

Unit - 1
NATURE AND SIGNIFICANCE OF MANAGEMENT

Meaning/concept of management:

Management is the **process** of getting things done with the aim of achieving goals **effectively** and **efficiently**.

Process: means primary **functions** or **activities** that mgt performs to get things done. These functions are **planning,organing, staffing, directing** and **controlling**. [POSDC]

Effectiveness: means **completing** the right **task** to achieve the goal **within time**.

Efficiency: means completion of task **using minimum resources**.

Features or Characteristics of management

My Charming Dad Is Giving Grand Party (MCD G2P)

- a) Multidimensional - Management of Work, Management of People, Management of Operation
- b) Continuous process- All functions have to perform all the time means always **keep on going**,
- c) Dynamic- **adapt itself to the changing environment**.
- d) Intangible force-**cannot be seen** can only feel the results.
- e) Goal oriented-main objective is to **achieve organizational goals**.
- f) Group activity- **group work, teamwork, coordination**
- g) Pervasive - **Present everywhere**

Functions of management:

- a) **Planning** - Setting objectives and targets and formulating an action plan of **what is to be done, how to be done and when to do it**

- b) **Organising** - **Assignment of duties**, task, establishment of **authority and responsibility Relationship**, allocating the resource required to perform the planned task.
- c) **Staffing**-**Finding and placing the right person at the right job at the right time.**
- d) **Directing** - **Leading, influencing, motivating** the staff chosen to perform the assigned task efficiently and effectively.
- e) **Controlling** - **Ensuring/Monitoring the activities** in an organization are performed as per the plan.

Management objectives

1. **organizational objectives:**

- a) **Survival:** - Ensure that the organization **survives** and exists in the future.(
able to cover up its costs)
- b) **Profit Maximization:** - Earning **adequate profit** in order to survive and grow.
- c) **Growth:** - Growth indicates how well it exploits the potential opportunities. (**extension. Opening new branches**)

2. **Social objectives:**

- a) Producing quality products at reasonable rates,
- b) Generating employment opportunities
- c) Environmentally friendly methods of production. etc.

3. **Personal objectives:**

- a) Meeting the Financial needs like competitive salaries and perks
- b) Social and safety needs of the employees
- c) Providing healthy working conditions
- d) More opportunities for growth and development

Importance/ Significance of management

(GDP depends upon **Efficient Society**)

- a) Achieving **Group Goals**
- b) **Dynamic** organization- change in env.

- c) Achieving **Personal** objectives- related to employees
- d) Increases **efficiency**
- e) Development of **society**- good mgt- profit maximization- new branches- employment generate- development of society

Levels of Management-(Three Levels)

The authority-responsibility relationship binds individuals as superiors(Boss) and subordinates(employees) and gives rise to different levels of managements in an organization. These are—

Top Level Management - Example- CEO, Board of directors, MD, President & chairman, General Manager

Functions:

- Decide overall objectives of the organization.
- To make overall plan.
- Provide various resources
- Decide policies
- Responsible for the welfare and survival of the organization
- They analyze the business environment
- Responsible for all the activities of the business and for its impact on society

Middle/ Operation Level Management - Example- Departmental heads such as purchase manager, Operations manager, production manager, marketing manager & plant superintendent etc. Divisional heads

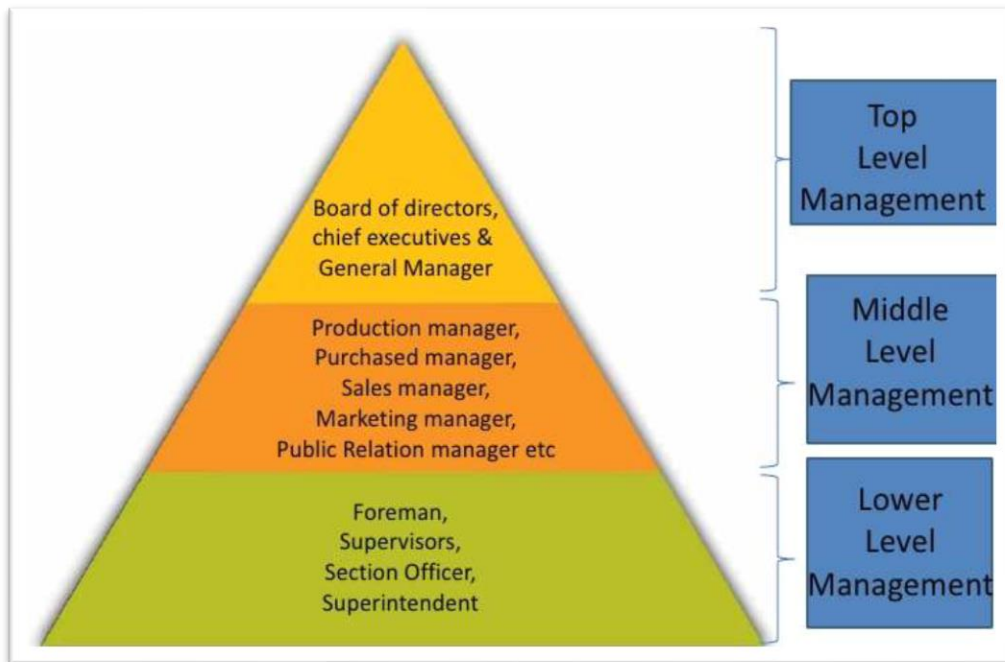
Functions:

- To implement plan and policies.
- To assist top management.
- To assign job to subordinates.
- To recruit employees for their respective departments
- To motivate them to achieve desired objectives
- To co-operate with other departments for smooth functioning of the organization

Lower/Supervisory/ Operational level Management - Example- Foremen, Inspectors, Supervisors etc.

