

## Definit<sup>n</sup> of Modern Mgmt

Modern mgmt theory focuses the development of each factor of workers & organisat<sup>n</sup>. It also refers to emphasizing the use of systematic mathematical techniques in the system with analyzing & understanding the interrelationship of mgmt & workers in all aspects.

## Managerial Roles & Funct<sup>n</sup>s

Managerial roles are specific ~~funct<sup>n</sup>s~~ behaviours associated with the task of mgmt. Managers adopt these roles to accomplish the basic funct<sup>n</sup>s of mgmt.

- (i) Planning & strategizing
- (ii) Organizing
- (iii) Controlling
- (iv) Leading
- (v) Development of employees

Mgmt can be considered as both science as well as an art. It is considered as a science because it has an organized body of knowledge which contains certain universal truths. It is called an art because managing requires certain skills which are personal possessions of managers.

## Perspective of Modern Mgmt

- \* Useful in decision making
- \* Focus on the delegat<sup>n</sup> of tasks
- \* Utilizing money, personnel & machines, natural resources.

## External Environment



# Global Environment



Trade laws to sell products to local & international buyers  
eg: selling chocolates (toblerone),  
selling milk products,  
selling wrist watches (swiss watches)

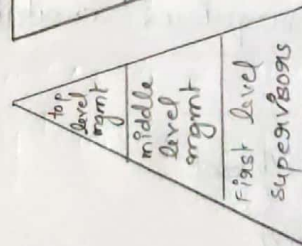
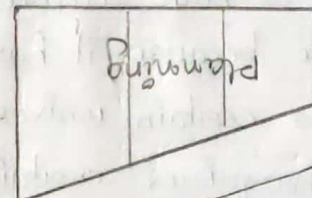
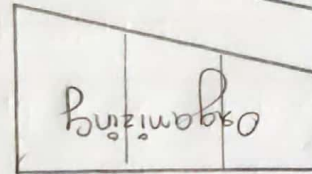
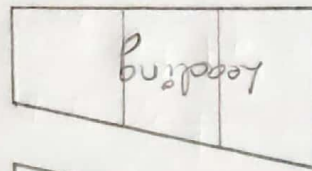
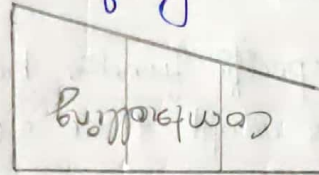
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Managing is concerned with productivity; this implies effectiveness or efficiency

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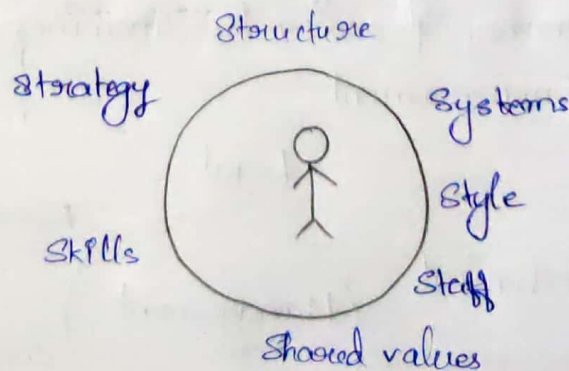
Explain the diff levels of mgmt & their fns.

