



RIVISION

By

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WHAT IS MANAGEMENT?

- Management is a purposive activity.
- Management is the process of getting things done.
- Management is the art and science of efficiently coordinating and directing human and material resources toward attaining organizational goals.
- Management is a universal phenomenon.

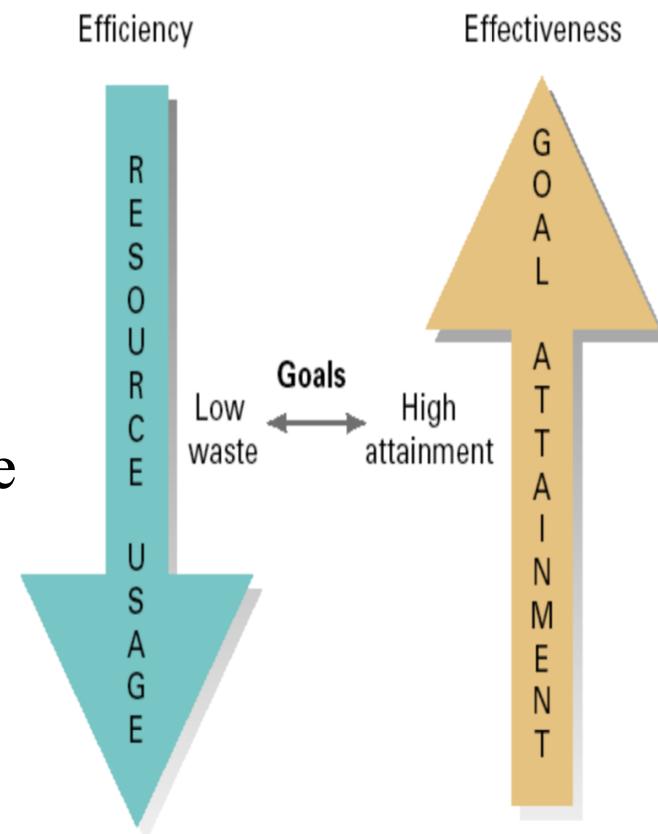


EFFICIENCY Vs EFFECTIVENESS

➤ Management is coordination and oversight of the work activities of others so that their activities are completed **efficiently and effectively**.

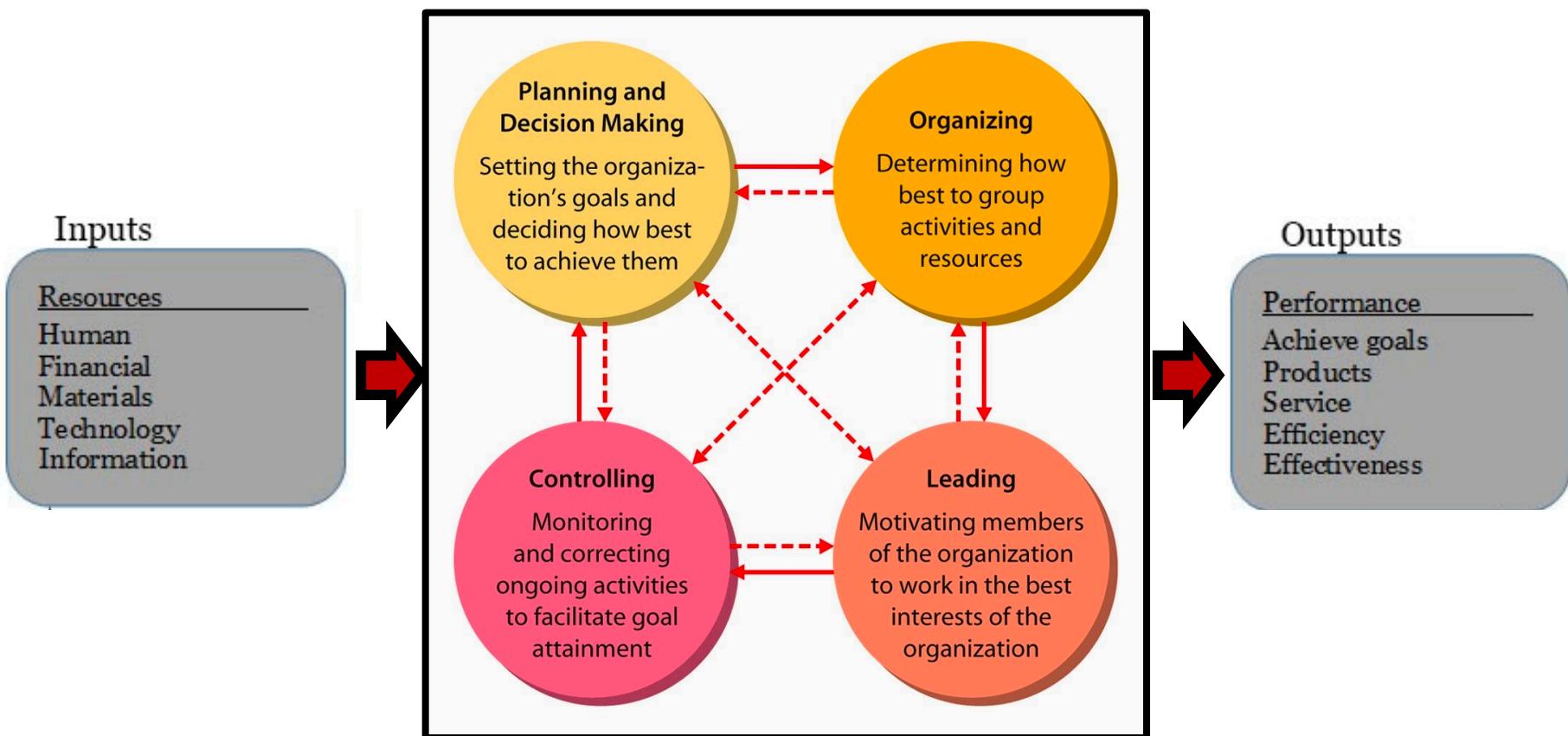
➤ **EFFICIENCY: Do Things Right**
Highest Output - Least Input

➤ **EFFECTIVENESS: Do Right Things**
Highest Goal Attainment at the Right Time





THE MANAGEMENT PROCESS





LEVELS OF MANAGEMENT





MANAGEMENT LEVELS & PROCESSES



All managers at all levels are responsible for all management processes to varying degrees.

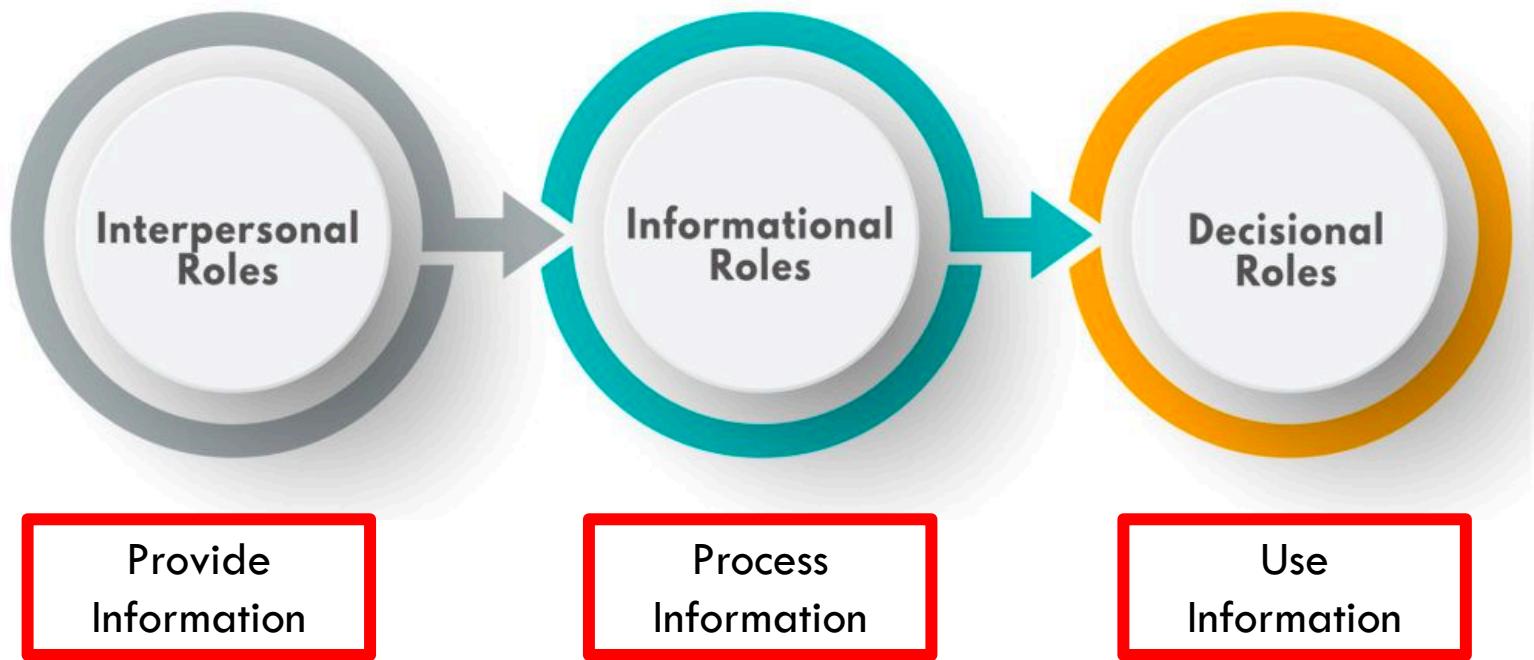


WHO IS A MANAGER?

- The origin of the word manager comes from the Latin manus, meaning "hand."
- Because a good manager provides the necessary "hand," for guiding others.
- A manager is a professional who focuses on planning, organizing, and coordinating resources to manage tasks and deliver results.



BASIC MANAGERIAL ROLES



Managerial roles are behaviors adopted to perform various management functions

Henry Mintzberg



MANAGER Vs LEADER

- **MANAGER:** A person who focuses on managing work & output.
- **LEADER:** A person who focuses on people and leading them to achieve overall objectives.

MANAGER

- Focuses on things
- Executes a plan
- Focused on the present
- Controls
- Manages change
- Uses authority

Vs

LEADER

- Focuses on people
- Creates a vision
- Looks into the future
- Empowers
- Develops change
- Uses influence

Are all Managers not Leaders?



WHAT IS AN ORGANIZATION?

- “An organized group of people with a particular purpose, such as a business or a government department.”

Oxford Dictionary

- A complex and dynamic system that is linked to the external environment.
- An entity—such as a company, an institution, or an association—comprising one or more people and having a particular purpose.

