

06/04/19

Chapter :- 1

Nature and Significance of Management

Management :-

Management is an activity which is necessary whenever there is a group of people working in an organisation.

Management may be defined as a process of working with and through others with the aim of achieving goals effectively and efficiently.

Management may be defined as function of planning, organising, staffing, directing and controlling.

Effectiveness :- Effectiveness in management is concerned with doing the right task completing activities and achieving goals.

Efficiency :- It means doing the right task with minimum cost. There is a kind of cost benefit analysis involved and the relationship between inputs and outputs.

Characteristics of Management :-

- ① **Goal oriented process** :- An organisation has a set of basic goals which are the basic reasons for its existence. These should be simple and clearly stated. Different organisations have different goals.



② Requisite :- The activities involved in managing an enterprise are common to all organisations whether economic, social, political.

③ Multidimensional :- All organisations ex

* Management of work :- All organisations exist for the performance of some work. Eg. In a factory product is manufactured in a factory a product is destined to Management through the work in terms of goals to be achieved and assign all means to achieve it.

* Management of people :- Human resources are greatest asset for any organisation. It implies dealing with employees with their need and behaviour. It also means dealing with individuals as a group of people.

* Management of operations :- Every organisation has some basic product or service to provide in order to survive. This requires a production process in which input material are converted into output material.

④ Non-continuous Process :- The process of management is a series of continuous functions performed by all managers all the time.

⑤ Group activity :- An organisation is a collection of diverse individuals with

different needs but as members of the organisation they work towards fulfilling the common organisational goals, this requires team work.

⑥ Dynamic & Function :- Management is a dynamic function and has to adapt itself to the changing environment.

⑦ Intangible force :- Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions.

Objectives of Management :-

Management seeks to achieve certain objectives. It can be classified into :-

- i) Organisational objective
- ii) Social objective
- iii) Personal objective

Organisational objective :-

Management is responsible for setting and achieving objectives of the organisation.

a) Survival :- The basic objectives of any business is survival in order to survive and an organisation must earn enough resources to survive.



1) Profit :- the survival is not enough. the business management has to ensure that the organisation makes a profit.

2) Growth :- business needs to add to its prospects in the long run. Growth of a business can be measured in terms of sales volume increase in the number of employees.

Social objective :- When profit & society every organisation has a social obligation to fulfill.

* Providing better quality goods at minimum price.
* Giving job to opportunity to disadvantaged section of society.
* Using environment friendly method of production.

General objectives :- Organisations are made up of people who have different personalities background exposures and objectives some objectives are as follows :-

- 1) Satisfaction of employees and people.
- 2) Better communication.
- 3) Personnel growth and development.
- 4) Healthy working atmosphere.

Importance of management :-

1) Helps in achieving group goals :- Management is required not for

itself but for achieving the goals of the organisation. The role of manager is to give a common direction to the individual effort in achieving the organisational goals.

2) Management increases efficiency :- The aim of the manager is to reduce cost and increase productivity by adopting advance technology and better method of production.

3) Creates a dynamic organisation :- All organisations have to function in an environment which is constantly changing. It is generally seen that individual in an organisation resist change.

Management helps people adapt to these changes as that organisation is able to maintain its competitive edge.

4) Helps in achieving personal objective :- If manager and leads his team through motivation and leadership the management helps the individual team about self esteem and commitment to group success.

5) Helps in the development of society :- An organisation exists to serve the purpose of the society. It helps in the development of the society by providing good quality products and services.

and create employment opportunities.

Nature of management:-

Some authors regard management as science because there are well ~~fixed~~ ^{fixed} and efficient principles of management. Some authors describe management as an art because more practice is required in management and some authors considered that management is going towards the path of profession.

i) Management as a science:- Science can be defined as a systematic body of knowledge based on logically derived findings from past events.

Main characteristics of science:-

- i) Systematic body of knowledge
- ii) Principles are based on experimentation.
- iii) Universal validity.

Management as an art:-

- i) Systematic body of knowledge existence of structural knowledge,
- ii) Personalized abstractions
- iii) Basis on practice and creativity.

