

UNIT 1: MANAGEMENT

DEFINITIONS OF MANAGEMENT:

- **Management is an art of getting things done through people – Mary Parker Follet**
- **To manage is to forecast and plan, to organize, to command, to co-ordinate and to Control – Henry Fayol**
- **Management is the art of knowing exactly what you want your men to do and then seeing that they do it in the best and the cheapest way. – F.W Taylor**
- **Management is the creation and maintenance of an internal environment in an enterprise where individuals working in groups can perform efficiently and effectively towards the attainment of group goals, it is an art of getting the work done through and with people in formally organized groups – Koontz and O Donnell**

NATURE OF MANAGEMENT

1. **It is a Universal Activity** : Management is relevant in every sphere of activity. It is relevant in army, government, private household work etc. the work can be done in a more systematic manner with the application of the techniques of management. The material and human resources can be effectively handled and the goal can be attained with maximum efficiency.
2. **It is goal oriented**: Management focuses attention on the attainment of specific objectives. For Ex. a business may aim for a particular level of sales. This can be achieved by proper forecast of sales by planning production by fixing the targets.

3. **It is an Intellectual activity:** the practice of management requires application of mind and intelligence. Every work needs to be properly planned and Execute work has to be assigned to different Individuals and responsible have to be fixed on them. Ex. in a manufacturing unit production finance and marketing are the important activities performed. It has to work in proper co-ordination with the other departments. Then only objectives of the firm can be achieved.
4. **It is a process:** it is process consisting of various stages/ functions. Planning is the starting point of management and control is its last stage.
5. **Management is both art and science:** the practice of science needs knowledge of theory and formulae. But the practice of art requires skill management is social science. It focuses attention on the behavior of individuals and groups. The theoretical knowledge may not help always that time they require skill. Ex if the workers in a factory demand more pay and threaten to go on strike if their demand is not considered. Here the skill of the manager will help to avert the strike then it's theoretical.
6. **It is a social process:** management deals with the behavior of individuals and groups. In a work place individuals work as a team. The behavior of an individual is bound to be different while he is part of a group Eg.: an individual worker may be forced to join a strike program because of the union.
7. **It is an on going activity:** it is a continuous process planning, organizing etc have unlimited use. Management will exist as long as there are human activities.
8. **It is intangible:** it is invisible cannot be seen. But it can be felt.
9. **Management is a Profession:** like medical, law and engineering, management has also come to be recognized as a profession.

NEED AND IMPORTANCE OF MANAGEMENT

1. **Achievement of Group Goals:** Management enables an enterprise to achieve its desired objectives through proper planning and control. It decides what should be done and how. It lays down the long term and short term goals keeping in mind the resources of the enterprise.
2. **Optimum utilization of resources:** Materials, machines and money are the physical factors of production. The efficient use of these resources depends upon the efficiency and motivation of workers. Management makes the workers efficient and motivate through training, supervision and inspiring leadership. Managers guide and motivate workers towards best performance.
3. **Fulfillment of social obligations:** Sound management monitors the environment of business and makes necessary changes in business policies and practices. So as to keep the customers and workers satisfied.
4. **Stability of Management :**it ensures the survival of an organization in a fast changing environment. It coordinates the activities of different departments in an organization and monitors team spirit amongst the personnel
5. **Human development:** Management improves the personality and caliber of people to raise their efficiency and productivity. A good manager serves as a guide to his subordinates. He provides vision and confidence
6. **Meets the challenge of change:** Managers maintain a dynamic equilibrium b/w and enterprise and its development through innovation and creativity.
7. **Integrate various interests:** Each person has his own interests. These interests are different in nature. Management takes steps to integrate various interests to achieve the objectives of an organization

8. **Coordination and team spirit:** All the activities of business are grouped into department wise; management coordinates the activities of different departments and establishes team spirit to achieve the objectives.

SCOPE OF MANAGEMENT:

Management is an all pervasive function hence the scope of management is very large which can be categorized as management functions and specific functional areas.

Scope of management as Management Functions:

- (i) Planning
- (ii) Organising
- (iii) Staffing
- (iv) Directing
- (v) Coordinating
- (vi) Controlling

Scope of management as Functional Areas:

- (i) Production Management
- (ii) Marketing Management
- (iii) Financial Management
- (iv) Personnel Management

FUNCTIONS OF MANAGEMENT:



“Management is a set of principles relating to the functions of planning, organizing, directing, and controlling, and the applications of these principles in harnessing physical, financial, human, and informational resources efficiently and effectively to achieve organizational goals”.

