

## CHAPTER 1

### Management: Introduction, Nature, Significance & Scope

The connection of two or more than two is called bond, as if two atoms are bound to form an apparatus. A prefix of Sanskrit ('Pra' 'प्र') preceded by the bond ('Bandh' 'बंध') turn it into management (प्रबंध).

Two or more people comprise groups or organizations. This bond has created the family and society. Civilization and culture are created with the technique of the nurturing of family life, ways of living in the society and the nature of the process of using raw materials. Person, family, society or organization uses resources to fulfil their needs, but in order to use these resources efficiently the application of knowledge & science, philosophy & skill (art, experience, and tactics) are considered as a management or management study. Therefore, the inevitability of fundamental management is linked to the emergence and development of human civilization.

The first developed urban civilization of the human civilization all over the world is considered to be the civilization of the **Indus valley of the Indian subcontinent (Indus Valley)**, which is currently known as Mohanjodaro, Kalibanga and Harappa civilization cultures of its cities. According to recently concluded research study of Indian Institute of Technology (IIT) Kharagpur and Indian Archaeology Department and a research paper published in the world famous research magazine '**Nature**' (May-2016) - this Indus Valley Civilization existed 8000 years ago, and may be even more ancient. From this research study and other available historical evidence, it is clear that the Indus Valley civilization is also 3000 years

older, even from the oldest known Egypt and Mesopotamian civilization. (In the civilization study of Egypt and Mesopotamia, the remains of the materials used in the Indus Valley Civilization have also been obtained.) It is a matter of self-pride for us that on the earth that we have born, was a developed civilization over 8000 years ago. ***The Indian subcontinent is called the mother of civilization.***

Textiles were manufactured in the, 8000 years ago, developed Indus Valley Civilization, foodgrains storage in the big buildings of Mohanjodaro, use of carved bricks in the Kalibanga and the evidence of the oldest port are also found in 'Lothal'. Urban development was also superior in the Indus Valley Civilization. In the time of this civilization, trade was from neighbouring countries - i.e., 8000 years ago, the practice of management was also found. Establishment of huge foodgrains house, garment manufacturing, Lothal Port operations cannot be considered possible without Practicing management. On seeing the ancient Pyramid of Egypt, the oldest Hindu temple in Cambodia and many ancient heritages of the World, we are surprised at the details of their construction and use, which means that the use of management was done in the creation and development of ancient civilizations. Hence, the subject of 'management' is as ancient as the development of human civilization.

The resources used in different periods from the Stone Age, to till current information technology era such as material, machine, method,

money, man, market, have remained almost the same, Only the methods, techniques, process and ways of their application or use have been changing everyday based on research, experience and need.

Simplicity and convenience in life, prosperity and expansion in life has been the nature and purpose of human beings in every age. For its achievement, the human brain has been experimenting and researching the nature provided resources in various ways.

When deploying various resources, it is essential to keep in mind the goals in order to balance the responsibilities and boundaries. This skill requires special knowledge strategy. This requisite knowledge can be attained only through the learning process (teaching-training) management.

In each phase of development of the human civilization, the needs and goals of the society and organization have changed in the dynamic circumstances; accordingly the meaning of the management, work, theories, workplace, and importance has also been changing. Knowledge of management has also been developed gradually with the experiences and experiments, based on this, the concepts of management, theory, process, development and managerial techniques have evolved.

The goal of organized groups and resources is to achieve livelihood, to get the services of the living, to make profit, or can be anything else, for which they have to do some industrial work. The nature of the organization and workplace is influenced by the organization's goals and environment.

You can observe in your personal life that how many enterprises or organizations are working

in the world to fulfil all the needs and wishes of your life. Since we start our lifecycle from morning clock to toothpaste or all the other sources safety equipments needed from morning to night, are being provided by the business organizations, government and social organizations.

All the functions such as knowing, understanding, presenting your current and future needs, preparing products / services according to your budget, reaching out and arranging sales and then collecting their experiences from customers, these actions are possible due to the only element - management.

***Request to the student and the teacher - Make a list of the goods and services being consumed by the students and you and your family, then write the name of the manufacturer, name of the marketer and service provider, and their address. The teacher can explain the most popular or most consumed products or services in the list, their manufacturers and marketers, the entire process of the manufacturing and marketing i.e. the factory, resources, manufacturing process, packaging and the process of operation of the entire business to make the product or services available to the market and customer and along with description and explanation the utility of management in the whole process. This company's story or description study is now practiced as a case study.***

Management acquires resources such as man, capital, materials, machine-tools, production methods and market; create proper reconciliation between them in order to achieve predetermined objectives. Management is a very powerful and dynamic element that makes the economy of the country vibrant.

