

MANAGEMENT

The word "management" originates from the French word, 'ménagement', - the art of conducting and/or directing. This in turn comes from the Latin 'manum agere' – to 'lead by the hand'.

The key characteristic of "management" is that of 'leading' a business, a business department, or a non-business organisation. This is usually achieved through the structured use of the organisation's available resources - people, material, monetary, intellectual, creative and even the intangible.

Management in business can also be perceived as a 'function', where it is seen as qualitatively measuring organisational results in order to make any necessary adjustments to the initial business plan in order to reach the desired objectives and outcome.

While management, in the modern sense, could in very simple terms be classified by many as being either 'good' or 'bad', recent years have seen the transformation of many and various forms of standard business practice into a management function.

It is acknowledged that good management practices can be traced back to the ancient Sumerians and Egyptian pyramid builders. It is only in the late 19th Century, as the study and usage of economics became more formalised and widespread, that basic principles of management were recognised as the new business order.

By the start of the 21st Century, management had been categorised into six broad sub-categories: operational, strategic, marketing, financial, information technology and people (human resource) management.

However, over the past few years, the sub-categories have expanded and grown to include all aspects of running a business – crisis management, knowledge

management, supply chain management, risk management and time management to name but a few.

With the diversification of business practices, it is not a negative that various roles have been demarcated as management positions. Business has become more complex, change has become more formal and the workforce has had to adapt to ensure they keep abreast of these changes. What were once seen as simple business practices have become large single areas of operation demanding specific expertise.

That great seat of business learning, the Harvard Business School (founded in 1636) instigated its own management company (The Harvard Management Company) in 1974 to provide an in-house management function to oversee the sizeable Harvard Endowment as well as a limited number of external asset management companies. They recognised as far back as the original founding of the Business School, their endowment policy was vital to the funding and subsequent running of the institution. It would have been folly to do otherwise and allow the assets to be managed by many and several internal and external bodies, one not necessarily aware of what the other was doing.

However, no management theory can survive without sound business practices in support. Yes, a manager needs to manage their area of prime responsibility, but this won't work without good employee management.

And this does not simply entail telling employees what to do. Employees have to be educated, trained and lead. The manager has to respond to their needs and wants, rather than react as a result of their employees not knowing what is expected of them.

There has to be a constant two-way communication flow, because every manager should realise that what an employee doesn't know, they will make up. A happy and productive workforce can only be nurtured through knowledge flow, and by obeying

this simple principle, productivity will be at its greatest.

While many companies practice good management – Bacardi-Martini, Richer Sounds, The Flight Centre and Microsoft being just four of the recurring “top best companies to work for” as features in the Sunday Times - there are many thousands of companies that don't, and unfortunately never will feature in this prestigious list.

And the reason they are cited in this list year on year? Simply because the employees, in interview, say that their management offer best practice. As mentioned, some industries are less fortunate. They are often remembered more for poor performance and lack-lustre management-staff relations simply because of less than satisfactory management practices.

Call centres in particular are cited in this manner, and this is not just because of their unpopular practice of off-shoring their core customer communication services. Their training management often leaves plenty to be desired. They have team leaders who are completely unfamiliar with basic management principles. Yes, they may manage their delegation management effectively, but staff are often placed in customer-facing situations without full knowledge of the questions they may be faced with answering.

Management is not about being more senior, or having more knowledge than subordinates (although this is indeed an important factor for being a manager). Knowledge may be power, but it is vital that knowledge is cascaded down the organisation for the benefit of the organisation as a whole. Successful managers empower their staff.

Returning back to the beginning of the 20th Century, Henry Laurence Gantt (1861-1919) initially a mechanical engineer, is accredited with being the first of the world's great management consultants. He is perhaps best remembered for developing the eponymous Gantt chart during the early 1900's.

Utilising efficient project management, a Gantt chart can demonstrate when the project elements start, end and finish, together with other influencing elements during the process (see "Work, Wages and Profit" by H. L. Gantt, published by The Engineering Magazine, NY, 1910). These charts were employed on major US projects including the Interstate highway system and Hoover Dam.

In our current technological age, Gantt charts are still utilised in some popular project management software packages such as Microsoft Project or Mr. Project.

In summary, it is vital to have a proper management structure in place.

Managers must be trained in management principles and be aware (and learn) that there is more to management than simply issuing instructions.

"Plan your work and work your plan." - Vince Lombardi

"If the world operates as one big market, every employee will compete with every person anywhere in the world who is capable of doing the same job. There are lots of them and many of them are hungry."

- Andy Grove