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Nature and Significance of Management

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WEBINAR SERIES

Nature & Significance of Management

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Nature and Significance of Management

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Overview



Definition

Process of getting things done with the aim of achieving goals **effectively** and **efficiently**.

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5 Functions of Management



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Process

Primary functions or activities that management performs to get things done.

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Effectiveness

It is concerned with doing the right task, completing activities and achieving goals. It is concerned with the end result



Efficiency

Doing the task correctly
with minimum cost



EFFICIENCY



QUALITY



COSTS

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Characteristics/Features

Goal oriented

- ❖ Basic goals - basic reason for its existence
- ❖ Goals should be simple and clearly stated
- ❖ Unites efforts of different individuals to achieve these goals



All Pervasive

Common to all organisations
whether economic, political or
social

Difference is due to difference in
culture, tradition and history



Multidimensional

Management of work

Management of people

Management of operations -
interlink



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Continuous process

All functions are simultaneously performed by all managers all the time



It is a group activity

Requires teamwork and coordination

Should enable all its members to grow and develop as needs and opportunities change



Dynamic function

Organisation
interacts with the
external
environment to
adapt itself to
changes.



Intangible force

It cannot be seen but can
only be felt

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Objectives of Management



- ❖ Organisational
- ❖ Social
- ❖ Personal



Organisational objectives

Main objective- Should be to utilise human and material resources to the maximum possible advantage.

Survival- Basic objective of any business

Profit- It is essential for covering costs and risks of the business

Growth- To remain in the industry management must exploit fully the growth potential.



Social objectives

Refers to consistently creating economic value for various constituents of society



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Personal objectives

Management has to reconcile personal goals with organisational objectives for harmony in the organisation



Importance of Management

It helps in achieving group goals - task of manager to give common direction

It increases efficiency - reduce costs and increase productivity

Creates a dynamic organisation- adapt to environment which is constantly changing



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Helps in achieving personal objectives - Through motivation and leadership

Helps in development of society - eg., good quality products; creates employment opportunities



Nature of Management

Early management practices were based on - governmental and commercial activities.

Modern organisation - based on experience;

Practice of managers

Set of theoretical relationships.



Management as an Art

Yes, Management can be considered as an art for the following reasons:

Art is the skillful and personal application of existing knowledge to achieve desired results.

Management, has therefore, been defined as a process of getting things done with the aim of achieving goals effectively and efficiently.



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Comparison of features of Art and Management:

Existence of theoretical knowledge: Art presupposes the existence of certain theoretical knowledge.

There is existence of theoretical knowledge in various areas of management like marketing, finance and human resources which the manager has to specialise in.



2. Personalised application: The use of this basic knowledge varies from individual to individual. Art, therefore, is a very personalised concept.

There are various theories of management, as propounded by many management thinkers, which prescribe certain universal principles. A manager applies these scientific methods and body of knowledge to a given situation, an issue or a problem, in his own unique manner



3. Based on practice and creativity: All art is practical. Art involves the creative practice of existing theoretical knowledge. Everyone uses the knowledge in creative manner that is entirely his own interpretation.

A manager applies this acquired knowledge in a personalised and skillful manner in the light of the realities of a given situation.



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So in conclusion we can see that all the features of Art
complement with Management.

So, Management can be considered as an Art.



Can Management be considered as science

It can be considered as an inexact science for the following reasons:

Science is a systematised body of knowledge that explains certain general truths or the operation of general laws.

Management, has therefore, been defined as a process of getting things done with the aim of achieving goals effectively and efficiently.



Features of science and management compared

1. Systematised body of knowledge: Science is a systematic body of knowledge. Its principles are based on a cause and effect relationship.

Management has a systematised body of knowledge. It has its own theory and principles that have developed over a period of time from different disciplines.



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2. Principles based on experimentation: Scientific principles are first developed through observation and then tested through repeated experimentation under controlled conditions.

Even though management principles are formed through repeated experimentation and observation in different types of organisations, since management deals with human beings and human behaviour, the outcomes of these experiments are not capable of being accurately predicted or replicated.



3. Universal validity: Scientific principles have universal validity and application.

Since the principles of management are not as exact as the principles of science, their application and use is not universal. They have to be modified according to a given situation.

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As you can see that most of the features of science do not complement that of management so it can be concluded that management may be considered as an inexact science.



