Unit 2

BASIC OF ADMINISTRATIVE MANAGEMENT

Unit 2
Basic of Administrative Management

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ **Explain what is meant by "management"**
- ✓ **Examine the various characteristics of good management;**
- ✓ **Analyse the levels of management and the key responsibilities that fall under each level;**

"**Management is what a manager does**". – Louis Allen.

Management is the process by one individual of getting a group of individuals to work together within a certain frame of time, with limited resources, to accomplish a set goal or objective.

One who manages is known as a manager. In a business firm, as in any other office form, there is a hierarchy of superiority in the working order. A manager generally has a team of people working under her/ him, who specialize in the same department, and are brought together to work either for a long term, or a short term, to achieve a previously designed objective.

"Administration is the determined action taken in pursuit of a common purpose. It is a systematic ordering of affairs and the calculated use of resources aimed at making those things happen which we want to happen". – Marx Morestein.

In a business sense, administration involves taking decisions and making the right choices in order for the organisation to progress forward. It is essential for every business to employ people with an area of specialisation and deep knowledge in their field, who have the skills to lead a team to achieve the goals of the business.

Administrative management is about managing information through people. Administration is actually a part of management. In any organisation, it is essential to the working of the business to keep, maintain and manage a written or computerized data of information relating to the activities of the company and the decisions taken by it, minor or major.

It is the job of a good administrative manager to keep this data in check, and also review them from time to time to ensure that the company isn't incurring losses in any areas, spending too much on resources or wasting them, using outdated technologies, and basically must keep an eye out for any areas where the organisation has a scope of improvement.

What is meant by Management?

Consider a business enterprise, it may be an industry or it may be a trading concern. In both the cases, to start and run the business some amount of money is needed, some materials, few machines and some men are required, and some processes are involved. All these are considered the inputs for a business that result in output in terms of products or services. However, with same amount of money, raw materials, machines and men, and following the same processes, the output may not be same in all cases. For example, with same amount of money, men, machines and materials, if two persons start a similar business independently, the result may not be the same for both. One may do well whereas the other may not. But this is because the inputs do not become output by themselves. Various activities are required and these need to be properly directed, coordinated and integrated so that the inputs produce good results.

This process of using various resources (inputs) to produce some results (outputs) is known as management, and the degree of success varies according to the efficiency with which the resources are managed. **Thus, management refers to the process of using men, money, machines, material and processes through proper direction, coordination and integration of several activities so as to produce desired results and attain predetermined goals. In other words, management consists of a series of activities classified into various functions like planning, organising, staffing, directing and controlling.**

Characteristics of Management

Following are the various characteristics of management:

a. **Management is universal:** Every type of organization requires management. It may be a business organisation or social or political one. It may be a small firm or a large business. Management is required by a school or a college or university or a hospital, a big firm or a small grocery store. Thus, it is a universal phenomenon and is common and essential element in all types of organisations.
b. **Management is a continuous process:** Management is an ongoing process. It continues as long as the organisation exists. No activity can take place without management. To perform all activities like production, sale, storage, operation etc. management is required. So, as long as these activities continue the process of management also continues in the organisation.

c. **Management is goal directed:** Every organisation is created to achieve certain goals. For example, for a business firm it may be to make maximum profit and/or to provide quality products and services. Success of the management is determined by the extent to which these goals are achieved
d. **Management is an integrating process:** All the functions, activities, processes and operations are intermixed among themselves. It is the task of management to bring them together and manage these in an organized manner to achieve desired result. In fact, without integration of men, machine and material and coordination of individual efforts to contribute successfully as a team, it will be difficult to achieve organisational goals.
e. **Management is multi-disciplinary:** Management of an organisation requires wide knowledge about various disciplines as it covers handling of man, machine, material and looking after production, distribution, accounting and many other functions. Thus, we find the principles and techniques of management are mostly drawn from almost all fields of study like - Engineering, Economics, Sociology, Psychology, Anthropology, Mathematics, Statistics etc.
f. **Management is intangible:** Management is not a place like a graphic showing Board meeting or a graphic showing a school Principal at her office desk which can be seen. It is an unseen force and you can feel its presence in the form of rules, regulation, output, work climate, etc.
g. **Management is a social process:** The most important aspect of management is
h. handling people organised in work groups. This involves developing and motivating people at work and taking care of their satisfaction as social beings. All managerial actions are primarily concerned with relations between people and so it is treated as a social process.
i. **Management is situational:** The success of management depends on, and varies from, situation to situation. There is no best way of managing. The techniques and principles of management are relative, and do not hold good for all situations to come.