ORGANIZATIONAL HIERARCHY



Mckinsey's Framework

↓  
System





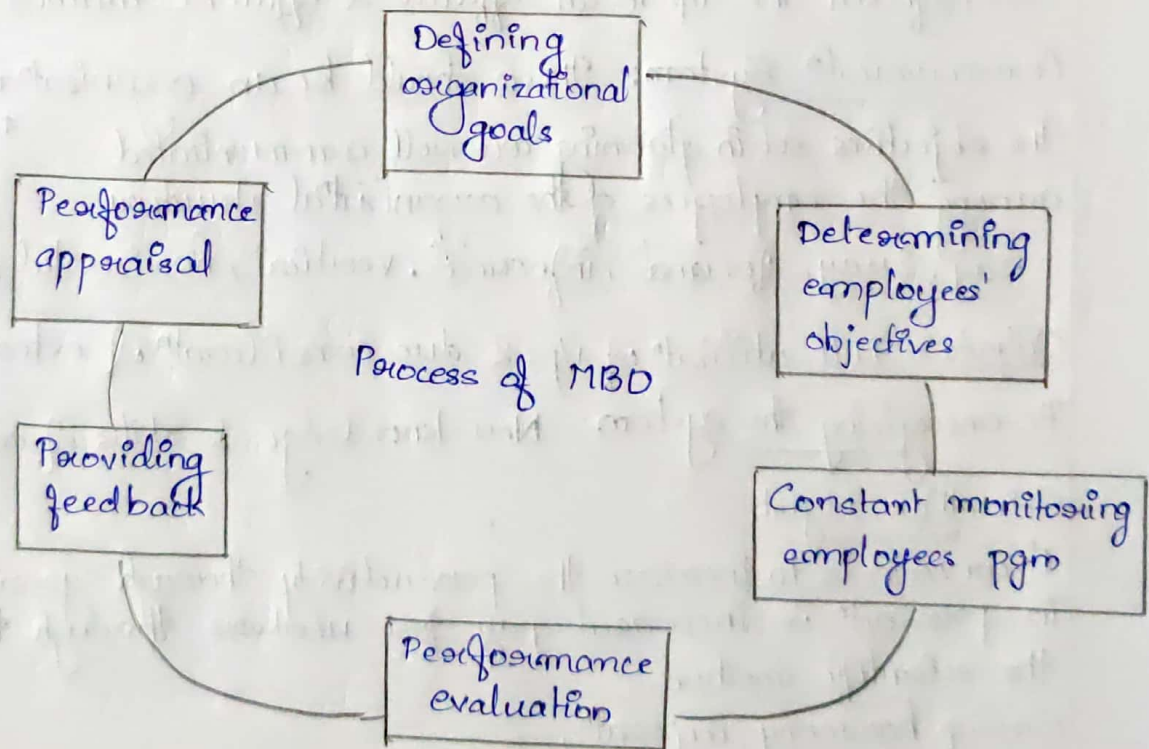
## Approaches to Mgmt

- (i) Empirical / case approach
- (ii) Managerial roles "
- (iii) Contingency / Situational "
- (iv) Mathematical / Management Science approach
- (v) Decision Theory approach
- (vi) Re-engineering "
- (vii) Systems " → Feedback from ext environment
- (viii) Socio-technical systems approach
- (ix) Group behaviour approach
- (x) Inter-personal "
- (xi) McKinsey's approach (7S approach)

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### MBD - Mgmt By Objectives

It's a strategic mgmt model that aims to improve the performance of an organization by clearly defining the objectives that are agreed to by both mgmt & the employees.

