

SCRIPT – MANAGEMENT PRINCIPLES AND TECHNIQUES

Cover Page – Slide 1

I welcome you to this session on Management, Principles and Techniques.

Let me start by saying that, an organization that does not have a proper management structure, is a disorganization. Management is essential to any organization that wishes to be efficient and achieve its aims.

Without someone in a position of authority, there would be organizational anarchy, with no structure, and very little, if any focus. In this session, we shall be looking at the basic principles of management, and discussing essential skills needed to perform these management functions.

Learning Outcomes – Slide 2

But first, let us look at our expected learning outcomes.

It is hoped that, at the end of this session, listeners will be able to:

- Define Management.
- Explain the five (5) functions of Management.
- Highlight the importance of having Management Skills.

Introduction – Slide 3

What is Management.

Now, how do we define Management?

The definition of management is broad. It is a process, a discipline, and science. But in simple terms, Management can be defined as the act of getting people together, to accomplish organizational goals, and objectives, while using available resources, efficiently, and effectively, resulting in the growth of the organization.

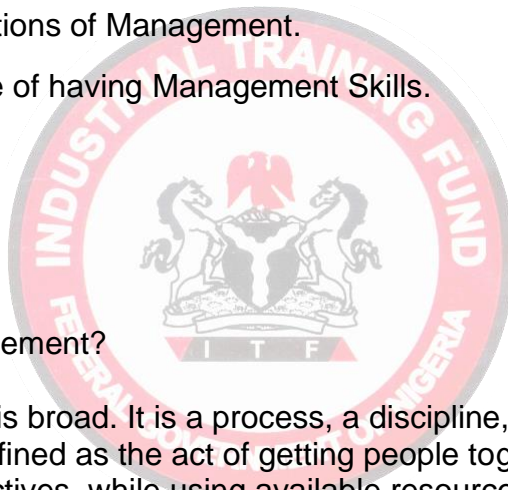
It is essential to note that, if management is to achieve its objective effectively, and efficiently, their approaches must be based on Sound Policy; and Scientific Approach to solving organizational problems.

Management can be defined as the act of getting people together to accomplish organizational goals and objectives, while using available resources, efficiently, and effectively.

With this in mind, let us now examine the functions of management. The activities of management in any organization are centered around the following functions. These are:

1. Planning.
2. Organizing.
3. Staffing.
4. Directing, and,
5. Controlling.

We shall now examine all the functions, one-after the other.



Planning – Slide 4

What is Planning and what does it Involve?

The first managerial function involves planning. The function is about creating a detailed strategy towards achieving a specific organizational objective. When you are planning, you are identifying the tasks, which are required to achieve the desired goals, outlining how the tasks should be performed, identifying where and when the task must be performed.

- Who is to perform the task?
- The financial wherewithal to accomplish the task.
- And criteria for measuring performance?

The focus of planning is about achieving the objectives and it does require knowledge of the organization's objectives and vision. You will need to look both at the short- and long-term success of the organization as part of the plan.

Stages in the Planning Process – Slide 5

The planning process involve the following:

1. Identify and clarify purpose or objectives.

The planning process should define specific goals and show how the goals support the vision and mission. Goals should be stated in measurable terms where possible. For example, a goal should be "to increase sales by 15 percent in the next quarter" not "increase sales as much as possible."

2. Make realistic assumptions.

Planning requires making some assumptions about the future. Business environment may change as plans are implemented and managers need to make forecasts about what the changes will be.

These include changes in external conditions (economic, political, socio-cultural, competitors' actions, new technology etc.) and internal conditions (budgetary provisions, the outcome of employee training, a new building being completed).

It is important that these assumptions be clearly stated at the start of the planning process. Managers need to monitor conditions as the plan is implemented. If the premises are not proven accurate, the plan will likely have to be changed.

3. Weigh-up other alternatives

There may be more than one way to achieve a goal. For example, to increase sales by 12 percent, a company could hire more sales personnel, lower prices, create a new marketing plan, expand into a new area, or take over a competitor.

