Module - 1.

Introduction to Management.

Why are managers important & Who is a manager?

→ Organization need their managerial skills & abilities in uncertain, complex & chaotic times, such as worldwide economic climate, changing technology, ever ↑ing globalization.

– Managers play an important role in identifying critical issues & crafting responses.

Eg: To improve ~~salesperson~~ sale-person's are encouraged thro' small cash payment rewards for setting goals.

– Skills & abilities as a manager have been crucial in guiding his organization.

– Managers create & co-ordinates the workplace systems & cond^{ns}, so that others can perform those tasks.

– A recent study ~~state~~ of ~~the~~ organizational performance found that managerial ability is important in creating organizational value.

In general: Manager is someone who co ordinates & oversees the work of other people so that organizational goals can be accomplished.

A managers job is not personal achievement – its about helping others do their work.

• Other duties of managers is also included along with co-ordinating & over-seeing others work.

Eg: Insurance claims supervisor might process claims in addition to co-ordinating the work activities of other claims clerks.

Classification of managers in organization;

<u>Levels of management</u>

- Traditionally structured organization are often pictured as a Pyramid
- More employees are at lower organizational level than upper level

Managers are classified as;

1. First line
2. Middle
3. Top.

First line managers, lowest level of management. manage the work of non managerial employees who are involved with producing the organization products (or) servicing the organization customer. They are called Supervisors / shift managers, district managers, dept managers (or) office managers.

Middle managers, manage the work of first line managers & can be found b/n lowest & top levels of organization. They are called regional managers, project leader, store manager (or) division manager. They need to report to someone at corporate headquarters.

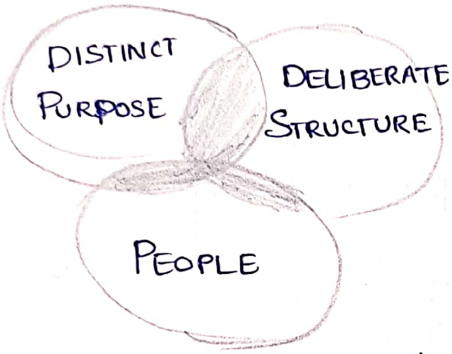
Top managers, are at upper level of organization, who are responsible for making organization-wide decisions & establishing the plans & goals that affect entire organization. They are called executive vice president, president, managing director, chief operating / executive officer.

Where do managers work ?

Organization - A deliberate arrangement of people to accomplish specific purpose.

Eg: Colleges / Universities, fraternities & sororities, govt dept, churches, Facebook, Hindhu sangas etc.

All these organization have 3 common characteristics.



1. Distinct purpose: It is typically expressed thro' goals that the organization hopes to accomplish.
2. People: Each organization is composed of people. It takes people to perform the work thats necessary for organization to achieve its goals.
3. Deliberate structure: It is a structure within which members do their work. It may be open & flexible, with no specific job duties / strict adherence to explicit job arrangements.

- Many of organizations are structured, with flexible work arrangements, employee work teams, open communication systems & supplier alliances.
- Work is defined in terms of tasks to be done.
- Workdays have no time boundaries.
- Depending on type of approach an organization uses, deliberate structure is needed, so work can be get done. This will be overseen & co-ordinating the work is done by managers.

What do managers do?

Management involves co-ordinating & overseeing the work activities of others so that their activities are completed effectively & efficiently.

Co-ordinating & overseeing the work of others, distinguishes managerial position from non-managerial one.

Management involves ensuring the work activities are completed efficiently & effectively by people responsible for doing them.

Efficiency: refers to getting the most o/p from least amount of i/p's.

- Managers deals with scarce i/p's such as
  - → People
  - → Money.
  - → Equipment.
- Managers need to make sure there is no wastage of resources.
- Efficiency is concerned with means of getting things done.

Effectiveness: is concerned with activities that will help the organization reach its goals.

- Effectiveness is concerned with ends, or attainment of organizational goals.
- Poor management usually involves being inefficient & ineffective (or) being effective, but inefficient.

Management researchers have developed 3 approaches to describe what managers do:
- → Functions
- → roles
- → Skills.

Efficiency (means)

$\boxed{\text{Resource Usage}}$

Low waste.