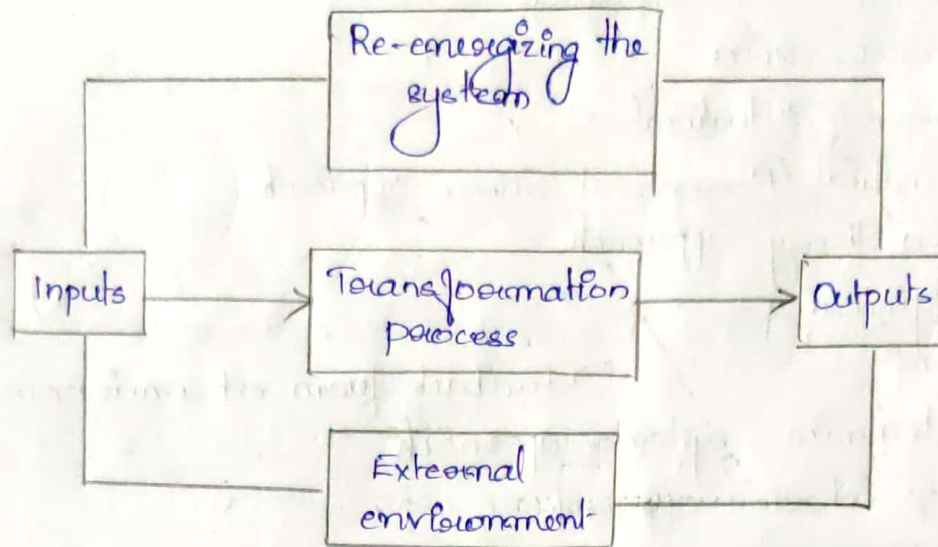


Objectives:- No. of units to be manufactured. minimize cost of product. maximize profit

Identify the locat:- Consumer behaviour



## Imp Systems Approach to Mgmt Process



Inputs from the external environment may include people, capital, & managerial skills & technical knowledge.

Employees want: - Good pay, job security

Consumers want: - Reliable product at reasonable price

Managerial Transformation Process: - It is the task of managers to transform the ip in an effective & efficient manner.

Communication System: There should be an organizational hierarchy

The objectives set in planning are well communicated among the employees of the organizational structure.

1 way, 2 way, formal, informal, vertical, horizontal, grapevine

Outputs: - Full utilization of ips & due consideration of external factors.

Re-energizing the system: - New knowledge & skills of employees

Scientific Mgmt

1<sup>st</sup> concern is to increase the productivity through greater efficiency in production & increased pay for workers through the application of the scientific method.

Group harmony, cooperation, ...

Organizational Behaviour

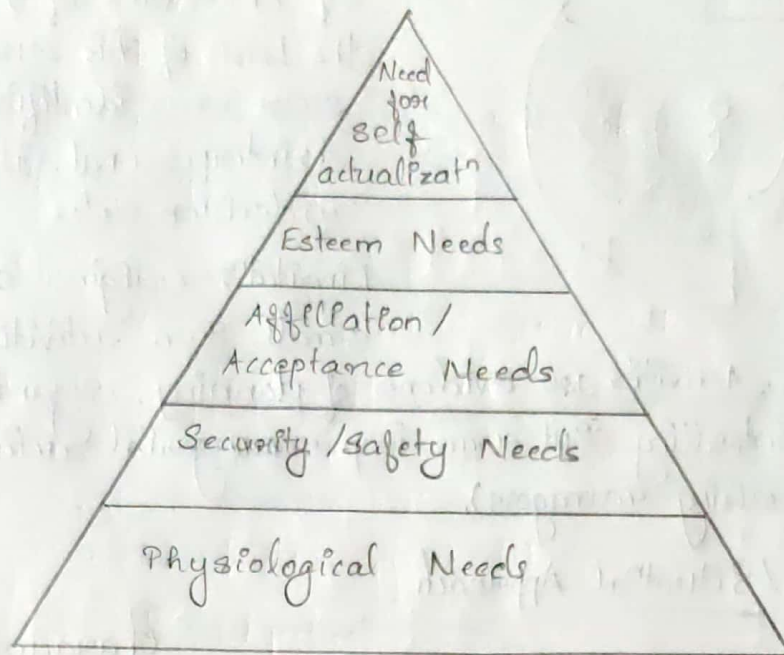
Organizational behaviour is the study of both group & individual performance & activity within an organization. This area of study examines human behaviour in a work environment & determines its impact on job structure, performance, communication & motivation.

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# Human Factors & Motivation

## Maslow's Hierarchy of Needs



Physiological Needs:- Basic needs for sustaining human life itself such as food, water, climate, shelter & sleep.

Security / Safety Needs:- Employees should be free of physical danger & fear of losing the job (Job security), ~~for~~ prosperity, food.

