
UNIT 1 MANAGEMENT: CONCEPTS AND FUNCTIONS

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1.0 OBJECTIVES

After reading this Unit you will be able to:

- understand the management concepts,
- know about the management levels and skills,
- learn about the roles, **tasks** and responsibilities of the **managers**, and
- understand the management functions

1.1 INTRODUCTION

The success of a **service** industry like tourism depends to a large extent on efficient management. For this, managerial skills are required along with **the** application of management principles. For example, an escort manages the tour, travel agency **operations** require management, hotel management has emerged as a specialisation in itself and so on. Hence, whichever service you are providing or whatever operations you are **looking** after, you are a manager in your own self. However, most of the time you perform the functions of a manager or apply management principles sub-consciously. Well, why not then try to understand them? This Unit is an attempt to **familiarise** you with the concepts and principles of management in order to equip you with managerial skills. The Unit starts with a discussion on the evolution of management thought. It goes on to define the management concept, its key characteristics, levels, functions and managerial roles.

1.2 MANAGEMENT CONCEPT

The development of the concept and principles of management is relatively a modern phenomenon. However, this does not mean that management is something very recent. In fact, since the pre-historic times humans have managed groups, **communities** and organisations. For example even in the hunting and gathering stage people did follow a leader or a group of decision makers responsible for their welfare. The evolution from simple to complex societies also witnessed the emergence of **specialised** organisations and departments of the governing authority. Whether it was a city state, a kingdom or a republic, the need and role of managers increased. There is ample historical evidence in this **regard**. We find the

attributes of a worthy **king** or a minister; the merchant **guilds**, and trading activities; the management of workshops and artisans etc.

It was in the very recent past, say from the industrial revolution, that the need for a systematic approach to management started gaining importance. Application of new technology, increasing work force, mass production and distribution, etc. needed effective coordination. Yet, management was not **recognised** as a "technology". Between 1890's and 1930's **Frederic W. Taylor** and certain others formulated a management approach which is described as the Scientific Management Theory. The four basic principles of Taylor's theory were:

- i) the development of true science of management, so that the best method for **performing** each task could be determined,
- ii) the scientific selection of workers so that **each** worker would be given responsibility for the task for which he or she was best suited,
- iii) the scientific education **and** development of the worker, and
- iv) intimate, friendly cooperation between management and labour.

Taylor advocated that a complete mental revolution on the part of management and workers was required for the success of these principles. In fact Scientific Management was concerned with **increasing the** productivity of both, the shop as well as the individual worker. Soon there grew another theory i.e. the Classical **Organisations** Theory.

Henri Fayol (1841-1925), the founder of Classical Management School was of the view that "**with scientific forecasting and proper methods of management, satisfactory results are inevitable**". He emphasised that management was not a personal **talent but a skill** like any other. The general belief had been that "managers were born, not made: - that practice and experience would be helpful only to those who already had the innate qualities of a manager". However, Fayol was of the opinion that management could be taught once its underlying principles were understood and a general theory of management was formulated.

In order to develop a science of management **Fayol** divided **business** operations into six activities:

- 1) Technical
- 2) Commercial
- 3) Financial
- 4) Security
- 5) Accounting
- 6) Management

Further, he defined management in terms of functions like:

- Planning,
- Organising,
Coordinating, and
- Controlling.

Another description of management, given by Mary Parker Follet, described it as "**the art of getting things done through people**". Meaning thereby that a manager would attempt to achieve the goals of an organisation by arranging for others to perform the required tasks and not by performing these tasks himself or herself. However, **it is not possible to give any one simple definition of management. All existing definitions keep changing because of the changes in the environment of organisations.** Without going into the complexities of the problem let us take a definition which has been more acceptable, i.e.: "**Management is the process of planning, organising, leading and controlling the efforts of organisation members and of using all other organisational resources to achieve stated organisational goals**".