To change the condition and direction of individuals and families in our society; to provide healthy and high standard of living; to employ young educated people, to protect the nation and the only important elements that lead to economic and technological progress on the world screen is **"Effective Management and Efficient Manager."**

'Human' is the only living resource among the other resources used by the organization. All other resources - the capital, machines, methods and markets are non-living, which are used by humans only.

In order to understand the management, it is necessary to know the nature of these two classes (living and non-living), their utility and use. Human beings on this earth are the most complex creatures, whose nature and behaviour are completely impossible to understand. Human being is lazy by nature, and his behaviour changes every second, he cannot accomplish the task assigned by others (not able to do the same way) according to their expectations. Therefore, it is very challenging to work with the workers or employees and get the work done according to the predetermined standards. That is why the most prevalent definition of management is centered on the meaning that the **"Management is the art of getting work done form others."**

Competition and revolution in information technology in the globalized world has made the use of other resources more challenging. Presently, China's manufactured products are being sold all over the world due to the cheapest prices; thereby it is the most important challenge to minimize the production cost of products and services manufactured by the industries. Minimization or

control of production cost is not a magic, for this, resources have to be used efficiently by scientific methods. Therefore, the second prevailing meaning of management is centered upon **"Maximum production or profit with minimum effort and cost is called Management."**

There are also various different approaches and goals of using resources such as use of raw materials and capital economically, utilizing the available physical resources such as factory, building, machine, and human (operating the factory for 24 hours in 3 shifts), using latest techniques in production methods and creating new markets. Manager or management has different approach towards each and every resource. Not only that, manager has to perform various functions and activities in order to achieve the objective of **"Maximum Production at Minimum Cost and Efforts."** Therefore management is also known by the functions performed by the managers-" Management is the process of planning, organizing, staffing, directing, and controlling in order to achieve the predetermined objectives."

### **Management: Definitions:**

Perhaps, the general meaning of management may have been understood from the above mentioned introductory description, because the use of management is universal and omnibus, therefore it has been defined with different approach and perspectives by many scholars. Some important definitions are as follows:

According to Mary Parker follet, "Managing is the art of getting work done through others."

Lawrence Appley has also given the definition. "Management is the accomplishment of results through the efforts of other people."

Harold Koontz has made certain changes in this definition and wrote - "The management is the art of getting things done through others and with formally organised groups."

In Kretiner's words, "management is the process of working with and through others to achieve organizational objectives in a changing environment. Central to this process is the effective and efficient use of limited resources".

In Glueck's words, "Management is the effective use of human and physical resources to achieve the objectives of the organization."

According to Taylor, the father of Scientific Management, "Management is the art of knowing what you want to do and then seeing that they do it in the best and the cheapest manner."

According to Stanley Vance, "Management is the process of deciding and controlling human actions with the aim of achieving pre-determined goals."

In Prof. Clough's words, "Management is the art and science of Decision-making and Leadership."

According to McFarland, "Management is the process by which managers create, direct, maintain and operate purposive organization through systematic, coordinated and cooperative human efforts."

According to Peterson and Plowman, "Management may be defined as the process by means of which the process and objectives of a particular human group are determined, clarified and effectuated."

In the words of George R. Terry "Management is a distinct process consisting of planning, organizing, actuating and controlling; utilizing in each both science and arts, and followed in order to accomplish pre-determined objective."

According to Weihrich and Koontz "Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims."

Louise A. Allen's words, "Management is a group of systematic knowledge that is based on some principles of normalized management of the business profession."

**Conclusion:** On the above basis, it can be said that **“management is an art and science that is involved in overall activities from getting work done through others, minimizing the cost, and from planning and controlling to achieve the objectives of the organization with the help of humanitarian efforts.”**

### **Management : Features & Characteristics**

Management is defined by scholars in various ways, after indepth analysis, the following features or characteristics of the management are described-

1. Managers get work done from other people and they themselves manage managerial work such as planning, organization, direction and control.
2. Managing work is not irrelevant and aimless. There are certain predetermined objectives of the management.
3. Managing work is easy to get done in a formal group. Groups of unorganized people are only crowded, which is difficult to manage.
4. Management is a human work. The management work is done by the best or special people of the society, such persons (managers) have specialized knowledge, experiences and cognition.
5. This is a very challenging task. It is able to



produce useful products or services using organized resources.

