

**IMPORTANT QUESTION ANSWERS SPECIAL FOR YOUR UNIVERSITY**

**Q. 1. What is 'management' ? Discuss the importance of management in modern business organisations.**

Or

**Define 'management'. What is the importance of management in today's business world ?**

Or

**"Management is the ordering and coordinating of functions and of the men fulfilling these functions in order to achieve a given purpose." Discuss.**

Or

**"Management is the art of setting things done through and with the people in formally organised groups." Explain this statement.**

Ans. Modern age is an era of management revolution. There was a time when economic development depended mainly on scientific and mechanical inventions. However, in the modern world good management is necessary for efficient and effective working of organisations, alongwith technological advancements.

**Meaning of Management**

Management is a wide term carrying several meanings, depending on the context in which it is used. Usually, the term 'management' assumes three meanings, when it is used in three different senses as follows:

**I. Management as a Noun.** When used as a noun, 'management' refers to 'managerial personnel', i.e., all those persons are concerned with getting things done through other people. Such persons are charged with some responsibility and are given some authority—responsibility of executing the policies and programmes of an organisation, and authority in order to discharge their responsibilities. In this sense, 'management' includes the Board of Directors, Chairman and Managing Director, Functional Directors like Marketing Director and Finance Director, General Managers, and First Line Supervisors. The task of such business management is executory and supervisory in nature.

**2. Management as a Process.** When used as a process, 'management' refers to what the management body or management committee or management council or managers do, or what a manager does. In other words, in this sense, 'management' means the set of functions performed by the managers. These managerial functions broadly include—Planning, organising, staffing, directing and controlling. Such functions are performed in order to get things done through and with other people in an effective and efficient manner. This is why that management has been said to be the ordering and coordinating of functions and of the men fulfilling these functions in order to achieve a given purpose. Henry L. Sisk has also said, "Management is the coordination of all resources through the process of planning, organising, directing, and controlling in order to attain stated objectives."

**3. Management as a Discipline (i.e., Subject).** When used in the sense of a discipline or subject, it refers to a branch or body of knowledge and practice. In other words, here 'management' means the set of principles, concepts, theories, and practices as a subject of study for those who intend to be good managers in various areas. Here, the 'management' also denotes a code of conduct for managers and does prescribe the techniques and methods of managing things.

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It may be noted that 'management' has also been analysed as an 'economic resource', 'a factor of production', 'a system of authority', 'a technique of leadership', and 'a means of coordination or decision making'.

Simply stated, 'management' means getting things done through and with the individuals and groups by effective and efficient use of available resources.

**Definition of Management**

It is very difficult to give a precise definition of the term 'management'. Different management authors have viewed management from their own angles. Moreover, during the evolutionary process of management different thinkers laid emphasis on different aspects. For example, F.W. Taylor emphasised 'engineering aspects', Elton Mayo laid emphasis on 'human relations aspect', E.F.L. Brech, George R. Terry and J.L. Massie emphasis on 'decision making aspect', Ralph Davis stresses 'leadership aspect', and some others like Barry Richman etc. emphasised 'integration or coordination aspect.'

Some important definitions of 'management' maybe discussed as follows :

1. **Harold Koontz.** "Management is the art of getting things done through and with people in formally organised groups."
2. **George R. Terry.** "Management is a distinct process consisting of planning, organising, activating and controlling performed to determine and accomplish the objectives by the use of people and resources."
3. **Donald J. Cough.** "Management is the art and science of decision making and leadership."
4. **Mary Cushing Nile.** "Good management, or scientific management, achieves a social objective with the best use of human and material energy and time, and with satisfaction for the participants and the public."
5. **Henry Fayol.** "To manage is to forecast, to plan, to organise. to command, to coordinate, and to control."
6. **Theo Haimann and William Scott.** "Management is a social and technical process which utilises resources, influences human action, and facilitates changes in order to accomplish organisational goals.'

