

Unit 1: Introduction to Managers and Management

BIT
3rd Semester
Patan Multiple Campus

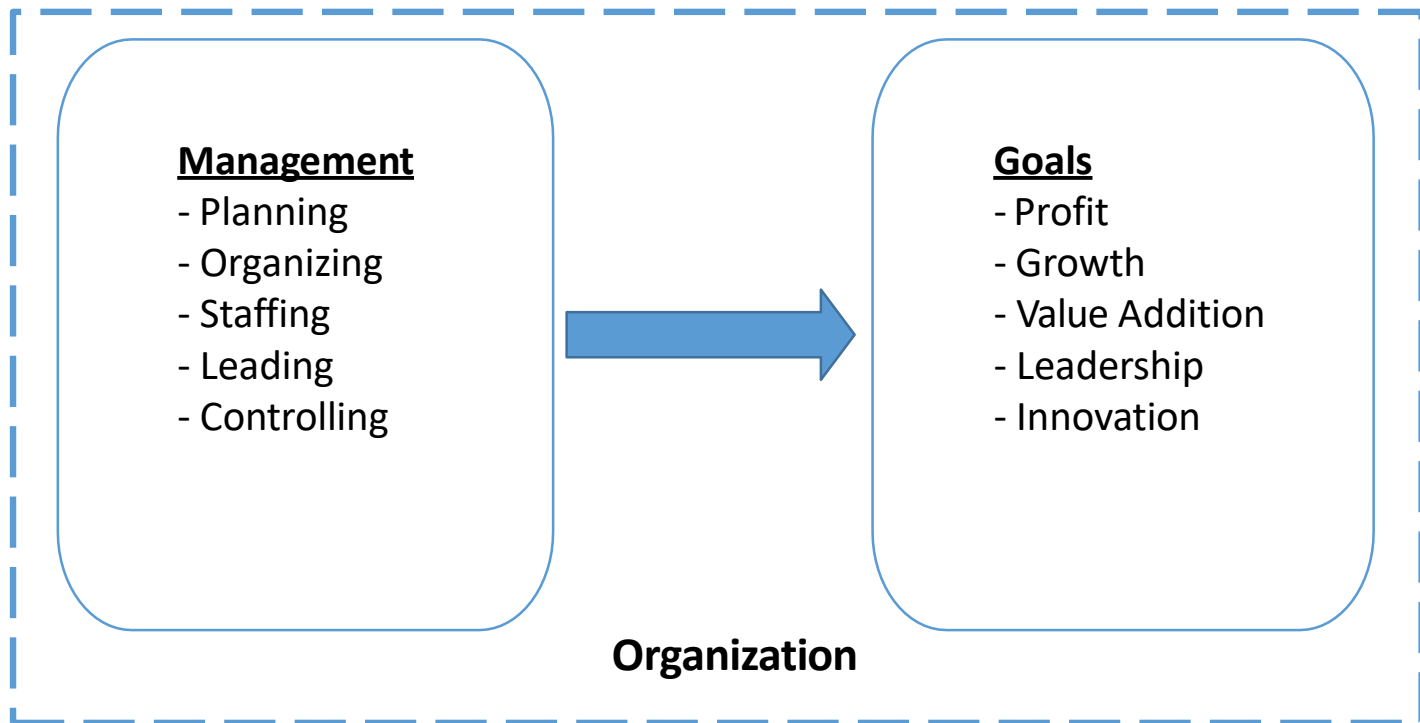
Management

- **Definition**

Management is the act of coordinating resources to achieve the objectives and goals set by the organization. **Management** performs the functions of planning, organizing, leading, staffing and monitoring in a changing environment and achieves goals with efficiency and effectiveness.

According to **Henri Fayol**

“To manage is to forecast and plan, to organize, to command, to coordinate and to control the overall activities of an organization.”



