Management is essential at all levels of an organisation. But the word management has been given different interpretations. It is used as a noun, a process, and a separate discipline.

1.2 CONCEPT OF MANAGEMENT

Management as a Noun

In general and popular usage, management refers to a distinct group of people who direct the activities of other people and material resources toward the attainment of predetermined goals. Giving a broader meaning to it, one can look at management as a resource, a system of authority, and a class or elite.

1. Management as an economic resource: The economist’s view of management is that it is a factor of production just like entrepreneurship, capital and labour. The managerial resource, to a large extent, determines organisational effectiveness and efficiency. Hence in a dynamic environment managerial development is more important and its use must be more intensive.

2. Management as a system of authority: Management is a system of authority in the sense that it consists of a team of managers who are responsible for making decisions and supervising the work of others. Managers at different levels possess varying degrees of authority. Higher level managers manage managers at middle levels. Middle and lower level managers supervise and control their subordinate managers and workers.

3. Management as a class or elite: Sociologists view management as a class and status system. Increasing complexity of management in the modern complex organisation has led to managers being regarded as a distinct class in society, who possess knowledge and skill of a high order. Access to managerial positions is based on achievement criteria (i.e., on intellect and knowledge), rather than on ascriptive criteria (i.e., on family and social origins). This development is viewed by some as a managerial revolution in which the managerial class threatens to become autonomous groups with increasing amount of power. Others view this development not with alarm because increase in power of managers attracts more of them, which prevents managerial autocracy.

1.2.2 Management as a Process

Interpreted as a process, management consists of a series of inter-related managerial activities classified into various functions like planning, organising, staffing, leading and controlling. Managers undertake these functions with a systematic approach, so as to integrate physical and human resources into an effective operating unit. Management is, thus, regarded as the process by which a co-operative group directs action towards common goals.

1.2.3 Management as a Discipline

Another connotation of management is that it is a separate discipline having a systematised body of knowledge which managers use in performing their jobs. As a separate field of study, management includes the principles and practice of general management as well as of the various functions of management. It has developed its own techniques and approaches. The theoretical foundations of management have evolved on the basis of experience, observation and scientific investigations.

1.3 MANAGEMENT AND ADMINISTRATION

Management and administration are two terms which are given different interpretations as well as used as synonyms.
1.3.1 Management and Administration as Two Distinct Terms

Distinction between the terms management and administration is often attempted with reference to the nature of enterprises and managerial levels.

1 Distinction based on nature of enterprises: According to one view, it is more appropriate that the term management be used with respect to enterprises having an economic orientation. In other words, the term management should relate to economic enterprises (business enterprises) whose primary goal is generation of surplus. The term administration is preferred with respect to government enterprises pursuing social and political activities and whose primary objective is other than surplus generation.

2 Distinction based on managerial levels: Management and administration are used as two separate terms in the context of the single enterprise keeping in view managerial functions and hierarchy. Subscribing to this view, there are two schools of thought: (i) American School of Thought and (ii) British School of Thought.

i) American School of Thought: According to this school of thought, administration is a broader concept than management. It sets objectives which management strives to realise, and lays down policies under which management operates. Management, on the other hand, is the force that leads, directs and guides the organisation in the accomplishment of predetermined objectives. Thus, according to this school, administration is a thinking function or a top level function involved in planning, setting objectives and policies. Whereas management is a doing function or lower level function engaged in execution of the plans.

ii) British School of Thought: According to this school of thought, management is a wider concept than administration. Management is the rule making and rule enforcing body. It performs top level functions of the organisation. Whereas administration handles the current problems which arises in carrying out the policies laid down by the management. This school emphasizes that management is an all-encompassing and comprehensive term and administration is part of it.

iii) Reconciling the two Schools of Thought: In an attempt to solve the terminological problem, management is categorised as administrative management and operative management. Administrative management is top management in charge of planning function. Operative management is middle and lower level managements responsible for execution of the plans. Look at Figure 1.1 which shows both administrative and operative functions of the management.

