

## **1. MANAGEMENT OVERVIEW**

### **CONCEPT OF MANAGEMENT**

#### **Management as a Discipline:**

*Discipline refers to a field of study having well-defined concepts and principles. When we refer to management as a discipline, we include in it the various relevant concepts and principles. Management prescribes various principles and how these principles can be applied in managing organization.*

#### **Management as a Group of People/ Team:**

*As a Group of people or team, Management consist all those individuals who perform managerial functions in organization. All those individuals distinguish into two categories. In the first category, all those persons who are responsible for managerial functions and in the second category, includes non-managerial persons.*

#### **Management as a Process:**

*As a process, management refers to a series of inter-related functions.*

- a) Defining the aim or objectives of the organization,*
- b) Formulating policies, procedures, programmes etc to attain these objectives.*
- c) Bringing together men, money, materials, machinery and other factors of production.*
- d) Assigning work or duties to people and defining their authority and responsibility.*
- e) Guiding and inspiring people to perform the assigned tasks as planned; and*
- f) Exercising control over the performance of people.*

### **NATURE OF MANAGEMENT**

#### **1. Universal:**

*Management is a universal. However, management is required in every form of group activity whether it is a family, a club, a government, an army or business enterprise. The fundamental principles of management are applicable in all areas of organized efforts. Manager at all levels perform same basic functions.*

## **2. Multidisciplinary:**

*Management depends upon wide knowledge derive from several discipline like engineering, sociology, psychology, economics, mathematics etc. The vast body of knowledge in management draws heavily upon other fields of study. Management integrates the ideas and concepts taken from these discipline and presents new concepts which can be put into practice for managing the organization*

## **3. Dynamic Nature of Principles / Situational:**

*Efficient management is always situational because there is no best way of doing things. Management has framed certain principles and these principles are flexible in nature and change with the changes in the environment or situation in the organization. Continuous researches are being carried on to establish principles in changing society and no principle can be regard as final truth.*

## **4. Relative, not absolute Principles:**

*Each organization may be different from others. The difference may be exist because of time, place, socio-cultural factors etc. However, individuals working within the same organization may also differ. Thus management principles have different strengths in different conditions.*

## **5. Intangible:**

*Management is an unseen or invisible force. It cannot be seen but its presence can be felt everywhere in the form of results. However, the managers who perform the functions of management are very much tangible and visible.*

## **6. Science as well as Art:**

*Management contains a systematic body of theoretical knowledge as well as practical application of such knowledge. A balance between two is needed.*

## **7. Profession:**

*Management can be categorized as a profession, it is a controversial issue. Management has been regarded as a profession by many while many have suggested that it has not achieved the status of a profession. Generally, an activity which possesses the following five characteristic is known as profession ; (a) a well define and organized body of knowledge (b) formal training (c) Ethical code of conduct (d) Recognized National Body and (e) Service motives.*

## **IMPORTANCE/ SIGNIFICANCE OF MANAGEMENT**

*Management has become crucial not only for the organization but for society too. Even classical writers on management have recognized its importance long back.*

### **1. Effective Utilization of Resources:**

*Management tries to make effective utilization of various resources. The resources are scarce in nature and to meet the demand of the society, their contribution should be maximum for the general interests of the society. Management not only decides in which particular alternatives particular resources should be used. But also takes actions to utilize it in that particular alternative in the best way.*

### **2. Development of Resources:**

*Management develops various resources. This is true for human as well as non human factors. Lawrence Appley has emphasized that management is the development of people. However, most of the researches for resource development are carried on in an organized way and management is involved in these organized activities. Thus, through the development of resources, management improves the quality of lives of people in the society.*

### **3. To Incorporate Innovations:**

*Today, changes are occurring at a very fast rate in both technology and social process and structure. These changes need to be incorporated to keep the organizations alive and efficient. Business organizations are moving from primitive to sophistication. Therefore, they require high degree of specialization, high level of competence, and complex technology. All these require efficient management so that organizations work in the most efficient way.*

### **4. Integrating Various Interest Groups:**

*In a business Organization, there are various groups such as shareholders, employees, government etc. These interest groups have pressure on an organization. In a more advanced and complex society, more such pressure is on the organization. Management has to balance these pressures from various interest groups.*

### **5. Stability in the Society:**

*Management provides stability in the society by changing and modifying the resources in accordance with the changing environment of the society. In the modern age, more emphasis is on new inventions for the betterment of human beings. These inventions make old systems and factors mostly obsolete and inefficient. Management provides integration between traditions and new inventions, and safeguards society from the unfavorable impact of these inventions so that continuity in social process is maintained.*

