

Definition:

The primary function of management is to get people to work together for the attainment of an organization's goals and objectives. Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

It is very difficult to give a precise definition of the term '**management**'. Different scholars from different disciplines view and interpret management from their own angles. The economists consider management as a resource like land, labour, capital and organization. The bureaucrats look upon it as a system of authority to achieve business goals. The sociologists consider managers as a part of the class elite in the society.

According to **Harold Koontz**, "Management is the art of getting things done through others and with formally organized groups."

According to **F.W. Taylor**, "Management is the art of knowing exactly what you want men to do and then seeing that they do it in the best and the cheapest way."

Nature of Management

1. **Goal oriented:** Management by its group effort and effectiveness tries to achieve the pre-determined goals of the organization.
2. **Group effort:** The management functions cannot be performed in isolation. Management always refers to a group of people involved in managerial activities. Hence the purpose of management of any organization is to coordinate the group activity.
3. **Continuous:** It is not a one-time activity. It is a an ongoing process that operates without interruption.
4. **Social process:** Management through its different activities utilizes the scarce resources which benefits the entire society.
5. **Flexibility:** The principles and techniques of management are not rigid and has to change according to the need and situation of the organization.
6. **Intangible:** Good management is reflected in result. It is something that cannot be touched or seen physically.
7. **Pervasive:** It is not restricted to any particular organization, group, place or people. It is universally applicable to all levels of all types of organizations.
8. **Universal:** The principles and techniques of management are universally applicable all over the world.
9. **Decision making:** Management involves taking decisions about various matters of the organization.
10. **Tool for HR development:** Management enables improvement of human resource through creation of an overall environment for development of the same.
11. **Integrated:** Management integrates the various elements like man, money, machine, materials, motivation etc. to optimize output.
12. **Delegation:** Management is a system which delegates authority from the top level to the lower level of management and creates an accountability from the lower level to the top.
13. **Management as a profession:** Management has now emerged as a profession as managers, to be effective, must acquire the basic professional knowledge and skill in managing, through formal management education or management training

Importance / Objectives / Purpose of Management:

1. **Achieving Group Goals:** It directs group efforts towards achievement of pre-determined goals. Management converts disorganized resources of men, machines, money etc. into useful enterprise. These resources are coordinated, directed and controlled in such a manner that enterprise work towards attainment of goals.
2. **Optimum Utilization of Resources:** Management utilizes all the physical & human resources productively. Management provides maximum utilization of scarce resources by selecting its best possible alternate use in industry from out of various uses.
3. **Reduces Costs:** Management uses physical, human and financial resources in such a manner which results in best combination. This helps in cost reduction.

4. **Establishes sound organization:** To establish sound organizational structure is one of the objective of management. Management fills up various positions with right persons, having right skills, training and qualification.
5. **Establishes equilibrium:** It enables the organization to survive in dynamic environment. With the change in external environment, the initial co-ordination of organization must be changed. So it adapts organization to changing demand of market / changing needs of societies. It is responsible for growth and survival of organization.
6. **Essentials for prosperity of society:** Efficient management leads to better economical production which helps in turn to increase the welfare of people. It improves standard of living. It increases the profit which is beneficial to business and society will get maximum output at minimum cost by creating employment opportunities which generate income in hands. Organization comes with new products and researches beneficial for society.

Management – Science or Art

According to the nature of management, there is a controversy that whether management is a science or an art. This controversy is very old & is yet to be settled. It should be noted that, learning process of science is different from that of art. Learning of science includes principles while learning of art involves its continuous practice.

Management as a Science

Science is a systematic body of knowledge relating to a specific field of study that contains general facts which explains a phenomenon. It establishes cause and effect relationship between two or more variables and underlines the principles governing their relationship. These principles are developed through scientific method of observation and verification through testing.

