to any type of organization.
- ↳ Management identifies a special group of people whose job is to direct the effort and activities of other people towards common objectives.
- ↳ It has to pay attention to fulfill the objectives of the interested parties.
- ↳ Management is concerned with productivity, thereby implying effectiveness and efficiency.

Management as a concept has broadened in scope with the introduction of new perspectives by different fields of study, such as economics, sociology, psychology and so on. The study of management has evolved into more than just the use of means to achieve ends; today it includes moral and ethical questions concerning the selection of right ends towards which manager should strive.

Harbison and Myers offered a classic threefold concept of management for emphasizing a broader scope for the viewpoint of management. They observed management as-

↳ **An Economic resource** : From the point of view of an economist, management is one of the factors of production together with land, labor and capital. As the industrialization of a nation increases, the need for management becomes greater. The managerial resources of a firm determine its productivity and profitability.

↳ **A System of Authority** : From an administrator's point of view management is a system of authority. Historically, management first developed authoritarian philosophy. Later on, it turned paternalistic. Modern management is nothing but a synthesis of following four approaches to authority.

↳ **A Class and Status System** : From the viewpoint of sociologists, management is a class and status system. The increase in the complexity of relationships in modern society demands that managers become elite of brain and education. Entry into this class of executive is being more and more dependent on excellence in education and knowledge rather than family or political connections. Some scholars view this development as "Managerial Revolution"

15.10 Some Key Terms

□ **Vision** : Vision is a statement that may be called the most ideal end to achieve. It remains more in statements than in practice. For example :

- ▷ To build a country as a Sonar Bangla
- ▷ To be a market leader in the country.

□ **Mission** : Mission is a statement of the organizations' purpose—what it actually wants to do. That is, mission is more clear than vision. For example :

- ▷ To impart higher education.
- ▷ To provide quality products to customers.

□ **Objectives** : Objectives must be arranged hierarchically and should be stated quantitatively. For example:

- ▷ To increase productivity by 10% by 20%
- ▷ To earn a profit of 15% in 2007.

□ **Goals** : Short term objectives to achieve may be termed as goals. For example, the organization's goal for the month of March is to sell 2000 units.

□ **Targets** : Target is a specific statement. For example:

- ▷ To complete the promotion activities within three months.
- ▷ To be market leader within 10 years.

□ Questions to Answer :

1. What is management?
2. What are the main purposes of management?
3. What are the functions of management? Discuss in details.
4. How management can make decision errors? Explain.
5. Elaborate the nature and scope of management.
6. Explain the importance of studying management.
7. Is management: Art or Science?
8. What are the levels of management? Explain.
9. What are the essential managerial skills that are must for becoming a good manager?

□ Multiple Choice Questions (MCQ).

1. The main purpose of management is to increase productivity, this implies :

(a) Effectiveness and efficiency	(b) use and competence,
(c) Usefulness and good organization	(d) All the above.
2. Which is the purpose of management?

(a) Monitoring and evaluating activities	(b) Ensure effectiveness and efficiency
(c) Considering quality	(d) Both a & c
3. Performance include :

(a) Human	(b) Products
(c) Material	(d) None
4. A classic threefold concept of management is offered by :

(a) Henri Fayol	(b) Tarry & Fraklin
(c) Harbison & Myers	(d) Harold Koontz
5. Top-level management includes :

(a) Leaders of workers	(b) Managing Director
(c) Foreman	(d) Supervisors