Figure 1.1
Title: Administration Vs Management

<table>
<thead>
<tr>
<th>Top Management</th>
<th>Lower Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
</tbody>
</table>

1.3.2 Management and Administration as Synonyms

Another viewpoint is that administration and management are synonymous terms. Any attempt to distinguish between them is misleading. All managers, irrespective of their level in the organisation, perform the same managerial functions. Hence no two sets of personnel are required to discharge administrative and managerial functions in a single enterprise. In fact, top management is chiefly concerned with performing administrative activities, whereas managers at lower levels are predominantly concerned with executive functions.
1.4 DEFINITION OF MANAGEMENT

Management is the art of getting things done through people. In a broader sense, it is the process of planning, organising, leading and controlling the efforts of organisation members and of using all other organisational resources to achieve stated organisational goals. The definitions of management can be broadly classified into four groups: 1) Process School, 2) Human Relations School, 3) Decision School, and 4) Systems and Contingency School.

1 Process School: The Process School defines management in terms of functions undertaken by the manager in an integrated way to achieve organisational purposes. According to Henri Fayol, to manage is to forecast and plan, to organise, to command, to coordinate and to control. All other definitions of management related to this school are either marginal additions, deletions, or elaborations of the functions listed out in the above definition.

2 Human Relations School: This school emphasises the human aspect of organisation and conceives it as a social system. It is a social system because managerial actions are principally concerned with relations between people. In fact, management is concerned with development of people and not the direction of things. The essence of this school is well reflected in the definition of Lawrence Appley to whom management is the accomplishment of results through the efforts of other people.

3 Decision School: The Decision School defines management as rule-making and rule-enforcing body. In fact the life of a manager is a perpetual choice making activity and whatever a manager does, he does through his decisions. Moreover, decision making power provides a dynamic force for managers to transform the resources of business organisation into a productive and cooperative concern.

4 System and Contingency School: According to this school, organisations like any living organism must adapt themselves to their environments for survival and growth. Thus, management involves designing organisations adaptable to changing markets, technology and other critical environmental factors. The systems theory of organisations are organic and open systems consisting of interacting and interdependent parts and having a variety of goals. Managers are supposed to maintain balance among the conflicting objectives, goals and activities of members of the organisation. He must achieve results efficiently and effectively. According to Contingency School there is no best way to design organisations and manage them. Managers should design organisations, define goals and formulate policies and strategies in accordance with the prevailing environmental conditions.

Different schools of thought defined management differently due to three reasons: 1) difference in perspectives of management and organisation theories, 2) shifts in emphasis in the study of the organisation from economic and technical aspects to conceptual and human aspects, and 3) focus on internal and external environments of the organisation.

1.5 NATURE AND SCOPE OF MANAGEMENT

So far you have learnt the definition of management, management as a noun, process and discipline and difference between administration and management. Let us now discuss the nature and scope of management.

1.5.1 Nature of Management

The essential features of management reveal its nature and importance. These are discussed below.

- Universality: Management is an universal phenomenon in the sense that it is common and essential element in all enterprises. Managers perform more or less the same functions irrespective of their position or nature of the organisation. The basic principles of management can be applied in all managerial situations regardless of the size, nature and location of the organisation. Universality of managerial tasks and
2 **Purposeful**: Management is always aimed at achieving organisational goals and purposes. The success of management is measured by the extent to which the desired objectives are attained. In both economic and non-economic enterprises, the tasks of management are directed towards effectiveness (i.e., attainment of organisational goals), and efficiency (i.e., goal attainment with economy of resource use).

3 **Social process**: Management essentially involves managing people organised in work groups. It includes retaining, developing and motivating people at work, as well as taking care of their satisfaction as social beings. All these interpersonal relations and interactions make the management as a social process.

4 **Coordinating force**: Management coordinates the efforts of organisation members through orderly arrangement of inter-related activities so as to avoid duplication and overlapping. Management reconciles the individual goals with the organisational goals and integrates human and physical resources.

5 **Intangible**: Management is intangible. It is an unseen force. Its presence can be felt everywhere by the results of its effort which comes in the form of orderliness, adequate work output, satisfactory, working climate, employees satisfaction, etc.

6 **Continuous process**: Management is a dynamic and an on-going process. The cycle of management continues to operate so long as there is organised action for the achievement of group goals.