Nature of Management

The nature of management can be better understood by looking at it

- as a process
- as a discipline
- as a group of individuals
- as a profession, and

a. Management as a Process

Management consists of a series of inter-related activities of planning, organising and controlling. All activities are undertaken in a proper sequence with a systematic approach so as to ensure that all actions are directed towards achievement of common goals. Thus, it is regarded as a process of organising and employing resources to accomplish the predetermined objectives.

b. Management as a Discipline

Management is a systematised body of knowledge that has developed, grown and evolved over the years through practice and research. The knowledge so cumulated is circulated to successive generations of managers and used by them in performing their jobs. Thus, it has become a separate field of study with its own principles and practices and thus, evolved as an independent discipline with its own techniques and approaches.

c. Management as a group

Management normally refers to a group of managers working in an organisation. It includes the top executive as well as the first line supervisors. These managers perform their functions jointly as a group. The success of business does not depend on the efficiency of one, but of all managers taken together. Managers work as a team to achieve the objectives of the business.

Levels of Management

There are certain levels of management with varying degree of authority and responsibilities. Some managers decide about the objectives of the business as a whole; some managers perform functions to achieve these objectives in different departments, like production, sales, etc, and some of the managers are concerned with the supervision of day-to-day activities of workers. Managers performing different types of duties may, thus, be divided into three categories:

- Top-Level Management
- Middle-Level Management
- Lower-Level Management

The top level management includes Board of Directors and the Chief Executive. The chief executive may have the designation of Chairman, Managing Director, President, Executive Director or General Manager. This level determines the objectives of the business as a whole and lays down policies to achieve these objectives (making of policy means providing guidelines for actions and decision). The top management also exercises an overall control over the organisation.

The middle-level management includes heads of various departments, e.g., production, sales, etc., and other departmental managers. Sometimes senior departmental heads are included in the top management team. The objectives of the business as a whole are translated into departmental objectives for the middle level management. The heads of the departments then work out their own strategies so as to achieve these objectives. Middle- level managers are particularly concerned with the activities of their respective departments.

The lower-level management consists of foremen and supervisors who look after the operative workers, and ensure that the work is carried out properly and on time. Thus, they have the primary responsibility for the actual production of goods and services in the organisation.

These three levels of management taken together form the 'hierarchy of management'. It indicates the ranks and positions of managers in the hierarchy. It shows that the middle-level management is subordinate to the top-level and that the lower-level is subordinate to the middle-level management.

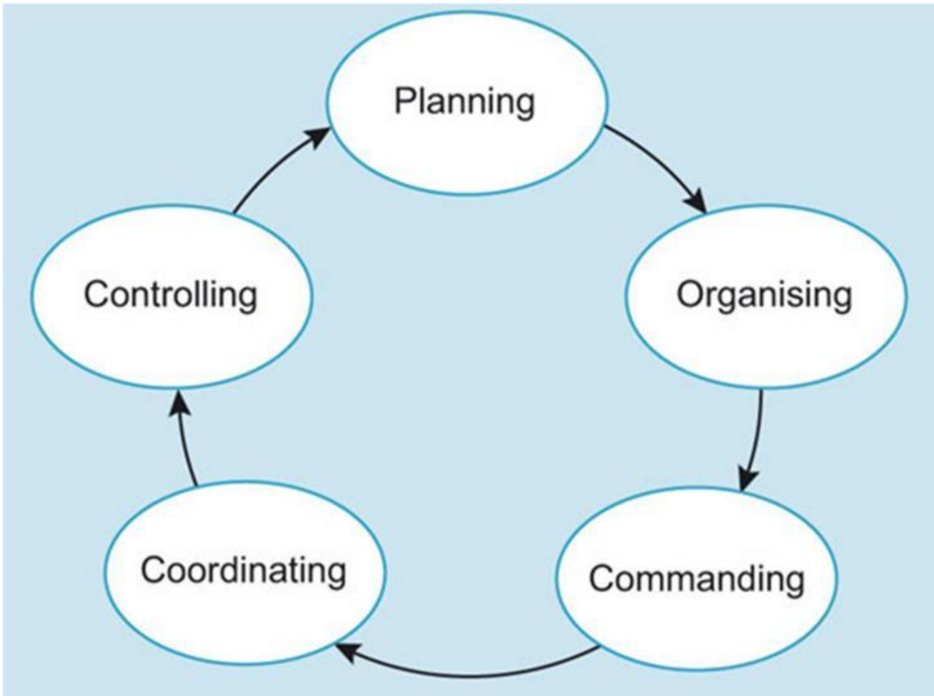
Another important point to note is the number of people at each level increases as one moves from top to bottom. Workers including crafts persons, manual labourers, engineers, scientists, etc. form the bulk of the organisation membership. Within the managerial ranks, the number of managers at each level decreases as one moves from lower-level to top-level management. At the top of the organisation, there is usually one person.