6. Managing is a creative task that contributes to the creation of maximum productivity by increasing the effectiveness and efficiency of these instruments.

7. Managing is a general principle. This theory has been developed, based on extensive research and wide experiences, by various academicians, thinkers and managers.

8. The manager should have the ability to lead.

9. The manager does whatever he does by decision-making. Sometimes, there has to be a decision either in relation to doing some work or regarding the avoidance of any work.

10. Managers can delegate some of their authorities to their subordinates for getting work done through others. Subordinate can further delegate some of their authorities to their subordinates. Therefore, every subordinate also becomes responsible for its assigned authorities. Consequently, the level of authorities and responsibilities at each level of the organization is created.

11. The management work is affected by the internal and external environment of the organization and at the same time affects it too. There are employees and resources employed in the internal environment, whereas in the external environment there is an economic, social, political and technological environment. This entire environment and management functions interact with each other strongly.

12. Management is the process of coordinating human efforts and physical resources of the organization. So that the objectives of the organization and the expectations of all sections related to it can be accomplished efficiently and

effectively.

13. The manager takes into account the effective productivity of its resources.

14. Management is Universal. It is the function taken in small, large, religious, political, military, social and business organizations.

15. Management is an invisible power. It cannot be seen and touched, but on the basis of results of its efforts, the presence of management can be felt. When all the work is done efficiently, the employees are satisfied, the organization has a cordial work environment, and then the presence of the management power is easily estimated. Sometimes the absence of invisible power of management is realized when the institution starts going towards failure. At such a time, the power of management can be acknowledged by saying that in the absence of it the organization can be flooded due to mismanagement.

## **Management: Objectives**

Managing is a function and every function has its own objectives. In this way management also has some objectives. Since the management is a group of wide functions, therefore its objectives are also wide which can be divided mainly into four parts-

1. Primary Objectives
2. Secondary Objectives
3. Personal Objectives and
4. Social Objectives

**1. Primary objectives-** The primary objective of the management is to satisfy the aspirations of various stakeholders related to an organization, so that the organization can achieve its objectives for which it has been established. Therefore, the primary objective of the management-

- (A) To produce products and services at an

optimum cost.

(B) Distribution of products and services at reasonable prices, to provide full satisfaction to consumers.

(C) Organization need to give appropriate remuneration to all the resources, and

(D) The organization has to earn a suitable amount of profit.

**2. Secondary Objectives-** Secondary objectives are helpful in achieving primary objectives. Supporting objectives are related to the internal work system of an organization, so that efficiency can be achieved in work-performance. Under this, different resources of the organization are to be used in such a way so that the contribution of these resources can be maximized. These resources are in human financial and in physical form. The efficiency and contribution of resources depends on how well their quality is, how they are used and how these resources are coordinated with others. Therefore, the secondary objectives of management are:

(A) Generating quality in various resources.

(B) Use them at reasonable time and place.

(C) To bring together these resources in such a way so that all resources work in complementary form and result into effective functioning of the organization.

**3. Personal Objectives -** Personal objective of an organization is the satisfaction of human resources. As mentioned above, different resources are divided into human and other elements in an organization. Human resources are different from other resources because non-human resources are run by them. In any organization, human resources can be divided into three parts - entrepreneurs, managers and other employees. All sections have

different functions, responsibilities and aspirations. The aim of the management is to accomplish the aspirations of all these sections, and for that an environment and work system needed to be developed in the organization so that all individuals get satisfaction and can work with their full potential.

**4. Social Objectives-** The organization receives its resources from society, and converts some of them into products and services and again gives back to society. Every step of this process involves social objective. These objectives include the development and correct use of various resources of the society, fulfilment of the needs of each section of society, engagement in proper manner, presentation of good examples etc.