Wikipedia

- “A system of cooperative activities of two or more persons”

Chester Bernard
10



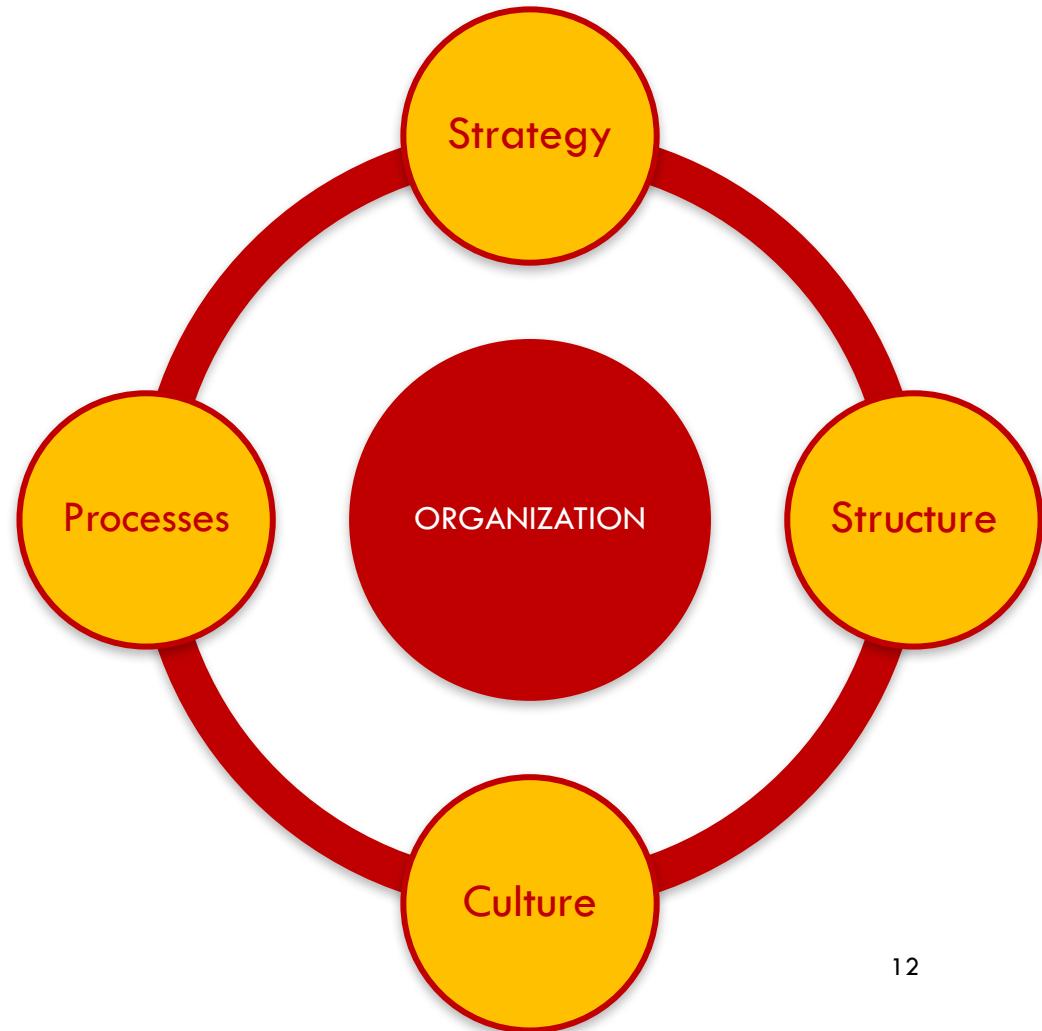
BASIC ELEMENTS OF AN ORGANIZATION

- **STRATEGY** – a planned direction.
- **STRUCTURE** – framework of getting things done.
- **CULTURE** – unique configuration of values, norms, beliefs, attitudes that shape the ways in which people behave.
- **PROCESSES** – series of activities that generates final results.



HOW AN ORGANIZATION FUNCTIONS?

STRATEGY
STRUCTURE
CULTURE &
PROCESSES are to be
tightly connected for the
effective functioning of an
organization.





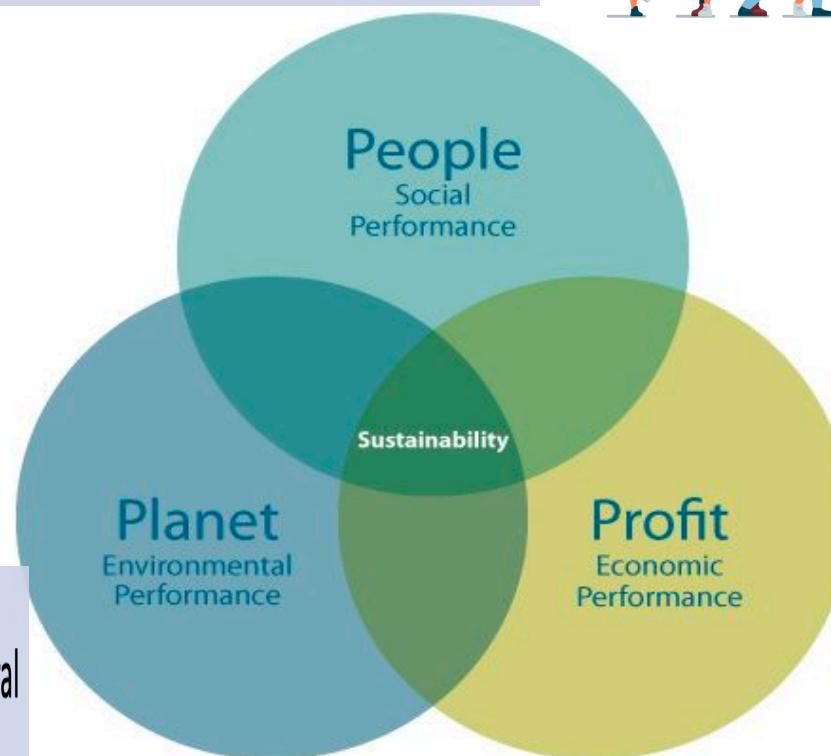
A MODERN ORGANIZATION

➤ PURPOSE: Sustainable Corporate Performance

The impact a business has on its most important stakeholders: employees and their families, customers, suppliers, local communities.



The impacts a business has on the natural environment; for example, through use of natural resources, waste and emissions



The impact a business has on the local, national and international economy; for example, through creating employment, generating innovation, paying taxes, and creating wealth.



IMPORTANCE OF MANAGEMENT

- Management helps setting up organizational goals.
- Management helps executing organizational strategies.
- Management helps achieving organizational objectives.
- Management helps optimum resource utilization.
- Management helps reducing costs.
- Management helps establishing sound organizational structure.
- Management helps establishing sound organizational culture.
- Management helps keeping in touch with the changing environment.
- Management helps sustainable development.

Including but not limited to



PURPOSE OF GOOD MANAGEMENT

➤ Attainment of organizational goals:

- ✓ Economic Performance
- ✓ Environmental Performance
- ✓ Social performance



**Sustainable
Corporate
Performance**

$$\text{Organizational Performance} = \text{Economic Performance} + \text{Environmental Performance} + \text{Social Performance}$$

RESOURCES ≠ NEEDS & WANTS



MODERN MANAGEMENT CHALLENGES

- Today's competitive and ever-changing business world demands Innovative Management than the traditional management in the ancient world.
- Today's management is challenged by:
 - ✓ **Economic turmoil, political confusion, ethical turmoil, mobile business, economic recession, rampant unemployment, rapidly changing technologies, globalization, outsourcing, increasing government regulations, social media, global supply chains, rise in sustainability concerns, global pandemics and general uncertainty, and other challenges.** **Including but not limited^{to}**



NATURE OF MANAGERIAL ROLES

Informational: Links all managerial work together, processes information and provides feedback



Decisional: Makes use of the information and provides feedback

Interpersonal: Ensures that information is provided and accepts feedback

The real job of management isn't practiced separately as independent roles.

All the roles interact simultaneously in the real world of management.



INTERPERSONAL ROLES

(MANAGING THROUGH PEOPLE)

INTERPERSONAL

1

FIGUREHEAD

Represents the organization, as well as motivates the team

2

LEADER

Leads a team, a department, or an entire organization

3

LIAISON

Develops and maintains internal and external relationships

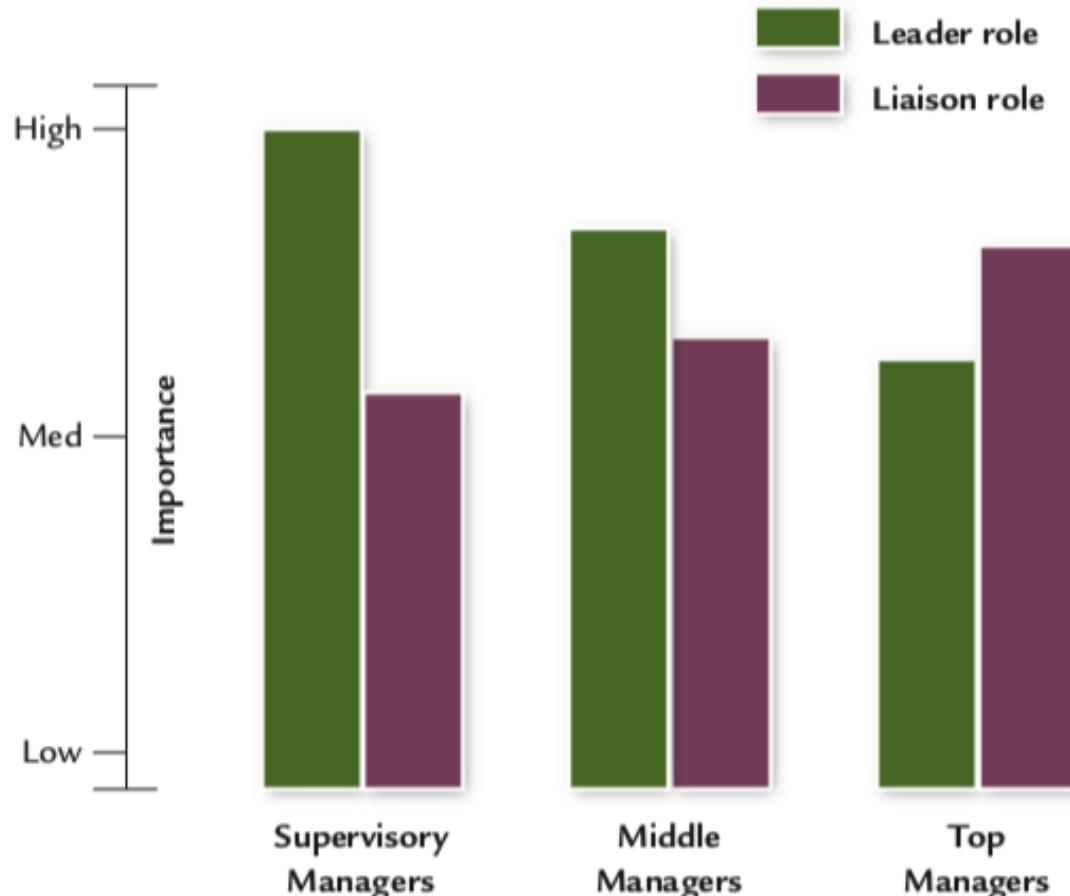


INTERPERSONAL ROLES - EXAMPLES

Managerial Role	Example
1. FIGUREHEAD	<ul style="list-style-type: none">✓ Presentation of employee awards as a branch manager.✓ A manager attending a social event to promote their company.
2. LEADER	<ul style="list-style-type: none">✓ A manager sets a goal for the team and communicates his expectations.✓ A manager monitors group progress and provides feedback.
3. LIAISON	<ul style="list-style-type: none">✓ A manager coordinates with people inside the company, as well as coordinating work between the company's units.✓ A manager coordinates with people outside the organization, such as buyers, suppliers, and strategic partners.



