

Role of Management in Modern Society

Management plays a critical role in today's society, impacting productivity, economic growth, and social welfare. It is the driving force that transforms basic resources into productive activities by organizing and coordinating various factors of production.

Key Points on the Role of Management

❖ Transformation of Resources into Production

According to Peter Drucker, management provides the leadership that turns resources into productive output. Without it, resources remain underutilized. Effective management ensures that society benefits from an increased supply of goods and services, ultimately promoting societal welfare.

❖ Enhancing Social Well-being

The quality of management directly affects the standard of living. Urwick and Brech argue that no ideology or political system can achieve higher productivity from limited resources without good management. By improving the performance of resources, management lays the foundation for a higher standard of living and more amenities for society.

❖ Handling Complexity in Modern Business

- The operation of businesses today is complex due to factors like:
 - The large scale and structure of businesses
 - Rapidly changing consumer preferences
 - Intense competition
 - Technological advancements
 - Government regulations and social responsibilities

Management, which relies on scientific thinking, careful planning, and detailed control, is essential to navigate these complexities. It strengthens an enterprise's competitive position and enables growth and profitability. Drucker describes management as the "organ of society" that ensures productive use of resources and fosters economic progress.

❖ Management Beyond Business

Management is not only crucial for businesses but also for other social organizations such as educational institutions, religious groups, charities, and government bodies. As former U.S. President Roosevelt emphasized, "A government without good management is a house built on sand." This highlights that effective management is vital for stability and progress in any organization.

Summary

Management is indispensable across all types of organizations. It is the backbone of modern society, making resources productive, driving economic growth, and improving social welfare. Its principles apply to business and non-business sectors alike, underscoring its universal importance in organizing and enhancing productivity everywhere it is practiced.

