1. Management is a social system which consists of many subsystems which are integrated to constitute an entity.
2. Management is an open system which has to give weightage to environmental factors affecting it.
3. Management has the basic role of adaptability to environment.
4. Management as a system is dynamic as it tries to balance both internal processing and external interactions.
5. Management is probabilistic and cannot be certain owing to the dynamic environment.
6. Management has the multilevel and multidimensional features since it has both the micro and macro approach and can be applied to various subsystems.
7. Management deals with multiple variables thus making it complex in nature.
8. The systems approach ensures that management takes an integrated view of managing and not an isolated view of a phenomenon.

In "The Concept of the Corporation" (1946), Peter Drucker emphasized on treating the company as a social system as well as an economic organization. The book has sections like "The Corporation as Human Effort" and "The Corporation as a Social Institution". In the book, Drucker explained how General Motors' decentralized structure enables it to respond to challenges such as transition from war to peace and empowerment of workers. In the post-World War II scenario, management concepts and practices changed a lot; so as the environmental forces.



1.8 LET US SUM UP

In this unit, we have learnt about the meaning and importance of management and its various implementations in different fields. The concept

of management has become universal and no organization can survive without it. Management consists of getting things done through others by directing their efforts in an integrated and coordinated manner for achievement of business objectives. As a body of knowledge, management is of recent origin compared to several other disciplines. It has evolved a lot. The principles and practices as enumerated by Taylor and Fayol are very much relevant in today's context also. Peter Drucker and others have contributed a lot to develop our understanding of management as system.



1.9 FURTHER READING

1) Drucker, Peter F. (2014), *Practice of Management*, Allied Publications, New Delhi.

2) Koontz, Harold and Weihrich, Heinz (2007), *Essentials of Management*, Tata McGraw Hills, New Delhi.

3) Rao, V. S. P. and Hari Krishna, V. (2005), *Management : Text and Cases*, Excel Books, New Delhi.

4) Robbins, Stephen P., Judge, Timothy A. and Vohra N.(2016), *Organizational Behaviour*, Prentice Hall, Delhi.

1.10 ANSWERS TO CHECK YOUR PROGRESS

Ans. to Q. No. 1: i. Management is an activity
ii. It involves decision making

Ans. to Q. No. 2: Contingency approach is based on the idea that there cannot be a particular management action that will be suitable for all situations. Rather, it counts an appropriate action as one which is designed on the basis of external environment and internal states and needs.

Ans. to Q. No. 3: Activities of an industrial organisation are technical, commercial, financial, security, accounting and Managerial.

Ans. to Q. No. 4: Transport management implies deciding on availing the mode of transportation like rail, road, air or water-ways etc. for procurement and distribution of physical goods. This requires careful consideration of availability, cost and utility of the various modes of transportation.



1.11 MODEL QUESTIONS

Q.1 : What is management?

Q.2 : Give an outline of management thought during the 20th century.

Q.3 : Briefly discuss the characteristics of management.

Q 4 : Discuss the classical approach and neo-classical approach. What are the basic differences between the two?

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