Need of Management

- ***Utilize resources***
- ***Problem Solving***
- ***Goal attainment***
- ***Reduces Costs***
- ***Establishes Equilibrium***
- ***Quality Control***

Need of Management

- ***Utilize resources:***

Resources such as information, physical, financial, human are important to any organization. In order to achieve efficiency and profits, an organization should focus on optimum utilization of resources.

- ***Problem Solving:***

Management helps in identification of problem and solving them. It adapts multiple techniques, courses of actions and remedial measures to solve different organizational problems.

- ***Goal attainment:***

Organizational goal attainment is the main focus of a manager and its team. Overall management team focuses on achieving objectives of an organization. With the proper coordination among different departments of an organization and with the proper functioning of management, goal is achieved.

- ***Reduces Costs:***
- While performing any task, an organization has to bear different forms of costs. A properly functioned management helps to perform the task in a controlled way. Thus, it helps to reduce irrelevant and unnecessary leakages and costs.
- ***Establishes Equilibrium:***
- Adaptation to a new environment is easy due to functioned management process. Coordination among external and internal environment helps an organization to grow as well as be responsible towards the environment.
- ***Quality Control:***
- In an organization, a properly functioned management plan, coordinates, directs and monitors the overall performance. It focuses on controlling the inadequate tasks and helps an organization to control the actions. Thus, quality control can be achieved through proper management.

The Classical Perspective Theory

- ❑ It is the initial stage of the development of management thought.
- ❑ It focuses on efficiency and recommends that managers continuously try to increase organizational efficiency to increase production.
- ❑ It includes three approaches to management which are compatible and complementary to each other
 - a. Scientific Management Theory
 - b. Administrative Management Theory
 - c. Bureaucratic Management Theory

1. Scientific Management

- It is an attitude and philosophy that discards the traditional method of hit and miss, rule of thumb and trial and error of managing work and workers.
- It includes research, investigation, experiment, collection of data, data analysis and formulation of certain principles to solve organizational problems for goal achievement.
- It ensures that all the activities of an organization are performed in an economic and effective manner.
- Management principles are the statements of fundamental truth, which provide guidance for management system.
- Scientific management is the application of scientific methods of study and analysis to solve management problems.

Features of Scientific Management

- **Science, not rule of thumb**
- **Harmony, not discord**
- **Cooperation, not individualism**
- **Development of each person to his maximum efficiency and prosperity**
- **Maximum output in place of restricted output**
- **Equal division of responsibility**
- **Mental revolution of both management and workers**

Contributions of Scientific Management

- ☐ Optimum use of resources
- ☐ Minimization of cost of production
- ☐ Develop workers' efficiency
- ☐ Greater economic prosperity
- ☐ Emphasis on training and development

Limitations of Scientific Management

- ❑ Too much emphasis on technical aspects in comparison to human interest.
- ❑ Workers viewed as economic beings.
- ❑ Employees should monotonously work on the same task.
- ❑ Workers/ Laborers are not allowed to take the initiative.
- ❑ Psychological and sociological aspects of work are not considered.

2. Administrative Management

- ❑ Fayol's 14 principles of management
- ❑ He developed a conceptual framework that is applicable to all the organizations.
- ❑ Unlike Taylor's theory of job design, efficiency and payment, Fayol's concept covers entire range of managerial activities.

Fayol's 14 Principles of Management

Henri Fayol (1841 A.D. - 1925 A.D.)

He was a French philosopher known for his theory of '**Fayolism**'.

Fayolism was a theory of management that analyzed an organization on the basis of management. It was

developed in year 1900 A.D.

Fayol focused on

- Minimizing misunderstanding
- Maximizing efficiency

Fayol's principles are listed below:

- **Division of Work** – When employees are specialized, output can increase because they become increasingly skilled and efficient. Specialization for all kinds of works to develop expertise. Tasks should be divided up.
- **Delegation of Authority** – Managers must have the authority to give orders, but they must also keep in mind that with authority comes responsibility. Authority flows from responsibility.

