

Chapter 1

Nature of Management

Syllabus:

1.1 Management: meaning and essentials

1.2 Management as science, art and profession

1.3 Key management functions: planning, organizing, leading and controlling

1.4 Levels of Management.

Concept of management:

Management in all business and human organization activity is simply the act of getting people together to accomplish desired goals and objectives. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort to accomplish a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources. Management, in other terms, is also defined as the systematic arrangement of available resources for accomplishing organizational activities to achieve the desired goal. The corporate goal cannot be achieved without adequately coordinating workforce, machine, method, means, and capital. Whether an organization is small or big or a task is complex or straightforward, good Management must be operated systematically to achieve the goal.

Management has been defined differently by different scholars and authors. Some describe it as the arrangement and routine operations of management functions such as planning, Staffing, Organizing, Leading, and controlling. Some define. Management is to forecast and plan, organize, manage, coordinate, and command. Some authors also emphasize it as Management is the art of getting things done through people.

The verb *manage* comes from the Italian *maggiore* (to handle — especially a horse), which derives from the Latin *manus* (hand). The French word *management* (later *ménagement*) influenced the development of the English word *management* in the 17th and 18th centuries.^[1]

The word management can also be defined as manage-men-t, which indicates that management is managing men in a specified direction to accomplish organizational objectives. Or managing met tactfully for corporate benefits. To understand men, one has to understand the unpredictable nature of men, which varies from person to person. So it is by nature, management is a very complicated and challenging activity.

Some definitions of Management can be listed below.

Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined Management as "the art of getting things done through people." She also described Management as philosophy.^[2] One can also think of Management functionally as the action of measuring a quantity regularly and adjusting some initial plan or the steps taken to reach one's intended goal. It applies even in situations where planning does not take place. From this perspective, Frenchman Henri Fayol^[3] considers management to consist of seven functions:

1. planning
2. staffing

3. organizing
4. leading
5. controlling

Harold Koontz defines Management as 'Management is the art of getting things done through and with people in formally organized groups.

Theo Haimann, in the book "Professional Management – Theory and Practice," defines Management in three distinct senses/concepts;

- **As a process**: Since Management is interlinked with the productive use of materials and human resources, it passes across the seven different functions explained by Henri Fayol, such as Planning, Organizing, Leading, Coordinating, Controlling, Staffing, and Positive Motivation for the accomplishment of the desired goal. In practice, a professional manager often performs these functions. It has the following benefits:
 1. Simple and easily understandable.
 2. Indication of management function.
 3. Promotes Management as a universal process.
- **Management as a Discipline**: It is regarded as Discipline because it involves the study of principles and practices of Management. It is the subject studied now formally in campuses and universities, and also it has acquired the status of discipline for the following reasons.
 - a) In the field of management, researches are being carried out professionally. It is, as a result, applicable in almost part of the management process.
 - b) The specialized knowledge that is studied and practices in management institution

Management as a Noun: It refers to all personnel involved in policymaking and supervisory and controlling responsibilities. There may be a Board of Directors, Managing Directors, General Managers. P. Drucker, in his book "The Practice of Management," has defined "Management is a multi-purpose organ that manages a business, manages a manager and manages workers and work" In the same place, Drucker stresses three Jobs of Management, a) Managing a business b) Managing a manager and c) Managing workers and work.

Features/natures of characteristics of Management:

- 1. Management is Goal-oriented:** Management is always directed towards its goal. Management has no existence without a purpose, so it has to be systematically handled for achievement. Objectives direct effective Management. The fundamental goal of every organization is to maximize the efficiency and ideals of human resources/efforts. Success management is measured by the extent to which the established goals are achieved.
- 2. It is Universality:** The Management applies in all kinds and sizes of organizations and to all forms of organizations such as government sector, private level, individual-level, and limited private level.
- 3. Integrative process:** The responsibility of Management is welding the three-factor men, methods, and machinery into a single working factor. The primary purpose of good management is to build a mutual relation between available human resources and other resources to accomplish the desired goal. It is essential to interlink with planning, organizing, staffing, personnel, direction, and controlling. The manager links the customer, society, labor, debtors and creditors, and government.
- 4. Management is group activities:** Management is done through different processes such as planning, organizing, staffing, leading, controlling, motivation, and coordination for achieving desire goals. The process mentioned above cannot be performed alone or just for a limited mass of people, so it is essential to work in a team to produce a productive nature of goals.
- 5. It is a distinct process;** "Management is the art of getting the things done through people," which means the manager is "not to do" the things alone but use human and material resources to accomplish the goal.
- 6. Management is the social process:** It is the whole process of getting things done through others. It has a social obligation to make optimum use of scarce resources for the benefit of the community.
- 7. Management is both art and Science:** Science because it develops certain principles that are of universal application. In the sense of Science, for bringing effectiveness in Management, a manager does follow different Techniques and methods. Its codes are universally used, developed through scientific research and experiments, establish cause and effect relations between various factors, and verify and predict validity. Since it is not an exact science like Physics, Chemistry, and other physical science, it deals with the unpredictable nature of human beings, and their optimum utilization in organizational

performance brings a positive development. Thus nature of humans varies from person to person with which a manager deal depends upon the skills and attitude of the manager, so it is an Art.

- 8. Purposeful:** Management is always linked with its desire goal, for which all the time management groups of the company keep analysis going to measure the level of goal achievement. It is also linked with productivity, effectiveness, and work capacities.
- 9. Intangible:** The process involves in it is immaterial, it is an unseen force that brings resources to a surface to perform as the task of any organization, but its results are apparent. Operations cannot be seen, but Management is judged based on the result achieved.
- 10. Management is a profession:** It has a systematic and specialized body of knowledge, formal education and training, principles, and techniques, which can be taught and applied in practice. It is service motive and Professional association and Ethical (moral, principled, right) codes it is a profession in nature.
- 11. Dynamic and continuous process:** Since it is a dynamic (active, self motivated) function and has to be performed continuously, it operates involved in the performance of an ever-changing environment. Management adopts itself to environmental changes and also introduces innovation in the methodology.
- 12. Separate identity:** Since it is the process done through the top level of Management who keeps on-going the policy formation, it may depend on what the management groups think, so it has a separate.

Management –A Science or an Art

Before defining management as a science or an art, it is necessary to determine what science is and what art is?

Generally, Science means organized and a series of knowledge. It is based on clear-cut principles. Under the series of knowledge- concepts, hypotheses, theories, experiments, and principles come. The essential features of Science can be explained as below:

1. Principles are universally applicable.
2. Progress/ developed through scientific inquiry or experiments.
3. The relationship between various factors is established on a cause-and-effect basis.

4. Their validity can be verified and predictable.

Art: Quality of work depends on the level of skills of the performer. It describes how a manager uses the knowledge to complete the task, in totality knowledge of working, skills, capacity called art. The one who manages any organization should use his best to solve managerial problems.

Art and science are complementary to each other. Without one, the desired result is hard to come by.

Management is a Science:

Nowadays, before establishing any business organization, its different dimensions are studied, researched, and verified in the business professions. And those the best options are applied in the market for organizational sustainability. No one conducts any kind of business performance without knowing the market, consumer and availability of raw materials, etc. So the Management does the basic features of Science. It also activates the principles and reasons for better Management. It also establishes the cause-and-effect relationship between different variables.

Budgeting, cost accounting, Political evaluation and Review Techniques (PERT) methodology, Critical Path Method-CPM, different processes of organization development, Management by objectives-MBO are the significant organs of management.

Thus, management is undoubtedly a science; however, it is not an exact science like physics, chemistry, and other physical Science but a social science, since it deals with man management with the unpredictable nature of men.