Functions:

- To arrange raw materials, tools and other facilities.
- To ensure about the performance of workers
- To ensure safety and security of workers
- To interact with the actual workspace and pass on instructions of the middle management
- To checks their efforts quality of output is maintained and wastage of materials is minimized



NATURE OF MANAGEMENT

As an Art:

Features of Art

ACRONYM- CAT

- Based on practice and **Creativity**
- Personalized **Application**
- Existence of **Theoretical knowledge**

As a Science:

Features of Science

ACRONYM- USP

- **Universal validity**
- Arranged, organized **systematic body of knowledge**
- **Principles** arrived after experimentation

As a Profession:

Features of Profession

- Well defined **body of knowledge**.
- Existence of **code of conduct**
- **Professional association**
- **Restricted entry**
- **Service motive**

Management is Art, Science or Profession...

Management as an Art	Management as a Science	Management as a Profession
<i>Art implies personal application of knowledge with skill and creativity to achieve desired results</i>	<i>Science can be defined as a systematic body of knowledge pertaining to a specific field of study. It contains principles and facts which explain a phenomenon</i>	<i>Profession can be defined as an occupation backed by specialized knowledge and training.</i>

<p>Features of Art: 1.Existence of theoretical knowledge 2.Personalized Application: (use of basic knowledge varies from individual to individual.) 3.Based on practice and Creativity: (Involves creative practice of existing theoretical knowledge)</p>	<p>Features of science: 1.Systematic body of knowledge: (that establish cause and effect relationship.) 2.Principles based on experiments: (under controlled conditions) 3.Principles have universal validity 4.Principles establish cause and effect relationship.</p>	<p>Features of a Profession 1.Body of knowledge: 2.Restricted entry (thro examination or education) 3.Professional association 4.Ethical code of conduct (that guides the behaviour of its members) 5.Service motive (by rendering dedicated and committed services)</p>
<ul style="list-style-type: none"> • There is a lot of literature available in various areas of mgt such as mkt, finance etc. • Managers apply these management theories in their unique manner depending on their practice, imagination, initiative and innovation. • Manager applies this acquired knowledge in a personalized and skilful manner in the light of the realities of a given situation giving rise to different styles of mgt. 	<ul style="list-style-type: none"> • There is a lot of literature available in various areas of mgt such as mkt, finance etc. • Principles of management are based on repeated experiments and observations. But since management deals with human behaviour, outcomes may not always be accurately predicted/replicated. • Principles of mgt are not exactly applicable universally. They must be modified according to situations. 	<ul style="list-style-type: none"> • There is a lot of literature available in various areas of mgt such as mkt, finance etc. • No restriction on appointment of managers. But professional knowledge and training are desirable. • There are associations such as AIMA and they lay down a code of conduct, but membership is not compulsory. • Stated goal of organisations and management is profit maximization but effective and efficient management also serve society by providing quality goods at reasonable prices.
<p>Conclusion: All the features of art are present in management and are</p>	<p>Conclusion: Management satisfies some of the features of science but not all.</p>	<p>Conclusion: Management satisfies some of the features of profession but not all.</p>

<p>broadly fulfilled, so we can say that management is an art.</p> <ul style="list-style-type: none"> • It is the art of getting work done by others. • It is, however, not a Fine Art like painting or music 	<ul style="list-style-type: none"> • <i>Inexact/social/soft/behavioural science.</i> • Concerned with human behaviour which can 't be studied under controlled experiments and can 't be predicted with absolute accuracy. 	<p>So, we can mgt is not full-fledged profession but treated as emerging profession as-</p> <p>Till now there is no professional association at national level to implied code of conduct for managers uniformly.</p>
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Coordination (Very Important)

It is the synchronization/ integration of various activities and efforts in an organization providing the Required amount of quality, timing and sequence; thus ensuring the achievement of the planned goal with minimum cost.

Features of coordination:

Integrates Group Effort- Coordination unifies unrelated or diverse interests into purposeful work activity. It gives a common focus to group effort to ensure that performance is as it was planned and scheduled.

Ensures unity of action- The purpose of coordination is to secure unity of action in the realisation of a common purpose.

It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.

You have observed that at Fabmart, the production and sales department must coordinate their work, so that production takes place according to the demand in the market.

It is a Continuous Process- Coordination is not a one-time function but a continuous process. It begins at the planning stage and continues till controlling.

Suhasini plans her winter collection in the month of June itself. She must then ensure that there is adequate workforce and continuously monitor whether production is proceeding according to plans.

Her marketing department also must be briefed in time to prepare their promotional and advertising campaigns

It remains the function and responsibility of every manager- Top level managers need to coordinate with their subordinates to ensure that the overall policies for the organisation are duly carried out.

Middle level management coordinates with both the top level and first line managers.

Operational level management coordinates the activities of its workers to ensure that work proceeds according to plans.

Coordination is a deliberate function- A manager must coordinate the efforts of different people in a conscious and deliberate manner.

Even where members of a department willingly cooperate and work, coordination gives a direction to that willing spirit.

Cooperation in the absence of coordination may lead to wasted effort and coordination without cooperation may lead to dissatisfaction among employees.

Importance of coordination

- Ensures unity of action
- Reduces interdepartmental conflicts
- Promotes harmonious implementation of plans
- Helps in maintaining a high degree of morale amongst employees