Fayol's 14 Principles of Management

- **Discipline** – Discipline must be upheld in organizations, but methods for doing so can vary. It is absolutely essential for smooth running of business. It is respect towards the job.
- **Unity of Command** – Employees should have only one direct supervisor. One employee one boss.
- **Unity of Direction** – Teams with the same objective should be working under the direction of one manager, using one plan. This will ensure that action is properly coordinated. One plan and one head for a group of activities having one objective.

Fayol's 14 Principles of Management

- **Interrelation between individual interests and common organizational goals**– The interests of one employee should not be allowed to become more important than those of the group. This includes managers. Interests of organization should be above the interests of individuals.
- **Remuneration** – Employee satisfaction depends on fair remuneration for everyone. This includes financial and non-financial compensation. Fair and equitable pay to employees.
- **Centralization** – This principle refers to how close employees are to the decision-making process. It is important to aim for an appropriate balance. Highly centralized power structure, orders should be issued only from the top.
- **Scalar Chain** – Employees should be aware of where they stand in the organization's hierarchy, or chain of command. All employees are linked with each other in a hierarchy or superior- subordinate relationship. Communication should flow from top to bottom.

Fayol's 14 Principles of Management

- **Order** – The workplace facilities must be clean, tidy and safe for employees. Everything should have its place. A place for everything and everything in its proper place.
- **Equity** – Managers should be fair to staff at all times, both maintaining discipline as necessary and acting with kindness where appropriate. Sense of kindness and justice throughout all levels of personnel.
- **Job guarantee**– Managers should strive to minimize employee turnover. Personnel planning should be a priority. Job security to avoid turnover of employees.
- **Initiatives** – Employees should be given the necessary level of freedom to create and carry out plans. Encourage workers and subordinates through a good, relevant grading and initiatives.
- **Team spirit (Esprit de Corps)** – Organizations should strive to promote team spirit and unity. Union is strength. There should be cohesiveness and team spirit (team work).

Contributions of Administrative Management

- ❑ Universal principles of management
- ❑ Treats management as a separate discipline
- ❑ Developed the foundation of managerial functions

Limitations of Administrative Management

- ❑ Inattentive towards human behavior
- ❑ Inattentive towards situational factors
- ❑ Based on personal experience and little observation

3. Bureaucratic Management

- ❑ Bureaucracy is an ideal form of organization whose activities and objectives are rationally thought out and whose division of labor are explicitly spelled out.
- ❑ It is most common in large organizations and government institutions.
- ❑ Continuity in administration is ensured by the emphasis on rules, or decision- making strictly within the boundary prescribed for the position.
- ❑ There are some principles of Bureaucracy Theory that stress upon hierarchy of well- defined line of authority from top level to subordinate level.

Features of Bureaucratic Management

- **Formal Rules and Procedures**
- **Functional Specialization**
- **Well- defined hierarchy of authority**
- **Supervision by a higher authority**
- **Technical competence for employment and promotion**
- **All decision should be recorded**
- **Interpersonal Relation**

Functions of Management

- Planning
- Organizing
- Staffing
- Leading (Directing)
- Controlling (Monitoring)

- **Planning:**

According to **Ricky Griffin**

“Planning is setting an organization’s goals and deciding how best to achieve them.”

Planning is the process of setting future goals, objectives and choosing appropriate actions to achieve them. **Planning** is deciding in advance about what to do, how to do it, when to do it and who is to do it. It is time bound. **Planning** is the process of establishing goals and choosing a course of action for achieving those goals.

According to Managerial hierarchy:

- a) Corporate plan (Top level managers)
- b) Tactical plan (Middle level managers)
- c) Operational plan (Low level managers)

- **Organizing:**

Organizing is the process of proper execution of the activities in an organization to attain organizational goals. All the tasks necessary to achieve goals are assigned to position and people who can do them best. **Organizing** includes grouping tasks, designing authority structures, creating channels of communication and coordinating mechanisms.