Effectiveness (Ends)

$\boxed{\text{Goal Achievement}}$

High attainment.

↓

Management strives for.

Low resource waste (high efficiency).
High goal attainment (high effectiveness)

Management Functions:

Managers perform certain activities / functions as they efficiently & effectively co-ordinate the work of others.

Henri Fayol, proposed that all managers perform five functions

- → Planning
- → Organizing
- → Commanding
- → Co-ordinating
- → Controlling.

Recently have been condensed to four:

Planning	Organizing	Leading	Controlling
Setting goals, establishing strategies & developing plans to co-ordinate activities	Determing what needs to be done how it will be done & who is to do it.	Motivating, leading & any other actions involved in dealing with people.	Monitoring activities to ensure that they are accomplished as planned.

- These 5 functions leads to achieving the organizations stated purpose.
- Actual performance must be compared with the set goals.
- If these goals are not being achieved, its managers job to get work back on track.
- The process of monitoring, comparing & correcting is the controlling function.

Mintzberg's managerial role & a contemporary model of managing.

Henry Mintzberg, studied actual managers at work & concluded that what managers do can best be described by looking at managerial roles they engage at work.

The 10 roles are grouped around inter-personal relationships, the transfer of information & decision making.

1. Inter-personal roles : are ones that involve sub-ordinates & persons outside the organization, that are ceremonial & symbolic in nature.
   a) Figurehead
   b) Leader
   c) Liasion.
2. Informational roles : involves collecting, receiving & disseminating information.
   a) Monitor
   b) disseminator
   c) Spokesperson.
3. Decisional roles : entail making desicions / choices.
   a) Entrepreneur
   b) disturbance handler.
   c) Resource allocator
   d) Negotiator.

Managing is about influencing action. Recently Mintzberg, explains that a manager does this by:

a) by managing action directly
   Eg: Negotiating contracts, managing products projects etc.
b) by managing people who take action.
   Eg: motivating them, building teams
c) by managing info - that peopels people to take action.
   Eg: using budgets, goals, task delegation.

Manager at the centre of the model has 2 roles. (4)

1. Framing – how manager approaches his / her job.
2. Scheduling – brings the frame to life.

Management Skills:

Robert . L. Katz proposed 3 critical skills managers need in managing.

1. Technical 2. Human 3. Conceptual.

The skills good managers need include listening, communication & a strong sense of team work.

Technical skills: job specific knowledge & techniques needed to proficiently perform work tasks.

First line managers, need to importantly have this skill, as they are managing employees who use tools & techniques to produce (or) service the organization products / customers respectively.

Human skills: involve the ability to work well with other people both individually & in group. These skills are important to all levels of management.

Managers should know how to communicate, motivate, lead & inspire enthusiasm & trust.

Conceptual skills: are the skills managers use to think & to conceptualize about abstract & complex situations.

Using these skills, managers see organization as whole, understand relationships with sub-units & visualize how organization fits into its broader environment. These are most important to top managers.

Other important skills are:

a) Managing human capital
b) Inspiring commitment
c) Managing change.
d) Structuring work & getting things done.
e) Facilitating psychological & social contexts of work.
f) Using purposeful n/w ng.
g) Managing decision making process
h) Managing strategy, innovation, logistics & technology.

Management History

Early Management: Organized endeavours directed by people responsible for planning, organizing, leading & controlling activities have existed for thousands of years. Some examples are:

1. Egyptian pyramids & Great wall of China.
2. City of Venice: Venetians used warehouse & inventory systems.
   → track of materials, human resource management f^n to manage labor force & accounting sys to track revenues & costs.
3. Division of labor was expressed by Adam Smith in the book 'The wealth of Nations': i.e, team work.
4. Industrial revolution: Machine power substituted human power, which became more economical to manufacture goods. To forecast demand, ensure enough material was on hand, assign tasks, direct daily activities, a person was needed, who was called a 'manager'.

Classical approach:

The first studies of management, emphasized rationality & making organizations & workers as efficient as possible.

Two major theories comprises:

a) Scientific management. b) General administrative theory.

Two most important contributors to Scientific management theory were:

a) Frederick W. Taylor. b) Frank & Lillian Gilbreth.