Science is characterized by following main features:

1. **Universally accepted principles** – Scientific principles represent basic truth about a particular field of enquiry. These principles may be applied in all situations, at all time and at all places. Management also contains some fundamental principles which can be applied universally like the Principle of Unity of Command i.e. one man, one boss. This principle is applicable to all type of organization – business or non business.
2. **Experimentation & Observation** – Scientific principles are derived through scientific investigation & researching i.e. they are based on logic. Management principles are also based on scientific enquiry & observation and not only on opinion. They have been developed through experiments & practical experiences of large no. of managers.
3. **Cause & Effect Relationship** – Principles of science lay down cause and effect relationship between various variables. The same is true for management; therefore it also establishes cause and effect relationship e.g. lack of parity (balance) between authority & responsibility will lead to ineffectiveness. If you know the cause i.e. lack of balance, the effect can be ascertained easily i.e. ineffectiveness.
4. **Test of Validity & Predictability** – Validity of scientific principles can be tested at any time or any number of times i.e. they stand the time of test. Each time these tests will give same result. Moreover future events can be predicted with reasonable accuracy by using scientific principles. Principles of management can also be tested for validity.

It cannot be denied that management has a systematic body of knowledge but it is not as exact as that of other physical sciences like biology, physics, and chemistry etc. The main reason for the inexactness of science of management is that it deals with human beings and it is very difficult to predict their behavior accurately. Since it is a social process, therefore it falls in the area of social sciences. It is a flexible science & that is why its theories and principles may produce different results at different times and therefore it is a behavior science.

Management as an Art

Art means application of knowledge & skill to get the desired results. An art may be defined as personalized application of general theoretical principles for achieving best possible results. Art has the following characters –

1. **Practical Knowledge:** Every art requires practical knowledge therefore learning of theory is not sufficient. It is very important to know practical application of theoretical principles. A manager can never be successful just by obtaining degree or diploma in management; he must have also known how to apply various principles in real situations, by functioning as a manager.
2. **Personal Skill:** Although theoretical base may be same for every artist, but each one has his own style and approach towards his job. That is why the level of success and quality of performance differs from one person to another. Similarly management as an art is also personalized. Every manager has his own way of managing things based on his knowledge, experience and personality, that is why some managers are known as good managers whereas others as bad.
3. **Creativity:** Every artist has an element of creativity in line. That is why he aims at producing something that has never existed before which requires combination of intelligence & imagination. Management is also creative in nature like any other art. It combines human and non-human resources in an useful way so as to achieve desired results.
4. **Perfection through practice:** Practice makes a man perfect. Every artist becomes more and more proficient through constant practice. Similarly managers learn through an art of trial and error initially but application of management principles over the years makes them perfect in the job of managing.
5. **Goal-Oriented:** Every art is result oriented as it seeks to achieve concrete results. In the same manner, management is also directed towards accomplishment of pre-determined goals. Managers use various resources like men, money, material, machinery & methods to help in the growth of an organization.

Thus, we can say that management is an art therefore it requires application of certain principles rather it is an art of highest order because it deals with shaping the attitude and behavior of people at work towards these desired goals.

Management as both Science and Art

Management is both an art and a science. The above mentioned points clearly reveal that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge & art deals with the application of knowledge and skills.

It is not sufficient for manager to first know the principles but he must also apply them in solving various managerial problems that is why, science and art are not mutually exclusive but they are complementary to each other.

Evolution of Management

Scientific Management

The concept of scientific management was introduced by **Frederic Winslow Taylor** in USA in the beginning of 20th century which was further carried on by management thinkers Frank and Lillian Gilbreth, Henry Gantt, George Beth etc. Scientific management was concerned essentially with improving operational efficiency at the shop floor level. According to Taylor "Scientific management is concerned with knowing exactly what you want men to do and then see that they do it in the best and cheapest way".

Since Taylor has put the emphasis on solving managerial problems in a scientific way, he is often referred to as "the Father of Scientific Management" and his contributions as "Principles of Scientific Management". Taylor's contributions can be described in two parts: elements and tools of scientific management and principles of scientific management.