7 **Composite process**: Functions of management cannot be undertaken sequentially, independent of each other. Management is a composite process made up of individual ingredients. All the functions are performed by involving several ingredients. Therefore, the whole process is integrative and performed in a network fashion.

8 **Creative organ**: Management creates synergetic effect by producing results which are more than the sum of the individual efforts of the group members. It provides sequence to operations, matches jobs to goals, connects work to physical and financial resources. It provides creative ideas, new imaginations and visions to group efforts. It is not a passive force adopting to external environment but a dynamic life giving element in every organisation.

1.5.2 **Scope of Management**

Management, like any other subject, deals with clearly defined activities without which its progress is impossible. It confines to concepts, principles and theory related to managerial functions. Enterprise functions which vary from organisation to organisation, are excluded from its purview. So typical enterprise functions viz., production, finance, marketing and personnel are outside the scope of management.

**Check Your Progress**

1. What is the concept of management as a process?

2. What is concept of management as a discipline?
3. Against the each statement given below, write the name of the management school.

<table>
<thead>
<tr>
<th>Statement</th>
<th>School of Management Thought</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Management is a rule-making, and rule enforcing body.</td>
<td>Management Thought</td>
</tr>
<tr>
<td>ii) Defines management in terms of functions.</td>
<td>Management Thought</td>
</tr>
<tr>
<td>iii) Designing the organisations to keep them fit to the changing environment.</td>
<td>Management Thought</td>
</tr>
<tr>
<td>iv) Conceives organisation as a social system.</td>
<td>Management Thought</td>
</tr>
</tbody>
</table>

4. State whether the following statements are True or False.

<table>
<thead>
<tr>
<th>Statement</th>
<th>True or False</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Administrative management executes plans.</td>
<td>False</td>
</tr>
<tr>
<td>ii) Operative management formulates plans.</td>
<td>True</td>
</tr>
<tr>
<td>iii) Henri Fayol belongs to process school.</td>
<td>True</td>
</tr>
<tr>
<td>iv) In mature organisations the decisions are made by owner-managers.</td>
<td>True</td>
</tr>
<tr>
<td>v) Universality of management means management is the subject that studies universe.</td>
<td>True</td>
</tr>
<tr>
<td>vi) Economic enterprises are non-profit oriented.</td>
<td>False</td>
</tr>
</tbody>
</table>

1.6 MANAGEMENT AS A SCIENCE AND ART

Management has characteristics of both science and art. It is through scientific methods of observation and experiments that a systematised body of knowledge has grown in the field of management. There are principles, techniques and theories of management.

A science explains phenomena, events and situations as well as establishes cause and effect relationship between two or more variables. So do management theories and principles seek to explain organisational phenomena of human conduct and behaviour. The usefulness of the techniques of management is derived from cause and effect relations between variables. But management is a social science as it deals with people and their behaviour. Thus, management is not as perfect or exact as natural sciences like physics and chemistry. Human behaviour cannot be subjected to laboratory experiments in the same way as possible in physics and chemistry. It is not possible to predict human behaviour with complete accuracy under all circumstances. Moreover, business conditions are liable to frequent changes. Therefore, principles of management cannot be regarded as absolute truths; they are flexible guides.

However, management theory provides a broad framework for training in management and practice of management. Management principles are capable of wide application and improve managerial performance. They serve as guides to practicing managers in solving the problems, by obviating the need for laborious trial and error method. Besides, principles serving as hypotheses are of a great help to researchers in developing new theory and improving and integrating the existing theory. The art of management, like any other art, is application of theory of management in the light of realities to attain the desired results. The essential functional difference between science and art is that the former explains the events of the past and the latter accomplishes ends, effects results, and produces situations which would not come about without it. Art is essentially concerned with the application of scientific knowledge and skill to achieve concrete results. But it also requires an insight and judgement to be exercised, which are involved in the process of management.

In short, managing may be regarded as the art of doing, and management as the body of knowledge that underlies the art. At the same time, it must be noted that science and art of management are not mutually exclusive but complementary. Improvement in one facilitates the other. Since every thing is not proved in management science, it cannot be
a comprehensive tool for manager. When faced with conflicting principles in a given situation, managers have to work out compromises between principles to get practical result with least cost.

