

# Chapter - 1

## Future Trends of Management

### What is Management?

#### Definition with Functions

#### And Levels.

Companies and organizations need effective management to achieve business goals. There are different levels of management that aim to organize and coordinate the business functions of a company. If you're interested in becoming a manager, you may want to learn more about what a manager does. In this article, we discuss what management is and its unique characteristics, objectives, levels and functions.

### What is Management?

Management is the process of planning and organizing the resources and activities of a business to achieve specific goals in the most effective and efficient manner possible. Management

refers to the completion of tasks correctly and at minimal costs. Effectiveness in management relates to the completion of tasks within specific timelines to yield tangible results.

## Characteristics of Management:-

Some fundamental characteristics of management are as follows:-

### Multi – dimensional:-

Most management oversees and supervises a company or organization's service or production cycle. Managers work closely with and provide guidance to the members of their team. A manager considers a staff member both as an individual with diverse needs and as a component of the larger group. To be effective, managers influence their team members to apply their unique strengths toward achieving the organization's goals.

## Dynamic:-

Management is a dynamic function and evolves and adapts to changes in its environment, whether they are economic, socio-political or technological. For instance, a paper company could see a decline in sales because of the rapid adoption of screens and digital devices. Whether the company can still survive depends on how effectively its management can adapt to new market requirements.

## Intangible:-

Management is not a tangible product, but its presence can change the way an organization functions. Management consists of ideologies, policies and human interaction. Good management helps improve a company's target achievement ratios, employee gratification levels and overall ease in the company's operation.

## Objectives of Management:-

Management can have mainly three types of objectives:-

### Organizational objectives:-

Management should consider the interests of all company stakeholders, including employees, customers and the

government. Managers are responsible for setting and achieving goals for the organization. Typically, the primary aim of an organization is to achieve growth by utilizing its human, material and financial resources. There are three general organizational objectives for any company:

- **Survival:** An organization needs to generate enough revenues to cover its operational costs.
- **Profit:** Profit provides incentive and is essential for covering unprecedented costs and risks associated with running a business.
- **Growth:** You can measure the growth of a business in terms of increases in sales volume, workforce and capital investment

## Social objectives:-

To an extent, the management is also responsible for creating benefits for the society through their work. Companies choose to do this in different ways. Some may incorporate environment-friendly methods of production, while others implement fair wages and opportunities. Larger companies often maintain or fund initiatives that provide basic amenities like healthcare and education. Based on the scale of their operations, companies often initiate CSR (Corporate Social Responsibility) campaigns that benefit society in different ways.

## Personnel objectives:-

The management typically decides the financial incentives, salaries, perks and social initiatives for their employees. Activities that improve peer recognition and interaction like corporate outings and holiday bonuses cater to the personnel's social growth and development.

## Importance of Management:-

Here are some reasons is important:-

- Helps in achieving group goals: Effective management gives a common direction to individual efforts and guides them towards achieving the overall goals of an organization.
- Increases efficiency: Efficiency reduces costs and increases productivity in all spheres of an organization's work.
- Creates a dynamic organization: Management helps its personnel in adapting to change so that the organization continues to maintain its competitive edge. How well an organization can respond and adapt to change can mean the difference between its success and failure.
- Helps in achieving personal objectives: Effective management fosters team spirit, cooperation and commitment to achieve the organizational goals as a group, which helps each team member achieve their personal objectives.

# Levels of Management:-

Management roles come in three levels:-

## 1. Top management

Typically, the senior-most executives in a company are the chairman, chief executive officer, chief operating officer, president and vice-president. Their role lies in integrating diverse components of the company and coordinating activities of different departments. They also analyze the business environment and its implications to formulate goals in order to ensure the survival of the company and the welfare of its stakeholders.

## 2. Middle management

Mostly composed of division heads, the middle management links the operational management to the top management. Division/department heads receive guidance from top managers and are leaders to operational managers. Their job is to understand the policies framed by the top management and relay them to their respective divisions/departments to ensure that they follow through with company policies and decisions.

## 3. Operational management

Supervisors, section leads or forepersons directly oversee the efforts of the workforce. They are responsible for quality control and ensure that the work meets deadlines. The top management draws out the plans that define the authority and responsibility of supervisors.

# Functions of Managements:-

The purpose of management is to unify the efforts of different individuals in an organization towards achieving a common goal. These are some functions of management:-

## Planning:-

Planning involves creating a timeline of tasks that need to be completed to achieve a specific goal. Managers execute planning. Planning should be carried out in a systematic fashion to avoid wastage of resources and time. A detailed plan of action minimizes confusion, risk, wastage and uncertainty.