There are basically five primary functions of management. These are:

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Controlling

1.PLANNING :

Planning is future-oriented and determines an organization's direction. It is a rational and systematic way of making decisions today that will affect the future of the company. It is a kind of organized foresight as well as corrective hindsight. It involves predicting of the future as well as attempting to control the events. It involves the ability to foresee the effects of current actions in the long run in the future.

Peter Drucker has defined planning as follows:

“Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge of their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectations through organized and systematic feedback”.

An effective planning program incorporates the effect of both external as well as internal factors. The external factors are shortages of resources; both capital and material, general economic trend as far as interest rates and inflation are concerned, dynamic technological advancements, increased governmental regulation regarding community interests, unstable international political environments, etc. The internal factors that affects planning are limited growth opportunities due to saturation requiring diversification, changing patterns of the workforce, more complex organizational structures, decentralization, etc .

2. ORGANIZING:

Organizing requires a formal structure of authority and the direction and flow of such authority through which work subdivisions are defined, arranged and coordinated so that each part relates to the other part in a united and coherent manner so as to attain the prescribed objectives.

According to Henri Fayol **“To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”**.

Thus the function of organizing involves the determination of activities that need to be done in order to reach the company goals, assigning these activities to the proper personnel, and delegating the necessary authority to carry out these activities in a coordinated and cohesive manner.

It follows, therefore, that the function of organizing is concerned with:

1. Identifying the tasks that must be performed and grouping them whenever necessary
2. Assigning these tasks to the personnel while defining their authority and responsibility.
3. Delegating this authority to these employees
4. Establishing a relationship between authority and responsibility
5. Coordinating these activities.

3. STAFFING:

Staffing is the function of hiring and retaining a suitable work-force for the enterprise both at managerial as well as non-managerial levels. It involves the process of recruiting, training, developing, compensating and evaluating employees and maintaining this workforce with proper incentives and motivations. Since the human element is the most vital factor in the process of management, it is important to recruit the right personnel.

According to Kootz & O'Donnell, “Managerial function of staffing involves manning the organization structure through the proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure”.

This function is even more critically important since people differ in their intelligence, knowledge, skills, experience, physical condition, age and attitudes, and this complicates the function. Hence, management must understand, in addition to the technical and operational competence, the sociological and psychological structure of the workforce.

4. DIRECTING:

The directing function is concerned with leadership, communication, motivation, and supervision so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals.

The leadership element involves issuing of instructions and guiding the subordinates about procedures and methods.

The communication must be open both ways so that the information can be passed on to the subordinates and the feedback received from them.

Motivation is very important since highly motivated people show excellent performance with less direction from superiors.

Supervising subordinates would lead to continuous progress reports as well as assure the superiors that the directions are being properly carried out.

5. CONTROLLING:

The function of control consists of those activities that are undertaken to ensure that the events do not deviate from the pre-arranged plans. The activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations.

According to Koontz & O'Donnell, "Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished".

The controlling function involves:

- a. Establishment of standard performance.
- b. Measurement of actual performance.
- c. Measuring actual performance with the pre-determined standard and finding out the deviations.
- d. Taking corrective action.

All these five functions of management are closely interrelated. However, these functions are highly indistinguishable and virtually unrecognizable on the job. It is necessary, though, to put each function separately into focus and deal with it.

LEVELS OF MANAGEMENT:

Managers in organizations perform various managerial functions like planning, organizing, staffing, directing and controlling and other functions such as production, finance, human resource, and marketing. The levels create a hierarchy in organization structure. The levels of management differentiate different managerial positions in an organization. In other words levels of management are a line of demarcation between various managerial positions in an organization. In large organization three levels of management are identified.

1. Top level Management
2. Middle level Management
3. Lower level Management

Top Level Management:

Top management consists of managers who work at the highest level of hierarchy. It composed of a comparatively small group of people. It is responsible for the overall management of the organization. Managers in this level are generally “ chief executives officers “ ,” president “ , “ vice presidents “ , “ general managers “ , “ managing directors “ etc. though the exact title varies from organization to organization.