Management as an Art:

Though Management is the process of planning, organizing, staffing, and controlling, leading, and motivating, follows different applications that have been proved as the best tool for conducting a business organization throughout the period promptly, it is entirely dependant on

the skill of the manager or group of people working in it. Art means the application of knowledge and skill to bring about the desired goals. It is one of the most creative art as it requires vast knowledge and certain innovating, initiating, implementing, and integrating skills concerning goods, resources, techniques, and results. The success and unsuccessful of an organization solely depend on the craft used by the Management. A manager is an artist because he applies so for the better improvement of any organization. A qualified manager is a knowledge acquired from the study of Science of Management for managing human and materials resources. No one can be a good manager if they do not apply acquired knowledge skillfully in Management. To be a manager, one must have good practical knowledge, personal skill, a result-oriented approach, creativity, and improvement through continuous practice.

From the above view we very much clear to explain that Management is an art.

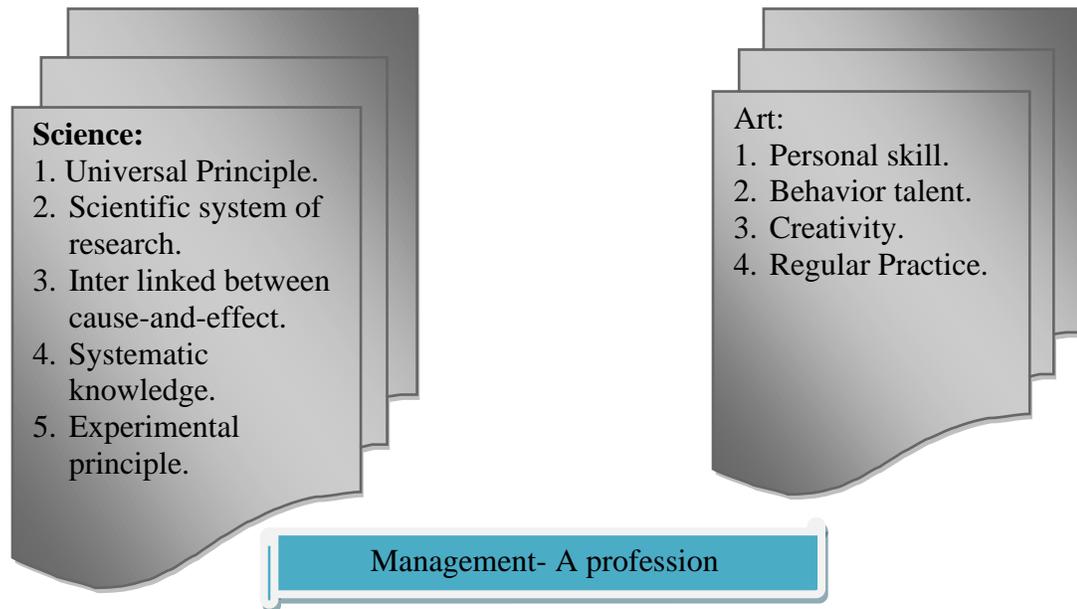
In support of Management is an art the following points can be summarized,

1. Management is the art of doing things through people, where roles and responsibilities of staff have to be performed promptly, and application of rights and duties is prompt if the manager is skillful.
2. Getting work from others is the main concern of effective Management. Strong leadership and motivation are essential for getting things done, and providing strong leadership and motivation is an art of a manager.
3. All-time managers should be ready to use their talent for the right decision as per the situation, which is the critical factor of the manager's success.
4. Positive motivation creates a good working and interlink environment. A sense of positive motivation does not apply commonly, so the manager should filter steps of inspiration to use as per the nature of the situation. Selecting such a scenario is the art of manager, so what Management is art.
5. Execution of plan and policy solely depends on how managers execute, which is part of the art in Management.

Management both Science and Art:

Management is both art and Science; when knowledge is not acquired systematically and used skillfully, the best output cannot be achieved. From the above definition, what science is and what art is clearly understood. But in business terms, both business study is required to have experiences on the different business field and skill them is put makes testy outcomes that are desired goal is on the way of achievement.

It is more clearly defines as below.



Management is considered a distinct process because of its speedy development and the separation of ownership and Management in the organization. The profession is an occupation, which involves applying expert knowledge for the solution of specific problems guided and governed by a code of conduct and social responsibility. In the present context, the development of management theory, separation of ownership from management, and growing administration complexities have led to the demand for giving management the distinct profession's status.