## **FUNCTIONS OF MANAGEMENT**

### **1. Planning:**

*Planning is the most basic or primary function of management. Planning includes determination of specific objectives, setting policies and procedure, determining program and preparing budget. Planning enables the manager to anticipate problems before they actually arise. Planning emphasizes the fact that if we know where we are going, we are more likely to be there. Planning helps management to be ready to face problems likely to arise.*

### **2. Organizing:**

*Once plans are formulated, the next step is that of organizing. Organizing is to prepare an organization structure by delegating of authority and responsibility. This is done by identifying the activities of business and separate them into departments, put them in charge of specific groups of individuals and define the relationships among different groups for effective performance.*

### **3. Staffing:**

*Staffing is the process of filling all positions in the organization with adequate and qualified personnel. Staffing includes identifying the gap between manpower required and available, identifying the sources from where people will be selected, selecting people, training and developing them, fixing financial compensation, appraising them periodically etc. There is a controversy whether staffing function is to be performed by all managers in the organization or it is to be handled by personnel department. The controversy can be settled because staffing function is too complicated and time consuming, so some processes are completed by personnel department.*

### **4. Directing:**

*When people work in organization, they must know what they expected to do in the organization, so Directing is the managerial function which guiding, supervising, motivating and leading people towards the attainment of planned targets of performance. The function spread over different heads of departments. Each head is in charge of, and responsible for, his particular group or department.*

### **5. Controlling:**

*Controlling is the last in the sequence of managerial function but not the least in management. Controlling involves identification of actual results, comparison of actual results with expected results as set by planning process, identification of deviation between the two, if any, and taking of corrective action so that actual results match with expected results.*

## **LEVEL OF MANAGEMENT**

Many managers work in an organization. However, these managers do not work at the same level. They work and operate at different positions. Hierarchy of these managerial positions is called Levels of Management. The number of levels in management increases when the size of the business and work force increases and vice versa. The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position. The levels of management can be classified in three broad categories: -



### **1. Top Level of Management**

It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows -

- a. Top management lays down the objectives and broad policies of the enterprise.
- b. It issues necessary instructions for preparation of department budgets, procedures, schedules etc.
- c. It prepares strategic plans & policies for the enterprise.
- d. It appoints the executive for middle level i.e. departmental managers.
- e. It controls & coordinates the activities of all the departments.
- f. It is also responsible for maintaining a contact with the outside world.
- g. It provides guidance and direction.
- h. The top management is also responsible towards the shareholders for the performance of the enterprise.

## **2. Middle Level of Management**

Middle level consists of branch managers and departmental managers. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions. In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management. Their role can be emphasized as -

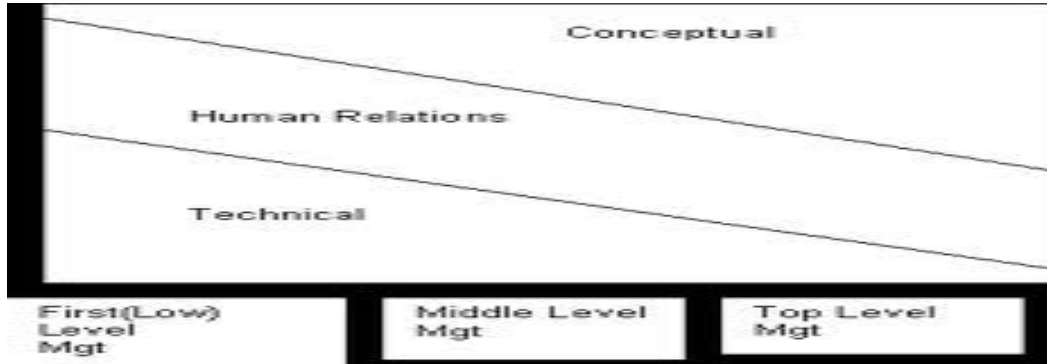
- a. They execute the plans of the organization in accordance with the policies and directives of the top management.
- b. They make plans for the sub-units of the organization.
- c. They participate in employment & training of lower level management.
- d. They interpret and explain policies from top level management to lower level.
- e. They are responsible for coordinating the activities within the division or department.
- f. It also sends important reports and other important data to top level management.
- g. They evaluate performance of junior managers.
- h. They are also responsible for inspiring lower level managers towards better performance.