Elements and tools of Scientific Management

Taylor conducted various experiments at his workplaces to find out how human beings could be made more efficient by standardizing the work and improving the method of doing the same. These experiments have provided the following features of scientific management:

1. **Separation of planning and doing:** Before Taylor's scientific management, a worker used to plan how the job is to be done and what instruments were necessary for it. The worker was put under a supervisor whose job was to merely see how the workers were performing. Taylor emphasized that planning should be left to the supervisor and worker should concentrate only on the operational aspect of the work.
2. **Functional foremanship:** Separation of planning and doing resulted in development of supervision system which could undertake planning work adequately besides keeping supervision on workers. For this Taylor evolved the concept of functional foremanship based on specialization of functions. All of these foremen gave directions to workers on different aspects of work. This was however against the unity of command principle i.e. a worker should receive directions from one supervisor only.
3. **Job analysis:** Job analysis is undertaken to find out the best way of doing things. The best way of doing things can be determined by taking up motion-time-fatigue studies. Motion study involves the study of movements in parts which are involved in doing a job and thereby eliminating wasteful movements and performing only the necessary movements. Time study involves the determination of time a movement takes to complete. Fatigue study shows the amount and frequency of rest required in completing the work.
4. **Standardization:** As far as possible standardization should be maintained in respect of instrument and tools, period of work, amount of work, working conditions, production etc.
5. **Scientific selection and training of workers:** A worker should be given work for which he is physically and technically most suitable. Apart from selection, proper emphasis should be given on training of workers which makes them more efficient and effective.
6. **Financial incentives:** Financial incentives can motivate workers to put in their maximum efforts. Taylor himself applied the concept of differential piece rate which was highly motivating. To make differential piece rate work Taylor has suggested that wages should be based on individual performance and not on the basis of position occupied by the worker.
7. **Economy:** Apart from scientific and technical aspects, consideration should be given to economy and profit too. For this purpose techniques of cost estimation and control should be adopted.
8. **Mental revolution:** Scientific management depends on the mutual cooperation between management and workers. This requires a change in mindset of the parties from conflict to assistance.

Principles of scientific management propounded by Taylor are:

- 1. Science, not Rule of Thumb:** In order to increase organizational efficiency, the 'Rule of Thumb' method should be substituted by the methods developed through scientific analysis of work. Decisions should be based on scientific enquiry with cause and effect relationships.
- 2. Harmony, not discord:** Both the management and the workers should realize the importance of each other. In order to achieve this state, Taylor suggested complete mental revolution on the part of both management and workers.
- 3. Mental Revolution:** The technique of Mental Revolution involves a change in the attitude of workers and management towards each other. Both should realize the importance of each other and should work with full cooperation. Management as well as the workers should aim to increase the profits of the organization.
- 4. Cooperation, not Individualism:** This principle is an extension of principle of 'Harmony, not discord' and lays stress on mutual cooperation between workers and the management.
- 5. Development of each and every person to his or her greatest efficiency and prosperity:** Efficiency of any organization also depends on the skills and capabilities of its employees to a great extent. Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach.

Fayol's Administrative Management

The contributions of Henri Fayol, the French industrialist, are generally termed as Operational Management or Administrative Management. Fayol looked at the problems of managing an organization from top management point of view. He has used the term 'administration' instead of 'management', emphasizing that there is unity of science of administration. For him, administration was a common activity and administrative doctrine was universally applicable.

General Principles of Management

Fayol has given 14 principles of management. According to him these are neither exhaustive nor rigid. The principles of management are as follows:

- 1. Division of work:** Work should be divided among individuals and groups to ensure that effort and attention are focused on special portions of the task. Fayol presented work specialization as the best way to use the human resources of the organization.
- 2. Authority:** The concepts of authority and responsibility are closely related. Authority was defined by Fayol as the right to give orders and the power to exact obedience. Responsibility involves being accountable, and is therefore naturally associated with authority. Whoever assumes authority also assumes responsibility.
- 3. Discipline:** A successful organization requires the common effort of workers. Penalties should be applied judiciously to encourage this common effort.
- 4. Unity of command:** Workers should receive orders from only one manager.
- 5. Unity of direction:** The entire organization should be moving towards a common objective in a common direction.
- 6. Subordination of individual interests to the general interests:** The interests of one person should not take priority over the interests of the organization as a whole.
- 7. Remuneration:** Many variables, such as cost of living, supply of qualified personnel, general business conditions, and success of the business, should be considered in determining a worker's rate of pay.
- 8. Centralization:** Fayol defined centralization as lowering the importance of the subordinate role. Decentralization is increasing the importance. The degree to which centralization or decentralization should be adopted depends on the specific organization in which the manager is working.
- 9. Scalar chain:** Managers in hierarchies are part of a chain like authority scale. Each manager, from the first line supervisor to the president, possess certain amounts of authority. The President

possesses the most authority; the first line supervisor the least. Lower level managers should always keep upper level managers informed of their work activities. The existence of a scalar chain and adherence to it are necessary if the organization is to be successful.