Management both science and art:-

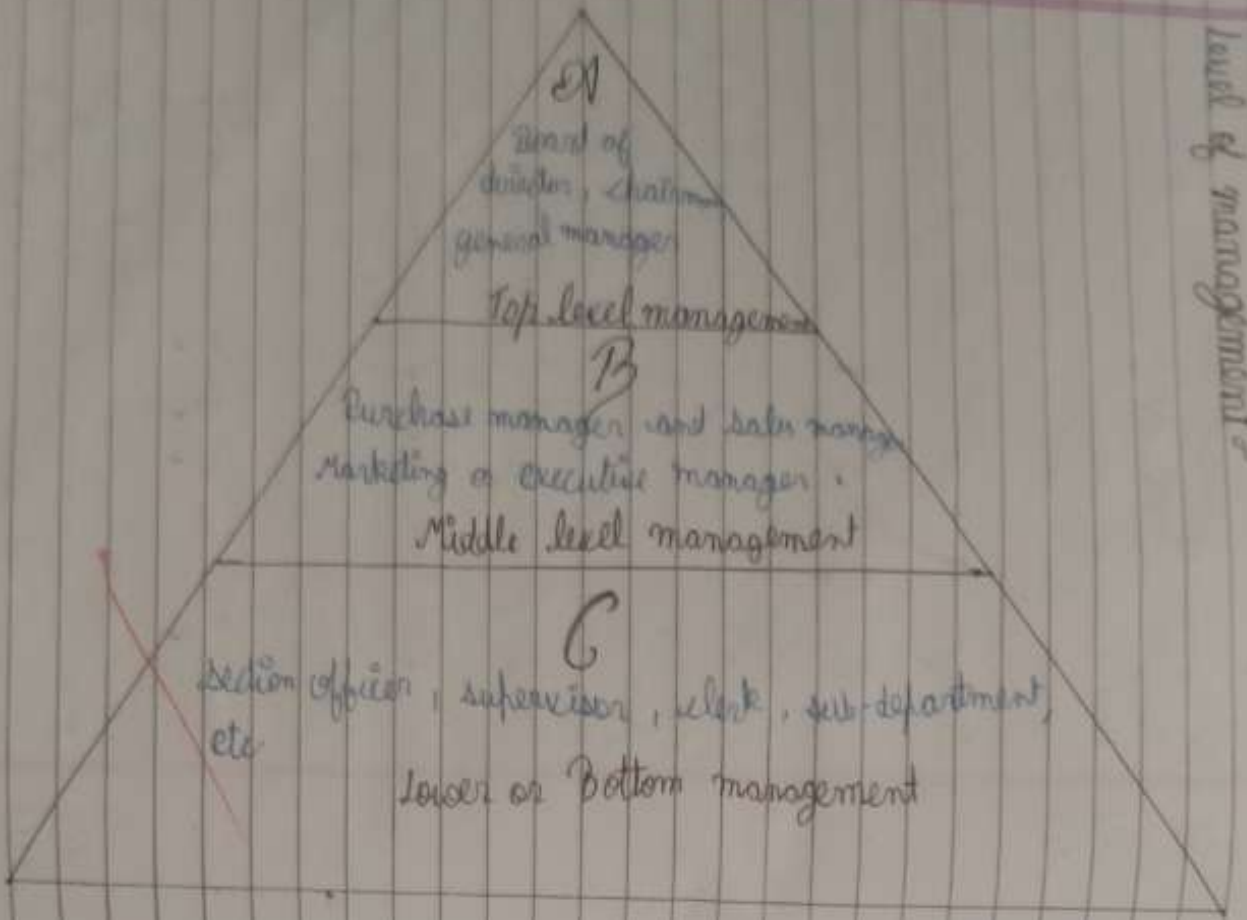
Management is both science as well as art-like science it has systematic and well organized body of knowledge and like art it requires personal touch, creativity and practice to apply but as knowledge is the best possible way science and art are not in contrast so each other both exists in every function of management.

Management as profession:- Profession can be defined as an occupation specialised knowledge and training in which entry is restricted.

Main features of profession are:-

- i) Well-defined body of knowledge
- ii) Restricted entry
- iii) Presence of professional association
- iv) Existence of ethical code
- v) Service motive

Level of management:-



i) Top level management function:-

- Determining the objectives of enterprise.
- Forming of plans and policies.
- Organising activities to be performed by those working at middle level.
- Assembling all the resources such as finance, land assets.
- Responsible for welfare and survival of the organisation.
- Working with outside world for e.g., making government official.
- To integrate diverse elements and coordinate activities.
- Analyse business environment and its implications.

Functions of management:-

ii) Middle level management function:-

- Interpretation of policy to lower level.
- Organising activities of department.
- Requirement recruitment and selection of employees.
- Motivating people to perform to their best.
- Controlling and instruction employees.
- Dealing with other department.
- Implementing the plans of company.

iii)

Lower supervisory level management function:-

- Representing the presence of workers.
- Good working condition.



- c) Supply of workers.
- d) Working as middle level management and selection.
- e) Welcome suggestion of workers.
- f) Maintaining quality standards.
- g) Fixing the moral of workers.
- h) Minimizing the wastage of material.

Functions of management:-

- i) Planning
- ii) Organizing
- iii) Staffing
- iv) Directing
- v) Controlling

Coordination :-

Apart from these five functions, there is one more important function which every manager has to perform. This is called coordination. It is not only a function but it is the essence of management.

* Coordination the essence of management :-

Coordination brings unity of actions and integrates different activities of organisation. Coordination is considered as the essence of management because of following reason.

- (i) When top management plans for whole organisation based on plans then organisation structure is developed. Staff is required selected and trained as per organisation structure and plan.
- (ii) To ensure right direction of plans, direction are given.
- (iii) Controlling ensures there is no discrepancy between plan and actual performance.

* Coordination is required at all level *

* Coordination is most important function of an organisation.

Nature / Features of Coordination :-

- i) Coordination integrated great efforts.
- ii) Ensure unity of efforts.
- iii) Continuous process.
- iv) Coordination is a pervasive function.
- v) Coordination is the responsibility of all managers.
- vi) Coordination is the delicate function.

Importance of coordination :-

- Growth in size
- Functional differentiation.
- Specialisation