Unit-1

Introduction to Management

* **Management:**

- Definition: It is the process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical and ~~informational~~ information resources of an organization to reach its goals effectively and efficiently.

- Manager is someone who coordinates and oversees the work of the other people in order to achieve organisational goals.

- Managers are important because of the following reasons:

- Identifying Critical Issues and crafting responses ~~with~~ using their managerial skills and abilities for the organization in these uncertain, complex and chaotic times due to challenges such as worldwide economic climate, changing technology, and even increasing globalization. ~~an~~

- They are critical to getting things done. They creates and coordinates the workplace systems and conditions so that others can perform their tasks. They esure that all employees are getting their jobs done and if ~~do~~ not, then they have to find out why and get things back on track.

- Managers do matter to organisations. The single most important variable in employee productivity is not benefits or perks but the quality of relationship between employees and their direct supervisors. The way a company manages and engages its people can significantly affect its financial performance, also managerial ability is important in creating organizational value.

- Manager's job is not about personal achievement - its about helping others do their work.

- Significance of Management: It involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively i.e. doing right things in a specified period of time without wasting resources. As successful organisations required both efficiency and effectiveness, management plays an important role.

- Management Functions:
Henry Fayol, proposed five functions to be performed by all the managers, today these functions have been condensed to four, which are as follows:
- Planning: Organisations exist to achieve some particular purpose, managers set goals, establish ~~state~~ strategies for achieving those goals and develop plans to integrate and coordinate activities to achieve that purpose.

- **Organising**: Managers are responsible for arranging and structuring work to accomplish the organisational goals. They determine what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and where decisions are to be made.

- **Leading**: Every organisation has people and manager's job is to motivate, lead and any other actions involved in dealing with people to accomplish organisational goals.

- **Controlling**: ~~To~~ To ensure that goals are being met and that work is done as per plans, managers must monitor and evaluate the performance. Actual performance should be compared with goals to be achieved. If not achieved it is manager's job to take corrective action.

* **Mintzberg's Managerial Roles**

- Henry Mintzberg, a well-known management researcher, concluded that what managers do can best be described by looking at the managerial roles they engage in at work.

- It refers to specific actions or behaviours expected of and exhibited by a manager.

- **Interpersonal Roles**: Roles that involve people (subordinates and persons outside the organisation) and other duties that are ceremonial and symbolic in nature. The three interpersonal roles include figure head, leader and liasion.

- Informational Roles: Roles that involve collecting, receiving and disseminating information. The three informational roles include monitor, disseminator and spokesperson.

- Decisional Roles: Roles that entail making decisions or choices. The four decisional roles include entrepreneur, disturbance handler, resource allocator and negotiator.

- As managers perform these roles, their activities should include both reflection (thinking) and action (doing).

- Managers functions:
  - by managing actions directly (negotiating contracts, managing projects)
  - by managing people who take action (motivating them, building teams)
  - by managing information that propels people to take action (using budget, goals, task delegation)

- The manager at the center of the model have two roles: framing which defines how a manager approaches his or her job and scheduling which ~~brigs~~ brings the frame to life through the distinct tasks the manager does.

* Management Skills

- Technical Skills: job-specific knowledge and techniques needed to proficiently perform work tasks.
  - more important for first-line managers because they are managing employees who use tools and techniques to produce the organization's products or service the organization's customers.

- Human Skills: involve the ability to work well with other people both individually and in a group.
  - As all managers deals with people, it is all pervasive skill.
  - Managers with good human skills get the best of their people as they know how to communicate, motivate, lead and inspire enthusiasm and trust.

- Conceptual Skills: skills managers use to think and to conceptualize about abstract and complex situation.
  - most important to top managers.
  - managers see the organization as a whole, understand the relationships among various subunits and visualise how the organization fits into its broader environment.

