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## **MANAGEMENT: CONCEPT AND MEANING**

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Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading, coordinating and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the development and manipulation of human resources, financial resources, technological resources and natural resources.

Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to 'manage' oneself, a pre-requisite to attempting to manage others.

The term 'management' is used extensively in business. It is the core or life giving element in business. We expect that a business unit should be managed efficiently. This is precisely what is done in management. Management is essential for the conduct of business activity in an orderly manner. It is a vital function concerned with all aspects of working of an enterprise.

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## **CHARACTERISTICS OF MANAGEMENT**

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**Management is a managerial process:** Management is a process and not merely a body of individuals. Those who perform this process are called managers. The managers exercise leadership by assuming authority and direct others to act within the organisation. Management process involves planning, organising, directing and unifying human efforts for the accomplishment of given tasks.

**Management is a social process-** Management takes place through people. The importance of human factor in management cannot be ignored. A manager's job is to get the things done with the support and cooperation of subordinates. It is this human element which gives management its special character.

**Management is action-based:** Management is always for achieving certain objectives in terms of sales, profit, etc. It is a result-oriented concept and not merely an abstract philosophy. It gives importance to concrete performance through suitable actions. It is an action based activity.

**Management involves achieving results through the efforts of others:** Management is the art of getting the things done through others. Managers are expected to guide and motivate subordinates and get the expected performance from them. Management acts as an activating factor.

**Management is a group activity:** Management is not an isolated individual activity but it is a collective activity or an activity of a group. It aims at using group efforts for achieving objectives. Managers manage the groups and coordinate the activities of groups functioning in an organisation.

**Management is intangible:** Management is not directly visible but its presence is noticed in the form of concrete results. Management is intangible. It is like invisible spirit, which guides and motivates people working in a business unit. Management is like government, which functions but is not visible in physical form.

**Management is aided, not replaced by computers:** The computer is an extremely powerful tool of management. It helps a manager to widen his vision. The computer supplies ocean of information for important decision-making. The computer has unbelievable data processing and feedback facilities. This has enabled the manager to conduct quick analysis towards making correct decisions.

## **1.6 NEED OF MANAGEMENT**

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1. Direction, coordination and control of group efforts: In business, many persons work together. They need proper direction and guidance for raising their efficiency. In the absence of guidance, people will work as per their desire and the orderly working of enterprise will not be possible. Management is needed for planning business activities, for guiding employees in the right direction and finally for coordinating their efforts for achieving best/most favorable results.
2. Orderly achievement of business objectives: Efficient management is needed in order to achieve the objectives of business activity in an orderly and quick manner.
3. Performance of basic managerial functions: Planning, Organising, Co-ordinating and Controlling are the basic functions of management. Management is needed as these functions are performed through the management process.
4. Effective communication at all levels: Management is needed for effective communication within and outside the Organisation.
5. Motivation of employees: Management is needed for motivating employees and also for coordinating their efforts so as to achieve business objectives quickly.
6. Success and stability of business enterprise: Efficient management is needed for success, stability and prosperity of a business enterprise.

## **DEFINITION OF MANAGEMENT PROCESS**

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According to D. E. McFarland, "Management is the distinct process by which the managers create, direct, maintain and operate purposive organisation through systematic, co-coordinated and cooperative human efforts".

According to Gemp R. Terry, "Management is a distinct process consisting of planning, organising, actuating, and controlling, performed to determine and accomplish objectives by the use of people and other resources".

### **1.9 FUNCTIONS/ELEMENTS OF MANAGEMENT**

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The essential elements/components of Management Process are four.

- a. Planning
- b. Organising
- c. Directing and
- d. Controlling.

We may add some more elements in the management process. Such elements are:-

- i. Motivating
- ii. Co-coordinating
- iii. Staffing and
- iv. Communicating.

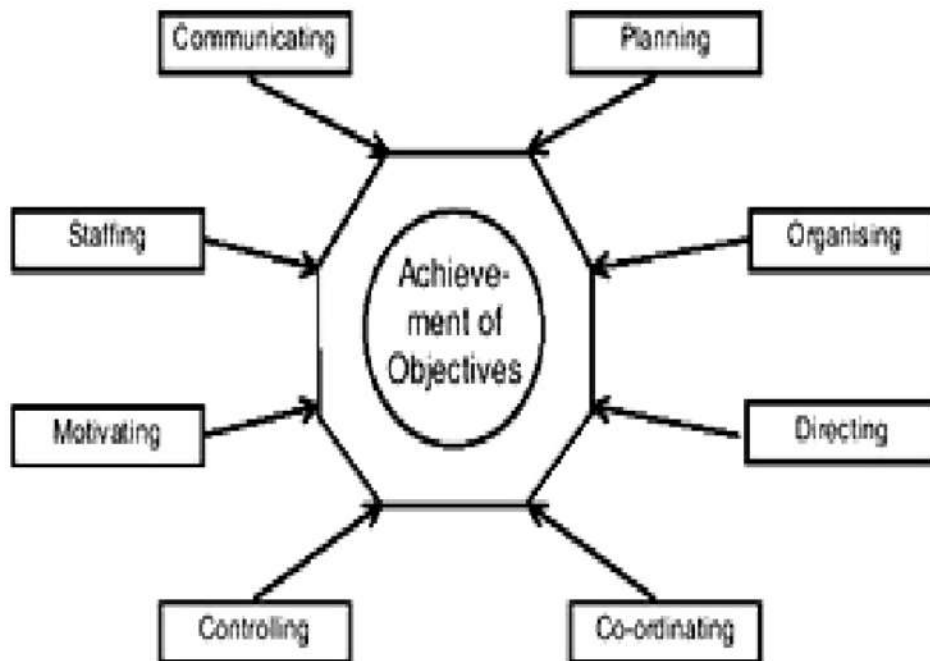
The elements in the management process are actually the basic functions of management these functions constitute the management process in practice. Management process is in fact, management in practice. This process suggests what a manager is supposed to, do or the basic functions that he has to perform while managing the job assigned to him.

