

1.10: What Is Management?

Learning Outcome

- Describe what management is.



Constructing a pyramid was one of history's earliest management goals.

Management is everywhere. Any time people work to achieve a goal, they are engaging in management. At least as far back as the building of pyramids in ancient Egypt or Mesoamerica, people have used principles of management to achieve goals. Today, organizations of all types—social, political, and economic—use management techniques to plan and organize their activities.

Two Aspects of Management

When people talk about **management**, they may be referring to very different aspects. They may be talking about the people who are the managers, especially those people in **strategic** positions who make important decisions for the organization, such as the executive officers, president, or general manager. Or, they may be referring to the activities and **functions** of an organization to achieve organizational goals.

Management As People

The people with the responsibility and authority to determine the overall direction of the organization are often referred to as the management of the organization. Management has the authority to decide what the goals of the organization should be and how those goals will be achieved. Individuals in **upper management** must be aware of conditions in the organization's environment and have knowledge of the total resources of the organization. They put these two together to determine the most promising path for the organization to pursue.

Let's look at a small-scale illustration. Imagine a family considering their vacation plans. They have a goal: to get away from home and work to spend an enjoyable week or two together. To achieve their goal they must first make a number of related decisions such as these: Where will we go? How will we get there? Where will we stay? What will we do while we are there?

These decisions cannot be made without considering the resources they have available for the trip. Perhaps they have saved money for the trip or they decide to take out a small loan. Maybe they will rent an RV and camping equipment or buy into a timeshare. They might be experienced backpackers or they might enjoy just chilling at the beach. The family's decision makers must plan on how to use their resources—both **material resources**, such as money and equipment, and **intellectual resources**, such as knowledge and experience—to create a successful vacation. But deciding what they are going to do is not enough; they need to actually do things to get ready for their trip. They may need to make reservations, schedule time off work, get their car serviced, or buy a new camera and appropriate clothing and gear. Finally, if they have made all the right decisions and all the necessary arrangements, they can go on their trip and have a great time.

Management As Process

As we saw in the earlier example, decision making and planning are required before actions are taken. Defining the goals of the organization, planning the actions to meet the goals, and organizing the resources needed to carry out the actions are all vital functions of management. Planning and organizing ensure that everyone in the organization is working together toward meeting goals.

Organizations, like families, also have goals. In large organizations, the goals are usually formally defined. A corporate goal may be to increase market share by 12 percent in two years or to provide 250 free meals per week to a local shelter. In small organizations or family businesses, the goals may be more general and informal, such as to provide a unique dining experience to patrons or to be able to retire comfortably in five years.

All organizations—businesses, the military, government departments, nonprofit service providers, or public school systems—require management because they all are trying to achieve goals. And although it may seem straightforward, the management process is complex. In most cases, management functions include:

- applying and distributing organizational resources effectively
- acquiring new resources when necessary
- analyzing and adapting to the ever-changing environment in which the organization operates
- complying with legal, ethical, and social responsibilities of the community
- developing relationships with and among people to execute the strategies and plans

? Practice Question

<https://assessments.lumenlearning.co...essments/12139>

Management Defined

Perhaps the most critical of all the management processes listed earlier is creating the systems and processes that allow people to work effectively toward organizational goals. In fact, many people define management as the art of getting things done through people. Although technology and data are increasingly important in modern organizations, people continue to be a primary focus of management. Putting this all together, we can propose a definition of management: management is the process of planning, organizing, leading, and controlling people in the organization to effectively use resources to meet organizational goals.

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