HIERARCHICAL LEVELS AND IMPORTANCE OF MANAGERIAL ROLES



All managerial work
encompasses the
LEADER & LIAISON
roles.

But the prominence
of each role varies
at different
managerial levels



INFORMATIONAL ROLES

(MANAGING BY INFORMATION)

INFORMATIONAL

4

MONITOR

Identifies problems and opportunities for growth

5

DISSEMINATOR

Shares data and communicates it effectively

6

SPOKESPERSON

Speaks for the organization, defending the company's interests



INFORMATIONAL ROLES - EXAMPLES

Managerial Role	Example
1. MONITOR	<ul style="list-style-type: none">✓ Managers who seek customer feedback to see how exactly the products or services can be improved.✓ Managers who seek products made by competitors in order to meet standards and stay on track.
2. DISSEMINATOR	<ul style="list-style-type: none">✓ A manager presenting an approved proposal for the production of a new product to his/her team.✓ A manager having a conversation with a group of employees about a certain issue that affects the company.
3. SPOKESPERSON	<ul style="list-style-type: none">✓ A manager speaks on behalf of the company at a conference.✓ A manager attends the annual shareholders' meeting to inform the attendees about the results his/her team has achieved.



DECISIONAL ROLES (MANAGING THROUGH ACTION)

DECISIONAL

7

ENTREPRENEUR

Initiator and designer of change

8

DISTURBANCE
HANDLER

Fixes the problem, maintaining productivity

9

RESOURCE
ALLOCATOR

Determines how and where to apply organizational resources

10

NEGOTIATOR

Participates in negotiations, trying to reach their goals



DICISIONAL ROLES - EXAMPLES

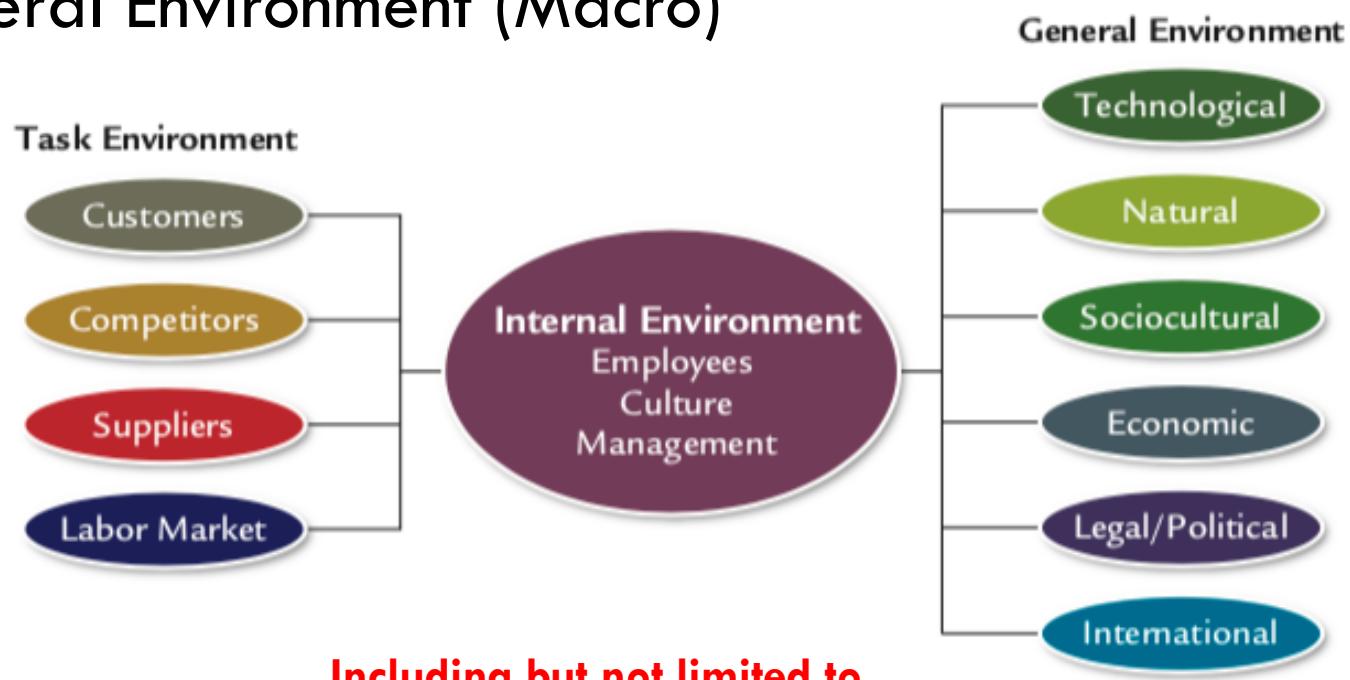
Managerial Role	Example
1. ENTREPRENEUR	<ul style="list-style-type: none">✓ A manager decides to use social media to increase sales.✓ A manager reorganizes a weak department
2. DISTURBANCE HANDLER	<ul style="list-style-type: none">✓ A manager who resolves disputes among group members.✓ A manager who handles employee grievances.
3. RESOURCE ALLOCATOR	<ul style="list-style-type: none">✓ A marketing manager divides funding between media advertising and promotions.✓ A resource manager distributes project workload across people.
4. NEGOTIATOR	<ul style="list-style-type: none">✓ A manager negotiates pricing, delivery, and design with customers.✓ A manager negotiates over access to capital and personnel with seniors.



TYPES OF BUSINESS ENVIRONMENT

A business environment can be classified into:

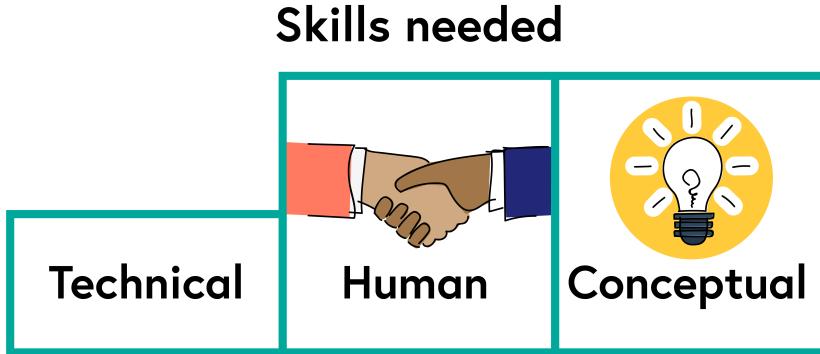
- Internal Environment
- Task Environment (Micro)
- General Environment (Macro)



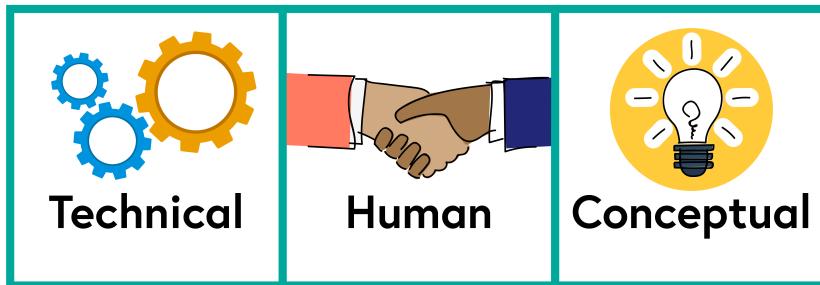


MANAGERIAL LEVELS AND SKILLS

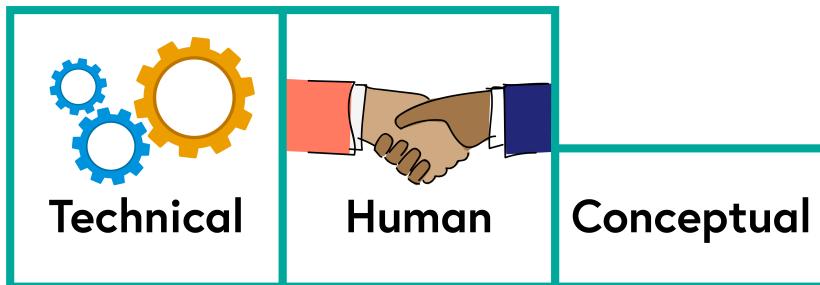
**Top
management**



**Middle
management**



**Supervisory
management**

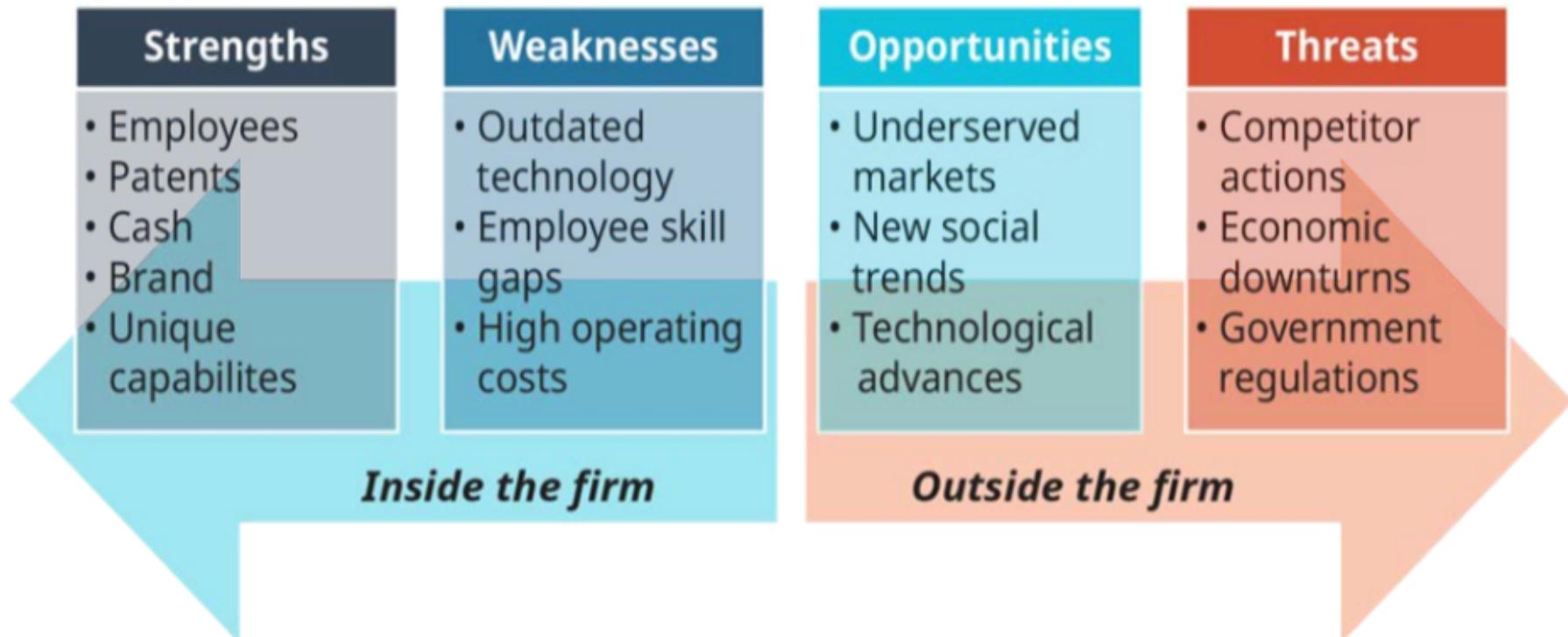


All managers need all the 3 skills:
TECHNICAL,
HUMAN, and
CONCEPTUAL skills.

