Management

Management in all business and organizational activities are the acts of getting people together to accomplish desired goals and objectives efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.

Because organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to 'manage' oneself, a pre-requisite to attempting to manage others.

Management can also refer to the person or people who perform the act(s) of management.

History

The verb manage comes from the Italian maneggiare (to handle — especially tools), which in turn derives from the Latin manus (hand). The French word mesnagement (later ménagement) influenced the development in meaning of the English word management in the 17th and 18th centuries. Some definitions of management are:

- Organization and coordination of the activities of an enterprise in accordance with certain policies and in achievement of clearly defined objectives. Management is often included as a factor of production along with machines, materials, and money. According to the management guru Peter Drucker (1909–2005), the basic task of a management is twofold: marketing and innovation.
- Directors and managers have the power and responsibility to make decisions to manage an enterprise. As a discipline, management comprises the interlocking functions of formulating corporate policy and organizing, planning, controlling, and directing the firm's resources to achieve the policy's objectives. The size of management can range from one person in a small firm to hundreds or thousands of managers in multinational companies. In large firms the board of directors formulates the policy which is implemented by the chief executive officer.

Theoretical scope

At the beginning, one thinks of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place. From this perspective, Frenchman Henri Fayol (1841 -1925) considers management to consist of six functions: forecasting, planning, organizing, commanding, coordinating, controlling. He was one of the most influential contributors to modern concepts of management.

According to Lal Khan (2010) Another way of thinking, Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people". She described management as philosophy. Some people, however, find this definition, while useful, far too narrow. The phrase "management is what managers do" occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

One habit of thought regards management as equivalent to "business administration" and thus excludes management in places outside commerce, as for example in charities and in the public sector. More realistically, however, every organization must manage its work, people, processes, technology, etc. in order to maximize its effectiveness. Nonetheless, many people refer to university departments which teach management as "business schools." Some
institutions (such as the Harvard Business School) use that name while others (such as the Yale School of Management) employ the more inclusive term “management.”

English speakers may also use the term "management" or "the management" as a collective word describing the managers of an organization, for example of a corporation. Historically this use of the term was often contrasted with the term "Labor" referring to those being managed.

**Nature of managerial work**

In for-profit work, management has as its primary function the satisfaction of a range of stakeholders. This typically involves making a profit (for the shareholders), creating valued products at a reasonable cost (for customers), and providing rewarding employment opportunities (for employees). In nonprofit management, add the importance of keeping the faith of donors. In most models of management/governance, shareholders vote for the board of directors, and the board then hires senior management. Some organizations have experimented with other methods (such as employee-voting models) of selecting or reviewing managers; but this occurs only very rarely.

In the public sector of countries constituted as representative democracies, voters elect politicians to public office. Such politicians hire many managers and administrators, and in some countries like the United States political appointees lose their jobs on the election of a new president/governor/mayor.

**Historical development**

Difficulties arise in tracing the history of management. Some see it (by definition) as a late modern (in the sense of late modernity) conceptualization. On those terms it cannot have a pre-modern history, only harbingers (such as stewards). Others, however, detect management-like-thought back to Sumerian traders and to the builders of the pyramids of ancient Egypt. Slave-owners through the centuries faced the problems of exploiting/motivating a dependent but sometimes unenthusiastic or recalcitrant workforce, but many pre-industrial enterprises, given their small scale, did not feel compelled to face the issues of management systematically. However, innovations such as the spread of Arabic numerals (5th to 15th centuries) and the codification of double-entry book-keeping (1494) provided tools for management assessment, planning and control.

Given the scale of most commercial operations and the lack of mechanized record-keeping and recording before the industrial revolution, it made sense for most owners of enterprises in those times to carry out management functions by and for themselves. But with growing size and complexity of organizations, the split between owners (individuals, industrial dynasties or groups of shareholders) and day-to-day managers (independent specialists in planning and control) gradually became more common.

**Early writing**

While management has been present for millennia, several writers have created a background of works that assisted in modern management theories.[4]

**Sun Tzu's The Art of War**

Written by Chinese general Sun Tzu in the 6th century BC, *The Art of War* is a military strategy book that, for managerial purposes, recommends being aware of and acting on strengths and weaknesses of both a manager's organization and a foe's.[4]
Chanakya's *Arthashastra*

Chanakya wrote the *Arthashastra* around 300BC in which various strategies, techniques and management theories were written which gives an account on the management of empires, economy and family. The work is often compared to the later works of Machiavelli.

Niccolò Machiavelli's *The Prince*

Believing that people were motivated by self-interest, Niccolò Machiavelli wrote *The Prince* in 1513 as advice for the leadership of Florence, Italy.[5] Machiavelli recommended that leaders use fear—but not hatred—to maintain control.

