

## Concept of Administration, Management and Organization

### Structure

1. Objectives
2. Administration
3. Management
4. Organisation

### 1. Objectives

At the end of the session learners will be able to-

- Explain the concept of administration
- Explain the meaning of Management
- Explain the concept of Organisation

### 2. Concept- Administration

Administration is basically concerned with the formulation of the objectives, plans and policies. A good administration in place will ensure the success of an enterprise.

#### Definition

According to Theo Haimann, "Administration means overall determination of policies, setting of major objectives, the identification of general purposes, and laying down of broad programmes and projects".

According to Newman "Administration means guidance, leadership & control of the efforts of the groups towards some common goals."

According to Pfiffner and Presthus (1967) administration means "An activity or process mainly concerned with the means for carrying out prescribed ends."

As the definition clearly indicates, administration is mainly concerned with the means that are necessary for the accomplishment of pre-determined goals. Here means is the way by which something is done or obtained. When groups of individuals are working for the accomplishment of a common goal, a division of labor is necessary, so that each individual will know what to do. Or there is the need for an authority structure to control and coordinate the activities of the individuals involved. Thus dividing the work among the members, having a proper role assigned

to every member in the group, following the leaders instructions are nothing but the means to achieve the goal. In this sense, administration is an activity mainly concerned with the means which also requires cooperation as well.

According to Simon, Smithburg, Thompson (1950) "Administration can be defined as the activities of groups cooperating to accomplish common goals"

Human activity is cooperative if it has the effects that would be absent if the cooperation did not take place. Thus, administration can be defined as "the complete effort of the group to control, guide, and adapt to accomplish the pre-determined goals."

For example, let us suppose our common goal is to educate a group of individuals in the field of marketing for medicines. Keeping this goal in mind, experts in the field of marketing specifically for medicine are brought together, who are oriented to the goals and objectives to be achieved with the group. Suppose, if each expert acts in his/her way without consulting the others, there will be chaos in the group. Each one of the experts may ask the group to meet in a specific place, specific time where he/she will give a lecture; like one of them may ask the group to meet at 9.00 a.m. in the morning at a specific location in the city for a lecture, another one may ask the same group to meet at 9.30 a.m. at a different location in the city for a lecture and so on. This would lead to lot of confusion and chaos as each expert acts independently without consulting or cooperating with the others, thus unable to achieve their common goal. On the other hand, if they cooperate with each other and discuss how can they achieve the given objective. May be the experts can work out a timetable in everybody's favor which will finally help them to achieve their common goal. Thus, the essence of administration is the utilization of cooperative action for the accomplishment of common goals.

The second key element of the above definitions is the goal or purpose. When you bring together a number of individuals at a certain location, the first thing they will ask is why they have been brought together, what is the purpose of assembling of the group? Without the objective or goal, no member within the group would know what to do and they would not get involved in any activity. When someone determines the objective, and the group is informed about that, then the group members will start to think about what they can do for the accomplishment of that objective and they will start to cooperate with each other. Goal is one of the most important element in administration. If there is no common goal the members of the group would not come together and cooperate with each other. A common objective, goal or interest always leads to thinking, feeling and acting in the same direction for all the members of the group which is very essential for the accomplishment of that objective.

### 3. Meaning- Management

Humans have unlimited wants but the resources are very limited in supply. Complete satisfaction is very important for the smooth functioning of the society. Thus, these resources have to be managed by humans in such a way that it will fulfill all their wants. Thus, to manage all resources available in such a way that it gives complete satisfaction to human beings is nothing but management.