Can management be considered as a profession

Professionals need a basic set of skills and knowledge to perform a certain function in an organisation

Management, has therefore, been defined as a process of getting things done with the aim of achieving goals effectively and efficiently.



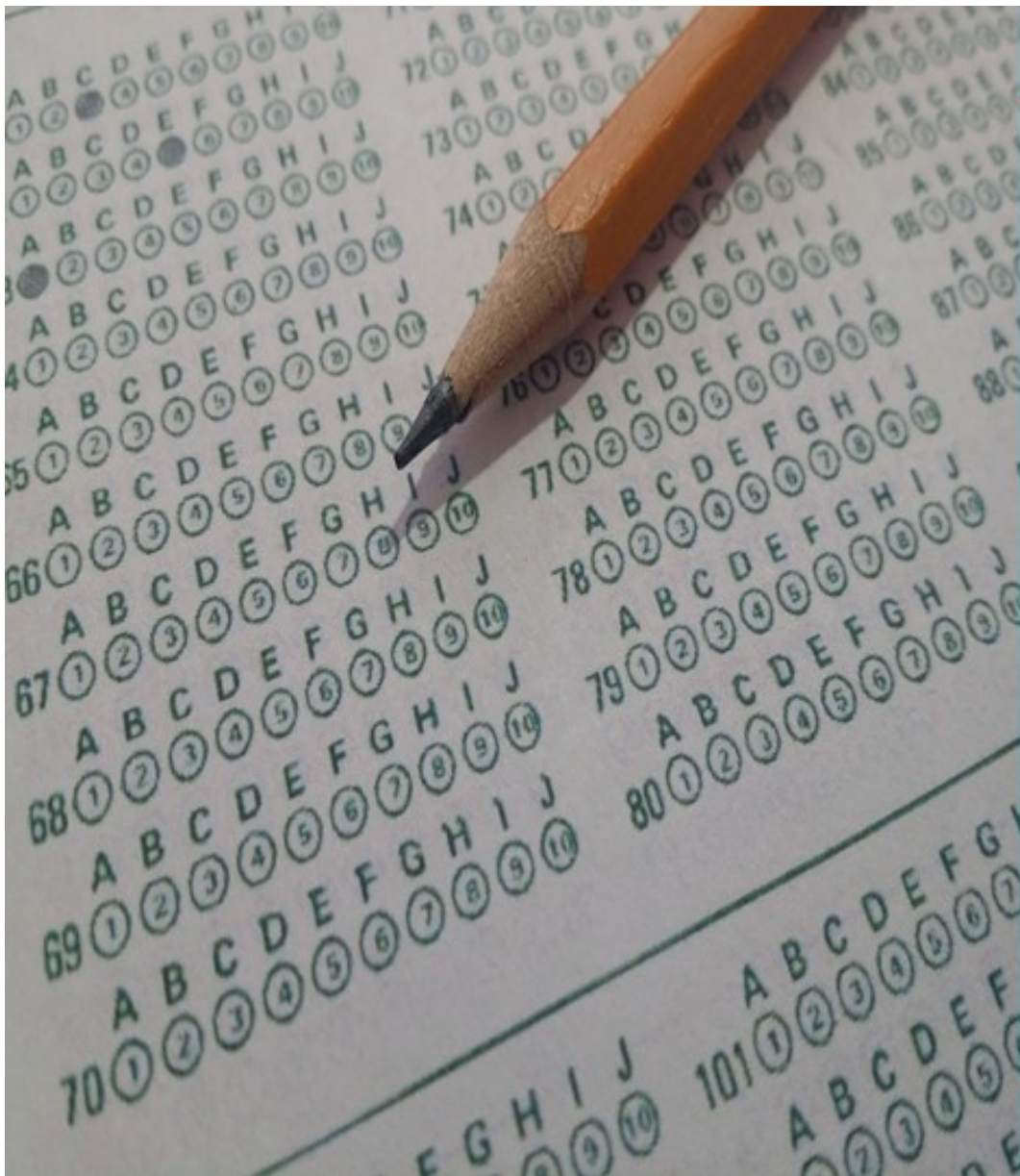


Features of management and profession compared

1. Well-defined body of knowledge: All professions are based on a well-defined body of knowledge that can be acquired through instruction.

Management is based on a systematic body of knowledge comprising well-defined principles based on a variety of business situations.





2. Restricted entry: The entry to a profession is restricted through an examination or through acquiring an educational degree.

