

Paper –Principles and Practice of Management

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Topic- Nature of Management as System

Under the systems approach, management is regarded as a system. It draws heavily from systems concepts. When systems concepts are applied to management. It is taken in the following ways:

1. Management as a Social System- Management can be considered as a system. Therefore, management has all the characteristics of a system discussed above. However, management is a social system and unlike biological or mechanical systems, it has the characteristics of social systems. This concept of social systems is quite different from cooperative social system as discussed earlier Management as a system consists of many subsystems which are integrated to constitute an entity.

2. Management as Open System- Management, like any other social system, is an open system. It interacts with its environment. Out of this interaction, it takes various resources allocates and combines these resources to produce desirable outputs which are exported to the environment. Thus, management works as input-output mediator. These features of management suggest that it is not free to decide the things on its own but the weightage has to be given to the environmental factors affecting the management of an organisation. Consideration is required at the levels of taking inputs, transforming them into outputs, and exporting the outputs to the environment.

3. Adaptive- Organisation being an open system, its survival and growth in a dynamic environment demands on adaptive system which can continuously adjust to changing environment. Management tends to achieve environmental constancy by bringing the external world under control, or bringing internal modification of organisational functioning to meet the

needs of the changing world. Since there is a provision of feedback mechanism, management can evaluate its performance and take corrective actions. In fact, the basic role of management is considered in terms of its adaptability to environment.

4. Dynamic- Management as a system is dynamic. It suggests that management attempts at achieving equilibrium in the organisation. However, this equilibrium is not static as happens in mechanical systems. Management moves towards growth and expansion by preserving some of the energy. Managerial effectiveness depends on this energy exchange. Therefore, it is not only the internal processing process that determines the effectiveness of management but also how it interacts with the changing environment in terms of taking inputs and giving outputs also determines its effectiveness.

5. Probabilistic- Management is probabilistic and not deterministic. A deterministic model always specifies the use of model in a condition with pre-determined results. Therefore, the outcome of an action can be predicted accurately.

6. Multilevel and Multidimensional. Systems approach of management points out the multilevel and multidimensional features of management. It has both macro and micro approach. At macro level. It can be applied to supersystem, say, a business system as a whole. At micro level, it can be applied to an organisation. Even it can be applied to a subsystem of an organisation. However, it has the same characteristics at all these levels supersystem level, system level, subsystem level. Thus, both parts and whole are equally important in managing. variables simultaneously. This feature of management suggests that there is no simply cause-effect phenomenon, rather an event may be the result of so many variables which themselves are interrelated and interdependent. This interrelatedness and interdependence make managing quite a complex process. Thus, It realises the complexity of management.

7. Multivariable. Management is multivariable and involves taking into account many variables simultaneously. This feature of management suggests that there is no simply cause-effect phenomenon, rather an event may be the result of so many variables which themselves are interrelated and interdependent. This interrelatedness and Interdependence make managing quite a complex process. Thus, it realises the complexity of management.

8. An Integrated Approach. Systems approach of management takes an integrated view of managing. It identifies the reason for a phenomenon in its wider context taking into account the total factors affecting the phenomenon. In other approaches, a particular phenomenon has been explained in terms of a single factor or cluster of factors Management tries to integrate the various factors to find out the reasons behind a phenomenon. It emphasises how the management of one subsystem of the organisation should be taken in relation with others because other subsystems become environment for the given system. Thus, the problem in one subsystem should not be traced into the subsystem only but in a much wider context. This is true for the management of whole organisation also.