Two most important contributors to general administrative theory were:

a) Henry Fayol. b) Max Weber.

Scientific management is an approach that involves using the scientic method to find "one best way" for a job to be done.

Frederick. W. Taylor:

(5)

He is considered as Father of scientific management. Taylor believed that workers should be placed in jobs matching their abilities & aptitudes with tasks they were required to do.

Principles of scientific management by Taylor:

1. Develop a science for each element of an individuals work to replace old rule of thumb method.
2. Scientifically select & then train, teach & develop the worker.
3. Co-operate with workers, to ensure all work is done in accordance with principle of science developed.
4. Divide work & responsibility almost equally b/n management & workers.

Frank & Lillian Gilbreth:

They studied work to eliminate ~~eff~~ inefficient hand-and-body motions. They also experimented with design & use of proper tools & equipment for optimizing work performance.

He is best known for his bricklaying experiment. Using this technique, a brick layer was more productive & less fatigued at the end of day.

Gilbreths ~~inbaon~~ invented a device called micro-chronometer, that recorded workers hand & body motions & amount of time spent doing each motion. Wasted motions were identified & eliminated.

Gilbreths devised a classification scheme to label 17 basic hand motions such as search, grasp, hold, which they called "therbligs". This scheme gave a more precise way of analyzing a workers exact hand movement.

Many guidelines & techniques defined by Taylor & Gilbreths are used in organization till today, when tasks must be performed such as, use time & motion study, hire best qualified workers for job, design incentive systems. They are using principles of scientific management.

Scanned with OKEN Scanner

General administrative theory:

An approach that focuses on describing what managers do & what constitute good management practices.

Henri Fayol:

He identified 5 functions that managers perform.

a) Planning, b) Organizing c) Commanding d) Co-ordinating e) Controlling.

Fayol wrote the theory from his personal experience as M.D of large French coal-mining firm. His attention was on the activities of "all" managers whereas Taylor's was on first line managers & scientific method.

His belief that management was an activity common to all business endeavors, govt. This led to develop 14 principles of management.

1. Division of work: Specialization ↑ses O/P by making employees more efficient.
2. Authority: Managers must be able to give orders & authority gives them this right.
3. Discipline: Employees must obey & respect the rules.
4. Unity of command: Employee should recieve order from only one superior
5. Unity of direction: Organization should have single plan of action.
6. Subordination of individual interests to the general interest. Interest of any employee should not exceed ~~more~~ over interest of organization.
7. Remuneration: A fair wage for their service should be paid.
8. Centralization: The degree to which sub-ordinates are involved.
9. Scalar chain: The line of authority from top to lowest rank management.
10. Order: People & material should be in right place & time.
11. Equity: Managers should be kind & fair to their subordinates.
12. Stability of tenure of personnel: Planning & replacements to fill vacancies
13. Initiative: To originate & carry out plans
14. Esprit de corps: Promoting team spirit will build harmony & unity within the organization.

Weber's Bureaucracy:

Weber developed a theory of authority structure & relations based on an ideal type of organization & called it Bureaucracy.

Bureaucracy is a form of organization characterized by division of labor, a clearly defined hierarchy, detailed rules & regulations & impersonal relationships.

