

NATURE AND SIGNIFICANCE OF MANAGEMENT

1 CHAPTER

Management at HCL

At a time when India had a total of 250 computers, Shiv Nadar led a young team which passionately believed in the growth of the indigenous IT industry. That vision in 1976, born out of a Delhi 'barsaati', has resulted three decades later in creating a US \$ 3.5 billion global enterprise. HCL is today a leader in the IT industry, employing 41,000 professionals and having a global presence in 16 countries spanning locations in the US, Europe, Japan, ASEAN and the Pacific Rim. HCL's business today spans IT hardware manufacturing and distribution, system integration, technology and software services, business process outsourcing, and infrastructure management. HCL Enterprises is a leader in global technology and IT services.

HCL's basic plan of developing an indigenous microcomputer bore fruit in 1978 at the same time as Apple and three years before IBM. This was considered by many industry observers as the birth of the Indian computer industry. Under the able direction of its founding fathers it commenced global operations in the US in 1988. Shiv Nadar's risk-taking ability is legendary and he has often made daring forays based on his conviction of the future. At a time when hardware was the name of the game, Nadar foresaw the huge potential in the area of IT education and learning from which NIIT was born. Yet again when software development was still in the nascent stages, Shiv Nadar took the lead and today HCL is a force to reckon with in the global markets. The organisation structure of HCL Enterprises consists of two listed companies in India – HCL Technologies and HCL Infosystems.

Shiv Nadar, Chairman and CEO, attributes the success of the group to its management team and their entrepreneurial spirit, which together have enabled it to handle rapid changes in environments and technologies, and to transform threats into opportunities. Fundamental to the process has been the development of new paradigms for the unprecedented situations into which the group ventures. These include guidelines for organisation restructuring, market creation, technology leveraging

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- Describe the characteristics of management and its importance in an organisation;
- Explain the nature of management as an art, science and profession;
- Explain the functions of management; and
- Appreciate the nature and importance of coordination.

and business up-scaling. Like any other business enterprise profits are important for the survival and growth of HCL as an enterprise.

At HCL the management believes that a satisfied employee creates a satisfied customer, who in turn creates profits that lead to satisfied shareholders.

HCL has a strong sense of social responsibility. It has set up educational institutions in the fields of management, engineering and computer education, in which one-third of the students are girls.

According to Shiv Nadar, the future belongs to the global enterprise which is able to transform itself according to the challenges of global economy.

Source: www.hcl.in

INTRODUCTION

The above case is an example of a successful organisation which is amongst the top companies in India. It has risen to the top because of its quality of management. Management is required in all kinds of organisations whether they are manufacturing computers or handlooms, trading in consumer goods or providing hairstyling services and even in non-business organisations. Let us take another example.

Suhasini is the branch manager of Fabmart, an organisation that promotes the sales of Indian handloom and handicraft products while providing equitable employment to traditional artisans. Fabmart sources its products from over 7500 craft persons and artisans across India. Planning the products is a difficult task that is done by a team of marketing and design experts to ensure that whatever is produced is according to market demand. These plans are then communicated by

Suhasini to the rural artisans who actually implement them.

Fabmart is a private limited company with several branches all over the country. It has a complex organisation structure in which actual production is in the hands of several skilled artisans and marketing is done by staff at branches such as the one managed by Suhasini. This means constantly providing direction and motivation to her employees. She also has to ensure that production is carried out according to plans in order to ensure regular sales.

A typical day in Suhasini's life consists of a series of interrelated and continuous functions. She has to plan a special festive collection for Diwali and Christmas. This means organising more funds and recruiting more artisans. She also has to regularly communicate with her suppliers to ensure that deadlines regarding delivery of goods are met. In the course of the day she meets customers for a general feedback

and any suggestions that they may have.

Suhasini is the manager of Fabmart. So is Nusli Wadia of Bombay Dyeing, Bill Gates of Microsoft, Shiv Nadar of HCL Enterprises, Indra Nooyi of Pepsico and the Principal of your school. They all manage organisations. Schools, hospitals, shops and large corporations are all organisations with diverse goals that are aimed at achieving something. No matter what the organisation is or what its goals might be, they all have something in common – management and managers.

You have observed that Suhasini's work as a manager consists of a series of different activities or functions aimed at achieving the goals of the organisation. These interconnected and interdependent functions are part of management. Successful organisations do not achieve their goals by chance but by following a deliberate process called 'management'.

Management is essential for all organisations big or small, profit or non-profit, services or manufacturing. Management is necessary so that individuals make their best contribution towards group objectives.

Management consists of a series of interrelated functions that are performed by all managers. Shiv Nadar, the CEO of HCL Enterprises performs all these functions and so does Suhasini at Fabmart. Later in this chapter you will understand that although both of them are managers, they function at different levels in the organisation. The time spent by managers in different functions however is different. Managers at the top level spend more time in planning and organising than managers at lower levels of the organisation.

CONCEPT

Management is a very popular term and has been used extensively for all types of activities and mainly for taking charge of different activities in

Definitions of Management

“Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims.”

Harold Koontz and Heinz Weihrich

“Management is defined as the process of planning, organising, actuating and controlling an organisation's operations in order to achieve coordination of the human and material resources essential in the effective and efficient attainment of objectives.”

Robert L. Trewelly and M. Gene Newport

“Management is the process of working with and through others to effectively achieve organisational objectives by efficiently using limited resources in the changing environment.”

Kreitner