

MANAGEMENT : ITS NATURE AND PURPOSE

Management is the process of designing and maintaining an environment in which individuals working together in groups, efficiently accomplish selected aims.

- * As managers carry out the managerial functions of planning, organizing, staffing, leading and controlling.
- * Management applies to any kind of organization.
- * It applies to managers at all the organization levels.
- * The aim of all managers is the same: to create a surplus.
- * Managing is concerned with productivity, which implies effectiveness and efficiency.

All managers manage organizations. Organization is defined as a group of people working together to create a surplus. In business organizations this surplus is profit. In non-profit organizations such as charitable organizations it may be satisfaction of needs. Universities also create surplus through generation and dissemination of knowledge as well as providing service to the community or society.

The Functions of Management

Many scholars and managers have found that the analysis of management is facilitated by a useful and clear organization of knowledge. In studying

management, therefore, it is useful to break it down into five managerial functions - planning, organizing, staffing, leading and controlling - around which the knowledge that underlines those functions can be organized. Thus the concepts, principles, theories and techniques of management are grouped into these five functions.

This framework has been used and tested for many years. Although there are different ways of organizing managerial knowledge, most textbooks and authors today have adopted this or a similar framework even after experimenting at times with alternative ways of structuring knowledge.

Although the emphasis is on managers that pertain to designing an internal environment for performance within an organization, it must never be overlooked that managers cannot perform their tasks well unless they have an understanding of the external environment - economics, technological, social, ecological, political and ethical factors that affect their area of operation. Moreover many organizations now operate in different countries.

Management as an Essential for Any Organization:

Managers are charged with the responsibility of taking actions that will enable individuals to make their best contributions to group objectives. Management thus applies to small and large

Organizations, to profit and non profit enterprises, to manufacturing as well as service industries. The term enterprise refers to a business, government agency, hospital, university and any other type of organization. Effective management is the concern of the corporation president, the hospital administrator, the government first line supervisor, the Boy Scout leader, the church bishop, the baseball manager and the university president.

Managerial Functions at Different Organizational Levels

A given situation may differ considerably between various levels in an organization or between various types of enterprises. Similarly the scope of authority held may vary and the types of problems dealt may be considerably different.

Furthermore, the person in a managerial role may be directing people in the sales, engineering or finance department. But the fact remains that as managers all other results must be obtained by establishing an environment for effective group endeavor.

All managers carry out managerial functions. However the time spent for each function may differ. Thus, top level managers spend more time on planning and organizing than to lower level managers. Leading on the other hand takes a great deal of time for first line supervisors. The difference in time spent on controlling varies only slightly for managers at various levels.

Top Level
Management

Middle Level
Management

First Level
Management

Planning

Organizing

Leading

Controlling

Fig 1.1: Time Spent in carrying out Managerial Functions

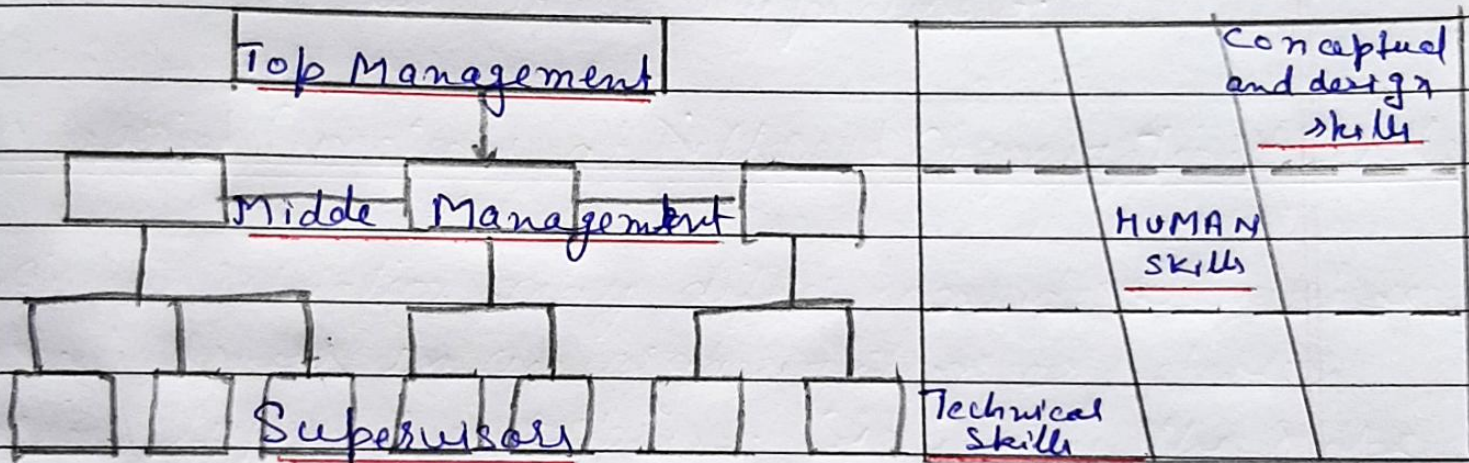
Managerial Skills and the Organizational Hierarchy

Robert L. Katz identified three kinds of skills for administrators. To these, may be added a fourth - the ability to design solutions.

The relative importance of these skills may differ at various levels in the organizational hierarchy. As shown in the figure 1.2, Technical Skills are the greatest important at the supervisory level, and human skills are helpful in the frequent interaction with subordinates. Conceptual and design skills, on the other hand are usually not critical for lower level supervisors. At the middle management level, the need for technical skills decreases, human skills are still essential, while conceptual skills gain in importance. At the top management level, conceptual and designed abilities and human skills are especially valuable but there is relatively little need for

technical abilities. It is assumed, especially in large companies, that chief executive officers (CEOs) can utilize the technical abilities of their subordinates. In smaller firms, however, technical experience may still be quite important.

Fig 1.2 : Skills and Management levels



Skills vary in importance at different management levels