

UNIT - 1 MANAGEMENT DEVELOPMENT

Lesson:-01 Nature of Management

Chapter overview: Nature, scope and process of management, historical evolution of management thought, different approaches and systems of management, skills, roles, and modern challenges.

Students, let us begin with first understanding what management is all about.

- In order to understand management, we will first define who a manager is:
- A manager is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals – Robbins & Coulter.
- Which means that - Managers work in organizations.
- Now let us try to understand what is the concept of an organization:
- An organization is a systematic arrangement of people brought together to accomplish some specific purpose – Robbins & Decenzo.
- Organizations are social arrangements for the controlled performance of collective goals –

Buchanan & Huczynski

- Every organization has a purpose and is made up of people who are grouped in some fashion.
- The distinct purpose of an organization is typically expressed in terms of a goal or a set of goals.
- All organizations are put together and kept together by a group of people who are responsible for helping them achieve their goals. These people are called managers.
- What do managers do in organizations? : Managers practice management.
- Managers give direction to their organizations, provide leadership, and decide how to use

organizational resources to accomplish goals. – Peter Drucker

- This brings us to the question – What is management?
- The art of getting things done through people.

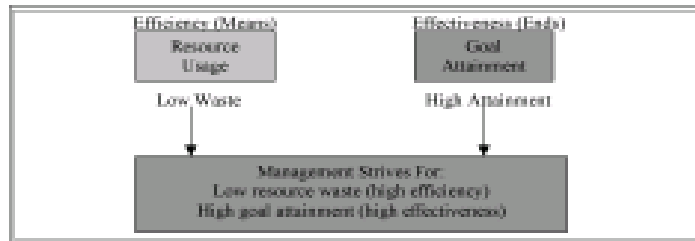
- Mary Parker Follet

- Management refers to the process of getting things done, effectively and efficiently, through and with other people.
- Efficiency means the ability to do things right, and refers to the relationship between inputs and outputs. In the context of the organization, it refers to the

proper utilization of resources. These input resources are Men (people), Materials, Machinery (equipment), and Money.

- Effectiveness means doing the right things. In an organization, that translates into goal attainment.

Efficiency and Effectiveness in Management



- Does that mean that everyone who works for an organization is a manager? :
- Everyone who works for an organization is not a manager.
- Operatives are people who work directly on a job or task and have no responsibility of overseeing the work of others. They are not managers.
- Managers direct the activities of other people in the organization. However, some managers have operative responsibilities themselves.

Scope of Management

- We will now delve deeper in order to understand what are all the scope of the activities performed by managers in organizations.
- Managers must make decisions to establish the purpose of the organization and to perform a variety of activities to make the goal a reality.
- All organizations have collective or shared goals, over and above the individual goals of their members, for the achievement of which the organization is responsible to its owners and stakeholders.
- The collective goals of the organization can be achieved by controlling the activities being performed by the individual members of the organization. This controlled performance means that: (a) The collective goals are known and understood by all members - planning; (b) The necessary resources are obtained and utilized efficiently - implementation; (c) The performance can be controlled and measured to determine the extent of reaching the goals - control. In order to implement the plan by utilizing obtaining and utilizing the necessary
- Let us now classify managers in the organization.
- Managers are customarily classified vertically in organizations as top, middle, or first-line managers.
- First-line managers are usually called supervisors. They are responsible for directing the day-today activities of operative employees.
- Middle managers manage other managers – and possibly some operative employees – and are typically responsible for translating the goals set by top management into specific details that lower-level managers can perform.

- Top managers are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members.
- The other major difference in management jobs occurs horizontally across the organization:
- Functional managers are responsible for departments that perform a single functional task and have employees with similar training and skills. Functional departments include manufacturing, marketing, finance, and human resources.
- Line managers are responsible for the manufacturing and marketing departments that make or sell the product or service.
- Staff managers are in charge of departments such as finance and human resources that support line departments.
- General managers are responsible for several departments that perform different functions. Project managers also have general management responsibility, because they coordinate people across several departments to accomplish a specific project.

The Process of Management

- We have now reached the stage where we can describe and categorize what exactly managers do in organizations and exactly how they do this.
- In the early twentieth century, the French industrialist Henri Fayol wrote that all managers perform five management activities of planning, organizing, commanding, coordinating, and controlling referred to as management process or functions of management.
- Planning encompasses defining an organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities.
- Organizing includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.
- Fayol called commanding as 'maintaining activity among the personnel'. It involves instructing and motivating subordinates to carry out tasks.
- Coordinating is the task of harmonizing the activities of individuals and groups within the organization, reconciling differences in approach, timing and resource requirements in the interest of overall organizational objectives.
- Controlling is the task of monitoring the activities of individuals and groups, to ensure that their performance is in accordance with the plans, standards and objectives set for them. Deviations must be identified and corrected.

Let us now perform two activities in order to understand Henri Fayol's functions of management.

Tutorial Activity 1.1

Using Fayol's functions of management, indicate under which of the five headings the activities below fall:

1. Ensuring that the sales department does not exceed its budget.

2. Deciding which products will form the main thrust of advertising during the next financial year.
3. Ensuring that new working practices are communicated to the workforce.
4. Ensuring that the sales department liaises with production on delivery dates.
5. Changing work schedules to reduce idle time.

Tutorial Activity 1.2

Brainstorm some alternative terms to replace or add to the term 'commanding'.

- A process is a systematic way of doing things. We refer to management as a process to emphasize that all managers, regardless of their particular aptitudes or skills, engage in certain interrelated activities in order to achieve their desired goals.
- In December 1961, Harold Koontz published an article in which he carefully detailed the diversity of approaches to the study of management-functions, quantitative emphasis, human relations approaches-and concluded that there existed a "management theory jungle". Koontz conceded that each of the diverse approaches had something to offer management theory, but he then proceeded to demonstrate that many were only management tools. He felt that a process approach could emphasize and synthesize the diversity of approaches. The process approach, originally introduced by Henri Fayol, is based on the performance of the activities of planning, organizing, leading, and controlling circularly and continuously.
- Most management textbooks still continue to be organized around Fayol's basic management functions, although they have now been condensed to the four basic management functions of planning, organizing, leading, and controlling.
- We can thus say that management is the process of planning, organizing, leading, and controlling the efforts of organization members and of using all other organizational resources to achieve stated organizational goals.
- Planning encompasses defining an organization's goals, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities.
- Organizing includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.
- Leading involves directing, influencing, and motivating employees to perform the required tasks, and resolving conflicts among members.
- Controlling is the task of monitoring the activities of individuals and groups, to ensure that their performance is in accordance with the plans, standards and objectives set for them. Deviations must be identified and corrected.
- The management process is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead, and control. What this means is that as managers manage, their work activities are usually done in a continuous manner-that is, in a process – Robbins & Coulter. The interactive Nature of the Management Process

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