

# Meaning and Definition of Management

There is not a single generally accepted definition for the term management. However, eminent authors have made an attempt to formulate a suitable definition for the term management. But none of them can be regarded as a generally accepted definition.

There are more differences of opinion as some writers stress the directing of human activities while others emphasis the earning of maximum profits. Since the evolution of management thinking has passed three distinct phases, differences of opinions are bound to exist.

## Definition of Management

Definition of Louis A. Allen

*Management is what a manager does .*

Definition of Henry Fayol:

*To manage is to forecast and plan, to organize, to command, to coordinate and to control.*

Definition of F.N. Taylor:

*Management is the art of knowing what you want to do.... in the best and cheapest way.*

The definition for management is more comprehensive and much wider in its scope. From the definitions referred above, it is clear that management is getting things done through the efforts of other people.

In other words, it refers to the technique of extracting work from others in an integrated manner for reaching the specific objectives of the business.

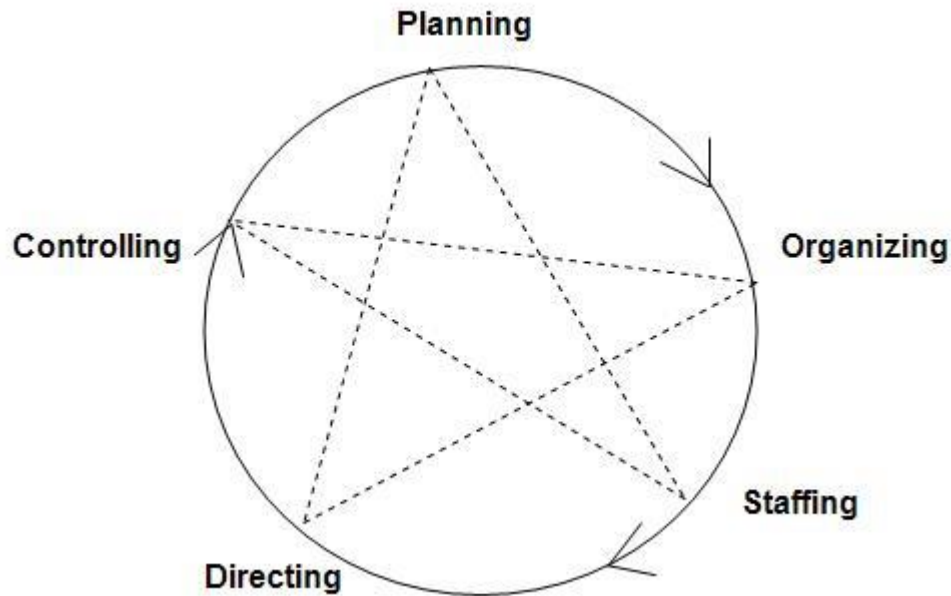
# **The Nature of Management**

**The salient features which highlight the nature of management is as follows:**

- Universal Process
- Factor of Production
- Goal-Oriented
- Supreme in Thought and Action
- Group Activity
- Dynamic Function
- Social Science
- Important Organ of Society
- System of Authority
- Profession
- Process

## **Functions of Management**

For theoretical purposes, it may be convenient to separate the function of management but practically these functions are overlapping in nature i.e. they are highly inseparable. Each function blends into the other & each affects the performance of others.



- **Planning**

It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, "Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be". A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

- **Organizing**

It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, "To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel's". To organize

a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:

1. Identification of activities.
2. Classification of grouping of activities.
3. Assignment of duties.
4. Delegation of authority and creation of responsibility.
5. Coordinating authority and responsibility relationships.

- **Staffing**

It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O'Donnell, "Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed in the structure". Staffing involves:

1. **Manpower Planning** (estimating man power in terms of searching, choose the person and giving the right place).
2. Recruitment, Selection & Placement.
3. **Training & Development.**
4. **Remuneration.**
5. **Performance Appraisal.**
6. Promotions & Transfer.

- **Directing**

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding,

supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:

1. Supervision
2. Motivation
3. Leadership
4. Communication

**Supervision-** implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

**Motivation-** means inspiring, stimulating or encouraging the subordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

**Leadership-** may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

**Communications-** is the process of passing information, experience, opinion etc. from one person to another. It is a bridge of understanding.

## ● Controlling

It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. An efficient system of control helps to predict deviations before they actually occur. According to *Theo Haimann*, "Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation". According to Koontz & O'Donell "Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished". Therefore controlling has following steps:

- Establishment of standard performance.
- Measurement of actual performance.

- Comparison of actual performance with the standards and finding out deviation if any.
- Corrective action.

## Importance of Management

The significance of 'Management' may be enumerated in the following paragraphs:

### 1. Meeting the Challenge of Change

Challenge of change has become intense and critical in recent years. The complexities of modern business can be overcome only through scientific management.

### 2. Effective Utilization of the Seven M's

There are seven M's in business, such as Men, Materials, Money, Machines, Methods, Markets and Management. Management stands at the top of all these M's and determines and controls all other factors of business.

### 3. Directs the Organization

Just as the mind which directs and controls the body to fulfill its desires, management also directs and controls the organization to achieve the desired goal.

### 4. Integrates Various Interests

In the group efforts, there are various interest groups which put pressure over other groups for maximum share in the final output. Management by balancing these pressures integrates the various interests.

### 5. Provides Stability

It provides stability in the society by changing and modifying the resources to cope up with the demanding needs of the ever-changing environment of the society.

## **6. Provides Innovation**

Management provides new ideas, imaginations and visions to the organization and necessary life for better and greater performance.

## **7. Establishes Team-spirit**

Management coordinates the activities of the various departments in an organization and establishes team-spirit among the personnel.

## **8. Tackles Business Problems**

Good management serves as a friend, philosopher and guide in tackling business problems. It provides a tool for the best way of doing a task.

## **9. Acts as a Tool of Personality Development**

Management is not the direction of things, but the development of men. It makes the personality of the people. Management strives to improve quality, efficiency and productivity.