### **Management: Importance**

The management was in the form of the development order of human civilization in some form, in which the humanity started working in an organized manner. Organized work cannot be achieved in any field be it economic, social, political or legal, without achieving its objectives of proper management. Similarly, whether there is any country or any economic system or any dispute, management is considered important equally. In this regard, the following statement of Urwick shows the importance of management - No theory; promise or political imagination can make maximum production achievable by using limited human and physical resources and with minimum efforts, it is only possible by effective management. On the basis of production, the level of high standard of living and more facilities can be laid. "

In the modern era, new techniques of management are being explored all over the world to make

different resources more efficient. Today the management has become the most important activity. Management was also essential in the ancient times and in today's environment it has become more important. There are two reasons- first, the nature of modern organizations has become quite wider than in the past; due to such changes, the complexities in implementation have increased a lot, which can be resolved only by effective management. Second, due to the globalization of business, every country and its organizations have to face world class competition. India is also not untouched by globalization in business. The process of economic liberalization began in the 1990s to make the economy of the country more effective, in which enormous changes were made in the economic policies. Consequently, there is a fundamental change in the prior liberalization and post-liberalization conditions and importance of management, which can be understood by the following table-

	Factors	Before Liberalization	After Liberalization
1.	Nature of the Market	Seller's market	Buyer's market
2.	Nature of competition	Monopoly and limited competition	Full competition
3.	The source of competition	Internal	External and Internal
4.	Basis of competition	License and quota	Development of competitive ability
5.	Business development	Internal	Capacity based business
6.	Objective of Business	More profits	Satisfaction of all stakeholders
7.	Importance of management	Secondary	Primary
8.	Management methods	Traditional	Modern
9.	Preference for Human Resources	Secondary	Primary

In this changing environment, in India and other countries, which are going through such a process, the importance of management is increasing, which we can see with the following details:

**1. Facing Competition** - In today's time, every business area has become competitive. This

competition has not only emerged due to internal organization, but also due to external organization. In such condition, the main function of the management is to make the organization competitive. To cope-up with the competition, it is necessary to emphasize on quality product manufacturing and keep the prices comparatively lower. It is possible only through effective management.

**2. Development of Resources** - Development of a country or organization requires development of its resources. The development of an organization does not depend on how much resources it is getting in succession, but it depends on how much resources it has developed itself. Management is very important in the development of resources.

**3. Appropriate use of Resources** - The development of various resources is not only important but their appropriate use improves the functioning of an organization. Though, the quantity of resources is limited and they can be used in various substitute activities, therefore it is necessary that resources should be used in those activities where their contribution is most appropriate. Management not only ensures that the use of which resource will be useful, but also ensures that resources are effectively used there.

**4. Innovation and its use** - In today's era Innovation and its use are essential for the development of an organization. Innovation means the production of a new item such as a synthetic detergent substituting fat-based washing soap: Innovation is to make a new object by altering it to make it more useful such as developing a Smartphone with the alteration in a small computer: finding new types of marketing and distribution such as delivery of goods to the

customer directly through online e-business and replacing a long series of wholesale, vendors, retailer etc. to reach customers, is included. The first and foremost aim of innovation is to provide maximum satisfaction to customers. Management is very important in innovation, because by this all activities of innovations are accomplished. The more consideration an organization gives to innovation, the more successful it is.

**5. Organization Survival and Growth-** There are mainly three objectives of an organization - survival protection, growth and profitability. These three objectives are mutually dependent, such as the existence of the organization is necessary for the growth; Profitability is necessary for long-term survival. Management ensures the survival and growth of the organization by establishing proper cohesion in different inputs such as raw materials, machines, other materials and various products and services of an organization. In the absence of this synchronization, organization begun to decline and ultimately its existence ends. In India, many such industries have come under such conditions such as soybean, small-scale steel, miniature cement, etc. On the contrary, the Tata Iron and Steel Company (TISCO), established in 1907, is the largest and most successful steel company in the private sector.

**6. Economic Development of the Country** Management has a major contribution in the economic development of a country. According to Michael Porter, Competitive competence in any industry of any country depends on four factors - the position of the resource, the position of demand of products and services, the status of related and supportive industries, and competition among different organizations. If all these factors are favourable then the development of the country is

in a fast pace. There is abundance of demand for various resources-natural and human and products and services in India, but due to lack of competitiveness in related and subsidiaries and various organizations, the growth of any industry has not been so much that it can become internationally competitive (protection Growth is inhibited). Although the competition has increased after economic liberalization, but only the foreign companies are gaining the advantages only because competition is not affected by the internal factors of the country rather influenced by external factors. That is why for the development of the country, it is essential for management to focus on local organizations.

