

Principles of Management

Unit 1

Nature of Organizations

Definitions

Organization

Stephen Robbins-An organisation is a **consciously coordinated social entity** with a relatively **identifiable boundary** that functions on a relatively **continuous basis** to achieve a **common goal/ or goals**

- **Consciously coordinated** implies that management deliberately allocate tasks and responsibilities.
- **Social entity** implies that the unit is composed of people or groups of people who interact with each other while performing their various tasks.
- An organisation has a **relatively identifiable boundary**. This boundary exists to identify members from non- members.
- People in an organisation have some **continuity** or bond.
- Organisations exist to achieve certain **goals**.

Organizational goals

- Reason behind the existence of the organization
- Desired state of the organization
- Strategically set objectives
- Expected results/outcomes
- Guide employee's efforts

Goal is a desired end that organization intends to achieve
in future by performing activities

Purposes of Goals

- ✓ To provide direction and goals
 - ✓ To develop organizational plan
 - ✓ To motivate the employees

Types of Goals

Types of goals based on Organizational Level	Types of goals based on Time Frame
Corporate Goal <ul style="list-style-type: none">• Mission• Strategy	Long term goal
Tactical Goals	Mid term goal
Operational Goals	Short term goal

Features of Effective Organizational Goals

SMART Goals

Specific

Measurable

Agreed upon

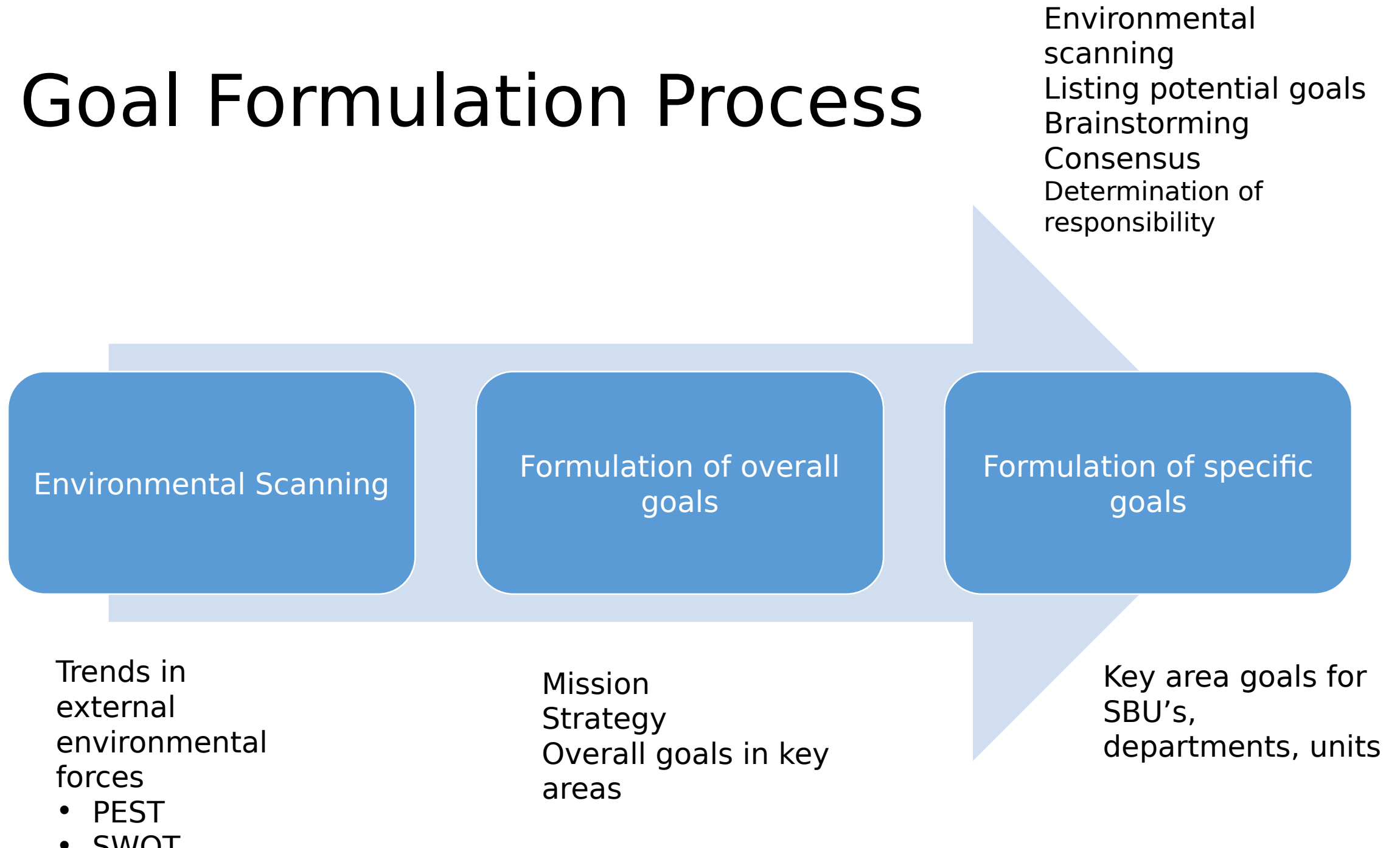
Realistic

Time bound

Approaches to goal formulation

- Top down approach
- Bottom up approach
- Management by objectives (MBO)

Goal Formulation Process



Problems of goal formulation

Environmental
uncertainty

Resistance
to change

Resource
constraints

Fear of
failure

Goal Succession and Displacement

Goal Succession

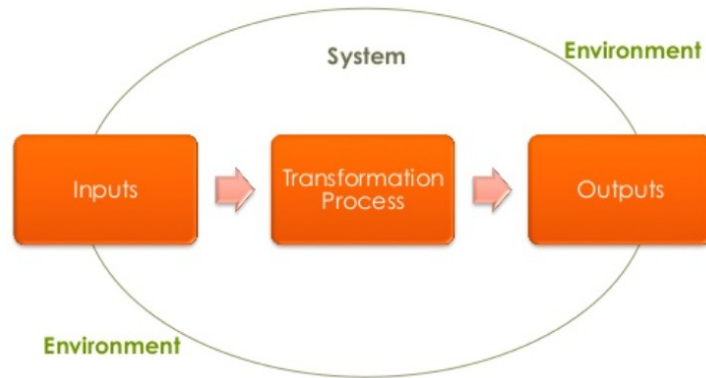
- deliberate or intentional change in goal after realization of previous goal
- conscious attempt by the management to adapt new or modified goals
- Reasons for Goal Succession
 - Achievement of original goal.
 - Changes in external environment and set goals are no longer relevant
 - Unachievable goals/failure to achieve
 - Diversification
 - Crisis

Goal Displacement

- An unintentional change in goal by management
- takes place when organizational energies and resources are utilized away from the original goals
- Reasons for Goal Displacement
 - When real ends are ignored and means are given more importance
 - Importance given to rules and regulations
 - Individual goals given priority
 - Employee attitude

Changing perspective on Organization

- Organization as a machine
- Organization as an open system



- Organization as a political system
- Organization as culture
- Organization as a learning system