Thus, the above definitions bring out that

- (a) Management is a social and technical process.
- (b) it consists of planning, organising, staffing, leading, decision making, coordinating and controlling.
- (c) It is concerned with gettings done, i.e., accomplishing pre-determined objective by the use of people and resources.
- (d) It helps in the creation, direction, maintenance and operation of organisations.
- (e) It cores maximum' benefits fo: the employer, the employees, and the community.

**Business Management**

LH. Harry says, "Business is a human activity directed towards producing or acquiring wealth through buying or selling goods." In fact, business means economic activity performed primarily with a view to earning profit and acquiring wealth by serving goods and services for necessary and decent living.

Business management simply means a specific process of planning, organising, staffing, directing and controlling the efforts of the people who are engaged in activities in business organisations in order to attain predetermined objectives of such organisations.

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**Importance of Management**

Management is an indispensable element for the establishment, proper functioning, and success of all organisations—social, political, religious, charitable, or business units. It effectively and efficiently organises and utilises the human and non-human resources and directs them towards the accomplishment of organisational goals.

Management is all the more important in the context of the business enterprises, because no business can run on itself, even after getting momentum. Every business needs repeated stimulus i.e., something that causes activity. Such stimulus is well provided by the management. In this sense, as Peter F. Drucker has said, "The manager is the dynamic life-giving element in every business." Without manager's leadership "resources of production" remain resources only and never become production. This is why that management is a distinct and a leading group in industrial society.

The importance of management may be fully discussed as follows :

**1. Accomplishment of Organisational Goals.** The success of any business organisation depends on the extent of its effective and efficient attainment of the predetermined objectives or goals by properly utilising its human and physical resources and facilities, and by coping well with its environmental elements, such as consumers, suppliers, competitors, etc.

Management achieves the organisational goals by properly planning, organising, staffing, directing, controlling the activities and affairs of the organisation.

**2. Proper running of Business.** Management successfully leads and motivates the workers to put their maximum efforts, skills, ability, and experience in performing their duties and responsibilities. Where their skills and ability need to be sharpened, the management fulfills such requirements by duly training the workers. Thus, management keeps the business to run properly and efficiently.

**3. Designing of Sound Organisational Structure.** People in an enterprise must be properly organised into well constituted purposeful groups in order to create cooperation and coordination in their thinking and activities. Only then, they will be able to contribute effectively and efficiently towards the achievement of group goals and ultimately the business objectives. For establishing proper control positions and also clear relationships between and among them, the management designs the required organisation structure, and also fills the created positions with right persons. Management also divides the whole work into proper units. Such as Sections, Departments, or Divisions..

**4. Creation of Proper Organisational Climate.** „Good working climate is a must for people to perform their task and responsibilities enthusiastically and economically. Management keeps the morale of the workers high through their proper motivation and by leading them successfully. Managers create proper organisational climate by establishing effective reward system, grievance handling system, develops employees culture' among the employees of the organisation. people

**5. Creating and Maintaining Coordination.** If disappointing perform their individual activities without caring for and knowing about their linking with -another, such scattered activities and efforts shall result in all futile exercises. Productivity will be hampered. Results shall be dismal and objectives people of ideas, physical resources, and coordination

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Management acts as the force that integrates ideas, men, and physical resources into an effective operating unit. Managers create and maintain among human and material resources towards the achievement of organisational objectives.

The above statement of importance of management clearly establishes that management is indispensable in modern age for making organisational resources productive. The quality and performance of its managers is the only edge that an enterprise can have over its competitors in a competitive economy.

**Q. 2. Define 'management' and discuss its characteristic features.**

Or

**Discuss the nature of management.**

Or

**What are the characteristics of management? Discuss its nature as art and a science.**

Or

**Discuss the nature and characteristics of management. Is management a science, an art, or a profession?**

Or

**Is management a profession? Discuss.**

Or

**"Management is an art of setting things done, and a science of decision making." Discuss.**

Ans. Definition of Management. For details in this regard, earlier.