**7. Coordination in different interests groups -** There are different interests groups in an organization, such as the employer, employee, customer, supplier, financial resources, investor, government and society in a business entity. All these groups have different expectations from the organization. For instance, customers want good products at low cost, employees expect more salaries and benefits, government expects more taxes more etc. In such a situation, the management coordinates the expectations of groups, which are related to the organization so that each expectation equals its contribution.

**8. Stability in Society -** Management plays an important role in bringing stability in social system. This stability is achieved by the persistence of change in society. When a new technique is developed or the new product is invented, the society gradually accepts it. In this process, society adopts new methods in place of its old traditional methods, which brings continuity in society. If such changes do not occur at a rapid pace, then

destruction begins in the society due to lack of continuity. Management saves the society from the results of this destruction.

## **Management : Nature**

Over time - with a variation in the study and use of techniques of management, the nature of management keeps changing. such as management was first taken only as art , today management is considered as both science and art. Similarly the Management was first taken as the non-profession , now it is taken as a profession . Currently the nature of the Management can be seen in the following forms-

1. Management as Science and Art ,
2. Management as a multi-disciplinary
3. Management as profession and,
4. Universal process of Management

**1. Management as Science and Art:** Some people consider management as a science, some people consider it as an art and some people consider it as an inexact Science. To correct this notional variation, it is necessary to know the nature of science and art. Then it can be determined whether the management is science or art or both.

● **Management as a Science** - The science is a sequential study of any knowledge which establishes the relationship in cause and effect. According to George Terry, "Science is an accepted systematic body of knowledge in terms of any subject, objective or general truths of study." The principles of science are based on experiments and applied universally. Thus science has following characteristics:

1. Science provides a group of principles and Rules based on actual studies that can be universally applied.

2. Various theories are developed with the help of experiments so it is based on truths and facts.
3. Principles display the relationship in cause and effect.
4. The principles are used in the redressal of a problem or group of problems.
5. Various theories can be tested and each test results in one or other conclusion.

If the management is seen in the context of the above characteristics of science then there are some characteristics, which are acceptable upto extent. As the principles of management are interpreted on the basis of experiments; it reflects the cause and the result; these principles are used to solve various problems. But many other characteristics which are basic such as universality, exactness, are absolutely lacking; the principles of management are changeable and circumstantial. Hence the management cannot be classified as pure science. It can be kept in the category of inexact science, which indicates that scientific methods can be used in the management. With the use of scientific methods, traditional principles of management can be brought to the newest level, and new theories can be reproduced. But due to the use of scientific methods only the management cannot be classified as pure science.

**Management as an Art** Unlike science the art is not based on theories and rules rather it is based on behavior and practice. By using the management efficiently, the desired results can be achieved. According to Terry "Planning tactfully is the only art to achieve desired results." Art has the following characteristics:

1. Art is the method to achieve the desired results.
2. Achievement of desired results depends on personal tact and knowledge and its use.
3. Art is related to practical knowledge and



practices, therefore efficiency can be achieved from continuous practice for doing any work.

All the features of art are found in Management, which are as follows:

1. The management is based on personal qualities like other arts such as music, dance, painting etc.
2. Like other arts, skill can be achieved by continuous practice in management.
3. The creativity can be achieved in Management like other arts that can be used to solve problems.

Henceforth the Management can be unquestionably placed in the art category. In fact, the beginning of the management was in the form of an art that started using scientific methods later. If the Management is viewed in the perspective of science and art, it includes both properties and should be taken as both. With this combination, comparatively solutions to management problems can be done easily, as expressed by the following qualities-

Sr.No.	Management as a science	Management as an art
1.	Efficiency based on competency	Efficiency based on knowledge
2.	Development of the principles	Using the Principles
3.	Interpreting problems	Defining the Problems
4.	Decisions based on scientific representation(model)	Decisions Based On intuition and experience

Thus we can say that Management is science (Pure Science) and an art both. In Management, the knowledge of principles is as much essential as the art of using the principles. Both are complementary to each other and become useless in the absence of one of the other. The old saying that “Knowledge is Power” has been replaced by the new saying “Experimental Knowledge is Power”.

**2. Management as a multi-disciplinary:** Every independent branch of knowledge is called

discipline such as art, science, Commerce and Law. Each discipline has its own objectives and for the fulfilment of these objectives, various principles are developed. Though, management is itself an independent discipline, but it is considered as multi-disciplinary due to the contribution of the following various disciplines in developing its principles:-

Physics , Biology , Electronic , Social Sciences , Economics , Political science, scripture s , History Behavioural science, Psychology , Sociology , Anthropology etc.