There is no restriction on anyone being designated or appointed as manager in any business enterprise. Anyone can be called a manager irrespective of the educational qualifications possessed.



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3. Professional association: All professions are affiliated to a professional association which regulates entry, grants certificate of practice and formulates and enforces a code of conduct.

There are several associations of practising managers in India, like the AIMA (All India Management Association) that has laid down a code of conduct to regulate the activities of their members. There is, however, no compulsion for managers to be members



4. Ethical code of conduct: All professions are bound by a code of conduct which guides the behaviour of its members.

There is no ethical code of conduct for managers.

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5. Service motive: The basic motive of a profession is to serve their client's interests by rendering dedicated and committed service.

The basic purpose of management is to help the organisation achieve its stated goal. This may be profit maximisation for a business enterprise and service for a hospital.

Conclusion

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So you can see clearly that management is moving ahead to complement with all the features of profession.

So in conclusion, management can be considered as an upcoming profession



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Levels of Management

Top - Chairman, CEO, CFO

Basic task- overall objectives of the organisation.

- These top level managers are responsible for the welfare and survival of the organisation.
- Analyse the business environment and its implications for the survival of the firm.



CHIEF EXECUTIVE OFFICER



Functions of top management

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Formulate overall organisational goals and strategies for their achievement.

Responsible for all the activities of the business and for its impact on society.



Middle Level

Link between top and operational level

Their main task is to carry out the plans formulated by the top managers.



Functions of middle level

- Interpret the policies framed by top management,
- Ensure that their department has the necessary personnel,
- Assign necessary duties and responsibilities to them,
- Motivate them to achieve desired objectives,
- Cooperate with other departments for smooth functioning



Operational level - Functions

Supervisors directly oversee the efforts of the workforce.

Their authority and responsibility is limited as per the plans

Important role in the organisation since they interact with the actual work force and pass on instructions of the middle management.



Functions of Management



- Planning
- Organising
- Staffing
- Directing
- Controlling

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Planning

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- Planning is the function of determining in advance what is to be done and who is to do it.
- Planning cannot prevent problems, but it can predict them and prepare contingency plans to deal with them.



Organising

- It deals with assigning duties, grouping tasks, establishing authority and allocating resources required to carry out a specific plan.
- It examines the activities and resources required to implement the plan.
- It determines what activities and resources are required.

The image shows the word "Manpower" in large, blue, 3D block letters mounted on a dark green horizontal band of a building's facade. The building has a modern, metallic, ribbed appearance. The letters are slightly shadowed, giving them a three-dimensional look.

Manpower

Staffing

This is also known as the human resource function and it involves activities such as recruitment, selection, placement and training of personnel.



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Directing



- Motivation and leadership are two key components.
- Motivating workers means simply creating an environment that makes them want to work.
- Leadership is influencing others to do what the leader wants them to do.



Controlling

- It involves monitoring of organisational performance towards the attainment of organisational goals.
- The task of controlling involves establishing standards of performance, measuring current performance, comparing this with established standards and taking corrective action where any deviation is found.

Coordination





Meaning

The process by which a manager synchronises the activities of different departments is known as coordination.

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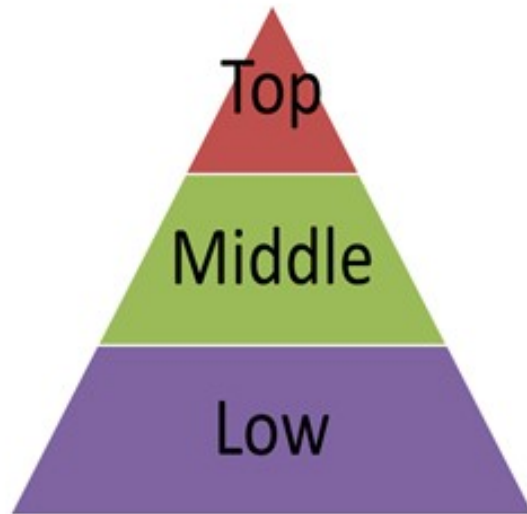
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Coordination - Essence of Management

LEVELS OF MANAGEMENT





Essence of management

It is through the process of coordination that a manager ensures the orderly arrangement of individual and group efforts to ensure unity of action in the realisation of common objectives.

Coordination therefore involves synchronisation of the different actions or efforts of the various units of an organisation.

