

## **M. Ed. Semester : IV , Course: 2.4.3 Unit-III PART-1**

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### **Difference between Administration and Management**

*Some authors say that administration and management are the same thing and there is no difference between the two words while others feel that they are different. There is a controversy on the use of these terms.*

The terms administration and management are used synonymously.

Running of a business requires skill which is called management and functioning of government departments and non-profit institutions requiring skill is called administration.

Some writers argue that executive functions of a business unit are referred as Management and executive functions of other institutions are referred as administration. In this way, administration is distinguished as a top level function while management as a lower level functions. Policy and objectives of a business are determined by the top level executives (Administration). At the same time, the lower level people (Management) work to attain the objectives of the business unit and follow the policy framed by the administrators.

#### **Oliver Sheldon:**

“Administration is the function in industry concerned with the determination of the corporate policy, the co-ordination of finance, production and distribution, the settlement of the compass (structure) of the organisation under the ultimate control of the executive.”

“Management is the function in industry concerned with the execution of policy within the limits set up by the administration and the employment of the organisation for the particular objects set before it”.

**William R Sprigal:**

“Administration is that phase of business enterprise that concerns itself with the overall determination of institutional objectives and the policies necessary to be followed in achieving those objectives. Administration pre-determines the specific goals and lays down the broad areas within which those goals are to be attained. Administration is a determinative function; management on the other hand is an executive function which is primarily concerned with the carrying out of the broad policies laid down by the administration”.

**G.E. Milward:**

“Administration is primarily the process and the agency used to establish the object or purpose which an undertaking and its staff are to achieve, secondarily, administration has to plan and stabilize the broad lines of principles which will govern action. These broad lines are in their turn usually called policies. Management is the process and the agency through which the execution of policy is planned and supervised”.

Thus, administration is a thinking function and management is a doing function. According to this concept, owners of the business enterprise receive dividends in return for their capital contributed. Managers, i.e., the management people get salary for realising the objectives of administrators i.e., the owners. Besides, the managers direct and control the subordinates within the limits fixed by the administrators.

According to Professor Dalton E. Mc Farland, “In Government agencies, administration are preferred over management, although in recent years, the term management has become widely used in government agencies. Another possible distinction refers to the levels of organisation. In

business, the term administration refers to the activities of the higher ups in the managerial ranks. Still another distinction related to organisational level is that administration refers to the determination of major aims and policies while management refers to the carrying out the operations designed to accomplish the aims and effectuate the policies. Here again, this distinction is not widely followed but it exists”.

Ordway Tead describes, “Administration is the process and agency which is responsible for the determination of aims for which an organisation and its management are to strive, which establishes the broad policies under which they are to operate and which gives general oversight to the continuing effectiveness of the total operation in reaching the objectives sought. Management is the process and agency which directs and guides the operations of an organisation in the realizing of established aims”.

Leffingwell and Robinson explain that, “Administration determines the policies upon which the enterprise is to be conducted while the function of management to carry out the policies is laid down by the administrative group”.

Another view is that management is a broader term which includes thinking function and executive function. Thus, administration is a part of management and carrying out the objectives laid down by the management. Eminent writers like E.F.L. Brech, Barry Pichman, Melwyn Copen, Henry Fayol, William Newman and Theo Haiman used the terms administration and management synonymously.