But the prominence of each skill required varies at different managerial levels



SWOT ANALYSIS



Strengths: What a firm is good at

Weaknesses: What a firm is not good at

Opportunities: Potential situations that a firm is equipped to take advantage of.

Threats: Anything that would make it harder for a firm to be successful.

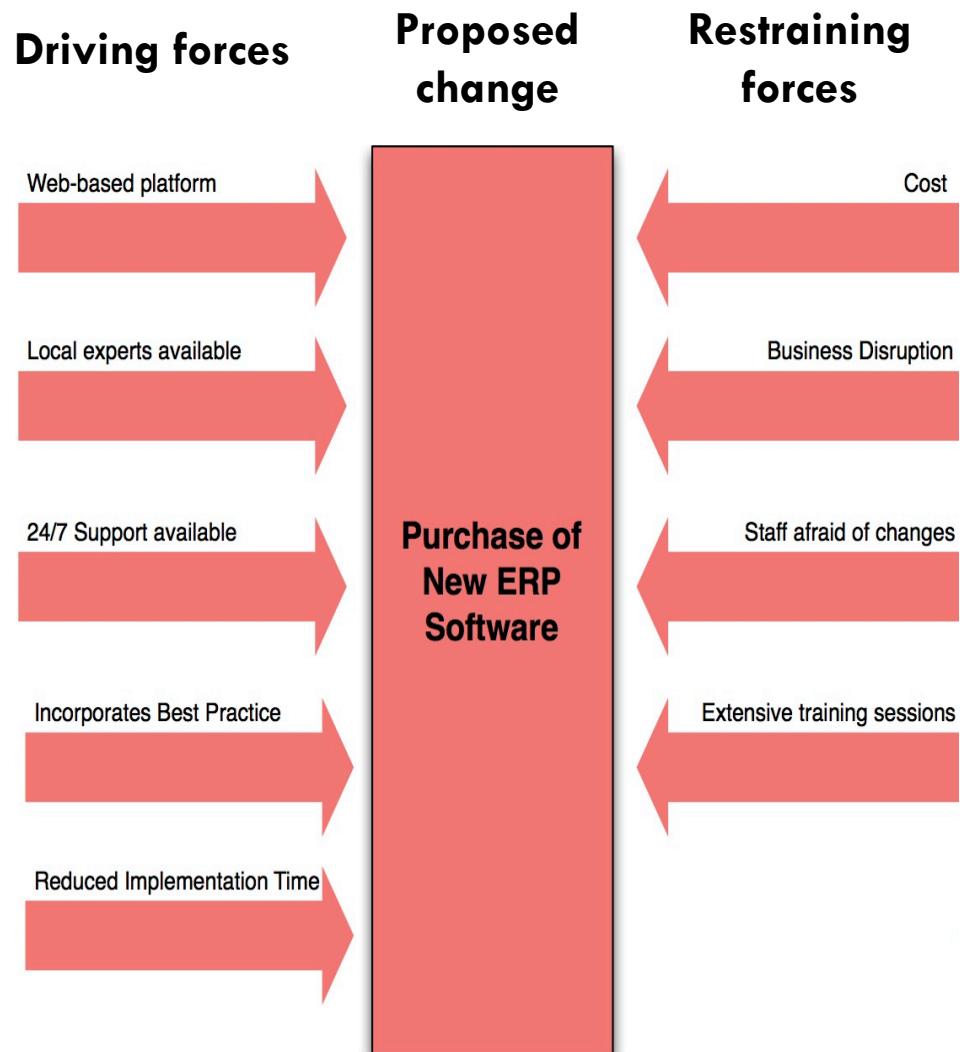


FORCE FIELD ANALYSIS

Proposed change analysis:

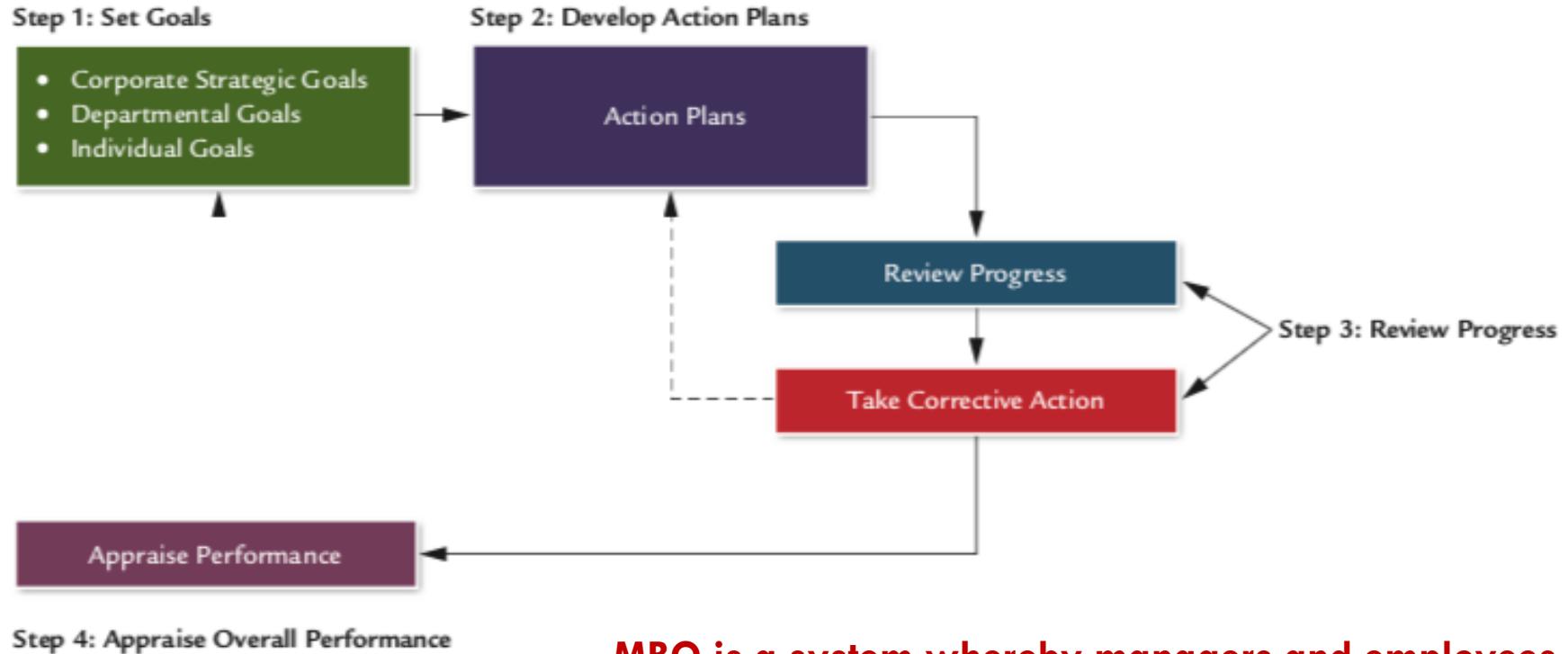
- Key factors that support for the proposed change.

- Key factors that resist proposed change.





MANAGEMENT BY OBJECTIVES (MBO)

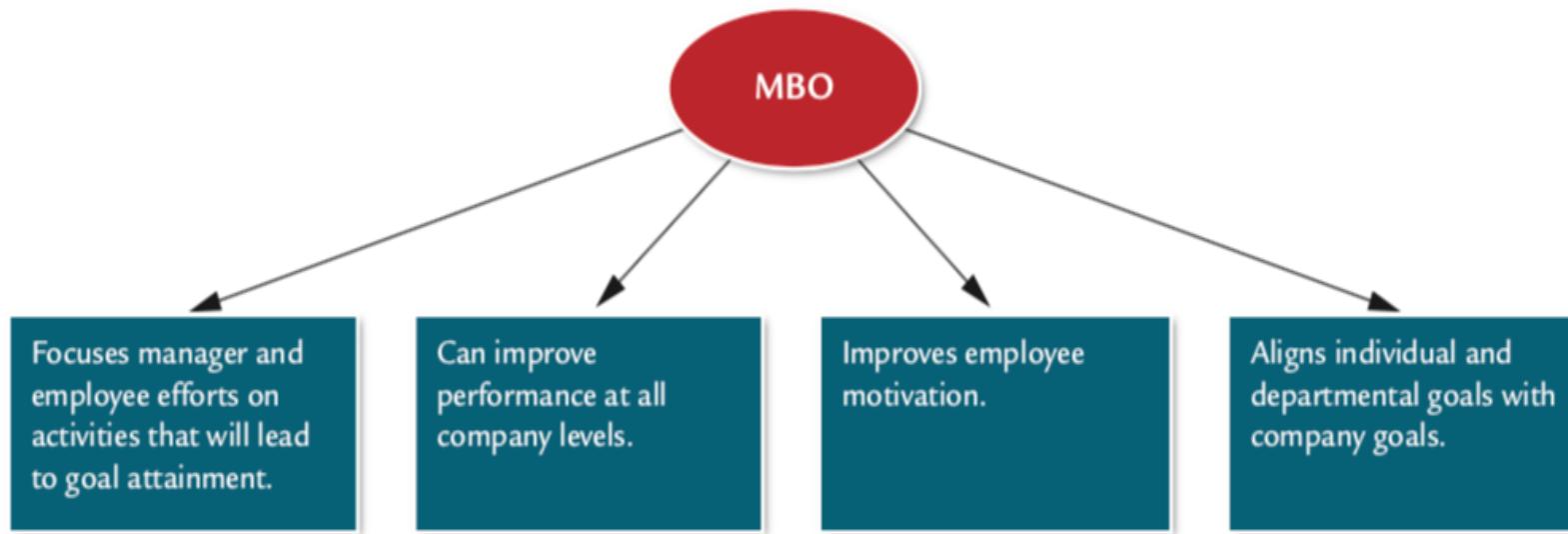


MBO is a system whereby managers and employees define goals for every department, project, and person and use them to monitor subsequent performance.