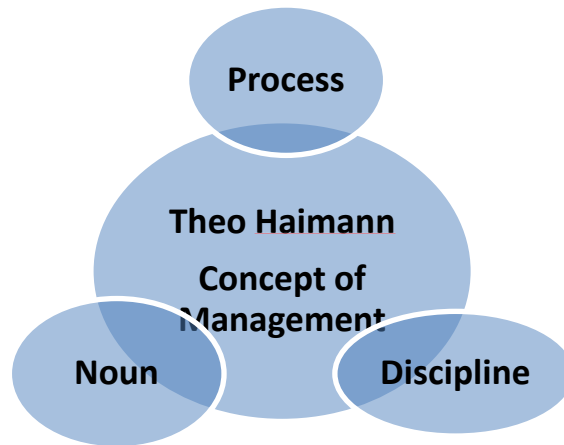
The term 'management' has been used in different ways. Sometimes it refers to the process of planning, organizing, staffing, directing, coordinating and controlling, at other times it is used to describe it as a function of managing people. It is also referred to as a body of knowledge, a practice and discipline. There are some who describe management as a technique of leadership and decision-making while some others have analyzed management as an economic resource, a factor of production or a system of authority. To understand the term of management, let us have a look at the definitions:

According to Follett "Management is the art of getting things done through others." According to J.D. Mooney and A.C. Railey "Management is the art of directing and inspiring people." Management not only directs but motivates people in the organization for getting their best for obtaining objectives.

According to Henry Fayol "To manage is to forecast and plan, to organize, to command, to co-ordinate, and to control." Fayol described management as a process of five functions such as planning, organizing, commanding, coordinating and controlling.

Follett describes management as an art of directing the activities of other persons for reaching enterprise goals. It also suggests that a manager carries only a directing function.

MANAGEMENT = MANAGE+MEN+T (TACTFULLY)



- **Management as a process:**

Management as a process includes planning, controlling, coordinating, motivating, and staffing. All these are interrelated sequential functions. Thus, management is the efforts of the members of the organization to accomplish the organizer's objectives.

- **Management as a discipline:**

As a discipline, management is a specific branch of knowledge which is studied in campuses and schools like economics, sociology, mathematics, political science etc. Experts and researchers feel that the information gained through this discipline helps in practical life for better functioning thereby increasing the scope of management as a discipline.

- **Management as a noun:**

The word management itself is a noun. There are various kinds of employees in an organization, where some are involved in managerial function and some are involved in operating functions. The individuals who manage the organization and departments are called as managers. In the field, as a noun the term management is used as single name of managers, board of directors, managing directors, departmental managers etc.

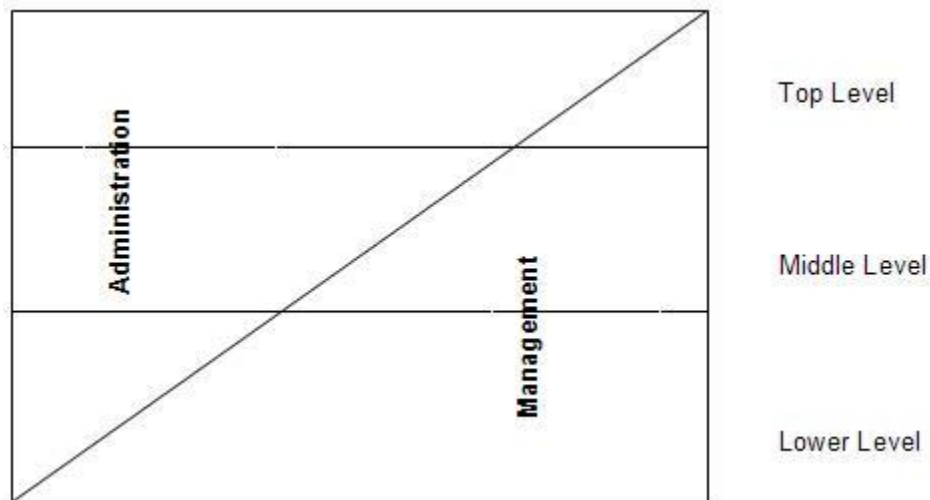
Thus, management involves conceiving, initiating and bringing together the various elements; coordinating, integrating the diverse components in the organization while

sustaining the feasibility of the organization towards some pre-determined goals. Therefore, it is an art of getting things done through & with the people in formally organized groups.

