

SUBJECT- BUSINESS ORGANISATION

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## DIFFERENCE BETWEEN ORGANISATION MANAGEMENT AND ADMINISTRATION

### \* DEFINITION OF MANAGEMENT:

Management is defined as an act of managing people and their work, for achieving a common goal by using the organization's resources. It creates an environment under which the manager and his subordinates can work together for the attainment of group objective. It is a group of people who use their skills and talent in running the complete system of the organization. It is an activity, a function, a process, discipline and much more.

Planning, Organizing, leading, motivating, controlling, coordination and decision making are the major activities performed by the management. Management brings together 5M's of the organization, i.e. Men, Material, machines, methods and money. It is a result oriented activity, which focuses on achieving the desired output.

### \* Definition of Administration

The administration is a systematic process of administering the management of a business organization, an educational institution like school or college, government office or any non-profit organization. The main function of administration is the formation

of Plans, policies and procedures, setting up of goals and objectives, enforcing rules and regulations, etc.

Administration lays down the fundamental framework of an Organization, within which the management of the Organization functions.

The nature of administration is bureaucratic. It is a broader term as it involves forecasting, planning, organizing and decision-making functions at the highest level of the enterprise. Administration represents the top layer of the management hierarchy of the Organization. These top level authorities are the either owners or business partners who invest their capital in starting the business. They get their returns in the form of profit or as a dividend.

#### \* Key Differences Between Management and Administration

The major difference between management and administration are given below:

1. Management is a systematic way of managing people and things within the organization. The administration is defined as an act of administering the whole organization by a group of people.
2. Management is an activity of business and functional level, whereas Administration is a high level activity.
3. While management focuses on policy implementation, policy formulation is performed by the administration.
4. Functions of administration include legislation and determination. Conversely, functions of management are executive and governing.

5. Administration takes all the important decisions of the organization while management makes decisions under the boundaries set by the administration.
6. A group of persons, who are employees of the organization, is collectively known as management. On the other hand, administration represents the owners of the organization.
7. Management can be seen in the profit making organization & the business enterprise. Conversely, the Administration is found in government and military offices, clubs, hospitals, religious organizations and all the non-making profit organizations.
8. Management is all about plans and actions, but the administration is concerned with framing policies and setting objectives.
9. Management plays an executive role in the organization. Unlike administration, whose role is decisive in nature.
10. The manager looks after the management of the organization, whereas administrator is responsible for the administration of the organization.
11. Management focuses on managing people and their work. On the other hand, Administration focuses on making the best possible utilization of the organization's resources.

Base For Comparison	Management	Administration
Meaning	An organized way of managing people and things of a business organization is called the management.	The process of administering an organization by a group of people is known as the Administration.
Authority	middle and lower level.	Top level

Role	Executive	Decision
Applicable to	Profit-making organizations, i.e., business organizations.	Government office, military, clubs, business enterprises, hospitals, religious and educational organizations.
work	Putting plans and policies into actions.	Formulation of plans, framing policies and setting objectives
Function	Executive and Controlling	Legislative and Determinative
Focus on	Managing work	making best possible allocation of limited resources.

#### \* Conclusion:

Theoretically, it can be said that both are different terms, but practically, we will find that the terms are more or less same. we have noticed that a manager performs both administrative and functional activities. Although the managers who are working on the top most level are said to be the part of administration whereas the managers working on the middle or lower level represents management. So, we can say that administration is above management.