Characteristics/Features

Coordination integrates group efforts- common focus to group effort to ensure that performance is achieved as it was planned and scheduled.



Coordination ensures unity of action: It acts as the binding force between departments and ensures that all action is aimed at achieving the goals of the organisation.





Coordination is a continuous process :

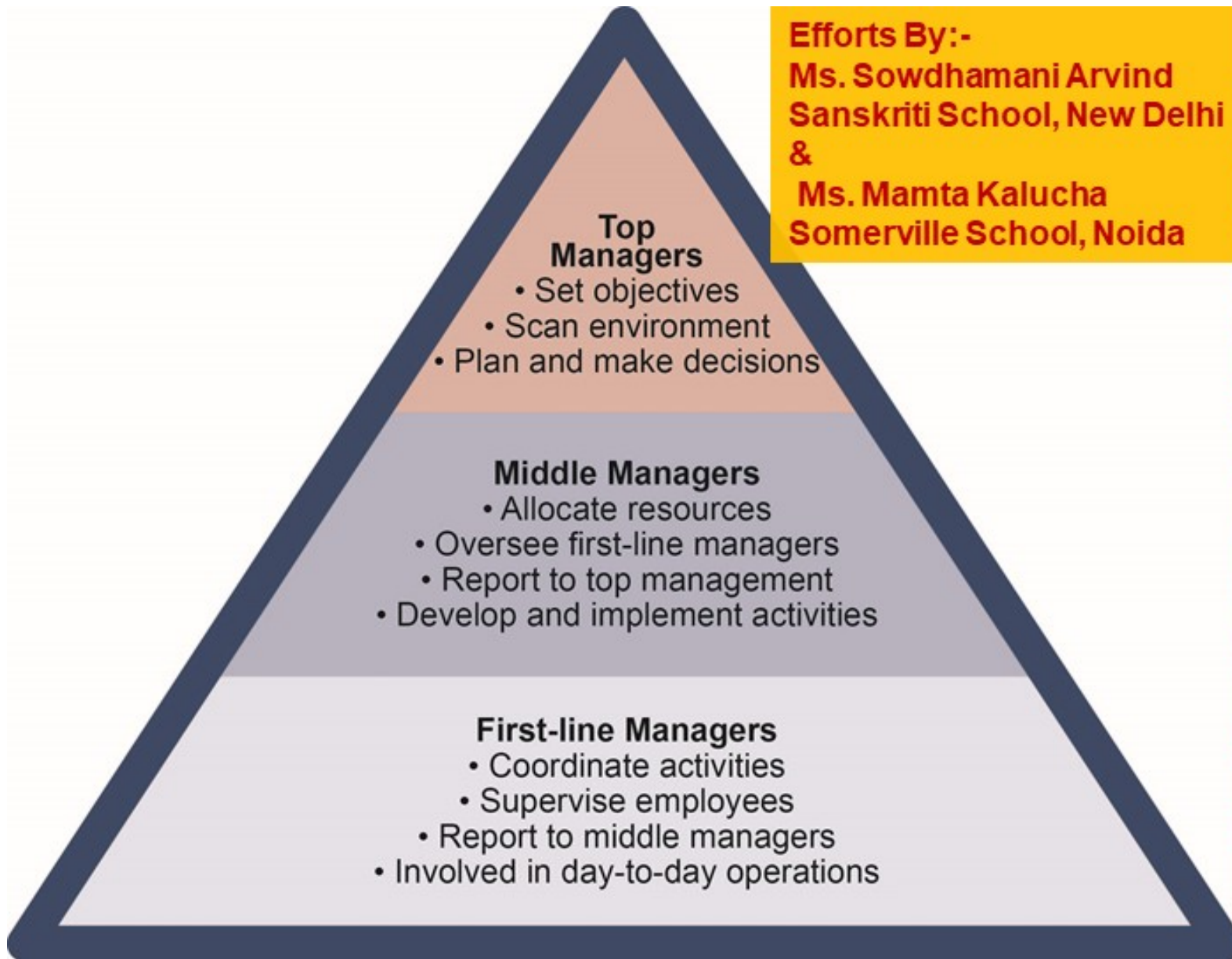
Coordination is not a one-time function but a continuous process.

It begins at the planning stage and continues till controlling.



Coordination is an all pervasive function: It is required at all levels of management due to the interdependent nature of activities of various departments.

It integrates the efforts of different departments and different levels.



