

An Introduction to Business Management

Outline:

1. **Definition of Management:**
2. **Characteristics of management**
3. **Skills of a manager**
4. **The Management Challenges**
5. **Definition of Administration**
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1. Definition of Management:

Management is defined as an act of managing people and their work, for achieving a common goal by using the organization's resources. It creates an environment under which the manager and his subordinates can work together for the attainment of group objective. Planning, organizing, leading, motivating, controlling, coordination and decision making are the major activities performed by the management. Management brings together 5M's of the organization, i.e. Men, Material, Machines, Methods, and Money

2. Characteristics of Management:

- ❖ **Management is a group activity:** It is a group activity. Nobody can satisfy all his desires himself. Therefore he unites with his fellow-beings and works in an organized group to achieve what he cannot achieve individually. Massie has rightly called management as a "Co-operative group"
- ❖ **Management is Goal - oriented:** According to Theo Haiman "Effective management is always management by objectives." Group efforts are directed towards the achievements of some predetermined goals. Management is concerned with establishment and accomplishment of these objectives.
- ❖ **Management is a factor of Production:** Management is not an end in itself. It is a means to achieve the group objectives. It is a factor of production that is required to co-ordinate with the other factors of production for the accomplishment of predetermined goals and objectives.
- ❖ **It is a Universal Character:** Management is essential in all types of concerns. Somewhere there is some human activity, management must be there. The basic principles of management are universal. These can be applied in all types of concerns i.e. business, social, religious, cultural, sports, educational and International technology.
- ❖ **Management is needed at all levels of the enterprise:** On the basis of the nature of work or target and the scope of authority, management is needed at all levels of the organisations e.g., top level, middle level and supervisor level.
- ❖ **It is a Social Process:** Management is taken as a social process. It has a social responsibility to make reasonable use of scarce resources keeping in view the benefit of the community as a whole.
- ❖ **It is a dynamic function:** Management has to be performed continuously, in a rapidly every changing business environment. It is constantly engaged in the moulding of the enterprise.
- ❖ **It is Art as well as Science:** Management is a science since its principles have universal application. Management is an art as the results of management depend upon the personal skill of managers.

- ❖ **It is a Profession:** It has systematic and specialized body of knowledge consisting of principles, techniques, rules and laws. It can be taught as a specialized subject.
- ❖ **Management is a system of authority:** Authority means power to make others act in a predetermined manner. Management formalizes a standard set of rules and procedures, to be followed by the subordinates and ensure their compliance with the rules and regulations.

3. Skills of a manager:

- ❖ **Managerial Skills:** A skill is an acquired and learned ability to translate knowledge into performance. It is the competency of a person that allows his performance to be superior. All managers need to possess various skills which are necessary to carry at their jobs successfully.
- ❖ **Technical skills:** Technical skills are necessary to accomplish or understand the specific kind of working done in an organisation. The persons who are working with tools and techniques are needed such skill like, Engineers, Scientists, Computer programmers etc. Technical skills are essential for first line managers who spend their time in training their subordinates.
- ❖ **Human skills:** Human skill is the ability to work with other people in a cooperative manner. Human skill is essential to hence effective team work in the organisation. It involves patience, understanding trust and genuine involvement in interpersonal relationship.
- ❖ **Analytical skills:** These skills are essential to identify key factors and to understand the interrelate roles they play in a given situation. Analytical skills help a manager to establish cause and effect relationship. These skills also help a manager for problem identifying, solving and decision making.
- ❖ **Conceptual skills:** Such skills are essential to the managers to understand the overall working of the organisation and harmonise the working of the sub- systems for reaching the organisational objectives.
- ❖ **Communication skills:** Communication skills are an important element of interpersonal skills. Communication is essential for proper implementation of orders.

4. The Management Challenges: nowadays, management field is facing several challenges that can be summed up as follows:

- ❖ Internationalization of Business.
- ❖ Technological changes.
- ❖ Transition from Industrial to knowledge based society.
- ❖ Changes in work force.
- ❖ Ethical and Social Responsibility.

5. Definition of Administration:

The administration is a systematic process of administering the management of a business organization, an educational institution like school or college, government office or any non-profit organization. The main function of administration is the formation of plans, policies, and procedures, setting up of goals and objectives, enforcing rules and regulations. Administration represents the top layer of the management hierarchy of the organization. These top level authorities are the either owners or business partners who invest their capital in starting the business.

6. The difference between Administration and Management:

| Basis For Comparison | Management | Administration |
|-----------------------------|---|---|
| Meaning | An organized way of managing people and things of a business organization is called the Management. | An organized way of managing people and things of a business organization is called the Management. |
| Authority | Middle and Lower Level | Top level |
| Role | Executive | Decisive |
| Applicable to | Profit making organizations, i.e. business organizations. | enterprises, hospitals, religious and educational organizations |
| Work | Putting plans and policies into actions. | Formulation of plans, framing policies and setting objectives |
| Function | Executive and Governing | Legislative and Determinative |
| Focus on | Managing work | Making best possible allocation of limited resources. |