You must note here that a process is a systematic way of doing things. Hence:

- Management is a process because the interrelated activities of planning, leading, organising and controlling are part of a manager's engagement.
- Managers use all the organisational resources (like finances, equipment, information, technology and people) to achieve the stated goals.
- Each organisation has its own stated goals and management, as a process, helps in enhancing the attainment of these goals.

You may like to ask a question here i.e. what is the scope of the application of the management process? Well the answer is universal. This is because whatever may be the level of a manager or the nature of the organisation, the basic functions of planning, organising, leading and controlling are carried out by the manager.

13 UNDERSTANDING MANAGEMENT

George R. Terry and Stephen G. Franklin listed certain key characteristics that could be useful to a new learner for understanding management:

- A) **Management is purposeful:** This is because it "deals with **the** achievement of something specific expressed as an objective or goal." At the **same** time managerial success is measured by the extent of the achievement of the stated goals.
- B) **Management makes things happen:** This is because "managers focus their attention and efforts on bringing about successful action." The knowledge where to start, what to do to keep things moving and how to follow through, adds to their success and achievement.
- C) **Management is an activity:** Like reading and swimming **management is an activity and not a person or group.** The performers of this activity are termed as managers, members of management or executive leaders. It is a distinct activity in the sense that:
 - it **can** be studied,
 - knowledge about it can be obtained, and
 - skill in its application can be acquired.

Further they stressed that participating in management necessitates giving away the "tendency to **perform** all things yourself." You should "**get tasks accomplished by, with, and through the efforts of group members.**" Thus, management is generally "associated with the efforts of a group." You should also remember that management is an unseen force whose presence is "**evidenced by the results of its efforts.**"

1.4 MANAGEMENT: LEVELS AND SKILLS

The term manager is generally used for one who is responsible for carrying out the management functions of planning, organisation, leading and controlling. A manager is also responsible for subordinates and other **organisational** resources. But you must note that there are different types of managers with varied tasks and responsibilities to perform. For example, in a hotel you may have a Front Office Manager, Restaurant Manager, Finance Manager, General Manager and so on. This demonstrates that managers **can** be classified :

- 1) according to their levels, and
- 2) according to the range of the activities of an organisation.

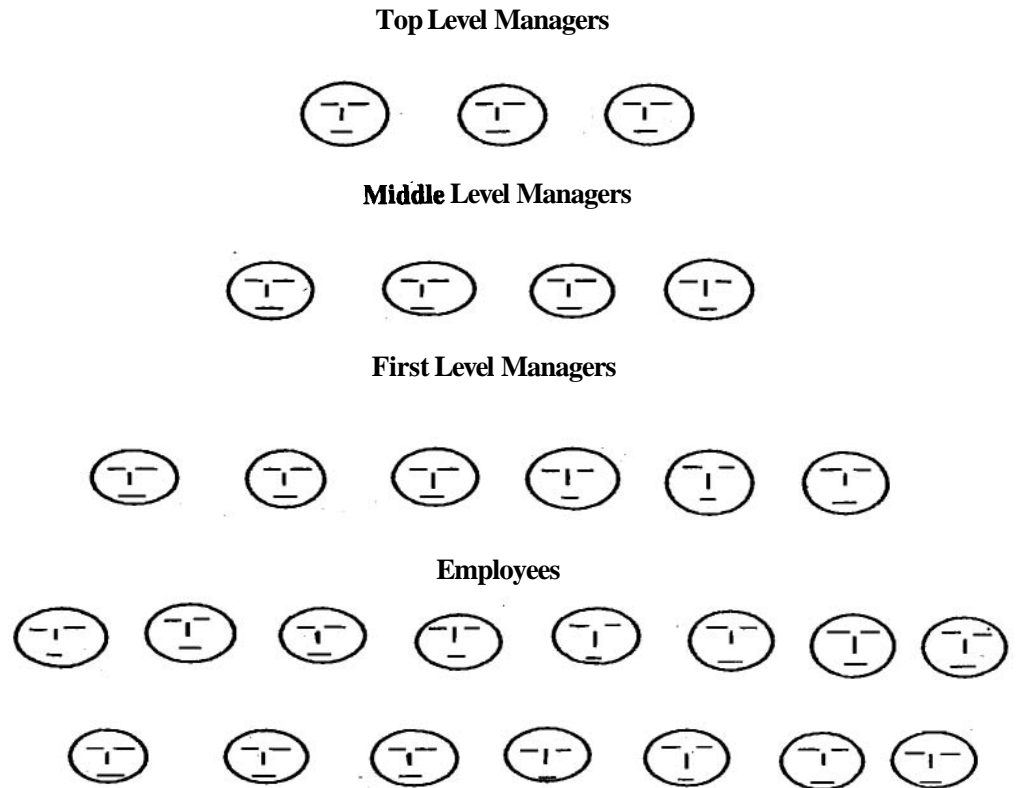
Similarly for each level or range, certain skills are required.