It consists of:

- a) Differentiation
- b) Integration

- **Staffing:**

Staffing is also known to be Human Resource Management. **Staffing** refers to the process of placing appropriate human resource to achieve the organizational goals on the basis of quality, capabilities and abilities of a person. **Staffing** is concerned with people and their responsibilities.

Process of Staffing:

- a) Acquisition
- b) Development
- c) Utilization
- d) Maintenance

- **Leading:**

According to **Stephen Robbins**

“Leadership is the ability to influence a group towards the achievement of goals.”

Leading is influencing and motivating people to perform tasks for goal achievement. It is concerned with aspect of managing. **Leadership** is the act of influencing the behavior of people and guide them to achieve goals in a given situation.

Style of Leadership:

- a) *Democratic*
- b) *Autocratic*
- c) *Laissez-Faire*

- **Controlling:**

According to **Ricky Griffin**

“Control is monitoring organizational process towards goal achievement.”

Controlling is a managerial process that ensures the activities of an organization is performed as per the planning. **Controlling** is monitoring and correcting ongoing activities to facilitate goal achievement. **Controlling** is the measurement and correction of performance to achieve planned targets.

Controlling can be done in following types:

- a) Pre-control
- b) Concurrent control (during activity control)
- c) Post-control

Types of Hierarchy Level

Managerial hierarchy refers to the leveling or segmentation of the managers and workers as per their roles, responsibilities, objectives and authorities.

Types of Hierarchy level

- **Top level managers:**

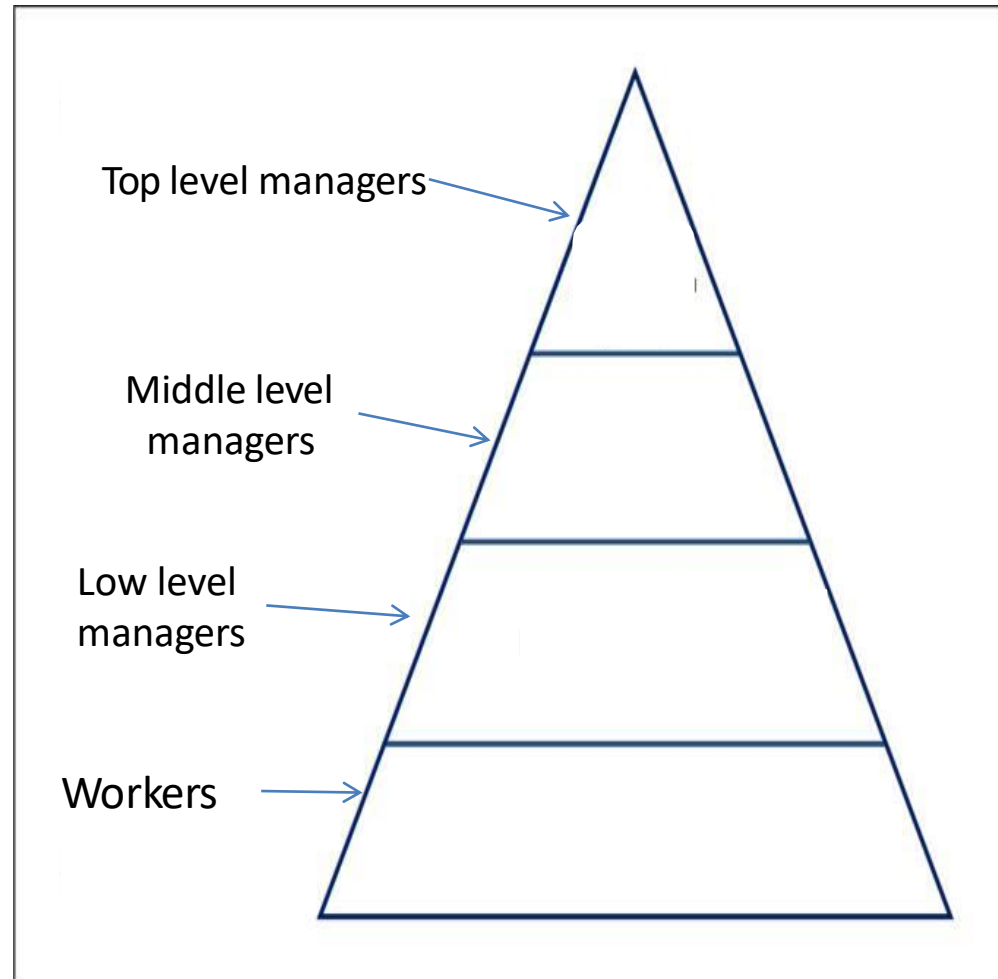
They are the highest level of management. Small group of executives having overall responsibility for the survival, growth and welfare of the stakeholders. They make the decisions regarding the allocation of resources for the organizations' operation. They are the decision maker as well as policy makers.