1.7 MANAGEMENT AS A PROFESSION

Louis Allen defined profession as "a specialised kind of work practiced through and by use of classified knowledge, a common vocabulary, and requiring standards of practice and code of ethics established by a recognised body." Whether management can be called a profession or not will be clear if we compare its features with the characteristics of recognised profession like medicine, law, accountancy, etc., which are discussed below:

1 Systematic knowledge: Every profession has a well defined area of organised knowledge. Management also deals with distinct areas of knowledge which is developed around functions of management. Techniques of management developed by drawing knowledge from other branches like economics, mathematics and so on, facilitate managers to perform their job better. Coordinated decision making in organisation is made possible by application of the same theory by all managers in their decision making. Managers should possess experimental attitude in acquisition of new knowledge so as to prove successful in an ever-changing organisational environment.

2 Formalised method of acquiring knowledge: For present day managers, formal education and training and important sources of acquisition of knowledge. Transfer of knowledge gained through experience from one living mind to another or intuitive knowledge are no longer considered adequate for practicing managers.

3 Performance-based status: Manager's status in the present day organisation is linked to its performance rather than other extraneous factors like family or political connections. This way management is exacting philosophy with performance orientation.

4 Code of ethics: Professionals must be governed by a strict code of ethics formulated and enforced by professional bodies to protect their members integrity. Since it is difficult to identify clearly the membership of management associations and their role, managerial codes of ethics has not yet evolved so as to be acceptable to all practicing managers.

5 Dedication and commitment: True professionals through dedication and commitment serve their clients interest. Financial reward is not the measure of their success. Managers today are expected to serve the long-run interest of the organisation but they are also conscious of their social responsibilities. Besides, they are entrusted with wealth producing resources of society which they are expected to put to the most effective use.

We may conclude from the above discussion that management cannot be regarded as a profession in all respects but it has some of the characteristics of a profession.

1.8 LEVELS OF MANAGEMENT AND SKILL REQUIREMENTS

Managers are classified on the basis of range of activities for which they are responsible. Functional managers are responsible for a single function whereas general managers have profit responsibility and coordinate different functions of the enterprise. Another major classification of managers is their vertical division into three broad levels of management viz., top, middle and lower levels.

1.8.1 Hierarchical Classification of Managers.

The vertical division of managerial work in the organisation leading to specialisation in hierarchy, is supported by three reasons viz., need for expertise in managerial decision making, need for coordination and need for accountability of operative employees.

1 Top managers: The top management includes the Board of Directors, the Chief Executive and Senior Executives and in-charge of functional departments. They
Management: Introduction and Overview comprise a small group which is responsible for the overall management of the organisation. They make and communicate policies and strategies guiding the middle and lower level managers. Their primary task is that of relating the organisation to the external environment.

2. Middle managers: The middle level of management consists of departmental managers and branch managers. This group direct activities to implement the organisational plans and policies. This middle management balances the demands of top management with the capabilities of lower level management.

3. Lower level managers: Supervisors and foremen belong to this category. They belong to the operating level of management and are responsible for the work of operative employees i.e., non-managers. They are directly responsible for the actual production of goods and services.

1.8.2 Classification of Managerial Skills
We have discussed the classification of managers and the major activities each group performs. Now let us discuss about the skills required by the managers. At all levels, managers require three types of skills. They are 1) technical skills, 2) human skills, and 3) conceptual skills.

1. Technical skill: It is the ability of a manager to use the equipments, methods and techniques involved in performing specific tasks. Technical skill is required more at the lower level of management i.e., at the supervisory level. At higher levels, the technical skill is less important as managers can rely upon others for technical information.

2. Human skill: The ability of a manager to work with, understand, and motivate people in the organisation is known as human skill. It also involves the ability to build effective work teams. The human aspect of management requires individual as well as group relations to be maintained and developed for achieving maximum efficiency. Human skills are important at all levels of management.