Adam Smith's *The Wealth of Nations*

Written in 1776 by Adam Smith, a Scottish moral philosopher, *The Wealth of Nations* aims for efficient organization of work through Specialization of labor.[5] Smith described how changes in processes could boost productivity in the manufacture of pins. While individuals could produce 200 pins per day, Smith analyzed the steps involved in manufacture and, with 10 specialists, enabled production of 48,000 pins per day.[5]

**19th century**

Classical economists such as Adam Smith (1723–1790) and John Stuart Mill (1806–1873) provided a theoretical background to resource-allocation, production, and pricing issues. About the same time, innovators like Eli Whitney (1765–1825), James Watt (1736–1819), and Matthew Boulton (1728–1809) developed elements of technical production such as standardization, quality-control procedures, cost-accounting, interchangeability of parts, and work-planning. Many of these aspects of management existed in the pre-1861 slave-based sector of the US economy. That environment saw 4 million people, as the contemporary usages had it, "managed" in profitable quasi-mass production.

By the late 19th century, marginal economists Alfred Marshall (1842–1924), Léon Walras (1834–1910), and others introduced a new layer of complexity to the theoretical underpinnings of management. Joseph Wharton offered the first tertiary-level course in management in 1881.

**20th century**

By about 1900 one finds managers trying to place their theories on what they regarded as a thoroughly scientific basis (see scientism for perceived limitations of this belief). Examples include Henry R. Towne's *Science of management* in the 1890s, Frederick Winslow Taylor's *The Principles of Scientific Management* (1911), Frank and Lillian Gilbreth's *Applied motion study* (1917), and Henry L. Gantt's charts (1910s). J. Duncan wrote the first college management textbook in 1911. In 1912 Yoichi Ueno introduced Taylorism to Japan and became first management consultant of the "Japanese-management style". His son Ichirō Ueno pioneered Japanese quality assurance.

The first comprehensive theories of management appeared around 1920. The Harvard Business School invented the Master of Business Administration degree (MBA) in 1921. People like Henri Fayol (1841–1925) and Alexander Church described the various branches of management and their inter-relationships. In the early 20th century, people like Ordway Tead (1891–1973), Walter Scott and J. Mooney applied the principles of psychology to management, while other writers, such as Elton Mayo (1880–1949), Mary Parker Follett (1868–1933), Chester Barnard (1886–1961), Max Weber (1864–1920), Rensis Likert (1903–1981), and Chris Argyris (1923 - ) approached the phenomenon of management from a sociological perspective.

Peter Drucker (1909–2005) wrote one of the earliest books on applied management: *Concept of the Corporation* (published in 1946). It resulted from Alfred Sloan (chairman of General Motors until 1956) commissioning a study of the organisation. Drucker went on to write 39 books, many in the same vein.
H. Dodge, Ronald Fisher (1890–1962), and Thornton C. Fry introduced statistical techniques into management-studies. In the 1940s, Patrick Blackett combined these statistical theories with microeconomic theory and gave birth to the science of operations research. Operations research, sometimes known as "management science" (but distinct from Taylor's scientific management), attempts to take a scientific approach to solving management problems, particularly in the areas of logistics and operations.

Some of the more recent developments include the Theory of Constraints, management by objectives, reengineering, Six Sigma and various information-technology-driven theories such as agile software development, as well as group management theories such as Cog's Ladder.

As the general recognition of managers as a class solidified during the 20th century and gave perceived practitioners of the art/science of management a certain amount of prestige, so the way opened for popularised systems of management ideas to peddle their wares. In this context many management fads may have had more to do with pop psychology than with scientific theories of management.

Towards the end of the 20th century, business management came to consist of six separate branches, namely:

- Human resource management
- Operations management or production management
- Strategic management
- Marketing management
- Financial management
- Information technology management responsible for management information systems

21st century

In the 21st century observers find it increasingly difficult to subdivide management into functional categories in this way. More and more processes simultaneously involve several categories. Instead, one tends to think in terms of the various processes, tasks, and objects subject to management.

Branches of management theory also exist relating to nonprofits and to government: such as public administration, public management, and educational management. Further, management programs related to civil-society organizations have also spawned programs in nonprofit management and social entrepreneurship.

Note that many of the assumptions made by management have come under attack from business ethics viewpoints, critical management studies, and anti-corporate activism.

As one consequence, workplace democracy has become both more common, and more advocated, in some places distributing all management functions among the workers, each of whom takes on a portion of the work. However, these models predate any current political issue, and may occur more naturally than does a command hierarchy. All management to some degree embraces democratic principles in that in the long term workers must give majority support to management; otherwise they leave to find other work, or go on strike. Despite the move toward workplace democracy, command-and-control organization structures remain commonplace and the de facto organization structure. Indeed, the entrenched nature of command-and-control can be seen in the way that recent layoffs have been conducted with management ranks affected far less than employees at the lower levels of organizations. In some cases, management has even rewarded itself with bonuses when lower level employees have been laid off.[6]
Management

Topics

Basic functions

Management operates through various functions, often classified as planning, organizing, staffing, leading/directing, and controlling/monitoring.