Peter Drucker in his 1954 book *The Practice of Management*



BENEFITS OF MBO



Are there any limitations of MBO?



MANAGEMENT BY MEANS (MBM)

- A recently emerged systematic approach to goal achievement.
- MBM focuses attention on the methods and processes used to achieve goals.
- MBM is based on the idea that when managers pursue their activities in the right way, positive outcomes will result.
- MBM focuses people on considering the means rather than just on reaching the goals.

Is MBM better than MBO?



PLANNING FOR A TURBULENT ENVIRONMENT – CONTINGENCY PLANNING

- A plan that identifies important factors in the environment and defines a range of alternative responses to be taken in the case of emergencies, setbacks, or unexpected conditions.

- Useful when organizations are operating in a highly uncertain environment or dealing with long time horizons.

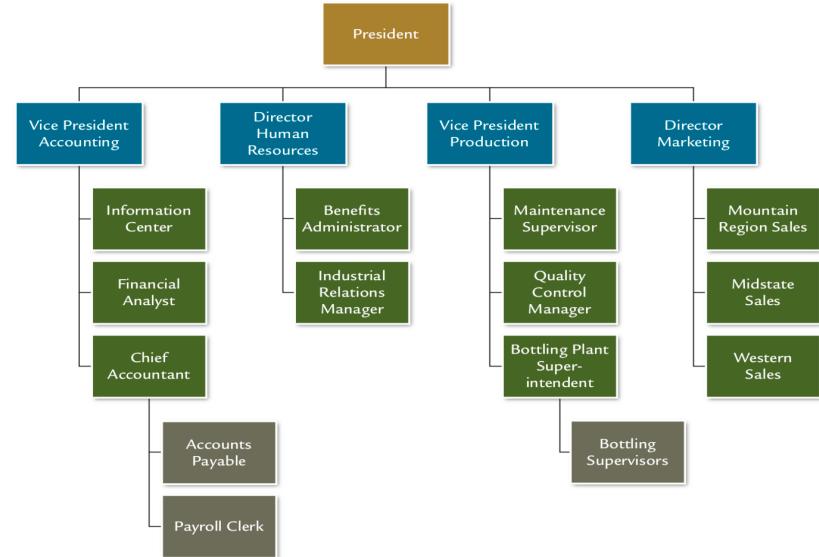
- In these cases, managers can develop multiple future alternatives to help them form more adaptive plans.



ORGANIZING THE VERTICAL STRUCTURE

- **Vertical Structure:** A framework for vertical control of the organization.

- **An organizational chart:**
 - ✓ Hierarchical levels
 - ✓ Span of control
 - ✓ Chain of command
 - ✓ Decision responsibility

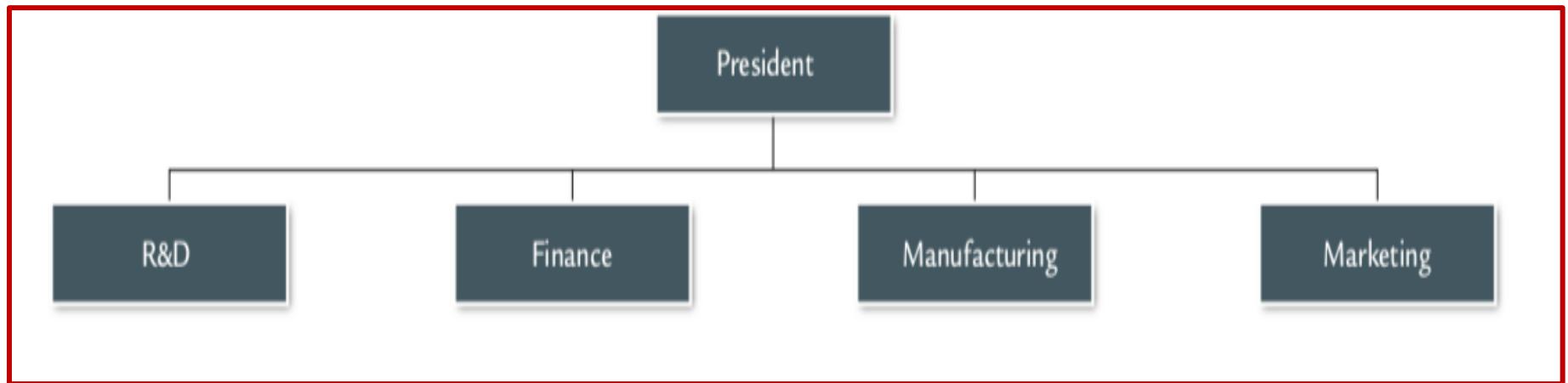


- Vertical structure requires an effective employee coordination system .

**Without effective coordination systems,
no structure is complete.**



FUNCTIONAL APPROACH TO DEPARTMENTALIZATION



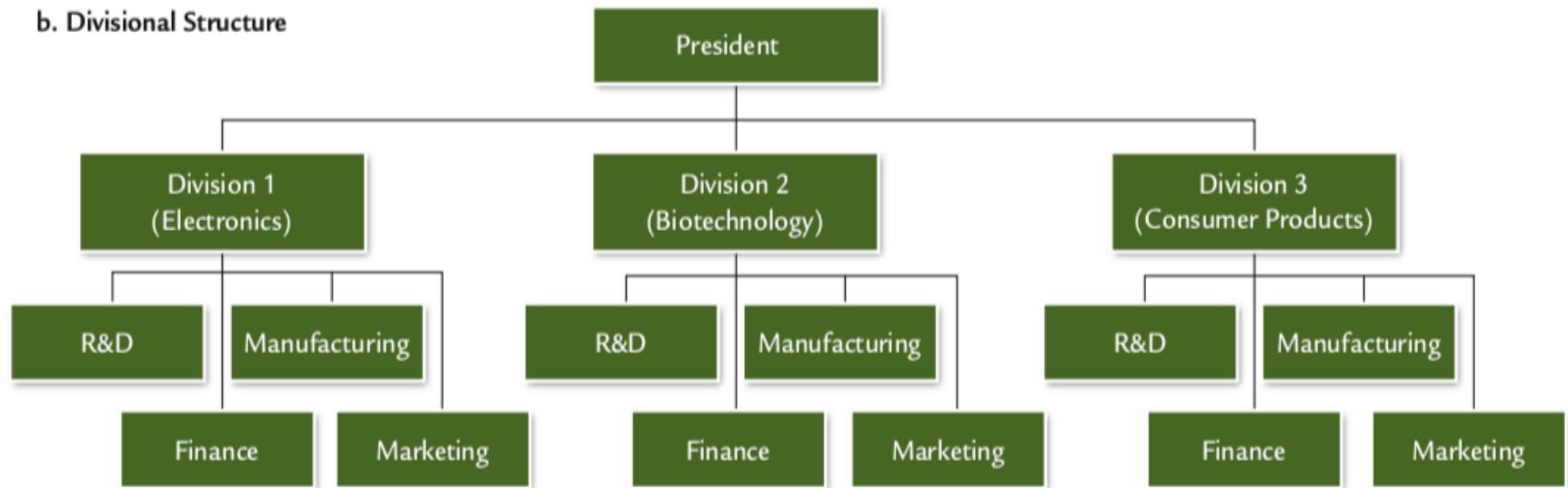
Advantages:

Disadvantages:



DIVISIONAL APPROACH TO DEPARTMENTALIZATION

b. Divisional Structure

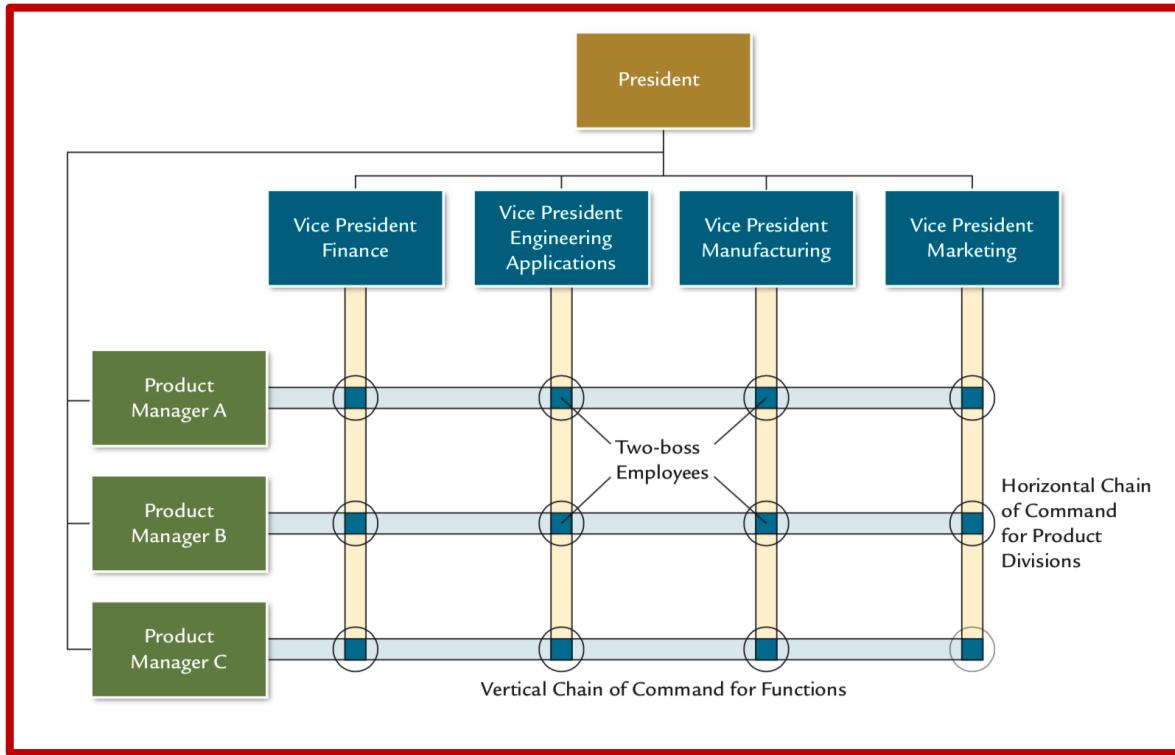


Advantages:

Disadvantages:



MATRIX APPROACH TO DEPARTMENTALIZATION

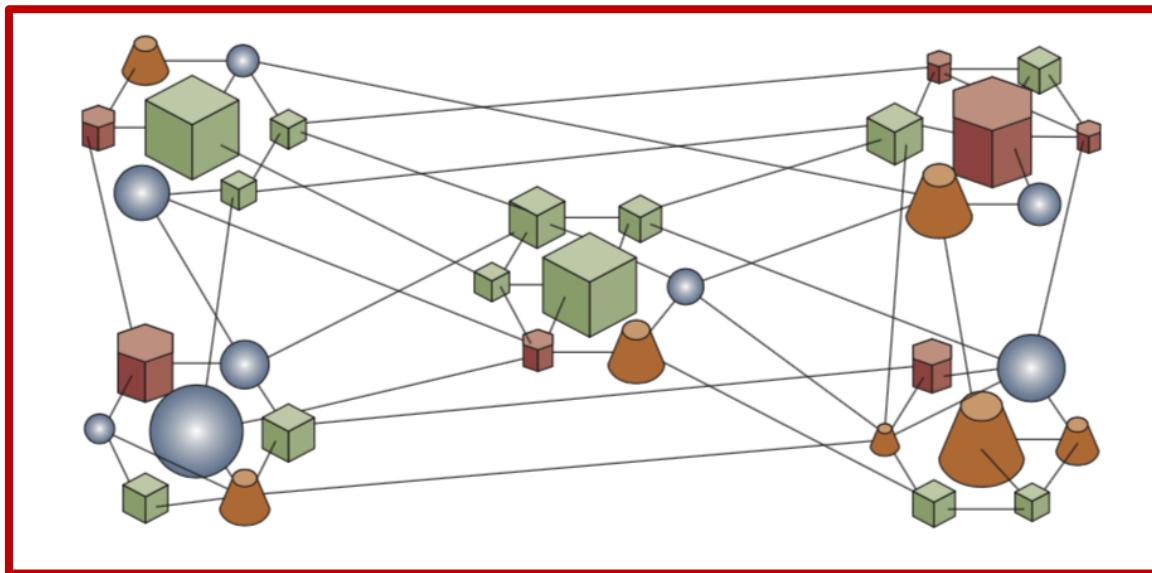


Advantages:

Disadvantages:



TEAM APPROACH TO DEPARTMENTALIZATION

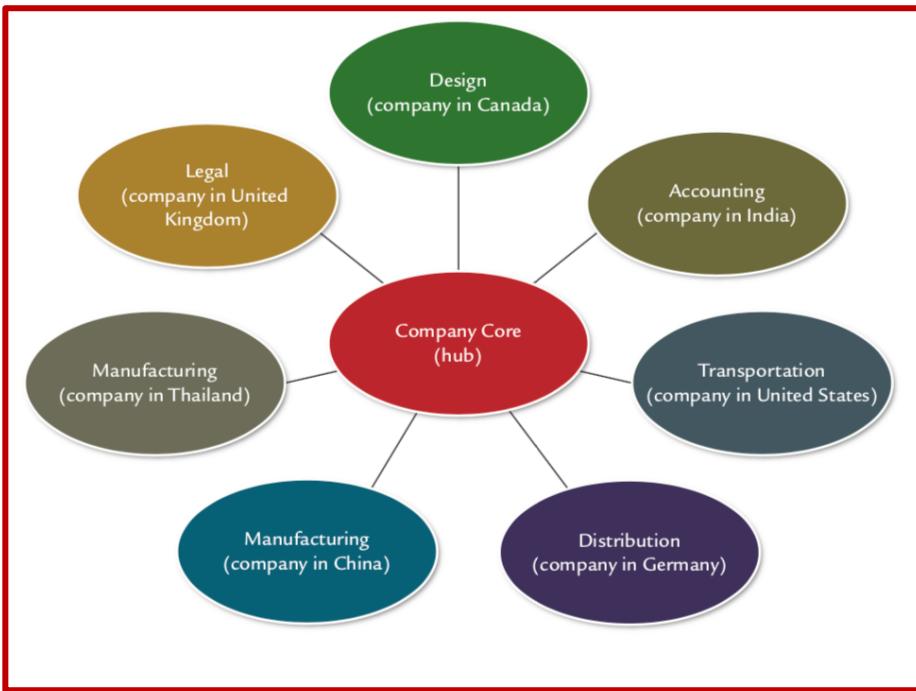


Advantages:

Disadvantages:



VIRTUAL NETWORK APPROACH TO DEPARTMENTALIZATION

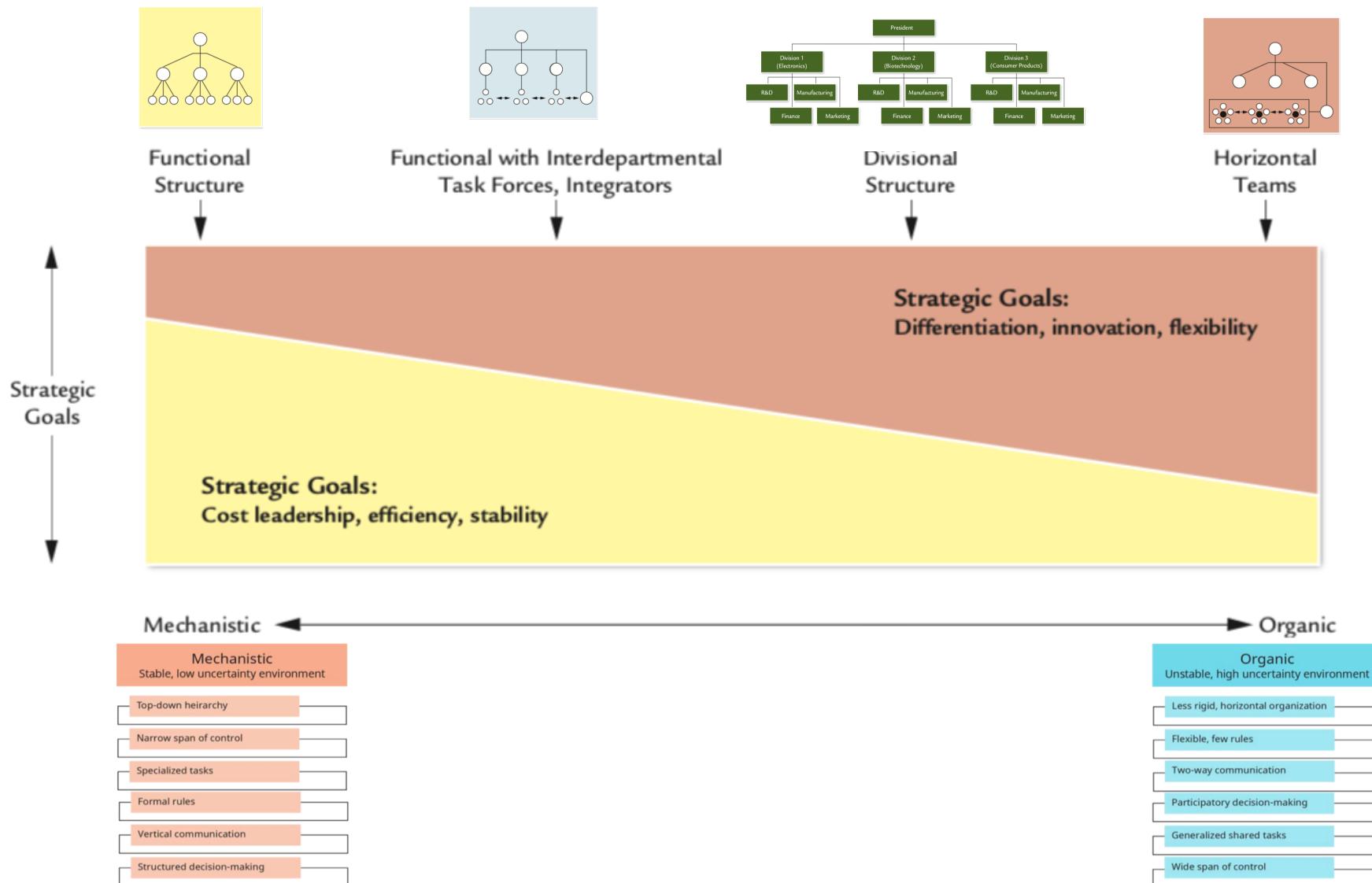


Advantages:

Disadvantages:



STRUCTURE – STRATEGY CONNECTION





LEADING ?

- Leading means motivating employees and influencing their behavior to achieve organizational objectives.
- Leading focuses on managing people , such as:
 - ✓ Individual employees
 - ✓ Teams and groups (rather than tasks).
- To become effective at leading, managers must first understand their subordinates' **personalities, values, attitudes, and emotions.**
- An important part of management process/P-O-L-C framework.



LEADERSHIP AS AN EXERCISE OF INFLUENCE

- **Reward power:** the power a person has because people believe that he can bestow rewards or outcomes, such as money or recognition that others desire.
- **Coercive power:** the power a person has because people believe that he can punish them by inflicting pain or by withholding or taking away something that they value.
- **Referent power:** the power a person has because others want to associate with or be accepted by him.
- **Expert power:** the power a person has because others believe that he has and is willing to share expert knowledge that they need
- **Legitimate power:** the power a person has because others believe that he possesses the “right” to influence them and that they ought to obey.



EMOTIONAL INTELLIGENCE

Managers who are in touch with their own feelings and the feelings of others can enhance employee and organizational performance.

- **Self-awareness:** Being aware of what you are feeling. Self-awareness is the basis for all the other components.
- **Self-management:** The ability to control disruptive or harmful emotions and balance your moods.
- **Social awareness:** The ability to understand others and practice empathy.
- **Relationship management:** The ability to connect to others, build positive relationships, respond to the emotions of others, and influence others.



HOW WE JUDGE BEHAVIOR?

Fundamental Attribution Error



Self-Serving Bias



Fundamental Attribution Error

The tendency to underestimate the influence of external factors on another person's mistakes and failures and to overestimate the influence of internal factors.

Self-Serving Bias

The tendency to overestimate the contribution of internal factors to one's own successes and the contribution of external factors to one's own failures.



PERCEPTION DISTORTIONS

Perceptual distortions are errors in perceptual judgment that result from inaccuracies in any part of the perception process.

- **Stereotyping:** The tendency to assign an individual to a group or broad category and then attribute generalizations about the group to the individual.

- **Halo Effect:** The halo effect occurs when a perceiver develops an overall impression of a person or situation based on one characteristic, either favorable or unfavorable.



TRANSFORMATIONAL LEADERSHIP

- Transformational leaders work with teams or followers beyond their immediate self-interests to identify needed change, creating a vision to guide the change.