Eg: CEO, General Manager

- **Middle level managers:**

They are subordinates of top level managers. Middle level managers implement strategies, policies and plans developed by top managers. They supervise and control low level managers and set the operational goals.

Eg: Department heads



- ***Low level managers:***

- They are also known as first line managers. Workers or labors report to them regarding the development. They are responsible for implementation and control of operational plans. They supervise and coordinate the ground operations of the organization.
- Eg: Supervisors
- ***Workers:***
- They are the ground level workers who follow instructions from the low level managers. They are operational workers who perform daily operational works.
Eg: Labour

Managerial Skills

- knowledge and ability of the individuals in a managerial position to fulfill some specific management activities or tasks
- Different level of management requires different skill
- There are three types of skills as per management level:
- **Top management → Conceptual skills**
- **Middle management → Human skills**
- **Lower management → Technical skills**

1. **Conceptual Skills:** The mental ability to analyze and diagnose (identify) complex situation. Top level management need this skill to conceptualize the environment and take a broad view of organization while taking decisions.

2. **Human Skills:** The ability to work with others, understand and motivate other people individually or in group. It is mainly required in middle level management. It is important to communicate, motivate, lead, inspire and trust subordinates.

3. **Technical Skills:** The ability to apply specialized knowledge and expertise such as civil engineer or surgeons. It is important for first line or lower-level management for providing training to the subordinates and answering their work-related problems.

Management Roles

- **A. Interpersonal Roles (Communications Roles):**
Interpersonal role is concerned with maintaining formal and informal relation with employees and public at large. It consists of following roles:
 - **1. Figurehead:** Managers play this role when they have to perform duties that are ceremonial and symbolic in nature.
 - **2. Leader:** Managers play this role when they have to perform official functions.
 - **3. Liaison:** Managers play this role when they have to act like a connecting link between their organization and outside world.

- **B. Informational Roles:** Informational role of a manager consists of receiving, collecting and circulating non routing information. It consists of monitor, disseminator and spokesperson.
 1. **Monitor:** This role involves receiving information about internal performance of the organization as well as external events.
 2. **Disseminator (person who spread news):** This role involves transmitting relevant information to the members of organization.
 3. **Spokesperson:** Represent the organization to outsides, serve as expert on organization industry.

- **C. Decisional Roles:** Decisional role is concerned with choosing the best solution of problem from many alternatives.
 1. **Entrepreneur:** This role involves initiating change or acting as change agent and taking risks for better performance.
 2. **Disturbance Handler:** It involves handling disturbances like strike, feud between subordinates etc.
 3. **Resource Allocator:** It involves allocating resources like money, people, time and equipment to different departments
 4. **Negotiator:** It involves bargaining for the resources or anything to get advantage for the unit in an organization