**Nature or Characteristics of Management**

Management has a dynamic nature. It means that management is an organising and unceasing element or concept. Management does not occur by rigid formula or fixed pattern. It is ever-present reality of organisational life. Management does occur carry out the work himself, but 'the managers get the work done through other people by pioneering, leading, motivating, and controlling their activities, efforts, and behaviour. The following important characteristics or features of management clearly indicate toward its nature:

**1. Management is a complex and continuous social process.** Management deals with human phenomenon about which too little is known. The structure and behaviour of groups of people are very complex. It is a process because it comprises a series of actions that lead to achievement of objectives. It is a social process because these actions are primarily concerned with relations between people. It is a continuous process because new problems crop up as the old ones are solved.

**2. Management is an independent skill.** Management has emerged as an essential, a distinct, and a leading independent institution which is a central event in the social history. It is a new basic and dominant institution or social group.

**3. Management is a Science.** 'Science' is a 'systematized knowledge about a phenomenon ascertained by observation and experiment.' It means that under science, general truths are discovered and critically tested; and then underlying principles are established. As science, management has developed and provides a body of principles, theories, laws, techniques, and practices, which are capable of universal application. It has developed certain generalizations which are applicable to any group activity.

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However, it may be noted that the science of management is not as exact as other natural and physical sciences like physics, chemistry, biology, etc. It is in its evolutionary stage, still to grow and develop fully. It is a social science like political science, sociology, and anthropology. It is a 'soft science', and suffers from a number of deficiencies to be called 'pure science'. Such deficiencies are—lack of proper prediction about human behaviour; Doubt about universal application of its principles and theories especially due to cultural and social differences in various countries; lack of certainty about the results especially the same results.

Again it is to be understood that management is growing as science due to the following reasons:

- (a) Quantitative tools under the name and style of 'Operations Research' have been introduced in the field of managerial decision making.
- (b) Researches have been conducted which have provided better insight into the nature and behaviour of man.
- (c) Certain principles, theories, and practices have been identified to be similarly effective and universally applicable, and have been brought under the name and style of 'International Management' or 'Contemporary Management' or 'Global Management',
- (d) Different case studies undertaken in various countries unfold the correct and the same results. Thus, the degree of predictability is being properly identified and ascertained.

**4. Management is an Art.** Art is the answer to the query 'how'. It tells about the way to accomplish the desired results. It is 'behavioural knowledge'.

Art is the applied science, i.e., application of knowledge for the solution of organisational problems. The meaning of art is the bringing about of a desired result through the application of skill. Management, in this sense, is an art. It provides to the enterprise the ability to compromise with the least of undesired consequences—which is the essence of art. Management leads, motivates, and influences the people to be on the right, desired track by effecting various kinds of adjustments and compromises through artful handling of conflicts and dissensions. It tells as to how to solve various problems in the fields of production, marketing, finances, personal, technology, research and development, human resource development, competition, etc.

It may be clearly understood that science and art are not contradictory, but complementary phenomena. Management is a science as well as an art—a mixture of the two in which the ratio of art is said to vary between 50 to 90%, and that of the science, from 20 to 10%. In fact, management is the art and science of procuring, maintaining, organising, directing, motivating, leading, and controlling the human effort and utilising the physical resources and facilities towards the accomplishment of organisational objectives. It has to be noted that for the successful running of an organisation and maximising the desired results, science should be complemented by use of art and conversely, art has to be complemented by the use of science. Like science, management is a body of principles and law. Like art, management is 'know how creative'.

**5. Management is a system of authority.** Management is a system of authority which is represented by vertical and horizontal dispersal of authority positions resulting in what is

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popularly known as 'management hierarchy' or 'chain of command'. Under the authority system, well-defined lines of command and delegation of suitable positional powers along with specified responsibilities at all levels, are established. System of authority creates discipline and order, and avoids chaos.