Intellectual Stimulation

- Innovation
- Creativity
- Goals
- Challenge

Idealized Influence

- Role Model
- Walk the Walk
- Enthusiasm
- Embody Value

Individualized Consideration

- Mentorship
- Empathy
- Purpose
- Strength & Skills

Transformational Leadership

Inspirational Motivation

- Clear Vision
- Optimism₄₅
- Inclusion
- Productivity



TRANSACTIONAL LEADERSHIP

- Also referred to as management theories or exchange theories of leadership.
- These theories consider **rewards and punishments** as the basis for leadership actions.
- This focuses on the exchange of skills, knowledge, resources, or effort between leaders and their subordinates.
- This leadership style prioritizes individual interests and extrinsic motivation as means to obtain a desired outcome.
- Transactional leaders focus on achieving **short-term goals** and performing tasks correctly and to specifications.



VISIONARY LEADERSHIP

- The visionary leadership style involves inspiring a team to work toward a shared goal or vision.
- A visionary leader ensures the vision becomes reality by stating clear goals and outlining a strategic plan
- For achieving those goals, a visionary leader equips and empower each member to take action on the plan at the organizational, team and individual levels.
- Visionary leaders have a strong ability to drive progress and change. They inspire employees and earn trust for new ideas.
- At times, visionary leaders are also known as transformational leaders.



CHARISMATIC LEADERSHIP

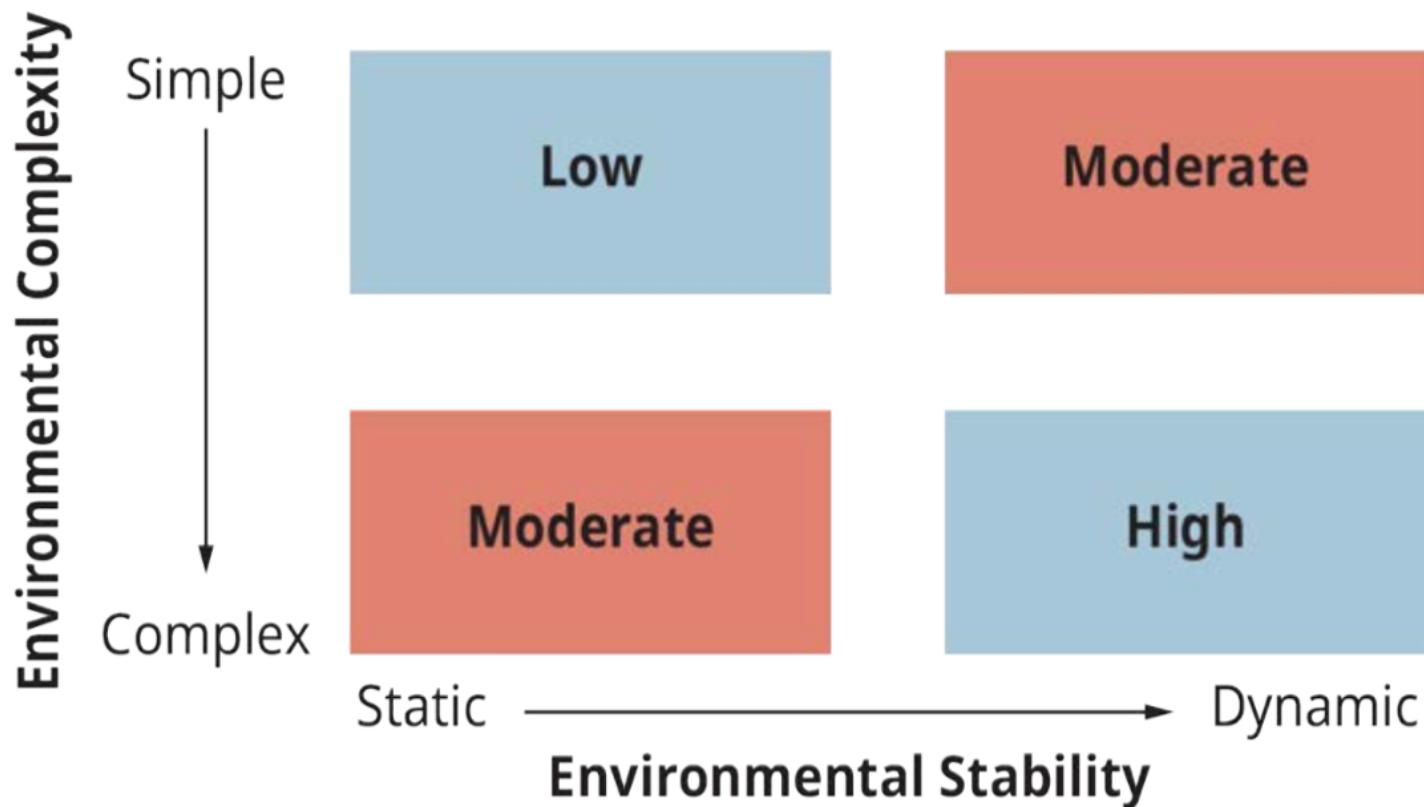
- **Charisma:** a special magnetic charm and appeal that arouses loyalty and enthusiasm.
- The authority of the leader derives from the personal charisma of The Leader.
- Charismatic leadership is defined by a leader who uses his or her
 - ✓ Communication skills
 - ✓ Persuasiveness
 - ✓ Charm
 - ✓ Confidence
 - ✓ Empathy to influence others.





THE NEED FOR CONTROL

Although there is a continual and universal need for control in organizations, the importance, amount, and type of control vary across organizational situations





TOTAL QUALITY MANAGEMENT

- TQM is a popular approach based on a decentralized control philosophy.
- TQM is an organization-wide effort to infuse quality into every activity in a company through continuous improvement.
- Managing quality is a concern for every organization, and failure to ensure quality can have devastating effects.



TQM TECHNIQUES

- The implementation of TQM involves the use of many techniques:
 - ✓ Quality circles
 - ✓ Benchmarking
 - ✓ Six Sigma principles
 - ✓ Quality partnering
 - ✓ Continuous improvement



TQM SUCCESS FACTORS

Positive Factors	Negative Factors
<ul style="list-style-type: none">• Tasks make great skill demands on employees.• TQM serves to enrich jobs and motivate employees.• Problem-solving skills are improved for all employees.• Participation and teamwork are used to tackle significant problems.• Continuous improvement is a way of life.	<ul style="list-style-type: none">• Management expectations are unrealistically high.• Middle managers are dissatisfied about loss of authority.• Workers are dissatisfied with other aspects of organizational life.• Union leaders are left out of quality control discussions.• Managers wait for big, dramatic innovations.



QUALITY CIRCLES

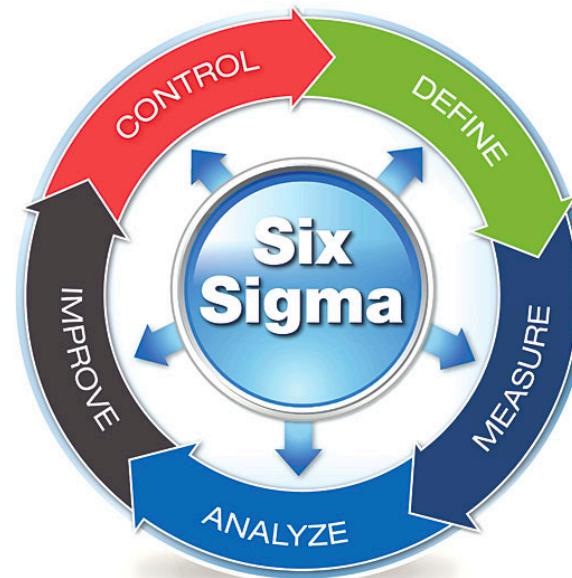
- A quality circle is a group of 6 to 12 volunteer employees who meet regularly to discuss and solve problems affecting the quality of their work.
- The members of the quality circle meet, identify problems, and try to find solutions.
- Circle members are free to collect data and perform surveys.
- Many companies train people in team building, problem solving, and statistical quality control.



SIX SIGMA

- Six Sigma is a quality control approach that emphasizes a relentless pursuit of higher quality and lower costs.

- Six Sigma is based on a five-step methodology referred to as DMAIC:
 - ✓ Define
 - ✓ Measure
 - ✓ Analyze
 - ✓ Improve
 - ✓ Control





SIX SIGMA - DMAIC

- **Define:** a process to focus on and define the problem it wishes to solve.
- **Measure:** the initial performance of the process, creating a benchmark, and pinpoints a list of inputs that may be hindering performance.
- **Analyze:** the process by isolating each input, or potential reason for any failures, and testing it as the possible root of the problem.
- **Improve:** implement changes that will improve system performance.
- **Control:** add controls to the process to ensure it does not regress and become ineffective once again.

LEAN SIX SIGMA

- A team-focused managerial approach that seeks to improve performance by eliminating waste and defects while boosting the standardization of work.

- It combines Six Sigma methods and tools and the lean manufacturing philosophy, striving to reduce the waste of physical resources, time, effort, and talent while assuring quality in production and organizational processes.

LEAN

Reduce waste by streamlining the process.

SIX SIGMA

Reduce defects by effectively solving problems.