Managers need to identify possible alternatives and evaluate how difficult it would be to implement each one and how likely each one would lead to success. It is valuable for managers to seek input from different sources when identifying alternatives. Different perspectives can provide different solutions.

4. Determine resource needed.

managers must determine the resources needed to implement the plan. They must examine what resources the organization currently has, what new resources will be needed, when the resources will be needed, and where they will come from.

The resources could include people with skills and experience, equipment and machinery, technology, or money.

5. Map-out implementation chart.

This involve the creation of a road map that will take the organization from where it is, to where it wants to be. Tasks and roles to be played at different levels in the organizations must be clearly defined, the sequence for completing the tasks, and the interdependence of the tasks must also be identified. Techniques such as Gantt charts and critical path planning are often used to help establish and track schedules and priorities.

6. Determine tracking and evaluation methods.

It is very important that managers can track the progress of the plan. The plan should determine which tasks are most critical, which tasks are most likely to encounter problems, and which could cause bottlenecks that could delay the plan.

Managers can then determine performance and schedule milestones to track progress. Regular monitoring and adjustment as the plan are implemented should be built into the process to assure things stay on track.

Importance of Planning – Slide 6

Why is it important to plan?

Organizations need planning to:

- Minimize crises management.
- Focus attention on achieving set objectives.
- Promote programme stability, continuity, and change.
- Promote effectiveness in the organization with clearly defined goals.

Problems of Planning – Slide 7

Let us look at the Problems of Planning

Fail-proof planning does not exist but taking steps to mitigate any negative effects of planning can help ensure project success.

When planning, or implementing a plan, managers may encounter challenges. These problems may come in the form of:

1. Pressure of time

Time pressure can reduce performance on everything that one may have planned to achieve. People under time pressure focus on information relevant to negative outcomes rather than positive. Time constraints negatively affect decision making, creativity and emotional and mental state of managers. If time pressure is not properly managed, it could impact negatively on the outcome of the plan.

2. Expertise.

Managers themselves also affect their own planning function. If they are not good planners in general or do not have the experience, education or background in planning required to be successful, they are more likely to plan poorly.

3. Cost.

It is one thing to plan, it is another to have the resources needed to execute the plan. A plan might be well conceived, but if the resources needed to implement the plan is not available, the objectives of such plan cannot be met. In the same vein, managers should make plans with resources available to them. They could prioritize in situations where resources are not adequate.

4. Unforeseen Events.

Unforeseen events that can affect a well thought-out plan may include accident, death, change in policy of government, fluctuation of market prices, sudden change in demand, etc. Management should always have a contingency plan in place to deal with the occurrence of unforeseen negative events.

5. Lack of Communication.

Ineffective communication prohibits trust building and may even contribute to a culture of distrust. When management doesn't communicate goals and important events with workers, employees naturally begin to think key information is being withheld. An "us versus them" mentality often emerges. Chaos is inevitable in this situation; thus, the aim of the plan is defeated.

Organizing – Slide 8

The next function of management after planning, is organizing. This is about using the plan, to bring together the physical, financial, and other available resources to achieve the organizational goal.

In other words, managers are expected to align and structure company operations, based on the size of their workforce and the goals of the business.

If the goal was to increase sales for instance, managers would look at the plan, and determine how to allocate the resources available, to achieve the objective.

Moreover, they must ensure that, there will be sufficient resources, to facilitate an operational work structure. To do this, managers must first; identify what main activities are required in their plan and choose the right people to do them. If there is no suitable person for the job, it is also the manager's task to train, and educate someone to take that critical position.

Importance of Organizing – Slide 9

- 1. Efficiency.** Since everybody in an organization, is given a part of the whole job, and not the whole job itself, this leads to the distribution of the job, based on the individual's field of expertise and knowledge. In the end, everybody is doing the job he, or she is best at. This leads to overall efficiency in the workings of the organization, which then leads to, everybody achieving more from it.
- 2. Organizing promotes Workplace Harmony.** Since roles are clearly defined, and every worker has his area of responsibility, knowing that they will each, give account for their performance. This will eventually lead team members, to contribute effectively, there will be harmony in the workplace, as every employee tries his best to make his part of the job stand out.