3. Conceptual skill: This consists of the manager's ability to coordinate all organisational activities and varied interests involved in it. It involves viewing the organisation in its totality and understanding the inter-dependence of its individual parts. Of all the skills, this conceptual skill is the most difficult skill to acquire. Conceptual skill is very important for top management in formulating long-range plans, broad policies and relating the business enterprise to the industry and economy.

1.8.3 Skill-Mix for Different Levels of Management
Though all the three types of skills discussed earlier are essential for effective management, the relative importance of each type of skill varies according to the level of management. Technical skills assume greater importance at the lower level management, while they become less important as one moves upwards in the hierarchy. Human skills are important at all three levels of management as managerial success primarily lies in getting things done through people. The higher the level of management, the greater is the need for conceptual skill. The important implication of analysing levels of management and skill requirements is for managerial training through which skills are imparted to meet the specific needs of managers of each organisational level.

1.9 MANAGERIAL FUNCTIONS
Enterprise functions vary according to the nature of enterprise. Functions like production, marketing, finance, and personnel noticed in typical industrial undertakings. If you take a transport undertakings, the main functions are operations, traffic and finance. However, the managerial activities grouped into functions are basic for all managers at all levels in all types of enterprises.

The functions which describe managerial job, when put together, make up the management process. This process is analysed into key functions of management viz., planning, organising, staffing, directing and controlling. Planning, organising and controlling which deal mostly with non-human aspects are known as mechanics of
management, whereas staffing and directing which are primarily concerned with human aspects constitute dynamics of management. In the conceptual scheme, though the functions are listed out in a sequence, in practice they are interlocked as a system. As all functions are not equally important for all managers, time spent by them for each of these functions varies according to their levels in the organisation. These functions have been discussed below. You will learn in detail about all these functions in Unit 3.

1 Planning: Planning refers to anticipating the future conditions and choosing from among the alternative future courses of action. The planning process generally includes the following activities.

i) **Forecasting** is looking ahead to anticipate the opportunity, problems and conditions in a future period of time.

ii) **Establishing objectives** means setting the end results to be accomplished by directing organisational efforts.

iii) **Programming** is establishing the sequence and priority of actions to be followed in the attainment of the objectives.

iv) **Scheduling** is deciding on time sequence for programme steps.

v) **Budgeting** is allocation of resources to minimise costs.

vi) **Establishing procedures** means developing and applying standardised methods of performing a specific work.

vii) **Developing policies** involve establishment and interpretation of standing decisions that apply to repetitive questions and problems of significance to be organisation as a whole.

2 Organising function: The organising function of management is the process of defining and grouping of activities and creating authority relationship among them. It consists of:

i) **Developing the organisation structure** which involves identification of task and grouping them into units or departments for performance.

ii) **Delegating authority** to the managers and making him responsible for group performance.

iii) **Establishing relations** creating conditions necessary for mutually cooperative efforts of people in the organisation.

3 Staffing: Planning the organisation with suitable personnel constitutes the staffing function. It involves selection, training and development, compensation, and appraisal of subordinates by the manager. Manpower planning and manpower management looks after these activities and try to ensure suitable methods of remuneration and performance appraisal of the employees.

4 Directing function: Directing involves managing people and the work through the means of motivation, proper leadership, effective communication and coordination. A manager must develop ability to command. He should issue orders and instructions without arousing any resentment among the subordinates. He must be able to secure willing obedience from his subordinates without destroying their initiative and creativity. Moreover, it requires a sound communication system to enable exchange of ideas and information for common understanding.

5 Controlling function: Controlling enables management to ensure that achievement is in accordance with the established plans. It involves:

i) **Establishing performance standards** for evaluating results.

ii) **Performance on the basis of records and reports on the progress of work.**

iii) **Performance evaluation** against the standards set.

iv) **Corrective action** to regulate operations, remove deficiencies and improve performance.