All these disciplines have more or less contribution in the Management field, which are as follows:

1. Economics gave the theory related to decision-making process, allocation of resources, proper management of resources etc.
2. Political science gave the theories related to organization structure, organization Doctrine, bureaucracy, etc.
3. Biology and Psychology have proclaimed principles relating to understanding and controlling the behavior of the individual.
4. Sociology has contributed to understanding the concept of the individual behaving in group and their methodology.
5. The Anthropology has contributed to the development of ethical values and principles related to business ethics.

Here, it is important to mention that management has integrated the various concepts of all these disciplines and makes it usable by the managers.

**3. Management as a Profession-** In today's era, it has become a trend to take management as a profession. Management studies have also been put into a professional science category . In such a state it is necessary to determine whether the

Management is a profession or not. For this it is necessary to know the definition of the profession, its importance and its use in the characteristics of Management. . In different-times, the profession is defined in a varied manner that also distinguishes its characteristics. In 1928 Car Sandras had defined the profession as “Management is probably a business that is based on intellectual study and training, and aims to provide services to others in exchange of fees or salaries.”

According to this definition, any business or an occupation, especially one that involves prolonged training and a formal qualification, for a direct and definite compensation, can be placed in the category of profession.

Profession is a business for which specific Knowledge, efficiency and training are required and these competencies are used for the wide interests of the society and the success of any profession cannot be only measured in money acquisition.

### Characterstics of Profession:

Mc Farland has given the five features of the profession -

- 1.The characteristics of Knowledge
- 2.Formally attainment of Knowledge
3. Representative Institution,
4. Ethical Code of Ethics and
5. Service Ttendencies.

If the Management is viewed in terms of all these charcaterstics, some of these features exist while some are lacking.

1. Management has evolved as a specific branch of knowledge and many institutions are indulged in expansion of this knowledge. So the Management can be placed in the category of profession
2. There is a formal arrangement and system to

attain such knowledge and provides degree for the same, for example, degree of B.B.A. or M.B.A. so far, the management can be kept in the category of profession, but the other side is that the MBA degree for the manager is not necessary. A person without any professional degree can also manage an organization. Therefore, management cannot be considered as a profession on this basis.

3. There are representative institutes in relation to medical and law like other ancient and established establishments such as the All India Management Association in India, American Management Association in the United States. but for managers, Institutional membership is not imperative as in case of medical and law, so the Management cannot be placed in the profession.

4. Like other professions management also has a system of code of Conduct. But many managers are not even familiar with this code of conduct. According to this, management is not even identifier of the established profession.

5. The inclination of service is essential for each profession. However, whether to follow such a tendency in a profession depends on the social and ethical system of the country. Management based on this trait can be placed in the profession category.

From the above analysis it is concluded that management can be considered as a profession on the basis of some characteristics, whereas not basis of all characteristics. Therefore, the management cannot be kept in the established profession category, but it can be kept in the forward-looking category, as shown in the following table:

Sr.No.	Category of profession	Features of Profession
1	Established profession	Based on the branch of knowledge such as medical, Law
2	Innovative Profession	It used on new subjects as chemistry, sociology
3.	profession-asiml	Based on technical knowledge and practice as Nurse laboratory assistant
4	Future profession	Like based on modern business techniques
5	Marginal profession	It used on technical education such as Draftman

**Professional Management-** Theoretically it is not important whether to keep the management in the category of profession or not what is important is that how the management is adopted in an organization be it professional or non-professional. As L.C. Gupta said, "The appointment of professional manager and professional degree holders is not required but proper approach of management is needed. Professionals have more importance than professional degree." A professional management has the following features:

1. Dedicated to professional knowledge and technology
2. Using the techniques of modern Management
3. Emphasis on team spirit rather than individualism.
4. Be prepared to change and change management
5. In the organization appointment and promotion should be based on capabilities, rather than on basis of place of birth, family relations caste or religion
6. The optimal decision-making process in which the interest of all stakeholders is considered, and
7. Sense of responsibility towards the society and respect of national policies.