According to K.R. Andrews, the following characteristics should one pose to be a professional/ in the profession.

- 1. Knowledge/organized and Specialized Knowledge:** Functions of Management are developed as specialized tasks based on theories and principles. The profession includes technical knowledge of Management. The tenets of Management interlinks with cause and effect relationship with the elements/factors.
- 2. Competent Application/Formal Education and Training:** Since Management has lots of challenging tasks, anyone who adopts Management as a profession must complete formal education and training in the specific area. The declaration also serves in the particular regions of services containing required training and formal education but has no upper limit of legal education in the profession.
- 3. Service Motive:** Profession is a source of livelihood initially motivated by the desire to serve society. Service provided by the professionals is not only directed to the motive of earning money. Due to their expert knowledge, they can charge a high fee, though they

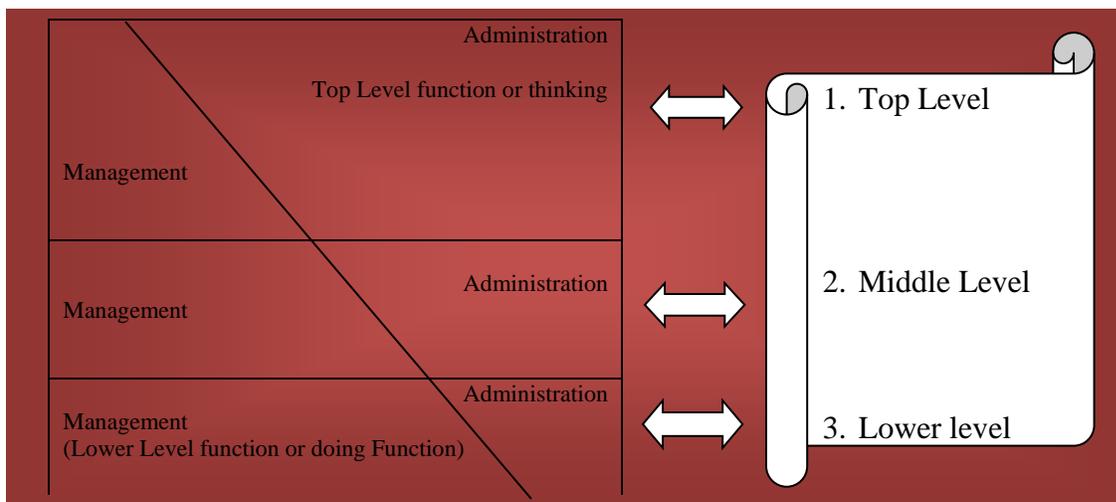
enjoy social respect. Since they are the experts of a remarkable study area, they must always serve the social values and fulfill the social code of conduct.

4. **Professional Association:** Professions are always regulated by statutory associations or institutions. The associations are concerned with the development of professions by providing knowledge, training, updated information, and other fields of services. Such a representative body is needed to prescribe minimum qualifications for entry to impart education and training, conduct exams, award diplomas and degrees, and enforce discipline among professionals. Despite this, they do not have any statutory power to regulate the activities of managers. Membership of associations is not compulsory to become a manager; discard these criteria of a profession.
5. **Ethical Codes:** Honesty should be praised, and dishonesty should be punished. A profession means following some standard ethic code of conduct such as honesty, integrity. But in Management, there is no enforced ethical code of conduct. Thus this feature is also not satisfied as a feature of the profession.

Though Management follows some fundamental features of the profession but still to define Management in full-fledged for the following points act as obstacles explained as below:

- a. There are no universally accepted criteria for the evaluation of managerial performance.
- b. Unlike in other professions, managers do not have a single homogenous group of clients.
- c. Management is essentially an art or practice, and a person without a degree or diploma in Management is not necessarily less efficient and
- d. The theory of Management is still evolving, and new principles are being developed.

Levels of Management



It has made now easier to explain and deliver the authority and responsibility among various managerial positions. The level of manager performs the activities with the concern of their responsibility. The level of Management depends upon the size, nature of the organization, and range of products. The levels of Management are divided into three levels.