For example, the top management in a small business may set a high sales target for one quarter to compensate for the previous quarter's losses. A start-up's founder may plan to make formal efforts to associate with the government and other large institutions to expand the scale of their operations. Heads of local digital marketing companies may plan to create an international market for their products and services. An IT company may decide to update their work regulations to accommodate work-from-home for their employees.

## Prioritize Organization:-

The objective of organizing is to nurture a symbiotic relationship between the personnel, financial and physical resources of the company. Proper organizing provides the course of action that meets all parameters for success.

Organizing involves the identification and classification of business activities, delegation and coordination.

For instance, the top managers may allocate funds or resources to different branches. The branch managers must then allocate funds to departments within the branch, depending on their operational requirements. The department heads then track the day-to-day expenditure of the funds.

## Improve staffing:-

Staffing involves recruiting and building a team for the organization. The staffing process of companies is often lengthy and in-depth. Management identifies professional roles in the company and the skills/qualities required to perform well in these roles. The manager then selects staff for those roles through the recruitment processes. Once selected, candidates undergo training and join the company's workforce. Managers are also responsible for awarding appraisals and promotions as part of staffing.

For instance, a digital marketing company might choose to expand its operations to other cities in the country. The top management can then decide to recruit five marketing personnel, four visual designers, two accounting personnel, a human resource professional and a manager for each location.



They may also decide to outsource IT, maintenance and security related work to freelancers. The company's staffing guidelines may also suggest that one marketing personnel and one visual designer should move to the role of department lead, after two months of training and one year of experience in the company.

## Provide Direction:-

Supervising, motivating and guiding the staff members is central to the functions of a manager. Directing involves taking the steps to put the work in motion and maintain productivity to achieve company goals. This requires excellent leadership, communication and interpersonal skills to drive the team towards completing organizational objectives.

For example, the middle management often makes policies based on directions they receive from the top management. Operational managers focus more on managing the day-to-day functioning of the company.

## Monitor Quality:-

Businesses function on some established standards of performance. A manager ensures that the staff's collective output meets quantity and quality benchmarks set by the company. Control at each level prevents overall deviation from prescribed quality specifications.

For example, supervisors in a fast-food chain often micro-manage cashiers, cooking staff, delivery personnel and servers

to make sure that the food and service in their branch meet quality standards. Top management prescribes these quality standards and they usually evolve with time.

## The Future of Management:

### Trends and Predictions:-

Simplicity of process and structure – within many organization's increasingly complex structures and systems have often led to an inability to respond quickly to the needs of local markets or changes in circumstances. In organizations people like having expert knowledge that demonstrates their value but this often leads to things becoming more complicated than they need to be and causes communication issues between functions. New management levels or posts are often unnecessarily introduced. Management must ensure that process, structure and communication is kept simple and focused to maximize effectiveness. Communication across boundaries is vital to effective delivery.

Performance and engagement – in order to deliver the best possible outcomes using available resources it is essential to maximize the performance of people. This depends on the ability of the leaders to get discretionary effort. This is the effort that people give when they are fully engaged. It can be up to 30% greater than normal performance but the problem is that people can still perform well in their jobs without giving it.

So management has to ensure that leaders on every level are developed to encourage this extra effort. This is often neglected in management development. It is the performance and engagement of people that determines the quality and efficiency of delivery to customers.

Alignment - one of the issues that is consistently missed by those other than the best organizations is the alignment of effort onto key deliverables. This links back to the effort delivered by good engagement which, in most organizations, is spread across a large number of possible outcomes that diffuses the impact. In organizations where the effort is aligned to a small number of key deliverables the benefits are significant.

Leadership – given the need to enhance the performance of people through engagement and the alignment of their effort onto key deliverables then the key to success is great leadership. It is only through leaders being able to inspire, develop and align the effort of their teams that organizations succeed. This not only applies to those at the top of but to those at all levels in organizations responsible for the performance of people. Leadership is often although of as a “nice to have” which is linked to HR. It is not. Management must focus in on making sure good leadership is a “need to have” that underpins every activity the organization undertakes at any level.

Thus in the future management needs to focus on the following :

- Get your organization lean
- Think global and deliver local

- Social responsibility and green issues are need to haves not nice to haves now.
- Change must have a clear purpose
- Keep structure, processes, communication and delivery simple
- All actions must benefit the customer
- Engage your people to maximize their performance and align it onto key deliverables.
- Use the skills of your older workers
- You must have good leaders at all levels – everything else depends on that.