**From the beginning to the first half of the twentieth century, the tradition of individual leadership in society and states was effective but in the changing environment the tradition of collective leadership was developed.** The tendency of the collective leadership has given more importance to the effectiveness and efficient work. Hence the relevance of professional individuals is growing day-by-day.

#### **4. The Universality of Management-**

Universality implies that any knowledge is to be universally and equally applicable. There are two ideologies in respect of universality- one is in favour another is in against.

Arguments in favor of universality: Theo Heman said "The principles of Management can be implemented."

In favor of it these are the following arguments:

1. The process of Management (planning, organizing, staffing, directing and Control) is found in all kinds of organizations and equally in all countries.
- 2 . The principle of Management is universal although it is necessary to take into account the specific circumstances of the country or organization when using those principles.

***Thus according to these thinkers Management is universal.***

#### **Arguments against the Universality:**

According to Stephen Robbins, "There are more than five dozen principles in management. Although most of them apply in accordance with the situation, they cannot be called universal because they have not come true in the test of universality." Various researches has also confirmed that the principles of management applied in the US cannot be applied equally in all the countries of the world. Geert Hofstede, a researcher from the Netherlands, studied the management systems of 40 countries in the 1980's and concluded that since human attributes are different in different countries, American management principles cannot be universally applied. Not only this, but a single principle cannot be applied equally in two different types of undertakings in the same country. Thus, the implementation of any theory of management

depends primarily on three factors:

1. Culture of the country or organization
2. Objective of organization and
3. Managerial philosophy of organization

### **1. Culture of the Country or Organization-**

Because the culture of each country is different, so all the principles of management cannot be applied equally in all the countries. Not only this, there is also sub-cultures in every culture, so the culture of two organizations of the same country can also be different, which affects the principles of management. Therefore, management is considered to be culture-bund.

**2. Objective of Organization** The Objectives of organization of different regions can vary, like business organizations and non-business organization. There can also be differences in the objectives of two business organizations. Due to the differences in the objectives, the use of management principles can also vary. According to Peter Drucker, the principles and competencies of business organizations can not be transferred to non-business organizations.

**3. Managerial Philosophy of Organization -** In managerial philosophy, those beliefs and convictions are included, on basis of which an organization can be organized. The managerial philosophy in the organization is determined by the high level managers. Since the managerial philosophy of different organizations can be different therefore different principles of management can be applied. S.K. Bhattacharya concludes after the research that there is a difference in the management principles of professional managed and family managed companies in India. Differences are in relation to

managerial capacity and qualities, performance, results, planning and decision methods, management practices and control.

Therefore the Management is universal but its principles are not universal but is circumstantial. So the management must take into account the following facts in the transfer of knowledge:

1. Those Principles of Management which are universal and the impact of human behaviour is negligible, can be perfectly transferred such as the principle of planning, theory of forecasting and so on.
2. In order to transfer those principles of management which are influenced by human behavior and are not universal, it is necessary for the country and organization to keep in mind, such as the principles of directing, the principles of motivation, the principles of leadership, etc. Transfer of knowledge of management can be done in the following ways:

- Study of the Management literature of developed countries and research of the traditional Management system
- Training of managers of underdeveloped countries in developed countries
- By managerial consultants of developed countries
- Case Studies of those Multinational companies that manages their business in less developed countries

The area of management is very broad, because where human beings work as a group, the concept of management exists in some form whether the group is small or big, in business or in other areas. In Henry Fayol's words, *"Management is a universal science, which is equally applicable, be it commerce, industry, political, religion, war or public welfare."* That means where the human

beings are involved in attainment of objectives by collective endeavor, management is necessary. The field of management can be defined in two ways: First the activities performed in an organization, is called the functional area of management. Second- Various types of organizations in which management are used called the non-business area of management.

In the global competition market, the expectations of each stakeholder (shareholders, employees, customers, government) have become very high. In order to fulfill these aspirations, each task has to be done with the help of experts and specialized knowledge, whether it is a small work or a work which can directly affect the organization. In order to include specialization in the organization, management experts and managerial skills are being used for execution of every activity and for optimum use of every resource of the organizations. Therefore, every function of the institution or organization is being executed by professional managers; hence it is called 'the functional areas of management'.

From the point of view of study, functional areas of management are divided into three parts:

1. Functional area of business Management,
2. Functional area of non-business Management
3. Innovative functional areas of Management

#### **A. Operational Areas of Business Management:**

**1) Production Management:** This branch of management incorporates production planning, variety control, etc. in its field.