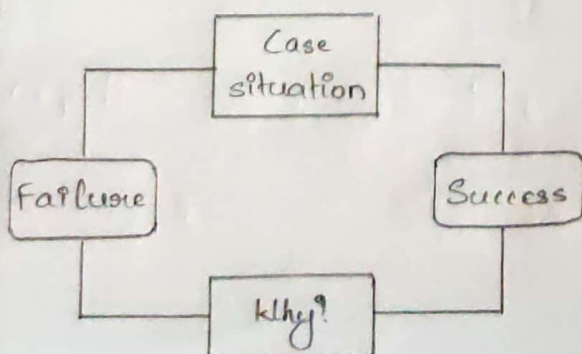
Affiliation / Acceptance Needs:- Since people are social beings, they need to belong, to be accepted by others.

Esteem Needs:- People want to be held in esteem. Once people begin to satisfy their basic needs they want to be held in esteem both by themselves & others. This kind of need produces satisfact<sup>n</sup>.

Need for Self Actualizat<sup>n</sup>:- ~~To~~ To maximize a person's potential & to accomplish something.

### Approaches to Mgmt

#### Empirical / Case Approach



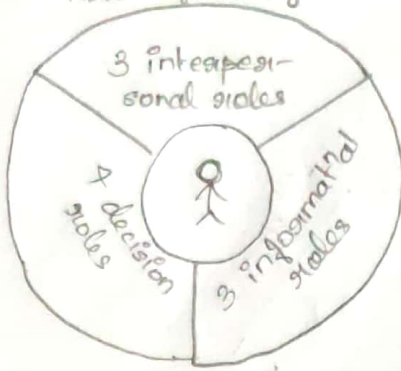
Characteristics:- Studies experience through cases. Identifies successes & failures.

Limitat<sup>n</sup>s:- Situat<sup>n</sup>s are all different. No attempt to identify principles. Limited value for developing mgmt theory.



## Managerial Roles Approach

Roles of managers

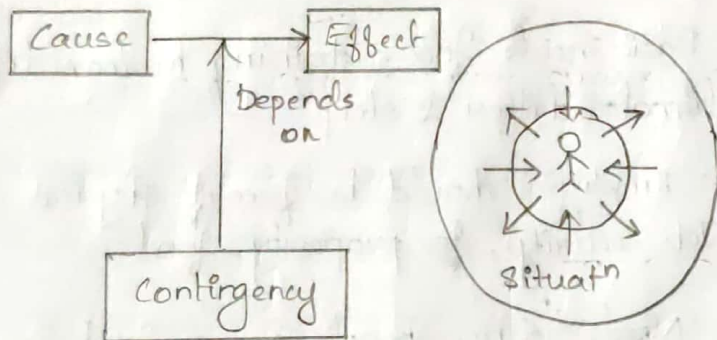


Characteristics:- Original study consisted of observations of 5 chief executives. On the basis of this study, 10 managerial roles were identified & grouped into (i) interpersonal, (ii) informational, & (iii) decision roles.

Limitations:- Original sample was very small. Some activities are not

managerial. Activities are evidence of planning, organizing, staffing, leading & controlling. But some imp managerial activities were left out (eg. appraising managers).