## **3. Lower Level of Management**

Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc. They are concerned with direction and controlling function of management. Their activities include -

- a. Assigning of jobs and tasks to various workers.
- b. They guide and instruct workers for day to day activities.
- c. They are responsible for the quality as well as quantity of production.
- d. They are also entrusted with the responsibility of maintaining good relation in the organization.
- e. They communicate workers problems, suggestions, and recommendatory appeals etc to the higher level and higher level goals and objectives to the workers.
- f. They help to solve the grievances of the workers.
- g. They supervise & guide the sub-ordinates.
- h. They are responsible for providing training to the workers.
- i. They arrange necessary materials, machines, tools etc for getting the things done.
- j. They prepare periodical reports about the performance of the workers.
- k. They ensure discipline in the enterprise.
- l. They motivate workers.
- m. They are the image builders of the enterprise because they are in direct contact with the workers.

## MANAGEMENT SKILLS



### **Technical Skill:**

*The skill which can be acquired through training and experience and which give expertise in a specific kind of activity is called technical skill. Technical skill refers to the ability and knowledge in using the equipment, technique and procedure involved in performing specific tasks. Ability in programming and operating computer is a technical skill. Technical skills are most important for lower level managers, because these managers supervise the workers who produce products or serve customers. Team leaders and first-line managers need technical knowledge and skills to train new employees and help employees solve problems. Technical skills become less important as managers rise through the managerial ranks, but they are still important.*

### **Human Skill:**

*Human skills consist of the ability to work effectively with other people both as individuals and as members of a group. These are required to win co-operation of others and to build effective work teams. Human skills are equally important at all levels of management, from lower level supervisors to top level CEOs because human being work at every level.*

### **Conceptual Skill:**

*Conceptual skill is the ability to see the enterprise as a whole. It is an ability to recognize how various functions of an enterprise depend on one another and how changes in any one part affect all the others. It extends to visualize the relationship of the individual business unit to industry, community, political, social and economic force of the nation as a whole. Conceptual skill increases in importance as level rise in the management hierarchy.*

**“Technical skill deals with things, Human skill deals with people and Conceptual skill deals with idea.”**

## **MANAGEMENT ROLES**

**1. Figurehead:**

*In this role of manager performs symbolic duties required by the status of his office. Making speeches, welcoming official visitors, distributing gifts to retiring employees etc are the examples of formal and social duties.*

**2. Leader:**

*This role defines the manager's relationship with his own subordinates. This role involves leading his subordinate and motivating them for willing contribution.*

**3. Liaison:**

*In this role, the manager serves as a connecting link between his organization and outsiders or between his unit and other organizational units. The major objective of this role is to maintaining a link between the organization and its external environment.*

**4. Monitor:**

*In this role, manager constantly collects information about those factors which affects the activities. Such factors may be within the organization as well as outside it.*

**5. Disseminator:**

*The manager distributes information to his subordinates who may otherwise not be in a position to collect it. The information relates to internal operations and the external environment.*

**6. Spokesperson:**

*Manager represents his organization or unit while interacting with outsiders. These may be customers, financiers, government, suppliers etc.*

**7. Entrepreneur:**

*It involves initiating change or acting as a change agents. For example, a manager decides to launch a feasibility study for setting up a new plant.*

**8. Disturbance Handler:**

*This refers to taking charge when the organization faces a problem or crises. A manager handles conflicts, complaints and competitive actions.*

**9. Resource Allocator:**

*Manager allocates resources – human, physical and financial to various organizational units according to the needs.*

**10. Negotiator:**

*Manager bargain with different interest groups like supplier, employees, outside agencies etc.*



## **DIFFERENCE BETWEEN ADMINISTRATION & MANAGEMENT**

### **Nature of work**

- *Administration: It is concerned about the determination of objectives and major policies of an organization.*
- *Management: It puts into action the policies and plans laid down by the administration.*

### **Type of function**

- *Administration: It is a determinative function.*
- *Management: It is an executive function.*

### **Scope**

- *Administration: It takes major decisions of an enterprise as a whole.*
- *Management: It takes decisions within the framework set by the administration.*

### **Level of authority**

- *Administration: It is a top-level activity.*
- *Management: It is a middle level activity.*

### **Nature of status**

- *Administration: It consists of owners who invest capital in and receive profits from an enterprise.*
- *Management: It is a group of managerial personnel who use their specialized knowledge to fulfill the objectives of an enterprise.*

### **Nature of usage**

- *Administration: It is popular with government, military, educational, and religious organizations.*
- *Management: It is used in business enterprises.*

### **Decision making**

- *Administration: Its decisions are influenced by public opinion, government policies, social, and religious factors.*
- *Management: Its decisions are influenced by the values, opinions, and beliefs of the managers.*

### **Main functions**

- *Administration: Planning and organizing functions are involved in it.*
- *Management: Motivating and controlling functions are involved in it.*

### **Abilities**

- *Administration: It needs administrative rather than technical abilities.*
- *Management: It requires technical activities*

*Management handles the employers.*

*Administration handles the business aspects such as finance.*