Luther Gullic gave a new formula to suggest the elements of Management Process i.e. basic functions of management. According to him, management process may be indicated by the word "PODSCORB". Here, 'P' states for 'planning', 'O' for 'organising', 'D' for 'directing', 'S' for 'Staffing', 'CO' for 'Coordinating', 'R' for 'Reporting' and 'B' for 'Budgeting'. Gullic coined the word "PODSCORB" to suggest seven functions of management.

**(A) Management Process:**



**Elements of Management Process (Functions of Management):**



1. **Planning:** Planning is the primary function of management. It involves determination of a course of action to achieve desired results/objectives. Planning is the starting point of management process and all other functions of management are related to and dependent on planning function. Planning is the key to success, stability and prosperity in business. It acts as a tool for solving the problems of a business unit. Planning plays a pivotal role in business management It helps to visualize the future problems and keeps management ready with possible solutions.
2. **Organising:** Organising is next to planning. It means to bring the resources (men, materials, machines, etc.) together and use them properly for achieving the objectives. Organisation is a process as well as it is a structure. Organising means arranging ways and means for the execution of a business

3. **Staffing:** Staffing refers to manpower required for the execution of a business plan. Staffing, as managerial function, involves recruitment, selection, appraisal, remuneration and development of managerial personnel. The need of staffing arises in the initial period and also from time to time for replacement and also along with the expansion and diversification of business activities. Every business unit needs efficient, stable and cooperative staff for the management of business activities. Manpower is the most important asset of a business unit. In many organisations, manpower planning and development activities are entrusted to personnel manager or HRD manager. 'Right man for the right job' is the basic principle in staffing.
4. **Directing (Leading):** Directing as a managerial function, deals with guiding and instructing people to do the work in the right manner. Directing/leading is the responsibility of managers at all levels. They have to work as leaders of their subordinates. Clear plans and sound organisation set the stage but it requires a manager to direct and lead his men for achieving the objectives. Directing function is quite comprehensive. It involves Directing as well as raising the morale of subordinates. It also involves communicating, leading and motivating. Leadership is essential on the part of managers for achieving organisational objectives.
5. **Coordinating:** Effective coordination and also integration of activities of different departments are essential for orderly working of an Organisation. This suggests the importance of coordinating as management function. A manager must coordinate the work for which he is accountable. Co-ordination is rightly treated as the essence of management. It may be treated as an independent function or as a part of organisms function. Coordination is essential at all levels of management. It gives one clear-cut direction to the activities of individuals and departments. It also avoids misdirection and wastages and brings unity of action in the Organisation. Co-ordination will not come automatically or on its own Special efforts are necessary on the part of managers for achieving such coordination.
6. **Controlling:** Controlling is an important function of management. It is necessary in the case of individuals and departments so as to avoid wrong actions and activities. Controlling involves three broad aspects: (a) establishing standards of performance, (b) measuring work in progress and interpreting results achieved, and (c) taking corrective actions, if required. Business plans do not give positive results automatically. Managers have to

exercise effective control in order to bring success to a business plan. Control is closely linked with other managerial functions. It is rightly treated as the soul of management process. It is true that without planning there will be nothing to control. It is equally true that without control planning will be only an academic exercise. Controlling is a continuous activity of a supervisory nature.

7. **Motivating:** Motivating is one managerial function in which a manager motivates his men to give their best to the Organisation. It means to encourage people to take more interest and initiative in the work assigned. Organisations prosper when the employees are motivated through special efforts including provision of facilities and incentives. Motivation is actually inspiring and encouraging people to work more and contribute more to achieve organisational objectives. It is a psychological process of great significance.
8. **Communicating:** Communication (written or oral) is necessary for the exchange of facts, opinions, ideas and information between individual's and departments. In an organisation, communication is useful for giving information, guidance and instructions. Managers should be good communicators. They have to use major portion of their time on communication in order to direct, motivate and co-ordinate activities of their subordinates. People think and act collectively through communication. According to Louis Allen, "Communication involves a systematic and continuing process of telling, listening and understanding".

## **1.10 IMPORTANCE OF MANAGEMENT**

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1. **Optimum utilization of resources:** Management facilitates optimum utilization of available human and physical resources, which leads to progress and prosperity of a business enterprise. Even wastages of all types are eliminated or minimized.
2. **Competitive strength:** Management develops competitive strength in an enterprise. This enables an enterprise to develop and expand its assets and profits.
3. **Cordial industrial relation:** Management develops cordial industrial relations, ensures better life and welfare to employees and raises their morale through suitable incentives.
4. **Motivation of employees:** It motivates employees to take more interest and initiatives in the work assigned and contribute for raising productivity and profitability of the enterprise.
5. **Introduction of new techniques:** Management facilitates the introduction of new machines and new methods in the conduct of business activities. It also brings useful technological developments and innovations in the management of business activities.