3. **It puts Resources to Better use.** Since job roles are properly segmented and organized, duplication of work can be controlled, and avoided all together. This will lead to the optimum utilization of the various resources, and therefore save costs.
4. **Flexibility.** Effective organizing in an organization leads to flexibility, and easy adoption of any change in an organization. Flexibility, helps in customization of work, with respect to individual, and organizational goals. Proper organizing, helps to adapt to changes in trends and practices.
5. **Engenders Growth and Expansion.** A good, and effective organizing structure in any organization, will eventually help the organization achieve, both short-term, and long-term goals. It helps in making the business grow, and expand organically, as well as inorganically.
6. **Better coordination among teams.** Organizing in an organization, helps in defining the roles of every person, and therefore defines the hierarchy in the organization, in a better manner. Such systematic structures, lead to better coordination among the teams, and departments. Therefore, helping in the overall development of organization, and its goals.

Steps for organizing at workplace – Slide 10

1. **Identify activities and classify them.** This involve identifying the different roles, processes, and activities required to achieve an objective. Then arranging these roles, according to where and when each role will take place in the work process. For instance, when a worker completes his task, what is the next role to be performed in the process, until the whole job is completed. All of these would be arranged in a manner that will bring about efficiency and effectiveness.
2. **Assign the duties and resources.** This step involves assigning responsibilities to employees that are considered most qualified for the different positions in the production line, and then, issuing the resources that will aid such worker in the completion of the task.
3. **Delegate authority and create responsibilities.** This stage is about breaking jobs into segments, and employees, or workers are divided into groups. And then, assigning supervisors for each workgroup. These supervisors are to report activities, and achievements of the groups to top management, at a stipulated time. Sharing responsibilities, can ensure that, the plan works efficiently.
4. **Co-ordinate authority and responsibilities.** This is about creating a reporting line. In other word, the line of authority. This will ensure that, every-one worker, knows whom he is responsive to per-time. If an issue is to be reported to management (for instance), it must pass through a line of authority, so that, if the situation can be resolved at supervisory level, it need not get to top management before the problem is resolved.

Staffing – Slide 11

The third management function is Staffing.

The staffing function is an increasingly important function of management, although it can be seen closely related to organizing, with both focused on ensuring the resources are directed to the right processes and tasks.

However, the function is aimed at ensuring that the organization always has the right people, in the right positions and the organizational structure is not held up by lack or excess personnel. In this situation, managers would be looking at the tasks ahead of them and determining who should do what, and whether, the right manpower to achieve the objectives are available

Importance of Staffing – Slide 12

- 1. Efficient Performance of Other Functions.** For the efficient performance of other functions of management, staffing is its key. Since, if an organization does not have the competent personnel, then it cannot perform the functions of management like planning, organizing and control functions properly.
- 2. Effective Use of Technology and Other Resources.** What is staffing and technology's connection? Well, it is the human factor that is instrumental in the effective utilization of the latest technology, capital, material, etc. the management can ensure the right kinds of personnel by performing the staffing function.
- 3. Optimum Utilization of Human Resources.** The wage bill of big concerns is quite high. Also, a huge amount is spent on recruitment, selection, training, and development of employees. To get the optimum output, the staffing function should be performed in an efficient manner.
- 4. Development of Human Capital.** Another function of staffing is concerned with human capital requirements. Since the management is required to determine in advance the manpower requirements. Therefore, it must, train and develop the existing personnel for career advancement as well. This will meet the requirements of the company in the future.
- 5. Motivation of Human Resources.** In an organization, the behavior of individuals is influenced by various factors, which are involved such as, education level, needs, socio-cultural factors, etc. Therefore, the human aspects of the organization have become very important, and so that, the workers can also be motivated by financial and non-financial incentives, to perform their functions properly in achieving the objectives.
- 6. Building Higher Morale.** The right type of climate should be created for the workers to contribute to the achievement of the organizational objectives. Therefore, by performing the staffing function effectively, and efficiently, the management can describe the significance, and importance which it attaches to the personnel working in the enterprise.