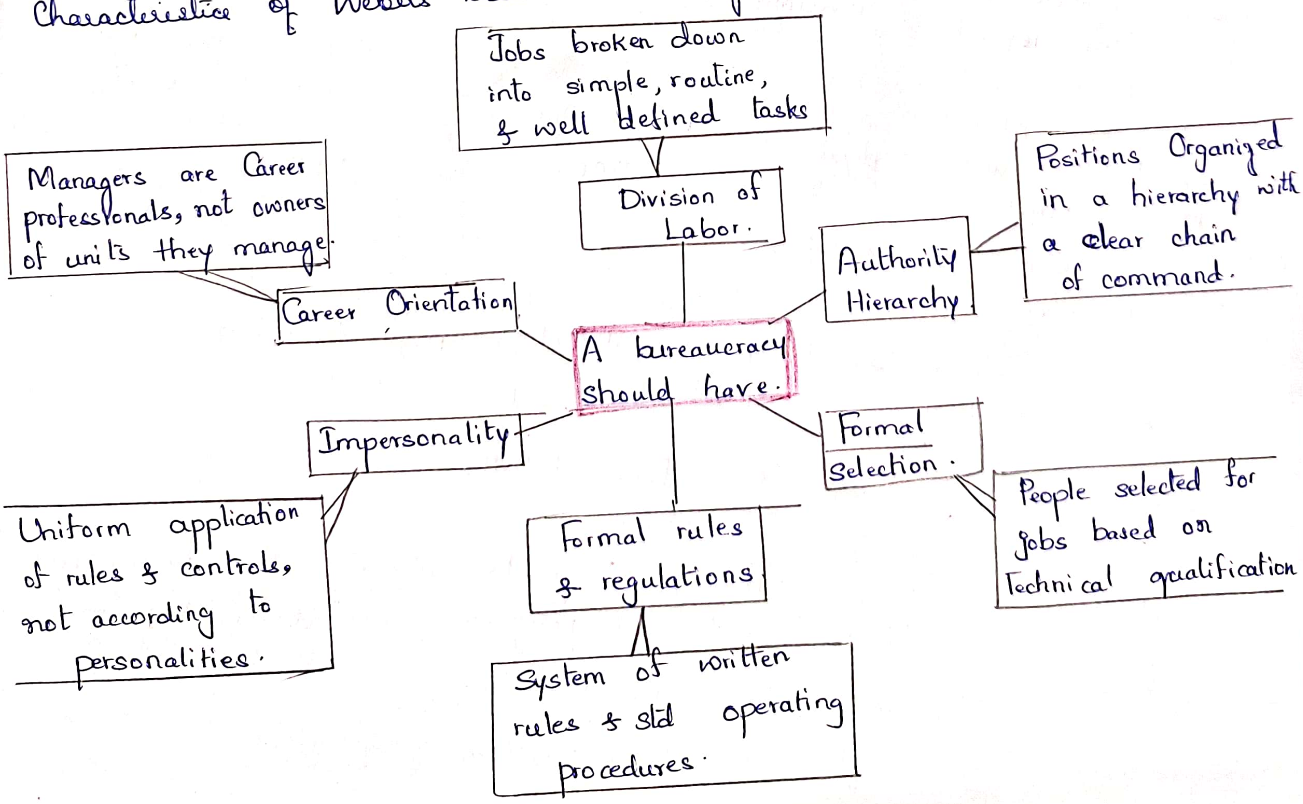
Ideal bureaucracy doesnot exist in reality, so he intended it as a basis for theorizing about how work could be done in large groups.

His theory became the structural design for todays large organizations.

This theory is a lot like scientific management in its ideology., emphasized rationality, predictability, impersonality, technical competence & authoritarinism.

This 'ideal type' describes the many contemporary organizations attests to their importance.

Characteristics of Webers ~~Bure~~ Bureaucracy:



Behavioural Approach:

Managers get things done by working with people. The field of study that researches, the action / behaviour of people at work is called Organizational behaviour (OB).

The four individuals who stand out as early advocates of OB approach are:
- → Robert owen
- → Hugo Munsterberg.
- → Mary parker Follett.
- → Chester Barnard.

Their contribution were varied & distinct, yet it is the most important asset of organization.

Their ideas provided the foundation for management practices as employee selection procedures, motivation programs & ~~team~~ works. teams.

+

Robert Owen 1700.
- Concerned about deplorable working condns
- Proposed idealistic workplace
- Argued that money spent improving labor was smart investment.

Hugo Munsterberg 1900's.
- Pioneer in field of industrial psychology - scientific study of people at work.
- Using psychological tests for employee selection.
- Learning theory concepts for employee training & study of human behavior.

Chester Barnard 1930
- Actual manager who thought Organization were Social sys that required Co-operation.
- Believed managers job was to communicate & stimulate employees high levels of effort.
- First to argue that Organizations were open systems.

Early Advocate of OB.

Mark Parker Follett 1900's.
- One of the first sign to recognize the organizations could be viewed from perspective of indiviual & group.
- Oriented ideas than scientific.
- Thought organization based on group ethic

Early OB Advocates.