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Coordination is the responsibility of all managers:

It is the responsibility of top, middle and lower level managers



Coordination is a deliberate function: A manager has to coordinate the efforts of different people in a conscious and deliberate manner.



Importance of Coordination

Growth in size: As organisations grow in size, the number of people employed by the organisation also increases.



Functional differentiation: Functions of an organisation are divided into departments, divisions and sections. Each department will have a different objective.

Coordination should integrate all together.

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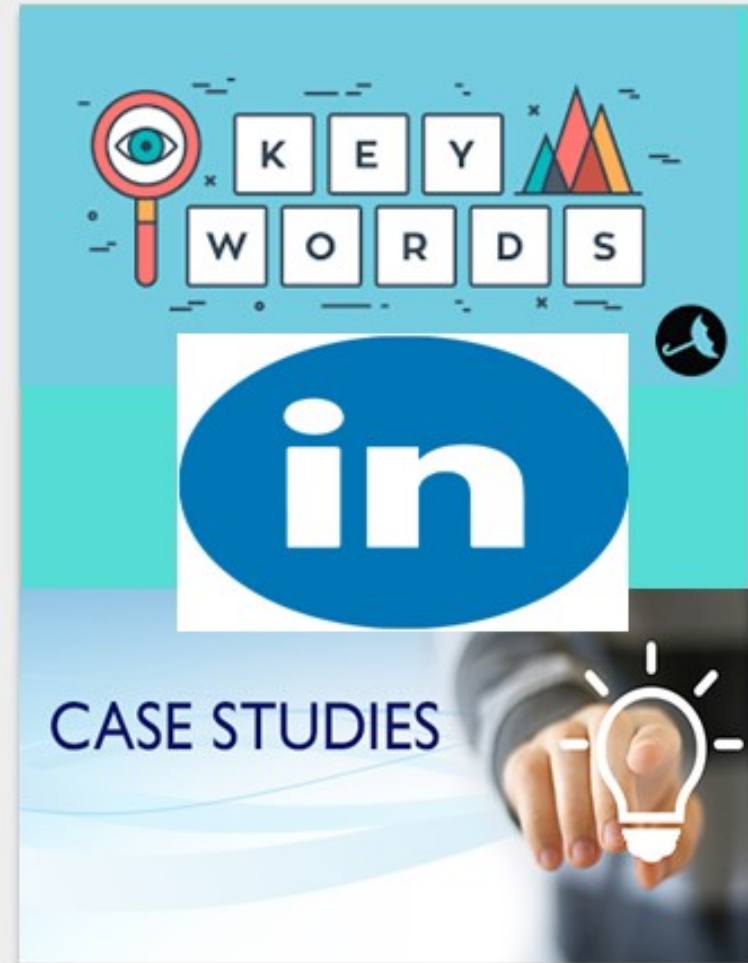
Specialisation: Modern organisations are characterised by a high degree of specialisation.

It arises out of the complexities of modern technology and the diversity of tasks to be performed.

So some coordination is required by an independent person to reconcile the differences in approach, interest or opinion of the specialists.

1. Achieving targets- Effectiveness
2. Reducing cost- Efficiency
3. Binding force, common thread, synchronisation of activities, implicit and inherent in all functions of management- coordination
4. Quality of management - coordination
5. Essence of management - coordination
6. Growth and survival - organisational objective

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Nature and Significance of Management

Characteristics:

1. Goal Oriented
2. All Pervasive
3. Multidimensional-work, people, operations
4. Continuous
5. Group activity
6. Dynamic
7. Intangible

Objectives:

1. Organisational: Survival, Profit, Growth
2. Personal
3. Social

Importance:

1. Achieving group goals
2. Increases efficiency
3. Dynamic organisation
4. Achieving personal objectives
5. Development of society

Features of Science:

1. Systematised body of knowledge
2. Based on experimentation
3. Universal validity

Features of Art:

1. Existence of theoretical knowledge
2. Personalised Application
3. Based on Practice and Creativity

Importance of coordination

1. Growth in size
2. Functional Differentiation
3. Specialisation

Features of Profession:

1. Body of knowledge
2. Restricted Entry
3. Professional association
4. Ethical code of conduct
5. Service motive

Characteristics of Coordination

1. Integrates group activities
2. Ensures unity of action
3. Continuous process
4. All pervasive
5. Responsibility of all managers
6. A deliberate function

T H E
E N D

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