Staffing Process – Slide 12

The Staffing Process starts with:

1. **Manpower planning.** Employers need to stay on top of staffing, as manpower requirements can change from season to season. Planning would see managers make estimations of the number of employees they need, searching for the right kind of employees, and hiring the perfect employees for the vacant positions.
2. **Recruitment, selection, and placement** – Another key function is the actual recruitment process, with its various steps.
3. **Training and development.** Staffing also includes the creation of structures, which ensure that, employees are always on top of the latest skills in the position, and the industry.

Management should also consider training programs in terms of succession, as they need to ensure that next generation of managers, and leaders coming through their organization are well developed and fit to take such responsibilities.

4. **Remuneration.** A big part of the function is the financial aspect. Staff remuneration is key, in terms of attracting the right talent, without damaging the organization's finances. If employers are not offering a competitive remuneration package, the applicants will go to competitors.
5. **Performance appraisal.** Management must also, create structures of feedback within the organization. Feedback can play a crucial role in motivating and developing employees; with the reward structures ensuring good behavior is supported and noticed.
6. **Promotions, and transfers of roles** – Related to the above two points, promotions are essential for staffing operations. You can reward, and motivate the staff, by offering enough opportunities to climb up the career ladder.

Creating structures for role transfers, and promotions, also ensure the talent, and knowledge that have been attracted, does not leave for greener pastures.

Directing – Slide 13

The fourth management function is Directing.

Directing is one of the important functions of management, and is the art, and process of getting things done. While other functions like planning, organizing, and staffing, are merely preparations for doing the work, the directing function starts the work.

Directing deals with way a manager influences the action of his subordinates. In other words, it deals with the leadership style provided by management to get things done. It is concerned with guiding, supervising, and motivating the subordinates for achieving the enterprise objectives.

It is the final action of a manager, in getting others to implement all the plans that have been developed by management.

Importance of Directing – Slide 14

Directing has an important role in an organization, as it helps to:

1. Strengthen the operational capability of the organization. It does so, by ensuring that, different parts of the organization, are working better.
2. Directing is a bridge between the operational needs, and the human requirements of its employees. management essentially, create a link between the necessity of turning in a profit, with the need of keeping employees motivated, and interested.
3. Directing provides leadership and focus.

Directing four sub-functions – Slide 15

Directing consists of the following four sub-functions:

1. Communication or issuing of orders, and instructions to subordinates. A manager must instruct the subordinates on what to do, how to do it and when to do it.
2. Guiding, energizing, and leading the subordinates to perform the work systematically, and, building up among workers confidence, and zeal in the work to be performed.
3. Inspiring the subordinates to do work with interest, and enthusiasm for the accomplishment of the enterprise's objectives.
4. Exercising supervision over the subordinates, to ensure that the work done by them, is in conformity with the objectives that are determined.

Controlling – Slide 16

The final function of management is controlling. The function ensures the other four functions are followed correctly and the flow of work is moving the organization towards the objectives it has set itself.

As Theo Haimann has put it, controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting, if necessary, to correct any deviation. Another way of describing controlling is, the process of ensuring that actual activities conform to planned activities.

Examples of control measures include:

Budgetary Control; Non-budgetary Control Devices; Operational audit, or internal audit; and, Milestone budgeting.

Importance of Controlling – Slide 17

Planning without controlling is an empty exercise, as there will be no bases for measuring success or failure of the plan. The following are reasons why it is important to put control measures in place when implementing a plan.