**6. Management is universal.** Managers perform the same functions regardless of their place in the organisation, structure or the type of enterprise in which they are engaged. Acting in their managerial capacity, presidents / chairmen, directors, departmental heads, supervisors/foremen, college principals, bishops, and heads of governmental agencies all do the same thing, i.e., perform the same functions. They are all engaged in setting things done through and with people. As managers, each must, at one time or another, perform all the duties. Characteristic of managers irrespective of their level in the organisation or their place or ratio of working. This is the principle of universality of managerial functions or management.

One implication of this principle is that anything significant which is said about the functions of one manager, applies to all managers. Every manager plans, organises, performs staffing work, leads, motivates, communicates, coordinates, controls, and makes decisions. Thus, theories of management could be developed and made applicable to all executives in all occupations. Haynes and Massie point out, "Every institution requires management. Some managers are effective, others weak; but management, good or bad, is universal and of great importance."

**7. Managerial knowledge and experience are transferable.** By implication of the principle of universality of management, managerial knowledge and experience are transferable from department to department, from enterprise to enterprise, and from nation to nation. Executives can employ their skill as well in one occupation as in another, to the extent that their tasks are managerial and not technical, and with the proper motivation and orientation to environment of managing.

**8. Management is a profession.** 'Profession' is defined in many ways. Any occupation by which a person earns livelihood is called profession. It is also used in restricted sense, and then it includes certain specified occupations only. All occupations are not included in profession. Thus, clear definition of profession is not possible.

However, an operational definition of profession may be given as follows: Profession is an occupation for which specialised skills and training are required and the use of these skills is not meant for self-satisfaction, but these are used for the larger interest of the society. The success of these skills is measured not in terms of money alone, but in terms of contribution to society and humanity also. Thus, all professions are occupations because they provide means for livelihood. However all occupations are not profession, because they lack certain characteristics of profession.

**Characteristics of Profession**

Kenneth Andrews and McFarland have evolved or identified different characteristics of profession which differ in several respects. However, the main important characteristics may be identified as follows:

**(a) Existence of an organised and systematic body of knowledge.** In a profession, there exists an organised and systematic body of principles, laws, theories, concepts, tech-

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niques, etc. Management is also an organised body of knowledge built up by management theorists, scholars, and practitioners over a period of long years.

**(b) Formalised methods of acquiring training and experience.** In a profession, there are formalised methods of acquiring training and experience. Today, the management science is fully equipped with formalised methods of acquiring training and experience. Professional schools of business administration have evolved. In India, there are management institutes at Ahmedabad, Calcutta, Bangalore, Delhi, etc. More than 30 Universities are running management programmes. Many institutions, associations, and organisations are running short-time management programmes. But the entry to management cadre is not limited to management graduates only. There are no minimum qualifications prescribed for a manager, as is the case in other professions like engineering, medicine, or law.

**(c) Professional or Representative Association.** In a profession, there is a professional association to regulate professional activities; and to prescribe the criteria for individuals who want to enter the profession. For example, there is Bar Council of India (Law), Medical Council of India (Medicines), and Institute of Chartered Accountants (Accountancy). Professional Management Associations are being established in most of the countries with a view to regulating the behaviour of member-managers, creating a code of conduct for them, and building up and promoting the image of management as a profession. There is All India Management Association, with its local units, which coordinates research and other activities in management areas. This Association has prepared and implemented a code of conduct for its member-managers. However, this association has got no legal powers whatsoever.

**(d) Formation of ethical codes or standards.** In a profession, there is a code of conduct for its members, which provides rules and regulations, norms of honesty, integrity and professional morality. There exists a code of conduct in traditional professions like law and medicine. But there exists no uniform code of conduct in the field of management, though All India Management Association has, as indicated earlier, developed a code of conduct for its member-managers.