1.10 **SOCIAL RESPONSIBILITIES OF MANAGEMENT**

The term social responsibilities may be defined as the obligation of management towards the society and others concerned with the activities of the organisation.
1.10.1 Reasons for Social Responsibilities

As you know, the business enterprises are creatures of society and should therefore respond to the demands of society. If the management does not react to changes in social demands, the society will either force them to do so through laws or will not permit the enterprise to survive. Hence the long-run interests of business are best served when management assumes social responsibilities. The image of a business firm is often linked with the quality of its products and customer service and the extent to which it fulfills the expectations of owners, employees, consumers, government and the community at large. For long-run success it matters a great deal if the firm has a favourable image in the public mind. Finally, every business enterprise is an organ of society and its activities have an impact on the social scene. It is, thus, important for management to consider whether their policies and actions are likely to promote the public good, advance the basic values of society, and constitute to its stability, strength and harmony.

1.10.2 Stake-Holders of the Organisation

As the outcome of the increasing concern for the social responsibility of management, it is now recognised that, besides taking care of the financial interest of owners, managers of business firms must also take into account the interest of other groups such as employees, consumers, the government, and the community at large. These interested groups are called stakeholders. Viz., owners (shareholders), employees, consumers, the government and public at large.

1 Responsibility towards owners: The primary responsibility of management is to assure a fair and reasonable rate of return on capital and fair dividend to the shareholders as investors and riskbearers. What is a fair return on investment can be determined on the basis of difference in the risks of business in different fields of activity. With the growth of business the shareholders can also expect appreciation in the value of their capital. These may be regarded as the legitimate expectations of the shareholders not high rate of return earned through black marketing and unfair trade practices.

2 Responsibility towards employees: Management responsibility towards employees relate to the fair wages and salaries, satisfactory work environment, labour-management relations, and employee welfare. Fair wages should be fixed in the light of labour productivity, the prevailing wage rates in the same or neighbouring areas and relative importance of jobs. Managers salaries and allowances are expected to be linked with their responsibility, initiative and skill. But the spread between minimum wages and highest salaries should be reasonable. Managers are expected to build up and maintain harmonious relations between superior and subordinates. Management and union relations should be harmonious and cooperative. Another aspect of management responsibility towards employees is the provision of welfare amenities like safety and security of working conditions, medical facilities, housing, canteen, leave and retirement benefits.

3 Responsibility towards consumers: In a competitive market, serving consumers is supposed to be a prime concern of management. But in reality perfect competition does not prevail in all product markets. In the event of shortage of supply there is no automatic correction. Besides consumers are often victims of unfair trade practices and unethical conduct of business. Consumer interest are thus protected to some extent with laws and pressure of organised consumer groups. Management should anticipate these developments, satisfy consumer needs and protect consumer interests. Goods must be of appropriate standard and quality and be available in adequate quantities at reasonable prices. Management should avoid resorting to hoarding or creating artificial scarcity as well as false and misleading advertisements.

4 Responsibility towards the governments: As a part of their social responsibility, management must conduct business affairs in lawful manner, honestly pay all the taxes and duties, and should not corrupt public officials for selfish ends. Business activities must also conform to the economic and social policies of the government.
Responsibility towards the community and society: The socially responsible role of management in relation to the community are expected to be revealed by its policies with respect to the employment of handicapped persons, and weaker sections of the community, environmental protection, pollution control, setting up industries in backward areas, and providing relief to the victims of natural calamities.

Check Your Progress B
1. Classify the following managerial activities into functions:

<table>
<thead>
<tr>
<th>Managerial Activity</th>
<th>Managerial Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Forecasting</td>
<td></td>
</tr>
<tr>
<td>ii) Communication</td>
<td></td>
</tr>
<tr>
<td>iii) Establishment of performance standards</td>
<td></td>
</tr>
<tr>
<td>iv) Selecting managers</td>
<td></td>
</tr>
<tr>
<td>v) Budgeting</td>
<td></td>
</tr>
</tbody>
</table>

2. State whether the following statements are True or False.
   i) Lower level management is otherwise called strategic management.
   ii) Conceptual skill implies ability to use tools, procedures and techniques.
   iii) Profit-making responsibility lies with functional managers.
   iv) Staffing means manning the organisation structure.
   v) Motivating belongs to planning function.
   vi) Employees of the enterprise are stakeholders.

