

Nature And Significance Of Management

Management is the art of getting things done through others. Management can be defined as, the process of getting things done to achieve goals effectively and efficiently.

Efficiency and Effectiveness

Efficiency means doing the task correctly at minimum cost while effectiveness means completing the task correctly. Although Efficiency and effectiveness are different they are interrelated. It is important for management to be both i.e. effective and efficient.

Example: A business produces targeted 1000 units but at a higher cost is effective but not efficient. Therefore if the business has to be effective and efficient then it has to produce 1000 units within cost.

Characteristics of Management

1. **Goal-oriented Process:** It is a goal-oriented process, which is undertaken to achieve already specified and desired objectives.
2. **Pervasive:** Management is pervasive. It is used in all types of organizations whether economic, social, or political, and at every level.
3. **Multidimensional:** It is multidimensional as it involves the management of Work, People, and operations.
4. **Continuous:** It is a continuous process i.e. its functions are being performed by all managers simultaneously. The process of management continues until an organization exists for attaining its objectives.
5. **Group Activity:** It is a group activity since it involves managing and coordinating activities of different people as a team to attain the desired objectives.
6. **Dynamic function:** it is a dynamic function since it has to adapt to the changing environment.
7. **Intangible Force:** It is an intangible force as it cannot be seen but its effect is felt in the form of results like whether the objectives are met and whether people are motivated or not.

Objectives of management

- (A) Organizational objectives of Survival (Earning enough revenues to cover the cost); Profit (To Cover cost and risk); & Growth (To improve its Prospects).
- (B) Social Objectives of giving benefits to society like using environmentally friendly practices and giving employment to disadvantaged sections of society etc.
- (C) Personal Objectives because diverse personal objectives of people working in the organization have to be reconciled with organizational objectives.

Importance of management

- (1) **Achieving Group Goals:** Management helps in achieving group goals. Managers give common direction to the individual effort in achieving the overall goal of the organization.
- (2) **Increases Efficiency:** Management increases efficiency by using resources in the best possible manner to reduce cost and increase productivity.
- (3) **Creates Dynamic Organisation:** Management helps in creating Dynamic organization which could adopt changing situations easily.
- (4) **Achieving Personal Objectives:** Management helps in achieving the objectives of individuals working in the organization.
- (5) **Development of Society:** Management helps in the development of society by producing good quality products, creating employment opportunities, and adopting new technology.

Management as an Art

Art refers to skillful and personal application of existing knowledge to achieve desired results. It can be acquired through study, observation, and experience. The features of art are as follows.

- (1) **Existence of theoretical knowledge:** In every art, systematic & organized study material should be available compulsorily to acquire theoretical knowledge.
- (2) **Personalized application:** The use of basic knowledge differ from person to person and thus, art is a very personalized concept.
- (3) **Based on practice and creativity:** Art involves the creative practice of existing theoretical knowledge. All the features of art are present in management so it can be called an art.

Management as a science

Science is a systematized body of knowledge that is based on general truths that can be tested anywhere, anytime. The features of science are as follows

- (1) **Systematized body of knowledge:** Science has a systematized body of knowledge based on principles and experiments.
- (2) **Principles-based on experiments & observation:** Scientific principles are developed through experiments and observations.
- (3) **Universal Validity:** Scientific principles have universal validity and application. Management has a systematic body of knowledge and its principles are developed over some time based on repeated experiments & observation, which are universally applicable.

As the principles of management are not as exact as the principles of pure science, so it may be called inexact science.

Management as a profession :

Profession means an occupation for which specialized knowledge and skills are required. The main features of a profession are as follows.

- (1) **Well defined body of knowledge:** All the professions are based on a well-defined body of knowledge.
- (2) **Restricted entry:** The entry in every profession is restricted through examination or some minimum educational qualification.
- (3) **Professional Associations:** All professions are affiliated to a professional association that regulates entry and frame code of conduct relating to the profession.
- (4) **Ethical code of conduct:** All professions are bound by a code of conduct which guides the behavior of its members
- (5) **Service Motive:** The main aim of a profession is to serve its clients.

Management does not fulfill all the features of a profession and thus it is not a full-fledged profession.

Levels of Management: Top, Middle, and operational levels.

Top Level

Consists of Chairperson, Chief Executive Officer, Chief Operating Officer, or equivalent and their team. The chief task is to integrate and to coordinate the various activities of the business, framing policies, formulating organizational goals & strategies.

Middle Level

Consists of divisional heads, Plant Superintendent and Operations Manager, etc.

The main tasks are to interpret the policies of the top management, to ensure the availability of resources to implement Policies & to coordinate all activities, ensure the availability of necessary personnel & assign duties & responsibilities to them.

Lower Level / Supervisory Level

Consists of Foremen and supervisors etc.

The main task is to ensure the actual implementation of the policies as per directions, bring workers grievances before the management & maintain discipline among the workers.

Functions of Management: Planning, Organizing, Staffing, Directing, and Controlling.

Planning is deciding in advance what to do in the future and how to do it.

Organizing is to assign duties, grouping tasks, establishing authority, and allocating resources required to carry out a specific plan.

Staffing is finding the right people for the right job.

Directing is leading, influencing, and motivating employees to perform the tasks assigned to them.

Controlling is monitoring the organizational performance towards the attainment of organizational goals.

Coordination: The essence of Management: Coordination is the force which synchronizes all the functions of management and activities of different departments. It integrates the group efforts. It ensures the unity of action. It is a continuous process. It is an all-pervasive function. It is a deliberate function. It is the responsibility of all managers