1. **Control helps to Cope with changes.** Every modern organization must cope with changes in the environment. New products, and technologies emerge, government regulations are too often amended, or enacted, and competitors change their strategies. The control function helps managers to respond to these environmental changes, as and when necessary.
2. **Creating Better Quality.** Modern industries follow total quality management, which has led to dramatic improvements in control. Under it, process flaws are spotted, and the process is purged of mistakes.
3. **Creating Faster Cycles.** Control helps to speed up the cycles involved in creating, and then delivering new products and services to customers. Speed is essential in complying with customers' orders. But modern marketing managers must remember that today's customers expect not only speed but also customized products and services. This is achievable when the right control measure is put in place.
4. **Adding Value.** An organization that strives to survive through competition, should be able to "add value" to products, or services, so that customers prefer them to those offered by the organization's rivals. Very often this added value takes the form of above-average quality achieved through exacting control procedures.
5. **Facilitating delegation and teamwork.** Modern participative management has changed the nature of the control process. Under the traditional system, the manager would specify both the standards for performance, and the methods for achieving them. Under a new participative system, managers communicate the standards, but then let employees, either as individuals or as teams, use their creativity to decide how to solve certain work problems.

The control process, then, lets the manager monitor the employees' progress without hampering employees' creativity or involvement with the work.
6. **Control as a feed-back system.** Most managers exercise control through information feedback, which shows deviations from standards, and initiates changes. In other words, feedback information helps compare performance with a standard, and to initiate corrective action.

How to Control – Slide 18

1. **Establish standards of performance.** Management needs to establish the standards of performance that must be set with the organizational objectives in mind. Then, create a set of measurements that would tell if the implementation strategy were on the right path. For example, let's say management of a shoe making company want to boost their production level by 10 more shoes every day.

The first measurement would be the team producing more 10 shoes, but then, management could include other factors to the set of standards. This might be, to reduce the downtime, by ensuring problems are fixed within 30 minutes, and add new personnel in the chain, to fasten the process by 10 minutes.

2. **Measure the actual performance.** Once the standards are set, and the new processes are in motion, the next step will be to start monitoring the actual performance.

The monitoring process will depend on the set standards and the ease of measurement. Part of the process can be performance reviews, actual quantifiable data and so on. The key is to start collecting the information from the start.

3. **Compare the actual performance, with the expected standards.** As performance data are received, managers can start comparing it with the set standards. The comparison helps to identify the problem areas or notice patterns that are working more efficiently.
4. **Take corrective action.** With the data collected and the information received about performance, necessary corrective action can then be taken.

Management Skills – Slides 19

Management process categorizes the skills required to perform the work into three basic skills:

- **Conceptual Skills.** This involves Planning, decision making, organizing required for the implementation of the plan.
- **Human Relation Skills.** This Involve understanding people and being able to work with them.
- **Technical Skills.** Which refer to the Ability to perform the mechanics of a particular job.

Management Levels and Skill Mix – Slide 20

The following chart presents the mix of skill requirements for the different management levels in an organization.

The Conceptual skills include the ability to view the organization, understand how the various parts are interdependent, and assess how the organization relates to its external environment. These skills allow managers to evaluate situations and develop alternative courses of action.

Good conceptual skills are especially necessary for managers at the top of the management pyramid, where strategic planning takes place. Partially for middle level management and not a must for low-level, of supervisory level management.

The Human relations skills are the interpersonal skills managers use to accomplish goals using human resources. This set of skills includes the ability to understand human behaviour, to communicate effectively with others, and to motivate individuals to accomplish their objectives. Giving positive feedback to employees, being sensitive to their individual needs, and showing a willingness to empower subordinates, are all examples of good human relations skills.

Identifying and promoting managers with human relations skills are important for companies. A manager with little, or no people skills can end up using an authoritarian leadership style, and alienating employees. This skill is a requirement for management at all levels.

Specialized areas of knowledge, and expertise, and the ability to apply that knowledge, make up a manager's technical skills. Preparing a financial statement, programming a computer, designing an office building, and analysing market research, are all examples of technical skills. These types of skills are especially important for supervisory managers because they work closely with employees who are producing the goods, and-or services of the firm.

Conclusion – Slide 21

In conclusion. Management is the skill of obtaining predetermined objectives through, and with the co-operation of others.

The ability to perform the five functions of management effectively, is very crucial for the survival of an organization. It is one thing to conceptualize a business plan; it is another to be able to engage the right people, with the technical skills required to implement the plan, and then being able to put the right control measures in place, to measure the level of success, while keeping everyone in the team happy.

Management requires a lot of thinking.

I thank you for listening!