- **Planning**: Deciding what needs to happen in the future (today, next week, next month, next year, over the next 5 years, etc.) and generating plans for action.
- **Organizing**: (Implementation) making optimum use of the resources required to enable the successful carrying out of plans.
- **Staffing**: Job Analyzing, recruitment, and hiring individuals for appropriate jobs.
- **Leading/Directing**: Determining what needs to be done in a situation and getting people to do it.
- **Controlling/Monitoring**: Checking progress against plans.
- **Motivation**: Motivation is also a kind of basic function of management, because without motivation, employees cannot work effectively. If motivation doesn't take place in an organization, then employees may not contribute to the other functions (which are usually set by top level management).

Formation of the business policy

- The **mission** of the business is the most obvious purpose—which may be, for example, to make soap.
- The **vision** of the business reflects its aspirations and specifies its intended direction or future destination.
- The **objectives** of the business refers to the ends or activity at which a certain task is aimed.
- The business's **policy** is a guide that stipulates rules, regulations and objectives, and may be used in the managers' decision-making. It must be flexible and easily interpreted and understood by all employees.
- The business's **strategy** refers to the coordinated plan of action that it is going to take, as well as the resources that it will use, to realize its vision and long-term objectives. It is a guideline to managers, stipulating how they ought to allocate and utilize the factors of production to the business's advantage. Initially, it could help the managers decide on what type of business they want to form.
Implementation of policies and strategies

• All policies and strategies must be discussed with all managerial personnel and staff.
• Managers must understand where and how they can implement their policies and strategies.
• A plan of action must be devised for each department.
• Policies and strategies must be reviewed regularly.
• Contingency plans must be devised in case the environment changes.
• Assessments of progress ought to be carried out regularly by top-level managers.
• A good environment and team spirit is required within the business.
• The missions, objectives, strengths and weaknesses of each department must be analysed to determine their roles in achieving the business’s mission.
• The forecasting method develops a reliable picture of the business’s future environment.
• A planning unit must be created to ensure that all plans are consistent and that policies and strategies are aimed at achieving the same mission and objectives.

All policies must be discussed with all managerial personnel and staff that is required in the execution of any departmental policy.

• Organizational change is strategically achieved through the implementation of the eight-step plan of action established by John P. Kotter: Increase urgency, get the vision right, communicate the buy-in, empower action, create short-term wins, don’t let up, and make change stick.

Policies and strategies in the planning process

• They give mid- and lower-level managers a good idea of the future plans for each department in an organization.
• A framework is created whereby plans and decisions are made.
• Mid- and lower-level management may add their own plans to the business's strategic ones.

Multi-divisional hierarchy

The management of a large organization may have about five levels:

1. Senior management (or "top management" or "upper management")
2. Middle management
3. Low-level management, such as supervisors or team-leaders
4. Foreman
5. Rank and File

Top-level management

• Require an extensive knowledge of management roles and skills.
• They have to be very aware of external factors such as markets.
• Their decisions are generally of a long-term nature
• Their decisions are made using analytic, directive, conceptual and/or behavioral/participative processes
• They are responsible for strategic decisions.
• They have to chalk out the plan and see that plan may be effective in the future.
• They are executive in nature.

Middle management

• Mid-level managers have a specialized understanding of certain managerial tasks.
• They are responsible for carrying out the decisions made by top-level management.
• finance, marketing etc comes under middle level management

Lower management
• This level of management ensures that the decisions and plans taken by the other two are carried out.
• Lower-level managers' decisions are generally short-term ones.

Foreman / lead hand

• They are people who have direct supervision over the working force in office factory, sales field or other workgroup or areas of activity.

Rank and File

• The responsibilities of the persons belonging to this group are even more restricted and more specific than those of the foreman.

Areas, categories and implementations

• Accounting management
• Agile management
• Applied Engineering (field)
• Association management
• Association of Technology, Management, and Applied Engineering
• Capability Management
• Change management
• Chartered Management Institute
• Conflict management
• Commercial operations management
• Communication management
• Constraint management
• Cost management
• Crisis management
• Critical management studies
• Customer relationship management
• Decision making styles
• Design management
• Disaster management
• Distributed management
• Earned value management
• Educational management
• Engineering Management
• Environmental management
• Facility management
• Financial management
• Forecasting
• Human resources management
• Hospital management
• Hospitality management
• Hotel management
• Information technology management
• Innovation management
• Interim management
• Inventory management
• Knowledge management
• Land management
• Leadership
• Logistics management
• Lifecycle management
• Marine fuel management
• Marketing management
• Merchandising management
• Materials management
• Office management
• Operations management
• Organization development
• Organizational studies
• Perception management
• Practice management
• Program management
• Project management
• Process management
• Performance management
• Product management
• Public administration
• Public management
• Quality management
• Records management
• Relationship management
• Resource management
• Restaurant management
• Risk management
• Skills management
• Social entrepreneurship
• Spend management
• Strategic management
• Stress management
• Supply chain management
• Systems management
• Talent management
• Time management
• Technology Management
• Work Management
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