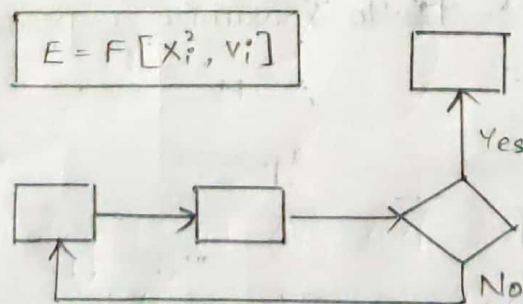
## Contingency / Situational Approach



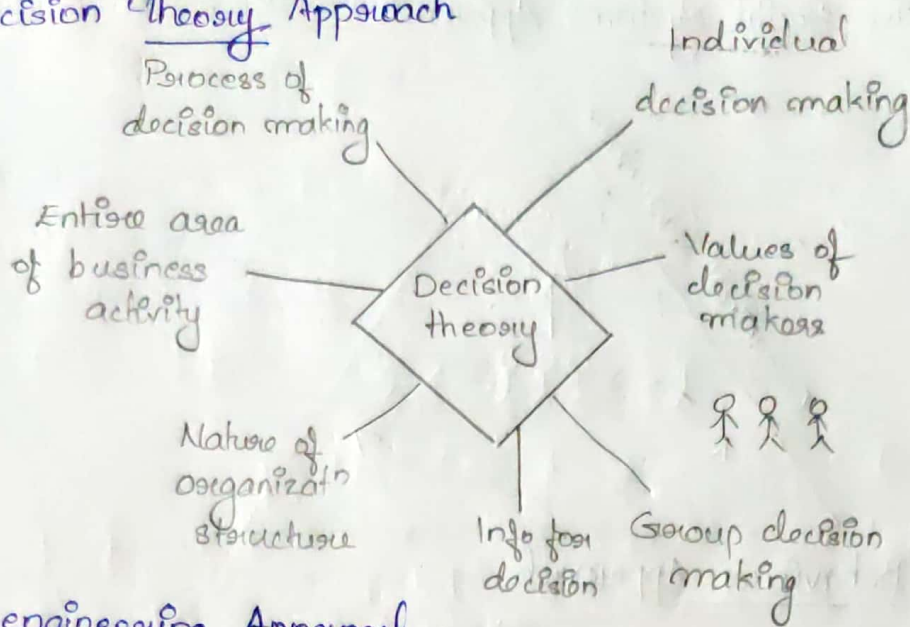
Characteristics:- Managerial practice depends on circumstances. Contingency theory recognizes the influence of given solns on organizational behaviour patterns.

Limitations:- Managers have long realized that there is no 1 best way to do things. Difficulty in determining all relevant contingency factors & showing their relationships can be very complex.

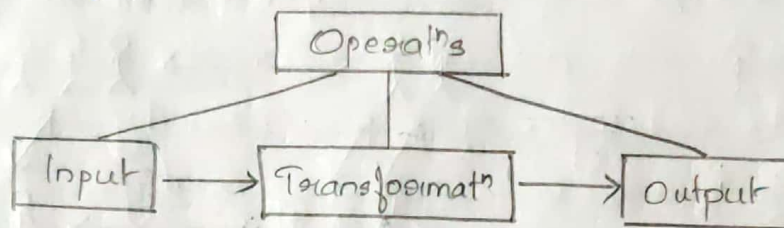
## Mathematical / "Mgmt Science" Approach