10.Order: For the sake of efficiency and coordination, all materials and people related to a specific kind of work should be treated as equally as possible.

11.Equity: All employees should be treated as equally as possible.

12.Stability of tenure of personnel: Retaining productive employees should always be a high priority of management. Recruitment and Selection Costs, as well as increased product-reject rates are usually associated with hiring new workers.

13.Initiative: Management should take steps to encourage worker initiative, which is defined as new or additional work activity undertaken through self direction.

14.Espirit de corps: Management should encourage harmony and general good feelings among employees.

Hawthorne Experiments and Human Relations

Elton Mayo's contribution to management theory helped pave the way for modern human relations management methods. Based on his well-known Hawthorne experiments, Mayo's management theories grew from his observations of employee productivity levels under varying environmental conditions. His experiments drew a number of conclusions about the real source of employee motivation, laying the groundwork for later approaches to team building and group dynamics. Mayo management theory states that employees are motivated far more by relational factors such as attention and camaraderie than by monetary rewards or environmental factors such as lighting, humidity, etc.

Elton Mayo and the Hawthorne Experiments

Mayo's reputation as a management guru rests on the Hawthorne Experiments which he conducted from 1927 to 1932 at the Western Electric Hawthorne Works in Cicero, Illinois (a suburb of Chicago). The factory employed mainly women workers who assembled telephone cabling equipment. The aim of the study was to establish the impact of different conditions of work on employee productivity. Initially, Mayo examined the affect of changes in the factory environment such as lighting and humidity. He then went on to study the effect of changes in employment arrangements such as breaks, hours, and managerial leadership. Not only were the Hawthorne experiments the first large-scale studies of working people's conditions ever made, they also produced a range of remarkable results that changed the face of people management.

Although Elton Mayo and his team conducted the Hawthorne Experiments over a number of years, it is his work with 6 women workers in the relay assembly room that made his name. Throughout the series of experiments, one of Mayo's team sat with the girls as they worked, noting everything they did, keeping them up-to-date with the experiment, asking for clarification, and listening to their views. The experiment began by introducing carefully controlled changes, each of which was continued for a test period of 4 to 12 weeks.

Conclusions of the Hawthorne Experiments

It took Elton Mayo some time to work through the results of his Hawthorne experiments, particularly the seemingly illogical results of the Relay Assembly room experiments. His main conclusion was that the prevailing view of the time, that people went to work purely for money and a living, was deeply flawed. Work was much more. It was first and foremost a group activity in which other people and their behavior, be they colleagues, managers or observers, affected how well people worked. People's morale and productivity were affected not so much by the conditions in which they worked but by the recognition they received. The rises in productivity in the Relay Assembly Room were achieved under the interested eye of the observers not because the conditions made the workers feel good but because the workers felt valued.

Functions / Scope of Management

Management is an all pervasive function since it is required in all types of organized effort. Thus its scope is very large. Scope alternatively can be looked upon as the different functions of management and can be broadly discussed under the following heads:

1. Planning

It is the basic function of management. Planning is determination of courses of action to achieve desired goals. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

2. Organizing

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. Organizing as a process involves:

- Identification of activities
- Classification of grouping of activities
- Assignment of duties
- Delegation of authority and creation of responsibility
- Coordinating authority and responsibility relationships

3. Staffing

It is the function of manning the organization structure and keeping it manned. The main purpose of staffing is to put right man on right job. Staffing involves manpower planning. Training and development, remuneration, performance appraisal, promotions & transfer.

4. Directing

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinates for the achievement of organizational goals.

5. Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational. It consists of measurement of actual performance, comparison of actual performance with the standards and corrective action in case of deviations if any.