1.11 LET US SUM UP

Various meanings assigned to the word 'management' add up consistently. Management is a distinct decision-making group which makes use of systematised body of knowledge relating to functions that make up the process. Distinction between management and administration can be drawn by preferring the usage of the former term in commercial enterprises and the latter term in government enterprises engaged in social and political activities. But in practice both the terms are used as synonyms and there is no evidence that two sets of people called administrators and managers are required for running an enterprise.

Definitions of management can be grouped under four different schools. The process school analyses the job of a manager and classifies managerial activities into distinct functions viz., planning, organising, staffing, leading and controlling. Human relations school, while emphasising human aspect of an organisation, gives more importance to managing people. The decision school focuses on decision-making involving the managerial activity of developing and choosing from among alternatives. Managerial responsibility of relating organisation to external environment is the subject matter of systems and contingency schools. Essential features that make up the nature of management, are also derived from the concepts and definitions of management.

Management as a distinct branch of knowledge with a clearly defined boundaries, confines itself to the managerial job conceptually divided into functions. While managerial functions are common to all enterprises, enterprise functions derived from the purposes of the enterprises vary according to their nature. Management, though not an exact science, is progressing towards perfection. Art of management, which is an application of management science for achieving practical results, depends on the latter for its improvement. Thus science and art of management are not mutually exclusive, but complementary to each other. Management is increasingly being regarded as a profession, as it has a body of knowledge the acquisition of which is compulsory for gaining access to managerial jobs in the modern complex organisations. Skill requirements for all levels of managers are identified as conceptual, human and technical. Human skill is important at all levels. Higher the managerial level the greater the need for conceptual skill. Technical skill which assumes greater importance at lower levels, is of less significance at higher levels.
Management: Introduction and Overview

Their term 'social responsibilities' may be defined as the obligations of management towards the society and others concerned with the activities of the organisation. Business enterprises are creatures of society and should therefore respond to the demands of society. Otherwise management will be forced to confirm to social demands through laws or the enterprise may not be permitted to survive. It is in the long run interest of business if the management assumes social responsibilities. Managers of business firms must not only take care of the financial interest of owners but also take into account the interest of other stake-holders of the firm including employees, consumers, the government and the community at large.

1.12 KEY WORDS

Administration: A thinking function concerned with overall determination of objectives and policies to be executed by the management.

Art of Management: Application of science in the attainment of practical results.

Conceptual Skill: Ability of a manager to visualise and coordinate the activities of, and varied interests in the organisation as a whole.

Controlling: A process of evaluating results against predetermined standards and correcting deviations, if any.

Forecasting: Anticipating future environment.

Management: Process of attainment of predetermined objectives by directing activities of a group of persons and employing other resources.

Organising: Process of identifying and grouping the work to be performed and establishing relations between persons and granting necessary authority to them.

Planning: Determining future course of action.

Profession of Management: Practice of a specialised kind of job applying systematised body of knowledge and guided by code of ethics set by a recognised body.

Staffing: Manning the organisation structure and keeping it manned.

Science of Management: A body of knowledge consisting of concepts, principles and techniques organised around managerial functions.

Social Responsibilities: Obligation of management and enterprise towards stake-holders.

1.13 ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress A

3 (i) Decision school (ii) Process school (iii) Systems and Contingency Schools
   (iv) Human relations school

4 (i) False (ii) False (iii) True (iv) False (v) False

Check Your Progress B

1 (i) Planning (ii) Leading (iii) Controlling (iv) Staffing (v) Planning

2 (i) False (ii) False (iii) False (iv) True (v) False (vi) False

1.14 TERMINAL QUESTIONS

1 What is management? How is it defined?
2 Do you agree with the view that management is both a science and an art? Substantiate.
3 What is profession? Is management a profession? Why?
4 Explain the skill requirements of managers at different levels.
5 Discuss various functions of management.

6 Define social responsibilities. Explain the social responsibilities of management towards a) Employees b) Consumers and c) Community.

7 Distinguish between:
   a) Management and administration.
   b) Management as a process and a system of authority.
   c) Administrative management and operative management.

Note: These questions will help you to understand the unit better. Try to write answers for them. But do not send your answers to the University. These are for your practice only.