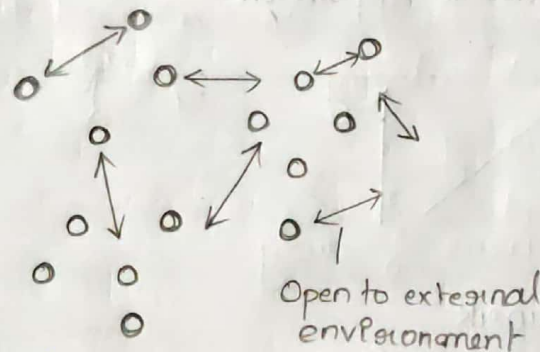
## Decision Theory Approach



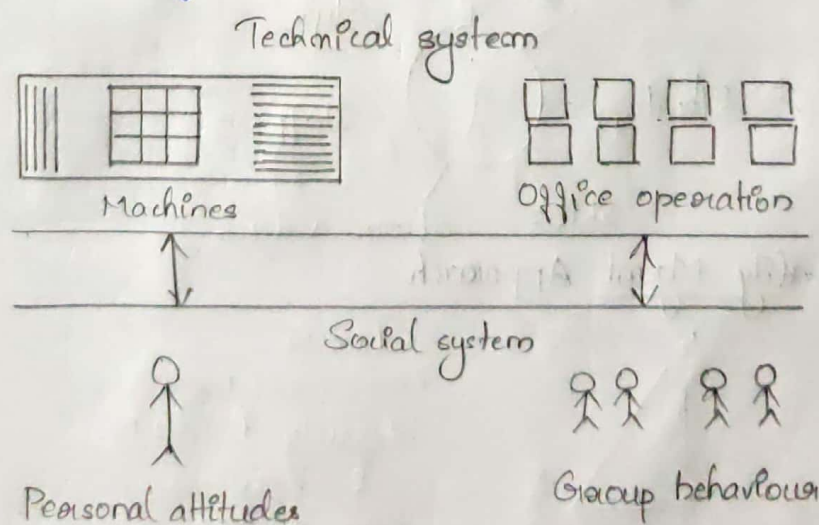
## Reengineering Approach



## Systems Approach

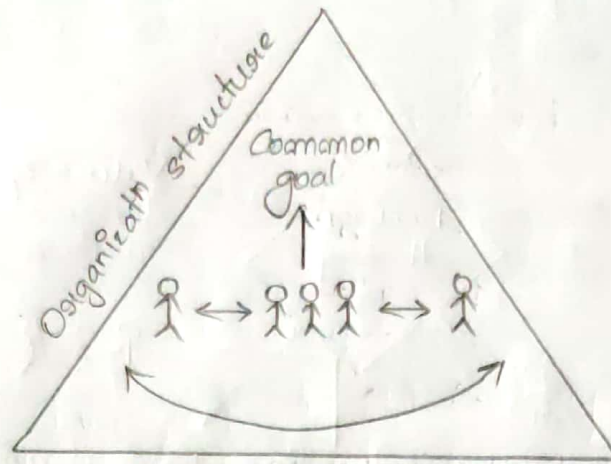


## Sociotechnical Systems Approach





# Cooperative Social Systems Approach

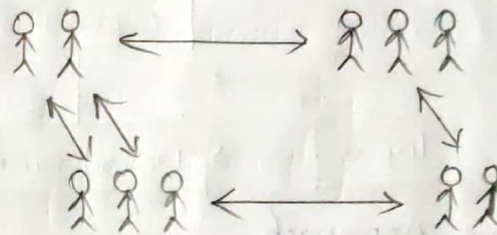


## Group Behaviour Approach

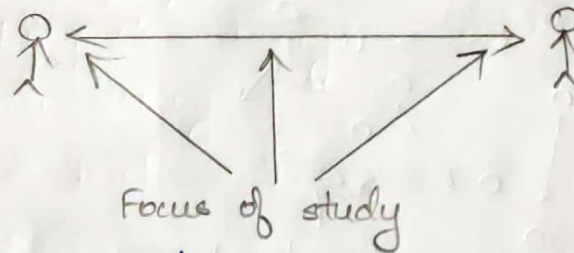
Study of a group



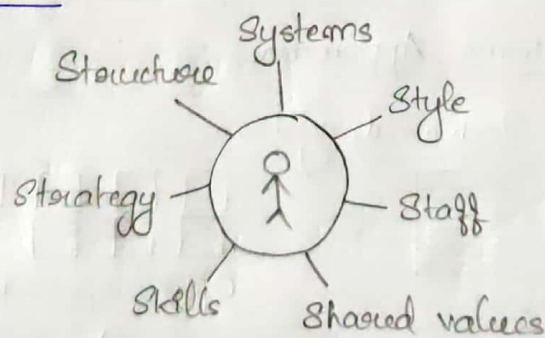
Study of groups interacting with each other