Classical Approach → Quantative Approach → Behavioral → Modern

- Classical Approach
  - → Scientific Management
  - → General Administrative
- Behavioral
  - → Early Advocates
  - → Hawthorne Studies
  - → Organizational Behaviour
- Modern
  - → Systems Approach
  - → Contingency Approach

* <u>Classical Approach</u>

- emphasized rationality and making organizations and workers as efficient as possible.

- It has two major theories : scientific management and general administrative theory.

- F.W. Taylor and Gilbreths were two most important contributors to scientific management whereas Henry Fayol and Max Weber were two most important contributor to general administrative theory.

- Scientific Management : use of scientific methods to define the "one best way" for a job to be done.

- putting the right person on the job with the correct tools and equipments, having the worker follow his instructions exactly and motivating the worker with an economic incentive of a significantly higher daily wage

Principles → - develop a science for each element of work to replace old rule of thumb method.
- Scientifically select, train, teach and develop the worker.
- Cooperate with workers to ensure all work is done in accordance with the principles.
- Divide work and ~~re~~ responsibility equally between management and workers according to their suitability.

- Gilbreths studied work to eliminate inefficient hand and body motions and experimented with design and use of proper tools and equipment for optimizing work performance.

- General administrative theory: focus more on what managers do and what constituted good management practice.

- Taylor was concerned with first-line managers and the scientific method, Fayol's attention was directed at the activities of all managers.

- His belief that management is an activity common to all business endeavors led him to develop 14 principles of management.

1. Division of work
2. Authority
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Subordination of individual interests to general interest
7. Remuneration
8. Centralization
9. Scalar Chain
10. Order
11. Equity
12. Initiative
13. Espirit de corps
14. Stability of tenure of personnel

- Bureaucracy is a form of organization characterized by division of labour, a clearly defined hierarchy detailed rules and regulations and impersonal relationships. It was given by Weber.

- 14 principles serve as a frame of reference from which many current management concepts - managerial authority, centralized decision making and so forth have evolved.

* **Behavioural Approach:**

- field of study that researches the action (behaviour) of people at work

- It includes motivating, leading, building trust, working with a team, managing conflict and so on.

- It helped to redesign jobs, changes in workday and workweek length, introduction of rest periods and individual versus group wage plans.

- Mayo concluded that people's behaviours and attitudes are closely related, that group factors significantly affect individual behaviour, that group standards establish individual worker output, and that money is less a factor in determining output than are group standards, group attitudes and security.

- Provided the foundation for current theories of motivation, leadership, group behaviour and development.

* **Quantitative Approach:**

- Also known as management science.

- evolved from mathematical and statistical solutions developed for military problems during WWII.

- It involves applying statistics, optimization models, information models, computer simulations and other quantitative techniques to management activities.

- Total Quality Management is a philosophy devoted to continual improvement and responding to customer needs and expectations.

- Continual improvement is not possible without accurate measurements, which require statistical techniques that measure every critical variable in the organization's work process. These measurements are compared against standards to identify and correct problems.

1. Intense focus on customers: Customers include those who buy organization's products and services and internal customers who interact with and serve others in the organization.

2. Concern for continual improvement: Quality management is a commitment to never being satisfied. Quality can always be improved.

3. Process focused: Quality management focuses on work processes as the quality of goods and services is continually improved.

4. Improvement in the quality of everything the organization does: related to final product, how a company handles deliveries, how rapidly corresponds to complaints etc.

5. Accurate measurement: Quality ~~measurement~~ management uses statistical techniques to measure every critical variable in the organization's operations. These are compared against standards to identify problems, trace them to their roots and eliminate their causes.

6. Empowerment of Employees: Quality management involves the people on the line in the improvement process. Teams are widely used in quality management programs as empowerment vehicles for finding and solving problems.

- Quantitative approach contributes directly to management decision making in the areas of planning and control.

* Contemporary Approach

- Focuses on what is happening in the environment of the business instead of manager's concerns inside the business.

- A system is a set of interrelated and interdependent parts arranged in a manner that produces a unified whole. It be closed system which is not affected by its environment and open system which is affected by its environment.