❖ The top-level management consists of the Board of directors, Managing Director or Chief Executive, or General Manager. It consists of the following responsibilities.

- a. To determine goals.
- b. To make policies and frame plans to attain the goals.
- c. To set up an organizational structure to conduct the operations as per plan.
- d. To assemble the resources of money, men, materials, and machines for executing the plans.
- e. To provide overall directions in the organizations.
- f. To exercise effective control of the operations.

❖ Middle Management:

It consists of departmental division and sectional heads. They are subordinates to the top managers and are responsible for the first-line managers. Usually, they do implement and controlling plans and strategies as developed by top-level management. It has the following responsibilities,

- a. To interpret the policies framed by the top Management.
- b. To play in the role of the recruitment process and train employees in the organization for better functioning.
- c. To assign duties and responsibilities for timely implementation of the plans.
- d. To issue instructions to the supervisory staff.
- e. To motivate at their level for higher productivity.
- f. To coordinate with other departments to ensure the smooth functioning of the entire organization.
- g. To report and make suitable recommendations to the top management for the better execution of plans and policies.

❖ Lower level or first-line management.

It consists of foremen, supervisors, sales officers, account officers, etc. the first-line managers are responsible for the following tasks,

- a. To issue order and instruction to the operative/workers and supervise and control their work.
- b. To classify and control jobs to the workers.

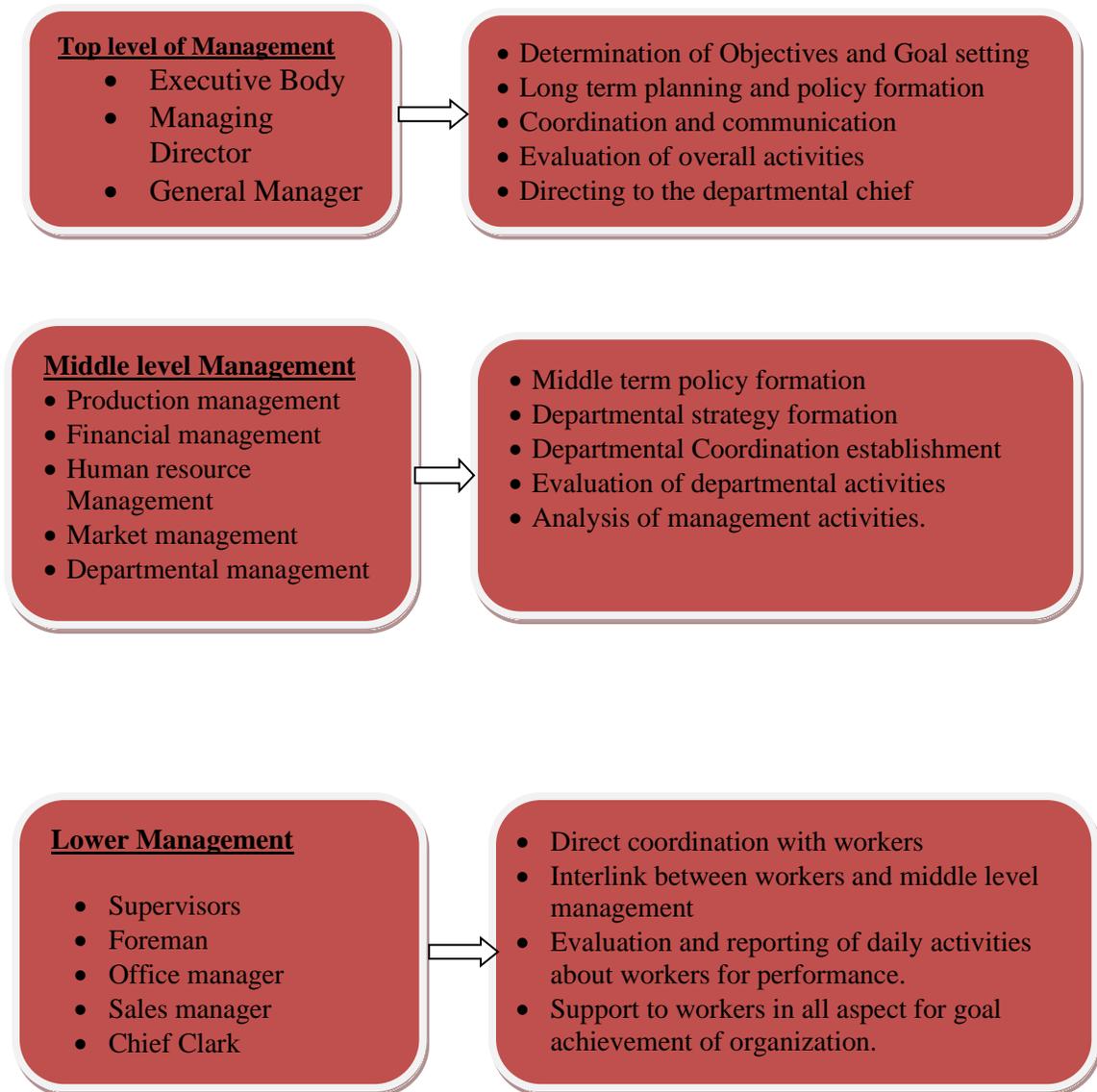
- c. To direct and guide workers about work procedures.
- d. To arrange necessary tools, equipment, materials, etc., for workers.
- e. To look after the proper maintenance of the tools and machinery.
- f. To solve the problem at workers' levels.
- g. To maintain good communication with the middle-level sections.
- h. To maintain high group morale among the workers.