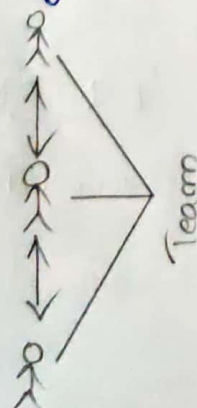
## Interpersonal Behaviour Approach



## McKinsey's Framework



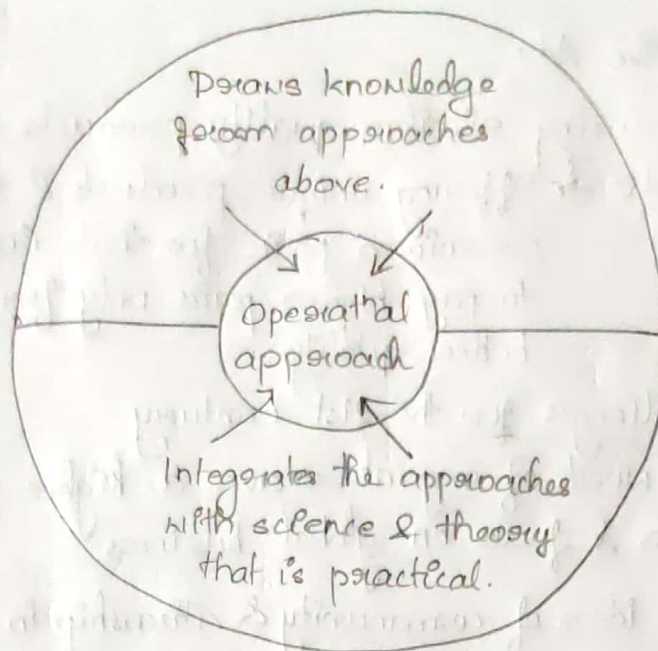
## Total Quality Mgmt Approach



Focus:  
Customer needs:  
Quality Products  
& Services  
Concern for  
quality & cost



# Mgmt Process / Operational Approach



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Managing For Competitive Advantage - Strategic Management Strategy refers to the determinat<sup>n</sup> of the purpose & the basic long-term objectives of an enterprise & the adopt<sup>n</sup> of forces of act<sup>n</sup> & allocat<sup>n</sup> of resources necessary to achieve the aims.

Policies are general statements or understandings that guide managers for decision making.

Competitive Advantage of the product

Superior performance, relative to other competitors in the same industry or superior performance relative to industry avg

- \* Highest profit margin
- \* Greatest return on assets
- \* Brand reputat<sup>n</sup>

Competitive Advantage Model

How to Achieve

Through external factors

PEST factors

P → Political, E → Economic, S → Sociocultural, T → Technological

Factors within the Organizat<sup>n</sup>

VRIO

V → Valuable, R → Rare, I → Hard to Imitate, O → Organized

Cost Advantage

- \* Intellectual Property (Copyrights, Trademarks)
- \* Brand equity

\* Know-how

\* Reputat<sup>n</sup>

### Types of Competitive Adv

- \* Cost adv → Producing similar quality products at lowest cost
- \* Differentiat<sup>n</sup> adv → Offering unique products & services & charging premium price for that. Customers are willing to pay highest price only for unique features & better quality.

### Management Challenges for the 21st Century

- \* Ensure that the work of mgmt serves a higher purpose (to undertake turnkey projects & focus on global business)
- \* Fully embed the ideas of community & citizenship in mgmt systems.
- \* Reconstruct mgmt's philosophical foundations. ~~as traditional~~
- \* Eliminate the pathologies of formal hierarchy.
- \* Reduce fear & increase trust among employees.
- \* Reinvent the means of control.
- \* Engineering mega projects for an energized tomorrow
- \* Total Solut<sup>n</sup>s Engg. Consultancy
- \* Concept to commissioning
- \* Subsidiaries & Joint ventures

### Business Verticals

- \* Onshore
- \* Offshore (Used for refinery)
- \* Construct<sup>n</sup> services
- \* Modular fabricat<sup>n</sup>
- \* Advanced value engineering & technology