1.4.1 Levels

First Level Managers are those who are in direct contact with the employees producing the goods or services of an organisation. They are also known as supervisors, responsible for directing the employees. However, in a service industry like tourism there may be certain areas where the first level managers deal with the customers instead of employees.

Middle Level Managers are those who direct the activities of the First Level Managers and at times of the operating employees also.

Top Level Managers are a small group of policy makers/executives, responsible for the overall management of the organisation.



1.4.2 Range of Activities

Managers are also classified according to the scope or range of organisational activities they perform:

- **Functional Managers** are responsible for only one activity they perform in the **organisation**. For example, either **operations, marketing** or finance. The activities and people who work under a functional manager are engaged in a similar set of activities.
- **General Managers** are individuals responsible for all the activities of the **Unit** or Company they head.

The number of Functional and General Managers in an organisation may vary according to the size and activities of the organisation.

1.4.3 Skills

Different types of skills are required at various managerial levels and their usage also varies. However, Robert **L. Katz** has referred to three basic skills which every manager needs :

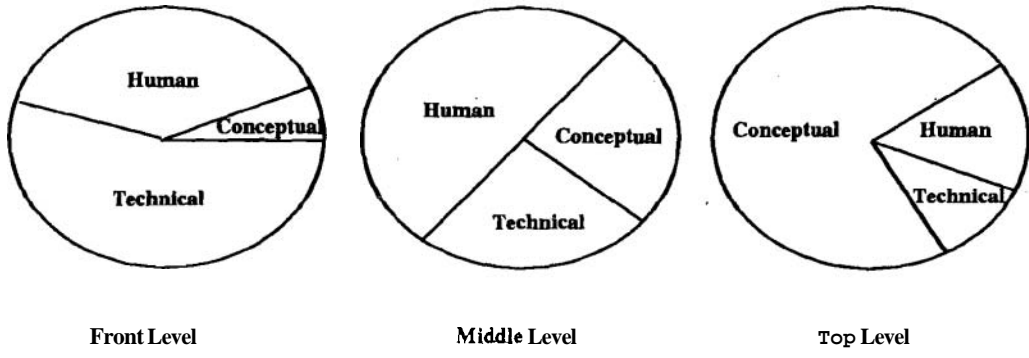
- technical
- human, and
- conceptual

Technical Skill means the ability of using specialised knowledge, expertise and techniques in a particular area.

Human Skill means the capability of a manager to build cooperation within the team as a leader.

Conceptual Skill is the ability to look at the organisation as a whole. This also includes recognising the inter-dependence of various organisational functions.

The relative importance of these skills, according to **Kartz** depends on the managers hierarchical position in the organisation. For example, when one moves from Front level management to Top level management, the requirement of conceptual skills goes up and technical skills go down (see following figures)



Check Your Progress - 1

1. Define Management.

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2. What do you understand by management levels ?

