

Nature and SIGNIFICANCE of Management

1

Learning Objectives

- Meaning of Management
- Traditional Concepts of Management
- Modern Concepts of Management
- Characteristics/Features of Management
- Objectives of Management
- Importance of Management
- Nature of Management: Management as a Science, Management as an Art, Management both Science and an Art, Management as a Profession
- Levels of Management: Top Level, Middle Level, Supervisory or Operational Level
- Functions of Management
- Co-ordination: Meaning, Elements of Co-ordination, Nature of Co-ordination, Difference between Co-ordination and Co-operation
- Management of twenty first century

Introduction

Management is necessary for all the organisations irrespective of its size, nature and functions. The concept of management is not restricted to business organisation but even non-business organisation needs to manage its functions. Management is a pervasive and universally accepted function.

No organisation can work smoothly and efficiently without management.

Few examples are:

- (i) Infosys has become a leading IT Company due to managerial efficiency of Narain Murthy and his managers.
- (ii) Wipro is running successfully due to managerial efficiency of Aseem Premjee and his group of managers.
- (iii) HCL has grown into a big and famous company because of its management.
- (iv) Pepsi, Coke, Reliance are running smoothly due to the efforts of their managerial team.
- (v) Your school is also running successfully due to efforts of management.

Management is essential for all types of organisations, i.e., business as well as non-business and when we talk about management it, includes series of activities performed by managers by working at different levels.

1.1 Concept of Management (Meaning and Importance)

To understand the concept of management we must know the meaning of management. Management is defined differently by different authors.

Traditionally Management was Defined as

- ◆ "Management is the art of getting things done through others". —Mary Parker Follett
- ◆ "Management consists of getting things done through others". A manager is one who accomplishes organisational objectives by directing the efforts of others. —C.S. George

The Traditional Viewpoint of management is considered inappropriate in the present day environment where workers are educated and have higher level of aspirations. In present day environment it is not possible to direct the efforts of employees by force. It is necessary to create an environment so that employees perform in a desired manner; on the other hand, traditional definition does not define functions of management.

Modern Concept of Management

Definitions by Different Authors (Modern Concept)

- ◆ "To manage is to forecast, to plan to organise, to command, to coordinate and to control".
- ◆ "Management is the creation of an internal environment where individuals working in a group can perform effectively and efficiently for the achievement of organisational goal".
- ◆ "Management is establishing an effective environment for people operating in formal organisational group". —Kootz and O'Donnel
- ◆ "Management is the art of knowing exactly what you want your men to do and then seeing that they do it in the best and cheapest way," —James L. Ludney
- ◆ "Management is the coordination of all resources through the process of planning, organising, directing and controlling in order to attain stated objectives." —F.W. Taylor
- ◆ "Management is the process by which a cooperative group directs actions of others towards common goals." —Marrie and Douglas

Modern Concept of Management

According to modern concept "management is a process of getting things done with the aim of achieving goals effectively and efficiently".

Modern definition insists on:

1. **Process.** Process refers to the series of steps or basic functions necessary to get the things done. These steps are planning, organising, staffing, directing and controlling.

2. **Effective and efficient performance.** Modern concept of management says that employees must be effective as well as efficient. Effectiveness refers to completion of work or achievement of target on time. Efficiency refers to optimum utilisation of resources or no wastage of resources, both are must for every organisation ; for example, if the annual target of a worker is to produce 1000 units of output, the employee achieves this target by wasting various resources and by mishandling the machinery then the organisation will have no benefit so only effectiveness is not required. It must be accompanied by efficiency.
3. **Achievement of group, common or organisational goal.** The modern concept of management insists that all the functions and activities of managers must be directed towards the achievement of organisational goal and this goal should be the goal of every employee and must be considered as group or common goal.

Effectiveness v/s Efficiency

	Effectiveness	Efficiency
1.	It refers to completion of task on time.	It refers to completion of task correctly with minimum cost with no wastage of resources.
2.	It is concerned with the achievement of end result.	It is concerned with cost benefit analysis utilizing minimum resources and getting maximum benefits.
3.	Producing target production on time.	Producing target production to its minimum cost.

Relation between Efficiency and Effectiveness

Effectiveness and efficiency are equally important as being effective means completing the task on time but it is not enough to just complete the task on time but it must be done correctly without any wastage of resources. Effectiveness & efficiency are the two sides of a same coin, one without other is of no use.

Effectiveness and efficiency together lead to higher profit and prosperity of an organisation. And failure of organisation is due to inefficiency and ineffectiveness.