

Management—An Overall View

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“The word ‘management’ is a singularly difficult one. It is, in the first place, specifically American and can hardly be translated into any other language, not even, into British English. It denotes a function but also the people who discharge it. It denotes a social position and rank but also a discipline and field of study”.

—Peter F. Drucker in Management

This quotation from Drucker aptly indicates the difficulty in defining management—one can only point towards what management is. To sum up, perhaps it may be defined as an all pervasive and integrated direction of effort towards the achievement of a given objective.

The objective of a firm usually is maximisation of wealth i. e. the maximum value of its shares in the case of a company. The management will then so arrange and conduct the affairs of the company that over a period of time its profitability is the highest possible and its image in the minds of investors is good and bright. The objective of a school may be the maximum development of the mind and other faculties of the students entrusted to its care. The management will then be concerned with utilisation of all its resources physical, financial and human, in such a manner that the students receive the best education.

A point that emerges from the above is that the objective is given to the management. This is true to a large extent. It is the people in control who determine the objective—the

chief shareholders, through directors in the case of a company in the private sector, government in the case of a public sector enterprise, the trustees in the case of a school or hospital and so on. But management itself plays a significant role in the choice of objectives, at least the manner in which the objectives are to be achieved. For example, the question of entering a new industry or leaving the old industry is decided with the active participation of management. Another implicit point made above is that the resources are given. The management must, of course, make do with given resources and live with the constraints that there are. For example managements in India must live with controls and licensing. Still, a good management always endeavours to augment the resources and plan to fruitfully exploit a given situation.

The hall mark of good management is that it manages affairs, that is to say it is in control of the situation and makes it move in the direction it wants. It does not react so to say, it makes others react. To take an example from political affairs, when Pakistan moved troops into the Rann of Kutch in 1965, India had to react to the situation and make the best of it. But in 1971 India managed the situation right from March 1971 to December 1971 leading to victory in Bangladesh. A management which merely reacts will not do much, it will merely wait till the next fire breaks out; ultimately it must bow out. Of course if an emergency develops, it must be taken care of. For example, managements of companies, bit by recession at the moment in India, must do everything to overcome this bad patch. But, mostly, management will be concerned with the future-determining where the organisation is likely to be and ought to be in, say, five years time and the route along which it ought to travel.

The implication is that the management must be aware of present environment and what it means for the organisation and what the future developments are likely to be and what opportunities and threats they will present to the organisation. Research and forecasting are inestimable value to any management. Almost all good companies these days have corporate planning departments whose main job is to spot opportunities and foreseen threats by looking as far into the future as possible. SWOT analysis, i.e. analysis of strength, weaknesses, opportunities and threats is constant exercise, for only then can the future be ensured. But, of course, the future can be born only out of the present and hence managements must not recklessly move into the future, destroying the base on which the company stands at present. This balancing of the present and future is of utmost importance. Careful planning, based on a careful assessment of what is feasible and fruitful is a common characteristic of all dynamic and growing organisations.

Planning by itself involves balancing and coordination. It need not be emphasised that marketing, production, finance, etc. must all be fully coordinated to achieve the best results: lack of coordination may be disastrous. If increase in production is planned without arrangements for adequate working capital, the plan may not take off at all; it may even lead

to heavy losses. Planning also implies that there will be proper control to see that the plan is being implemented properly. There is no need to stress the point that there must be a suitable organisation to implement the plan—setting up the organisation needed to carry on the various activities is a primary responsibility of management; it must be suited to the task assigned to it. For instance, a bank cannot fashion its training College in the same manner it organises its branches or say the loans department—the College is a creative organisation and should be headed by a creative person enjoying almost full autonomy.

The biggest responsibility of management is in respect of the human resources; it is undoubtedly the single most important factor for success or failure. It is the primary duty of the management to obtain the services of people possessing the various types of skills and talents that are required and to continue to develop the skills and talents of the people. Not only must the people come to the organisation, they must also be willing to stay with it and work wholeheartedly for it. This will, of course, mean adequate remuneration but even more than that, it will require that the people should be happy at their work; this in turn means that they should achieve their personal goals while working to achieve the goals of the organisation. An organisation which brings about such goal congruence will find that it does not have any problem in respect of control. However, people must be motivated towards productivity and must be made aware that only by greater efficiency can they improve their own lot. Motivation and control—the vital functions of management go hand in hand. Management must also see to it that managers will be available in the future also and, therefore, development of human resources, specially at managerial levels should be one of the main objectives of management.

To realise what management is one has to look merely at how a human being works and functions. A successful person has fixed his objectives, has thought about the alternative courses of action and chosen one of them carefully, has coordinated all his efforts and has adopted himself to change; one is even more successful when one foresees the change that is coming. Exactly so with management in a company or a charitable organisation.