**2) Material Management:** This branch of management incorporates the process of purchasing, storing, lifting, hoarding, stock control etc. in its field.

**3) Marketing Management:** This branch of management incorporates the activities of sales of manufactured goods, sales promotion, market research, establishment and operations of sales branches, selection of distribution chains, sales management etc. in its field.

**4) Financial Management:** This branch of the Management incorporates the task of determining the needs of capital, the sources of financial management, obtaining the capital and making its best possible use in its field.

**5) Service Class Management:** This branch of Management involves recruitment, selection, training, work evaluation, eligibility assessment, Labor welfare, Social Security, prevention of accidents, Improving working conditions, disposal of disputes.

**6) Office Management-** This branch of management incorporates letter correspondence, receipt of information and its dispatch, maintaining a contact line within the organization, etc.

**7) Transportation Management-** This branch of management works to provide safe transportation of goods from one place to another, as well as individuals at minimum of time with low expenses.

**8) Export and Import Management-** This branch of management incorporates the export import related tasks into its area.

**9) Management of Research & Development -** This branch of Management includes the development, expansion, innovation etc of technology in its field.

**10) Accountancy Management :** This branch of management comprises of keeping accounts, preparing cost accounts, receiving payments, obtaining cash, accounting of assets, etc. in its area.



## **(B) Operational Areas of non-business Management**

**1. Managing Public Utility Services:** This branch of management incorporates water, electricity, gas, transportation, communication, medical, etc. services in its area.

**2) Managing Environment-** This branch of management incorporates the work of protecting the environment from being polluted. It is increasingly becoming the responsibility of government, society and industry to prevent the atmosphere or environment pollution.

**3) Management of Education:** This branch of management deals with the development, expansion and operation of teaching-training facilities.

**4) Defence Management** - This branch of management deals with establishment, operation and control of military organizations so that national security can not be weakened.

**5) Management of Justice-** This branch of management deals with the interpretation of laws, hearing of crimes and its justice.

**6) Management of Technology-** This branch of management incorporates the growth and development of services and activities that promote knowledge and science in its field.

## **3. New Functional Area -**

Due to the growing importance of management in today's business and industry sector, the areas of management have become important. But it depends on the nature, requirement, purpose and region of the industry. Therefore, following management areas are included in the new functional areas of management:

1.) Management of Public Enterprises

2.) Management of Export Imports

3.) Appropriation of Portfolio Management

4.) Entrepreneurship Management

5.) Small Business Management

6.) Farm Management

7.) Retail Business Management

8.) Risk & Security Management

9.) Management of Marketing Research

10.) Change Management

11.) Event Management

12.) Conflict Management

13.) Learning Management

14.) Time Management

15.) Knowledge Management

## **Summary**

The art of getting work done from other people is the only management which has been running from the very ancient times. The means of production, labor, capital, machinery, production methods and human beings in the market are alive. Therefore by managing all these, everything can be managed. This is what minimizes the costs and maximizes the production.

It is concluded from various definitions that getting work done from other people and planning, organization, coordination and direction and control is the only way to achieve the objectives of the organization.

**Characterstics :** Human work, challenging tasks, creativity, general principles, leadership ability, universal functions, invisible power, etc. Importance : Before and after liberalization, facing competition, development of resources, proper utilization of resources, innovation, protection and growth rate of survival, economic development of the country, sustainability in society etc. Nature :

Management in multi-disciplines, science and art, in the form of profession and universal functions. Objectives: Primary, Secondary, Personal and Social Objectives. Areas: Functional areas of Management, Functional areas of Non-business management, and innovative functional areas.

## EXERCISE

### Very Short Questions-

1. Write definition of management as given by Lawrence Appley.
2. State any two features of management.
3. Mention any two secondary objectives of management.
4. What is meant by “would be profession”?
5. Management is universal. Justify this statement.
6. Management is intangible force. How?

### Short Answer Questions-

1. Explain any four characteristics of management.

2. What are the primary objectives of management?
3. Give any four points of importance of management in preliberalised economy.
4. Give any four points of importance of management after liberalization policy.
5. Management is both art as well as science. Explain.
6. Management is multi-disciplinary. Explain.

### Essay Type Question -

1. Explain the objectives of management, giving its definition.
2. Explain the importance of management.
3. What is the meaning of universality of management and give arguments in favour and against.
4. Explain the functional areas of management.