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1.5 MANAGERS: ROLES, TASKS AND RESPONSIBILITIES

When you are aspiring to be a professional manager the immediate concern is to understand the roles, tasks and responsibilities that you have to perform and share as a manager. All managers, depending on their level or range, plan, **organise**, head and control. Yet, one has to go beyond these general functions to have a proper understanding of one's job. **A manager's primary concern is the organisation with which he or she works and has to keep the overall perspective of the organisation in mind. He or she is also responsible for the performance.**

1.5.1 Managerial Roles

A number of times various scholars have conducted studies and surveys to understand managerial roles. The most accepted among these are the findings of Henry **Mintzberg** which include :

A) **Interpersonal roles** : These are the relations a manager has with others inside and outside the organisation. These include :

- 1) **Figure Head** : This takes into account the role as symbolic head of the organisation. For example, welcoming **official** visitors and duties of a legal nature.
- 2) **Leader** : The manager guides, directs and motivates subordinates and is **accountable** for their actions.
- 3) **Liaison** : The manager has to establish linkages, relationships and networks, both inside and outside the organisation which would be useful in achieving **organisational** goals.

B) **Informational roles** : An important aspect of the Manager's job is receiving and communicating information. This further includes :

- 1) **Monitor** : The manager constantly searches for relevant information internally as well as outside the organisation. This enables the manager to keep up with new trends and ideas.
- 2) **Disseminator** : The transmission of information received from outside to internal members and subordinates is another role.
- 3) **Spokesperson** : A manager also speaks on behalf of **his/her** Unit or Organisation.

C) **Decision Making Roles** : A manager has four decision making roles :

- 1) **Entrepreneur** : A manager **performs** the role of an entrepreneur by initiating change.
- 2) **Disturbance handler** : A manager is expected to solve problems and handle disturbances in the organisation.
- 3) **Resource allocator** : The resources of an organisation are always limited. A manager makes best use of them to achieve the stated goals and accordingly allocates them.
- 4) **Negotiator** : A manager negotiates with both insiders as well as outsiders.

It is possible that a number **of** roles may be evident in a given situation. However, the characteristics of an effective **manager** are the:

- ability to **recognise** the appropriate role in each situation, and
- flexibility to change roles readily.

1.5.2 Tasks

Performance is the prime thing in a manager's role. For this the manager has to act, **take** certain steps and do certain **task**. We list here some of these tasks. A manager

- provides meaningful direction to the Company or **Organisation**,
- maintains efficiency for profit generation,
- meets the challenge of increasing competition,
- motivates the subordinates,
- attempts to retain talent in the Company,
- inculcates a sense of loyalty among the employees,
- keeps in mind the interest and welfare of employees in order to gain their confidence and as a leader demonstrates **his/her** leadership abilities,
- maintains a balance between developing new ideas and translating them into successful business,
- takes initiative for the **upgradation of skills** and constant training of the employees, and
- keeps oneself updated on information.

1.53 Responsibilities

The Company in which you work, or your own firm should have a harmonious relationship with other social segments. This brings in the question of the responsibilities of a manager. Here we list some of the responsibilities which a manager has:

- In a service industry like tourism, customer satisfaction comes first. Hence, a manager must be responsible **towards the customers** regarding their needs, concerns, quality of the product, etc.,
- In case of a Company or a Firm, a manager is also responsible **towards the employees** by ensuring their salaries, provident fund, etc.
- A manager is also responsible **towards the suppliers** whose products are being used by the Company. For example, you **will** depend on the suppliers for regular supplies of a specified quality and at an agreed price. In return, it is your responsibility **as** a manager to assure timely payments to the suppliers, etc.
- Similarly, a manager is also responsible **towards the distributors and retailers** in terms of quality, timely supplies, etc.
- It is the **responsibility** of the manager to ensure that the **operations of the company are within the legal framework i.e.** the existing laws framed by the Government. **This** responsibility also includes the payment of taxes, duties, etc. on time
- Today, the manager is also responsible **towards the society** and **this is** a vast area of responsibility. For example, you should take into account that by the **actions/operations** of your Company, the **environment is** not damaged or religious sentiments are not hurt, etc.