Functions performed by the top managers:

1. They lay the objectives, plans, policies and procedures for the organization.
2. They manage the organization by performing the managerial functions of planning, organizing, staffing, directing and controlling.
3. They appoint the executives for middle level i.e. departmental managers.
4. They co – ordinate activities for various departments of the organization.
5. They integrate internal activities of the organization with the external environment. They update the internal environment according to the changes in the external environment (e.g. Technological, Economical, and Social, Political etc.)
6. They assemble the resources needed to put plans in to action.
7. They issue instructions for the preparation of departmental budgets and procedures.
8. They decide the future courses of action taking into consideration economic policies and other social, national, and international factors.
9. They cater the demands of various groups of stakeholder who interact with the organization like government, consumers, creditors, suppliers, owners, employees etc. and try to harmonize their goals with organizational goals.

Middle Level Management:

Middle manager consist of departmental heads that receive broad overall strategies and policies from top managers and translate them in to specific goals and plans for first line managers to implement.

Functions performed by the middle managers:

1. They lay the goals, plans and policies for their respective departments and ensure their successful accomplishment
2. They balance the demands of superiors with the capabilities of subordinates. They observe the activities of lower managers and report them to the top managers.
3. They participate in employment and training of lower level management.
4. They coordinate the activities within their division and department.
5. They send important reports and important data to top management and evaluate the performance of junior managers
6. They inspire lower level managers towards the better performance.
7. They motivate subordinates for higher productivity and award them for their outstanding performance.

Lower level Management:

It is also called as operational level management. It consists of first -line managers or supervisors. They serve as link between middle – level managers and non –managerial employees.

Functions performed by lower level managers: Lower level managers perform following functions –

1. They supervise the activities of employees, issue instructions and help them execute those instructions.
2. They coordinate the work of employees with the organizational resources (financial and non – financial).
3. They train employees to perform better to ensure smooth conduct of business operations.
4. They evaluate the performance of employees and send their reports to higher – level managers.
5. They plan day – to – day operations of the business and do not deal with the outside world.
6. They assign works and tasks to various workers. They also provide training to the workers.

7. They are responsible for the quality and quantity of the production.
8. They help to solve the grievances of the workers.
9. They ensure safety of tools, machines and equipments on which workers perform the operations.
10. They create the sense of belongingness amongst workers which helps in building the image of enterprise.

MANAGERIAL ROLES:

Management expert Professor Henry Mintzberg has argued that a managers work can be boiled down to ten common roles. According to Mintzberg, these roles of manager falls into three categories.

1. Informational (managing by information)
2. Interpersonal (managing through people)
3. Decisional (managing through action)

1.Informational

Within this sphere, managers act as conduits of information, adept at collecting, processing, and disseminating vital data that facilitates informed [decision-making](#). This category encompasses three primary informational roles:

- **Monitor:** [Managers](#) diligently observe their environment, staying attuned to internal and external developments that may impact their organization.
- **Disseminator:** Managers share pertinent information with their teams and other stakeholders, ensuring that everyone possesses the essential knowledge required for their roles.
- **Spokesperson:** Managers represent their organization by communicating its goals, policies, and actions to external parties, such as the media, government entities, and the public.

2. Interpersonal

These roles revolve around a manager's interactions and relationships, both within and beyond the organization. Within this category, managers undertake three primary roles:

- **Figurehead:** Managers serve as symbolic leaders, representing their organization through ceremonial duties and the embodiment of its values.
- **Leader:** Managers assume the vital responsibility of guiding and motivating their teams, making pivotal decisions, and providing support to their staff.
- **Liaison:** Managers establish and nurture networks and relationships, fostering connections within and outside their organization to gather crucial information and access valuable resources.

3. Decisional Roles:

In this domain, managers engage in the critical process of making choices and resolving issues within the organization. Four primary decisional roles encompass this dimension:

- **Entrepreneur:** Managers identify opportunities and champion innovative projects or improvements within their organization.
- **Disturbance Handler:** When conflicts or crises emerge, managers adeptly address them to maintain organizational stability and harmony.
- **Resource Allocator:** Managers allocate resources, including budgets, time, and personnel, strategically to various projects and initiatives, aligning them with organizational objectives.
- **Negotiator:** Managers skillfully navigate negotiations, whether internally, with employees or departments, or externally, with other organizations or stakeholders, to secure agreements and resolve conflicts.