**(e) Service motive with charging 'fee' only.** In a profession, the overriding motive is service—service to the client, service to the society. There is self-control. A professional member does not ask for 'price' for his service. Instead, he requests for and charges only 'fee' for his professional service. Thus, there is a feeling of charging only for one's labour. For example, a doctor charges only his 'fees' from a patient whose life he has saved by administering proper and timely medicines. He does not ask for 'price' of 'life' from the patient. Thus, there is priority of 'service attitude' over 'economic considerations'. Management to the modern world aims at providing efficient managerial services at reasonable low cost in order to serve the larger interests of the employer, the employees, and the society at large.

**(f) Social responsibility.** In a profession, the members do not work with the purpose of earning profit, instead they are in profession with the overriding intention or purpose of welfare of the society and they work for its development and progress.

It may be concluded from the above discussion that management fulfills the above specified conditions or features of a profession in varying degrees. Hence, it can be said that

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though management does not equal to the traditional professions like medicine, engineering, or law, even then it is slowly and gradually moving toward a profession. Hence management may be said to be a profession in making.

**9. Management is an integrating force.** Management is a force that is well recognised for integrating human and physical resources through its proper direction, designing of organisation structure, job positions, delegation and decentralisation of authority and responsibility, consultative and participative processes, and influencing. It establishes congruence (i.e., balance) between organisational interests and goals on one hand, and the individual interests and goals on the other hand.

**10. Management is Intangible.** Management is intangible in that: (i) The process of management cannot be seen, and (ii) The principles, theories, techniques, concepts, and practices of management are also invisible. Management is said to be good or bad on the basis of results. However, when management is referred to 'managerial personnel', it can be seen.

**11. Management utilises multi-disciplinary approach.** Management relies for its vast body of knowledge on various other fields, such as economics, anthropology, sociology, psychology, mathematics, engineering, etc.

**Q. 3. What are the functions of management ?**

Or

**"Management is the force which leads, guides and directs an organisation in the accomplishment of predetermined objectives." Discuss.**

Or

**"Management is what management does." Discuss.**

Or

**"Management has to perform a series of jobs." Discuss.**

Or

**Describe the essential functions which constitute the process of management. What is the relative importance of such functions?**

**Ans. Management is what management does**

This statement means that the set of functions or jobs carried out by managers constitutes management. In other words, management has to be understood in terms of the activities or tasks performed by managers in their managerial positions. Regardless of place, time, level in the organisation, nature of the organisation, etc, it has been found that all managers perform almost similar tasks popularly known as functions of management. These are : planning, organising, staffing, directing, and controlling. Managers manage through these functions. Thus, planning, organising, etc. are the responsibilities of managers.

**Functions of Management**

There is no unanimity among management scholars about the functions of management. They have given different classifications of such functions. Some have classified managerial functions into three parts, while others have divided them into eight.

**Luther Gulick** coined the word POSDCORB to indicate the principal functions of management, wherein P = Planning, O = Organising, S = Staffing, D = Directing, CO

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=Coordinating, R =Reporting, and B = Budgeting. At present, reporting is included in controlling,' and budgeting is represented in both planning and controlling. Some scholars lay emphasis on innovation, coordination, decision making, and communicating as separate functions of management, while others do not agree with them in this regard. However, now there appears to be a consensus among management writers and philosophers on the five broad functions of management—Planning, organising, staffing, directing, and controlling. These have been discussed as follows :

**1. Planning.** The success of any work or business lies in preparing for the future in a planned way. Planning includes:

- (a) determination of organisational objectives, in quantitative terms as far as possible;
- (b) deciding for line of action to be followed;
- (c) breaking down of the objectives into specific results or responsibilities of each section, department or division of the enterprise;
- (d) laying down of policies, procedures, rules, programmes, budgets, strategies, and schedules in order to keep the work activities moving toward accomplishment of objectives.

**Louis A. Allen** states, "Planning the determination of a course of action to achieve a desired result. Planning involves thinking through form and detail of work so that it can be accomplished with greatest creativity and economy. It can be characterised as the process of thinking before doing."