1.5.4 Work Patterns

As has been mentioned earlier, there are different levels of managers who perform different tasks in their jobs. It is very essential for you to understand the job when you are performing managerial roles because the roles, tasks and **responsibilities** will be related to the nature of the level. At the same time you should also try to understand the pattern of managerial working, which again may vary as per **the** levels. An important aspect in the work pattern is to take into account the activities which you **as** a manager will be performing on day-to-day basis. For example, you will have to make **your** daily schedule by distributing your tasks and **responsibilities** in a timeframe. There are **certain** things which you can schedule but there are situations when you have to go for unscheduled **meetings** or attend to telephone calls or face un-anticipated problems. Many of these require immediate action which you can not **ignore**. Among the **scheduled things**, you should plan out for your next week's activities in **advance** like you might keep some time for meetings, some time for interacting with **your** employees, **some time for reviewing and some time for operations etc.**

1.6 MANAGEMENT FUNCTIONS

As mentioned earlier, Management functions include planning, **organising**, leading and controlling. One should not say that it is not necessary for a manager to be **equally** concerned about **all** these at a time. Depending upon the nature of the job or the level of the manager, **the** concern and involvement for each may vary and yet all managers have to be concerned with these functions.

- 1) **Planning** is central to managing, for it is through planning only that one decides in advance what is to be done, when and how. There are certain steps and stages for planning and you will read more about planning in Unit 6 of Block 2. **Suffice** to say here is that for every future activity, growth of the organisation etc., you must go in for **planning**.
- 2) In management, by **organising** we mean grouping together of people and activities in order to work for the achievement of the stated goals of the organisation, the span of control, delegation of authority, relationship among the employees and the **staffing** patterns etc. We shall discuss the details in Unit 7 of Block 2.
- 3) Once planning is done, the structure of the organisation determined and the recruitment of employees completed, the time for you now is to make necessary arrangements for moving towards the achievement of the defined goals of the organisation and this management function has been termed as **leading**. In certain cases it is also known as directing or actuating. Irrespective of the terms used, it is clear that this management function involves a leading role for the manager in motivating the members of an **organisation** and making them perform in ways that help in achieving the defined goals or objectives of the **organisation**. The role of leading is very crucial for **the** manager and for this a manager has to be a decision-maker, motivator and trend-setter, etc.
- 4) **Controlling** involves measuring and correcting the performance of the activities of subordinates so that the defined objectives and the plans devised to achieve them move in the right direction. Controlling also requires a plan and a **clear** organisation structure. The control process is used for establishing standards, correcting deviations, if any, measuring performance and establishing standards. We shall discuss **this** in detail in **Unit 8** of Block 2.

Check Your Progress - 2

- 1) What do you understand by Managerial Roles ?

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- 2) **What** are the responsibilities of a Manager ?

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1.7 LET US SUM UP

Management is a distinct process of planning, **organising**, leading and controlling in order to achieve the stated goals of an organisation. There are different levels of Managers with a varied range of activities. At various managerial levels, different types of skills are required like technical, human and conceptual. A manager has to perform various roles and also has certain tasks and responsibilities to perform. The work patterns of the managers vary as per their levels and job requirements. **You must** remember here that management is an integrative task taking into account the functions, roles, tasks etc. in order to achieve the stated goals of **the** organisation.

1.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress - 1

- 1) Base your answer on **Sec. 1.2**
- 2) Managers are also classified by their levels. Read Sub-sec. **1.4.1** for your answer.

Check Your Progress - 2

- 1) A Manager has to perform **different** roles like decision- making, informational or inter-personal. Read Sub-sec. **1.5.1** for your answer.
- 2) A Manager's job is not only to perform the task but **he/she** has certain responsibilities also like customer satisfaction, responsibilities towards employees etc. Base your answer on **Sub-sec. 1.5.3.**