### **Objectives of Management**

- **Proper Utilization of Resources:** The main objective of management is to use the available resources of the enterprise in a most economical way. The proper use of human and material resources will help a business to earn profits to satisfy various interests. In any business, the proprietors will want more returns on their investments while employees, customers and public will expect a fair deal from the management. All these interests will be satisfied only when the resources of the business are judiciously utilized.
- **Improving Performance:** Management should aim at improving the performance of each and every factor of production. The environment should be so congenial that workers are able to give their best.
- **Mobilizing Best Talent:** The management should employ persons in various fields so that better results are possible. The better pay scales, proper facilities, future growth plans will attract more people in joining the organization.
- **Planning for Future:** The management should not feel satisfied with today's work if it has not planned for its future. The future performance should depend upon the present planning. Thus, planning for future is essential to help the organization grow.

The terms "administration" and "management", are frequently used synonymously. It is also observed that the term "management" is generally identified with private sector organization but, the term, "administration" on the other hand, is used with reference to public organizations. Essentially, there is no difference between management & administration. Every manager is concerned with both - administrative management function and operative management function as shown in the figure. However, the managers who are higher up in the hierarchy denote more time on administrative function & the lower level denote more time on directing and controlling worker's performance i.e. management.



The Figure above clearly shows the degree of administration and management performed by the different levels of management

#### 4. Concept - Organization

##### DEFINITION:

According to Etzioni, (1964) "Organizations are social units (or human groupings) deliberately constructed and reconstructed to seek specific goals".

From the above definition, it can be understood that organizations are seen as social units or human groupings, which indicates that individuals are the basic elements of organizations. Thus, the first key element of this definition is the fact that organizations are groups of individuals. Another element is deliberate construction that is, organizations are deliberately constructed for accomplishing specific objectives. The third element is the goals, organizations are established for the accomplishment of specific goals.

Organizations are defined as "Collectivities that have been established for the pursuit of relatively specific objectives on a more or less continuous basis." (Scott, 1964). In this definition, too the organizations are defined as social units composed of individuals which are specifically formed for the achieving certain objectives.

According to Pfiffner and Presthus "Organization is the structuring of individuals and functions into productive relationship". The definition clearly states that organization

consists of a group of individuals are brought together to carry out number of functions for the objective of producing something, goods or services.

Hence, organizations are social units or human groupings deliberately established for the accomplishment of specific objectives. For example, ministries, corporations, universities, hospitals, schools, political parties, prisons, associations etc. are organizations.

Organizations are basically classified into two types on the basis of relationships in an organization: -

**Formal organizations:** Goal accomplishment is important and that is why the organization is created in the first place. There exists a structured relation among its members. Members are selected on the basis of their individual qualifications. Money and other material resources to be used by the organization are determined in accordance with its goals. In formal organizations the interactions of the organization with its environment is regulated to the extent required by the nature of its goals.

**Informal organizations:** It refers to the network of personal and social relationships which spontaneously originate within the formal set up.

The concept of "organization" is almost synonymous with that of system. Organization refers to any situation where there are a number of elements which are bound together or stand in some relation to one another and represent the order or structure, and that structure as a whole fulfills some sort of a function. In this sense we can talk about the organization of a building, of a machine, of a book, of an ethnic group, of a market, of a galaxy, of a planet etc. They all have some kind of organization or some ordered relationship among a number of elements. Organization as a system has the following characteristics:

- There are a number of individual elements working as a group;
- The elements of a system are interrelated among themselves in an orderly or ordered manner. Their relationship is not chaotic or completely random. There is some kind of pattern in these relationships so that a change in one element of the system leads to predictable changes in other elements.
- A system may be related to some other systems or be a part of some larger systems.