- An organization is an open system as it takes inputs from the environment and transforms or processes these resources into outputs that are distributed into the environment.

- As managers coordinate work activities in the various parts of the organisation, they ensure that all these parts are working together so the organization's goals can be achieved eg: no matter how efficient the production department might be, the marketing department must anticipate changes in customer tastes and work with product development department in creating products customers want or the organization's performance will suffer.

- It also implies that decisions and actions in one organizational area will affect other areas. eg: if the purchasing department does not acquire right quantity and quality of inputs, production department won't be able to do its job.

- Different and changing situations require managers to use different approaches and techniques.

- Contingency / situational approach says that organisations are different, face different situations (contingencies) and require different ways of managing.

- Variables of contingency approach:

  - organization size: as size increases so do the problems of coordination.
    eg: organization structure for 50,000 employees won't be suitable for 5,00,000 employees.

  - Routineness of Task Technology: to achieve its purpose organization use technology. Routine technology require organizational structures, leadership styles and control systems that differ from those required by customized or non-routine technologies.

  - Environmental Uncertainty: the degree of uncertainty caused by environmental changes influences the management process, as what works in stable environment might not work in unpredictable environment.

  - Individual Differences: Individuals differ in terms of their desires for growth and expectations. These and other individual differences are particularly important when managers select motivational techniques, leadership styles and job designs.

* **Management as Science:**

Science can be defined as a systematic and organside body of knowledge based on logically observed findings, facts and events.

- Systematic body of knowledge:
~~In science~~ Just like science, organised and systematic study material is available which is used to acquire the knowledge in management.

- Principles based on experimentation:
Scientific principles are first developed through observation and tested through continuous experimentation under controlled environment. Management principles are also derived over a period of time after continuous experimentation, however does not provide same outcomes as it deals with humans and human behaviour which changes from person to person.

- Universal Validity: Scientific principles are universally applicable whereas management principles are not exact and have to be modified according to a given situation

* ## Management as an Art

- Art is the skillful and personal application of existing knowledge to achieve desired results.

- Existence of theoretical knowledge:
there exists theoretical knowledge which have been derived from certain basic principles which is available ~~in~~ and accessed through books, journals, magazines etc in the field of arts. Just like that management also have theoretical knowledge in various areas like marketing, finance, human resource etc.

- Personalised application: There exist some basic knowledge of art but its application differ from one person to another. Similarly, managers follow some basic principles of management but apply them according to the circumstances as they tend to keep on changing.

- Based on practice and creativity: The artist requires regular practice of art to become more fine and perfect. Without practice artist lose their perfection. Art requires creative practice i.e. artist must add his creativity to the theoretical knowledge he has learned.
Same way with experience managers also improves their managerial skills and efficiency so this feature is also present in management.

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* Management as Profession :

- Profession can be defined as an occupation backed by specialised knowledge and training in which entry is restricted.

- Well defined body of knowledge : In every profession there is practice of systematic body of knowledge which helps the professionals to gain specialised knowledge of that profession. In case of management also there is availability of systematic body of knowledge.

- Restricted Entry : The entry to a profession is restricted through an examination or degree whereas ~~the~~ there is no legal restriction on appointment of a manager, anyone can become a manager irrespective of the educational qualification but now many companies prefer to appoint managers with MBA degree.

- Presence of professional association : for all the professions, special associations are established and every professional has to get himself registered with this association. Although there exist many organisations for management like AIMA, but legally it is not compulsory for managers to be a part of these organisations.

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- Existence of Ethical Codes:
For every profession there are set of ethical codes, fixed by professional organisations and are binding on all the professionals of that profession. In case of management there is growing emphasis on ethical behaviour of managers. AIMA has devised a code of conduct, but it is not legally binding.

- Service Motive:
The basic motive of every profession is to serve the clients with motivation, but in case of management, basic purpose of managers is achievement of management goal. eg: for a business that can be profit maximisation.