

I. Concept, Objectives, and Importance of Management

1. The Concept of Management Management is essential for all types of organisations, whether they are big or small, profit or non-profit, or manufacturing or service-based. It is defined as a **process of getting things done with the aim of achieving goals effectively and efficiently.**

- **Process:** Refers to the primary functions or activities management performs: planning, organising, staffing, directing, and controlling.
- **Effectiveness:** Concerned with doing the right task, completing activities, and achieving the intended end result.
- **Efficiency:** Concerned with doing the task correctly and with minimum cost, involving a cost-benefit analysis between inputs (money, materials, equipment, people) and outputs.
- **The Balance:** High efficiency is usually associated with high effectiveness, which is the aim of all managers. Poor management is a result of being both inefficient and ineffective.

2. Characteristics of Management

- **Goal-oriented process:** Every organisation exists for a specific purpose, and management unites the efforts of individuals toward these common goals.
- **All-pervasive:** Managerial activities are common to all organisations—economic, social, or political—regardless of whether they are in India, the USA, Germany, or Japan.
- **Multidimensional:** It involves the management of **work** (translating goals into tasks), management of **people** (dealing with

individuals and groups), and management of **operations** (the production process).

- **Continuous process:** Management consists of a series of continuous, composite, but separate functions performed simultaneously by all managers all the time.
- **Group activity:** It requires teamwork and coordination of individual efforts in a common direction, enabling members to grow as needs change.
- **Dynamic function:** Management must adapt to a changing environment consisting of various social, economic, and political factors.
- **Intangible force:** It cannot be seen, but its presence is felt through the orderliness, happy employees, and achievement of targets according to plans.

3. Objectives of Management Management seeks to achieve objectives derived from the basic purpose of the business. These are classified into:

- **Organisational Objectives:** Aimed at utilising human and material resources to the maximum advantage to fulfill economic goals.
 - **Survival:** Earning enough revenue to cover costs.
 - **Profit:** Essential for covering costs and the risks of the business.
 - **Growth:** Measured by increases in sales volume, employee count, or capital investment.
- **Social Objectives:** Consistently creating economic value for society, such as using environment-friendly production methods or providing employment to underprivileged sections.

- **Personal Objectives:** Reconciling the diverse needs of employees (financial, social, and higher-level growth) with organisational objectives to maintain harmony.



4. Importance of Management

- **Achieving Group Goals:** Management gives a common direction to individual efforts.
- **Increasing Efficiency:** It aims to reduce costs and increase productivity through better planning and execution.
- **Creating a Dynamic Organisation:** It helps employees adapt to changes in a constantly evolving environment.
- **Achieving Personal Objectives:** Through motivation and leadership, it helps individuals develop team spirit and commitment.
- **Development of Society:** It provides quality products, creates jobs, and adopts new technology for the greater good.

II. Nature of Management: Science, Art, and Profession

1. Management as an Art Art is the **skillful and personal application of existing knowledge** to achieve desired results, acquired through study and experience. Management is considered an art because:

- **Existence of theoretical knowledge:** Like any art, management has an established body of literature and principles in areas like finance and marketing.
- **Personalised application:** Every manager applies scientific methods and theories in their own unique manner based on the realities of a situation.
- **Based on practice and creativity:** A good manager works through a combination of imagination, innovation, and long-term practice to achieve perfection.

2. Management as a Science Science is a **systematised body of knowledge** that explains general truths.

- **Systematised body of knowledge:** Management has its own theory, principles, and a specific vocabulary of concepts.
- **Principles based on experimentation:** Management principles have evolved through repeated observation and experimentation in different organisations.
- **Inexact Science:** Unlike pure science, management deals with human behaviour, meaning its outcomes cannot be accurately predicted or replicated.

- **Universal Validity:** While scientific laws are universal, management principles are not as exact and must be modified to suit specific situations.

3. Management as a Profession A profession involves a well-defined body of knowledge, restricted entry, professional associations, an ethical code, and a service motive.

- **Current Status:** Management is a growing discipline with a systematic body of knowledge taught in institutions like IIMs.
- **Limited Criteria:** It does **not meet the exact criteria** of a profession because there is no restricted entry; anyone can be designated a manager regardless of their degree. While associations like AIMA exist, membership is not mandatory, and there is no statutory ethical code.

III. Levels of Management

The authority-responsibility relationship in an organisation creates a hierarchy known as levels of management.

1. Top Management

- **Roles:** Chairman, CEO, COO, President, Vice-President.
- **Functions:** They integrate diverse elements, coordinate departmental activities, and are responsible for the welfare and survival of the firm. They formulate overall goals, strategies, and analyze the business environment. Their job is complex, stressful, and requires high commitment.

2. Middle Management

- **Roles:** Divisional heads, Departmental heads (e.g., Production Manager).
- **Functions:** They act as the link between top and lower management. Their tasks include

interpreting policies framed by top management, ensuring their department has necessary personnel, assigning duties, and motivating employees to achieve objectives.

3. Supervisory or Operational Management (First Level)

- **Roles:** Foremen and supervisors.
- **Functions:** They directly oversee the workforce and interact with them. They ensure quality of output is maintained, wastage is minimised, and safety standards are upheld. The quantity and quality of work depend heavily on the discipline and loyalty of the workers they manage.



IV. Functions of Management

Management is a process involving five interrelated and interdependent functions:

1. **Planning:** The function of **determining in advance what is to be done and who is to do it**. It involves setting goals and developing a way to achieve them efficiently. Planning bridges the gap between where we are and where we want to go.

2. **Organising:** The process of **assigning duties, grouping tasks, establishing authority, and allocating resources** required to carry out a plan. It clarifies jobs and working relationships to initiate the implementation of plans.
3. **Staffing:** Simply defined as **finding the right people for the right job**. It involves recruitment, selection, placement, and training of personnel to ensure qualified people are available in the right places.
4. **Directing:** Involves **leading, influencing, and motivating employees** to perform assigned tasks. It requires establishing an atmosphere that encourages employees to do their best through effective communication, leadership, and supervision.
5. **Controlling:** The function of **monitoring organisational performance** toward the attainment of goals. It involves establishing standards, measuring current performance, comparing it with standards, and taking corrective action when deviations are found.

V. Coordination – The Essence of Management

Coordination is the process by which a manager **synchronises the activities of different departments**. It is not just a separate function but the "essence of management" because it binds all other functions together.

1. Nature (Characteristics) of Coordination

- **Integrates group efforts:** It unifies diverse interests into purposeful work activity to ensure performance matches plans.
- **Ensures unity of action:** It acts as a binding force between departments, ensuring all

action is aimed at achieving organisational goals.

- **Continuous process:** It is not a one-time task; it begins at the planning stage and continues through controlling.
- **All-pervasive function:** It is required at all levels of management because of the interdependent nature of various departmental activities.
- **Responsibility of all managers:** Top managers coordinate with subordinates for policies, middle managers coordinate with both levels, and operational managers coordinate worker activities.
- **Deliberate function:** Even where people work willingly, a manager must coordinate efforts in a conscious manner to avoid wasted effort and dissatisfaction.

2. Importance of Coordination

- **Growth in Size:** As organisations grow and employ more people with diverse backgrounds and goals, coordination becomes necessary to harmonise individual goals with organisational ones.
- **Functional Differentiation:** Departments (Finance, Marketing, Production) often act in isolation with their own policies. Coordination is required to link these activities and avoid conflict between units.
- **Specialisation:** Modern organisations have many specialists who may not take advice from others. Coordination by an independent person is needed to reconcile differences in their approaches and opinions.