Functions of Management

This field of management has been thoroughly researched by experts in the field, and many have come up with theories and principles that aid the people today to work with efficiency and understand their jobs better.

Henri Fayol, who is considered the Father of Modern Management, was a French management consultant and an industrialist. Other experts of the field too, have given their input on the subject; however Fayol's management principles are taken as a guideline to management.

He divided the functions of management into the following five categories, as given in the diagram below.



- **Planning** requires the ability to see into the future and picture the goals that the organisation would like to achieve. Then it is up to the manager to set a specific time frame within which the team would work to accomplish the task, a budget, and determine the amount of resources required, and the way to go about achieving these goals.
- **Organising** is important to stay on track and to avoid mistakes. After determining the objectives, the manager then organises her team, and distributes the work amongst her men. Then she could control and oversee the work of every member of the team, and check if everything is going as per the planning.
- **Commanding** is when the manager communicates his expectations with every subordinate and their involvement in the work. A manager must delegate the work amongst his subordinate and then instruct and inspire them to work to their best of abilities. It is important for the manager to treat her subordinates with respect and not overburden them with work.

- **Coordinating** is essential for any organisation. It is the job of a manager to see that two subordinates aren't working for cross purposes, or that there isn't a duplication of assigned tasks. Every department should complement each other, and work with harmony to achieve their goals.
- **Controlling** is an important task in the manager's workload. She must make sure that the standard of work is up to the standard of the company and that every member of his team is following the policy of work of the company.

These management techniques are not only limited to business organisations, but also to any team of people working together to attain a certain objective, like the maintenance of schools and buildings, or even political parties.

However, these too have some flaws due to the broad generalisation. Still, Fayol's management functions are widely used around the world and learned and preached in management institutions.

As per Fayol, a manager needs to be physically and mentally fit to do the task at hand, and to manage his team with efficiency. She must have the general education and also have a specialisation in her area of management. She should have a work experience of a few years in that field that would later help in the management. **She must also, be a fair and just person, who would not use her position to push her subordinates around.**

Henry Fayol was dedicated towards developing a science for administrative management, a sort of textbook guideline that would help future generations to read and follow. According to him, managers of higher levels would surely possess the talent to forgo the technical knowledge and solutions to various situations, and would think more on the lines of their knowledge based on administration.

General Principles of Management

Henry Fayol carved out fourteen principles of management, and they are as follows:

- **Division of Work –** To divide work evenly amongst the team keeping in mind the capabilities and functions of every member.
- **Discipline** – To maintain a team that shows respect to the seniors and toes the line of the company.
- **Authority and Responsibility –** To maintain a balance between the two and not get carried away with the power in one's hands.
- **Subordination of Individual Interest to General Interest –** To look at the bigger picture and promote an organization that puts the team forward as opposed to the self.

- **Remuneration –** To make sure that the remuneration to the workers is fair to promote a healthy work environment and to give maximum satisfaction to both employees and the organization.
- **Centralization –** To maintain a balance between centralization and decentralization of power among the manager and the subordinates.
- **Order –** To have the right man working at the right place, and the right material placed at the proper place, and at the right time at the right amount.
- **Equity –** To motivate the workers to perform their duties by maintaining a proper mix of fairness, justice and kindness.
- **Initiative –** To encourage subordinates to think and execute plans and propose improvement strategies. To give chance to the individuals in the team to help them improve.
- **Esprit De Corps –** It means to have a feeling of loyalty and devotion towards the team.A manager must promote a friendly atmosphere and ensure that the team is working in harmony and with respect to every member and the organization.
- **Stability of Tenure –** A stable staff i.e., less frequent changes in the staff list would assure the employees of the safety of their position and increase their morale.
- **Unity of Direction –** There should be one head for a similar set of plans, and one technique to tackle them, and one method of working, etc.
- **Scalar Chain –** A chain or hierarchy of order should be maintained where subordinates report to one manager, who in turn reports to one higher level manager and so on.
- **Unity of Command –** If a subordinate has more than one boss instructing him, there would be confusion and conflicts in authority. In order to avoid this, it is essential for every subordinate to report to only one head or authority.

Mentioned above are the management fundamentals as stated by Henry Fayol. There have been other experts who have researched the field, but Henry Fayol is the first expert to have presented a theory on Administrative Management.

Apart from him, other notable experts who have contributed to the field of administrative management are Mary Parker Follett, Luther Gulick, Lyndall Urwick, James Mooney, Alan Reiley, Oliver Sheldon, Ernest Dale etc.

Suggested Further Readings:

✓ Public Management and Administration: An Introduction Hughes, Owen E.

✓ Administrative Office Management: An Introduction By Zane Quible