A plan as a kind of future picture wherein most probable events are outlined with some clarity, although remote events are less clear.

Forecasting is closely related to planning. Forecasting is a systematic attempt to probe the future by inference from known facts. It implies foresight and looking ahead. It is the process of predicting future conditions that will influence and guide the activities, behaviour, and performance of the organisation.

**2. Organising. Organising involves the following steps:**

- (a) identification of activities or work necessary for achieving the predetermined organisational objectives;
- (b) dividing the work activities into convenient, appropriate groups—grouping of similar activities into one unit, department or decision headed by different positions;
- (c) defining and assigning of responsibilities to various positions heading the groups;
- (d) delegation of authority; and
- (e) establishing relationships among various groups, i.e., job positions.

The structure which results from the above steps is referred to as 'organisation', and the process involving these steps is known as 'organising'. In essence, organising is the arrangement primarily of human elements for work. It is a dynamic tool for interweaving six M's—men, money, machines, methods, markets, and materials.

**3. Staffing.** In organising, the manager establishes positions and decides which duties and responsibilities properly belong to each one. In staffing, the manager attempts to find the right person for each job. Staffing provides the organisation with adequate, qualified, and competent personnel at all levels in the organisation. The function of staffing comprises the activities of defining the requirements with regard to the jobs and job incumbents, selecting suitable persons for various job positions and training and developing employees

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for performing their tasks effectively and efficiently. Staffing also includes placement, transfer, promotion, and demotion of employees.

**4. Directing.** The manager has to guide and command his subordinates towards achieving organisational goals. Directing is mainly concerned with interpersonal relationships within an organisation. Proper direction enables subordinates to understand the objectives and then to contribute effectively and efficiently towards their accomplishment. Directing is mainly concerned with handling people in the organisation, which is really a difficult and taxing job. However, this is successfully done through proper motivation, leading, communicating, decision making, coordinating, supervision, etc.

The organisation must be set going. It must be directed into operation. Directing consists of issuing instructions, interpreting them for subordinates, guiding, inspiring and supervising subordinates, maintaining discipline among them, and so on. Clear and precise decisions and harmony in activities are the results of good direction. Directions to be obeyed and respected must be received and thoroughly understood. Directions to be enforceable must be 'possible' and 'acceptable' to the person concerned.

Today, 'directing' includes the following functions of management :

**(a) Leadership.** Simply stated, leadership means to get the employees to do the things which the manager wants them to do. The essence of leadership lies in ensuring that followers (i.e., subordinates) properly and effectively react to the decisions, commands, and desires of their leader (i.e., the manager) and also to various changes in the organisational environment.

**J. Batty states,** "Fundamentally, the term (leadership) means inspire confidence and trust so that there is maximum cooperation from the employees within the control of a manager."

Management is thought of a special kind of leadership in which the accomplishment of organisational objectives is of utmost importance. Leadership is mainly an emotional, and management is mainly an intellectual process. Leadership secures willing compliance from the subordinates. It means the leader should stop to exercise his authority, leading some exceptional instances. He has to use his qualities, styles, and personal powers in carrying the subordinates with him in the direction of predetermined goals.

**(b) Motivation.** The function of motivation is to know the motives for work and to find ways and means by which their realisation can be helped and encouraged. By motivating people, a manager is able to send them to right path and to persuade them to work to the best of their ability and capacity. To provide the right kind of motivation, each individual or each group is to be viewed as an independent and separate unit. Motivation is closely related to morale which means the mental and emotional attitudes of an individual to the functions or tasks expected of him by his group, and also the loyalty to the group. Morale can be said to be a state of individual psychological well-being based on such factors as a sense of purpose and confidence in future.

Motivation is the key to management in action. It plays a large, important part in determining the level of performance of the employees, which in turn influences how effectively the organisational goals will be met.