

SIGNIFICANCE OF MANAGEMENT

Management is concerned with acquiring maximum prosperity with a minimum effort. Management is essential wherever group efforts are required to be directed towards achievement of common goals. In this management conscious age, the significance of management can hardly be over emphasized. It is said that, anything minus management amounts to nothing. Koontz and O' Donnel have rightly observed "there is no more important area of human activity than management since its task is that of getting things done through others."

The significance of management in business activities is relatively greater. The inputs of labour, capital and raw material never become productive without the catalyst of management. It is now widely recognized that management is an important factor of growth of any country. The following points further highlight the significance of management :

- 1. Achievements of group goals :** Management makes group efforts more effective. The group as a whole cannot realise its objectives unless and until there is mutual co-operation and co-ordination among the members of the group. Management creates team work and team spirit in an organization by developing a sound organization structure. It brings the human and material resources

together and motivates the people for the achievement of the goals of the organization.

2. **Optimum utilization of resources :** Management always concentrates on achieving the objectives of the enterprise. The available resources of production are put to use in such a way that all sort of wastage and inefficiencies are reduced to a minimum. Workers are motivated to put in their best performance by the inspiring leadership. Managers create and maintain an environment conducive to highest efficiency and performance. Through the optimum use of available resources, management accelerates the process of economic growth.
3. **Minimisation of cost :** In the modern era of intense competition, every business enterprise must minimise the cost of production and distribution. Only those concerns can survive in the market, which can produce goods of better quality at the minimum cost. A study of the principles of management helps in knowing certain techniques used for reducing costs. These techniques are production control, budgetary control, cost control, financial control, material control, etc.
4. **Change and growth :** A business enterprise operates in a constantly changing environment. Changes in business environment create uncertainties and risk and also produce opportunities for growth. An enterprise has to change and adjust itself in the everchanging environment. Sound management moulds not only the enterprise but also alters the environment itself to ensure the success of the business. Many of the giant business corporations of today had a

humble beginning and grew continuously through effective management.

5. **Efficient and smooth running of business :** Management ensures efficient and smooth running of business, through better planning, sound organization and effective control of the various factors of production.
6. **Higher profits :** Profits can be enhanced in any enterprise either by increasing the sales revenue or reducing costs. To increase the sales revenue is beyond the control of an enterprise. Management by decreasing costs increases its profits and thus provides opportunities for future growth and development.
7. **Provide innovation :** Management gives new ideas, imagination and visions to an enterprise.
8. **Social benefits :** Management is useful not only to the business firms but to the society as a whole. It improves the standard of living of the people through higher production and more efficient use of scarce resources. By establishing cordial relations between different social groups, management promotes peace and prosperity in society.
9. **Useful for developing countries :** Management has to play a more important role in developing countries, like India. In such countries, the productivity is low and the resources are limited. It has been rightly observed, "There are no under-developed countries. They are only under-managed ones".

10. **Sound organization structure** : Management establishes proper organization structure and avoids conflict between the superiors and subordinates. This helps in the development of spirit of cooperation and mutual understanding, and a congenial environment is provided in the organization.

SUMMARY

Management is the force that unifies various resources and is the process of bringing them together and coordinating them to help accomplish organization goal. Management is both, a science as well as art. It is an inexact science. However, its principles as distinguished from practice are of universal application. Management does not yet completely fulfill all the criteria of a profession. There are three levels of management - top, middle and lower. Managers at different levels of the organization require and use different types of skills. Lower level managers require and use a greater degree of technical skill than high level managers, while higher level managers require and use a greater degree of conceptual skill. Human skills are important at all managerial levels.

SELF ASSESSMENT QUESTIONS

1. "There is no important area of human activity than management since its task is that of getting things done through people". Discuss.
2. "Management is both a science and an art". Discuss this statement, giving suitable examples.
3. Define Management. How does it differ from Administration?

4. **What do you understand by the term "Levels of Management"? Explain with reference to an organization with which you are familiar.**
5. **Briefly discuss the nature and scope of Management.**
6. **What are the functions of a Manager? Is mere knowledge of Management enough to become successful manager?**
7. **Discuss basic principles of Management along with their significance.**
8. **Discuss and illustrate the meaning, definition and characteristics of management in modern organizations.**
9. **What is Management? Explain the principles of management with suitable illustrations.**

FURTHER READINGS

- 1 **Kootnz & O'Donnell, Principles of Management.**
- 2 **J.S. Chandan, Management Concepts and Strategies.**
3. **Arun Kumar and R. Sharma, Principles of Business Management.**
4. **Sherlerkar and Sherlerkar, Principles of Management**
5. **B.P. Singh, Business Management and Organizations**