The job contents of the levels of Management are shown in the following table.

Characteristics	Top Management	Middle management	Lower management/First line
Stress on policy formulation	Much/major function	Moderate/moderation of policy	Minimum
Planning	Long-range/long term plans are made	Intermediate-range/intermediate level of plans	Short range/short term plans are made
Skill required	Creative	Persuasive	Operative
Scope	Very large	Large functional	Small sub-functional
No. of persons	Few	Moderate	Many
Evaluation	Difficult to evaluate	Less difficult	Easy to evaluate
Nature	Complex	Less Complex	Simple

A Map of level of Management with its work responsibilities

Roles and responsibilities



Functions of Management

Management by nature is very complex and extensive. It is best defined as a process of using organizational resources effectively and efficiently to achieve organizational goals through the managerial process. Different scholars have described the functions of Management in different ways. The tasks of Management are headed in four headings.

- a. Planning and Decision making:** Preliminary task of making a framework for future work to achieve a particular objective is called planning. It is also considered the method and guidance for work to be done to reach specific goals. Planning is related to the formulation of the objective of a business organization and its achievement. It is the task to be done earlier or prepares a guide for the work giving a clear vision for what, when, how, by whom to do the given assignment. At the same time, decision-making is related to selecting the best alternatives to meet the plan to achieve the targeted goal. It allows choosing the best options from available resources for the best result. It is one of the parts of the planning process. So the task of planning and decision making come together.
- b. Organizing and Staffing:** Organizing is the other important aspect of management function. It consists of work division, assigning the right person at the right place, defining authority and responsibility, allocating resources, and coordinating all the efforts for better results. It is also the process of arranging and structuring the work. It gives the way to utilize the resources for optimum results. Similarly, on the other hand, staffing includes the hiring and recruiting process of staff. Management should be aware of the situation and method of using for best outcomes of these resources. It also emphasizes the need and their arrangement in the best way.
- c. Leading:** Leading is the other important task of Management. It plays a role in the motivation of the staff towards organizational objectives accomplishment. It bridges between Management and staff for the promotion of relations and workability for the goal achievement. It is an influencing factor that influences the efficiency of staff towards organizational objectivity. It is comprised of communicating, controlling, supervising, and motivating human resources for corporate goals. In the lack of quality leadership task of the organization will be directionless.
- d. Controlling:** Controlling is the concern of looking after the performances of an organization, whether they are correctly carried out or not. So, it is considered the process of comparing operating results with the plan and taking corrective steps if deviated from the standard set. It is the critical aspect that gives better directions of activities for goal achievement.