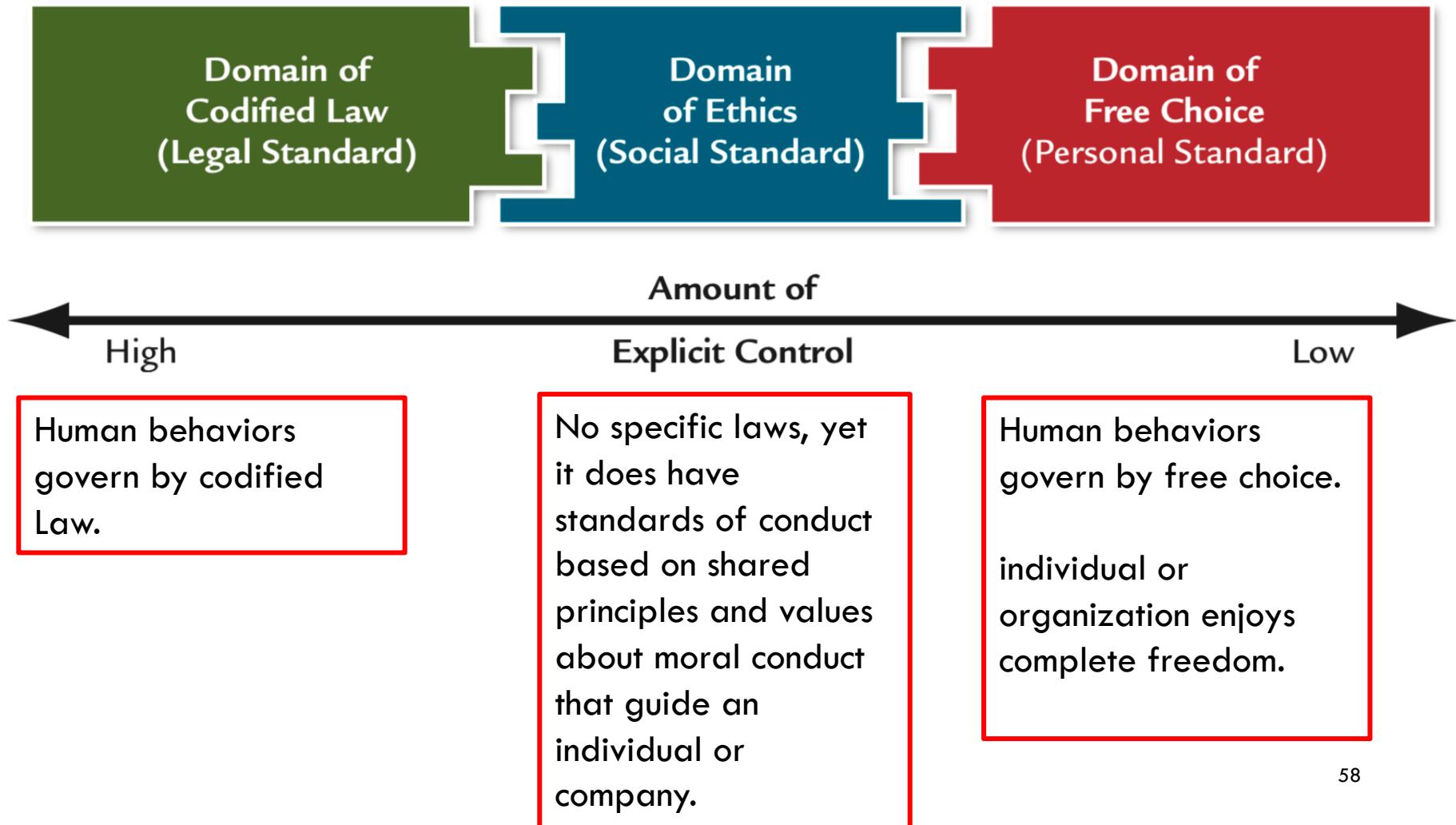
LEAN SIX SIGMA

LEAN accelerates SIX SIGMA: Solving problems and improving processes is faster and more efficient.

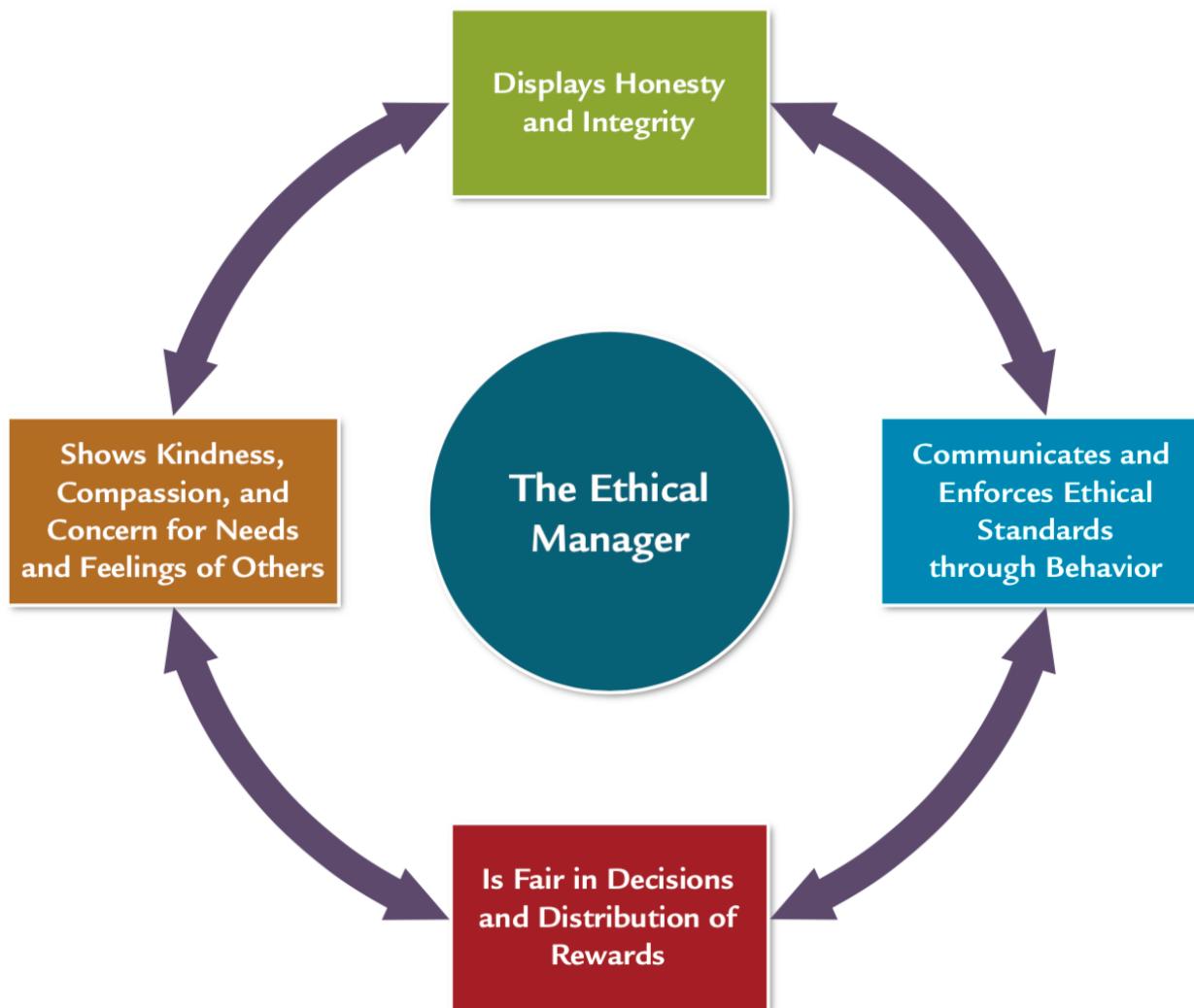
WHAT IS MANAGERIAL ETHICS?

- Ethics is the **code of moral principles and values** that governs the behaviors of a person or group with respect to what is right or wrong.
- Just because managers aren't breaking the law, it doesn't necessarily mean that they are being ethical.
- Managers face many pressures that can sometimes tempt them to engage in unethical behavior.
- **Unethical managers:** seek to serve their own needs and interests at the expense of stakeholders.

THREE DOMAINS OF HUMAN BEHAVIOR

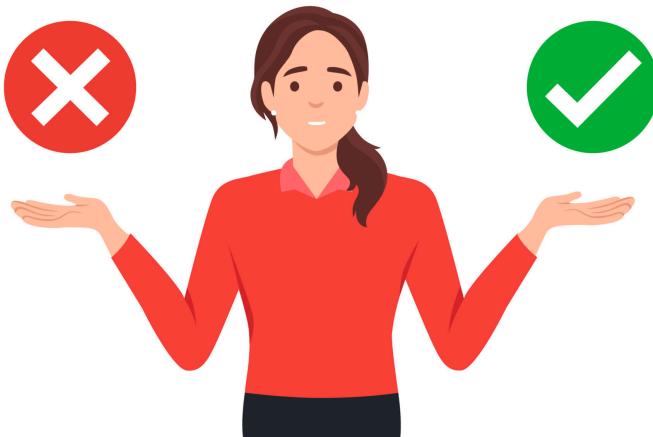


ETHICAL MANAGER BEHAVIORS



ETHICAL DILEMMAS

- A situation where right and wrong cannot be clearly identified.
- An **ethical dilemma** arises in a situation concerning right or wrong when values are in conflict.
- The individual who must make an ethical choice in an organization is the **moral agent**.



FRAMEWORKS FOR ETHICAL DECISION MAKING

- Most ethical dilemmas involve a conflict between the interests of different groups or between the needs of the individual versus the needs of the organization.
 - Managers can use various approaches based on norms and values to help them make ethical decisions.
1. Utilitarian Approach
 2. Individualism Approach
 3. Moral-rights Approach
 4. Justice Approach
 5. Practical Approach



UTILITARIAN APPROACH/THEORY

- The utilitarian approach to ethical decision making says that the ethical choice is the one that produces the greatest good for the greatest number.
- A normative ethical theory where right and wrong is determined solely by the consequences of choosing one behavior or action over another.
- It moves beyond the scope of self-interests and takes into consideration the interests of other people.

(Cavalier, 2006)

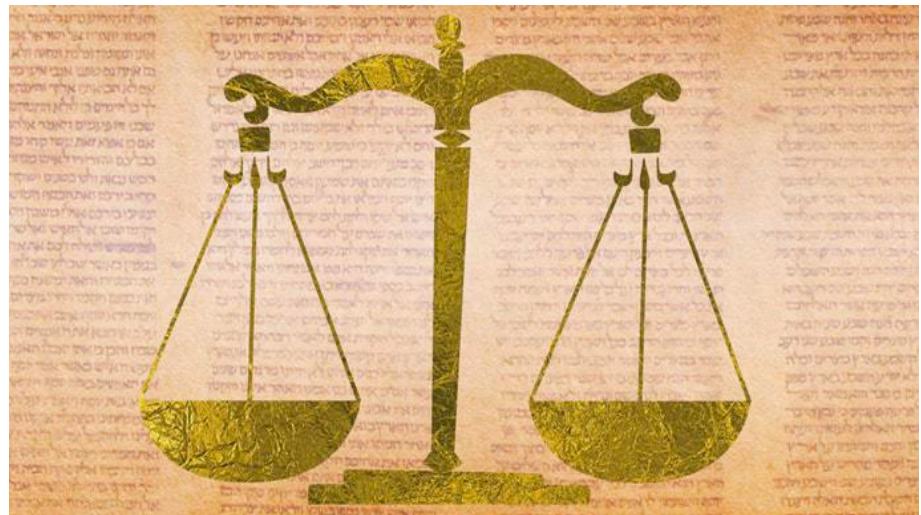
INDIVIDUALISM APPROACH

- The **individualism approach** suggests that actions are ethical when they promote the individual's best long-term interests, because with everyone pursuing self-interest, the greater good is ultimately served.

- This concept is not considered appropriate today because it is easily misused to support one's personal gain at the expense of others.

MORAL-RIGHTS APPROACH

- Some managers rely on a moral-rights approach, which holds that ethical decisions are those that best maintain the fundamental rights of the people affected by them.
- The Golden Rule is consistent with the moral rights approach.



JUSTICE APPROACH

- The justice approach says that ethical decisions must be based on standards of equity, fairness, and impartiality.
1. **Distributive justice** requires that different treatment of individuals not be based on arbitrary characteristics.
 2. **Procedural justice** holds that rules should be clearly stated and consistently and impartially enforced.
 3. **Compensatory justice** argues that individuals should be compensated for the cost of their injuries by the party responsible, and individuals should not be held responsible for matters over which they have no control.

PRACTICAL APPROACH

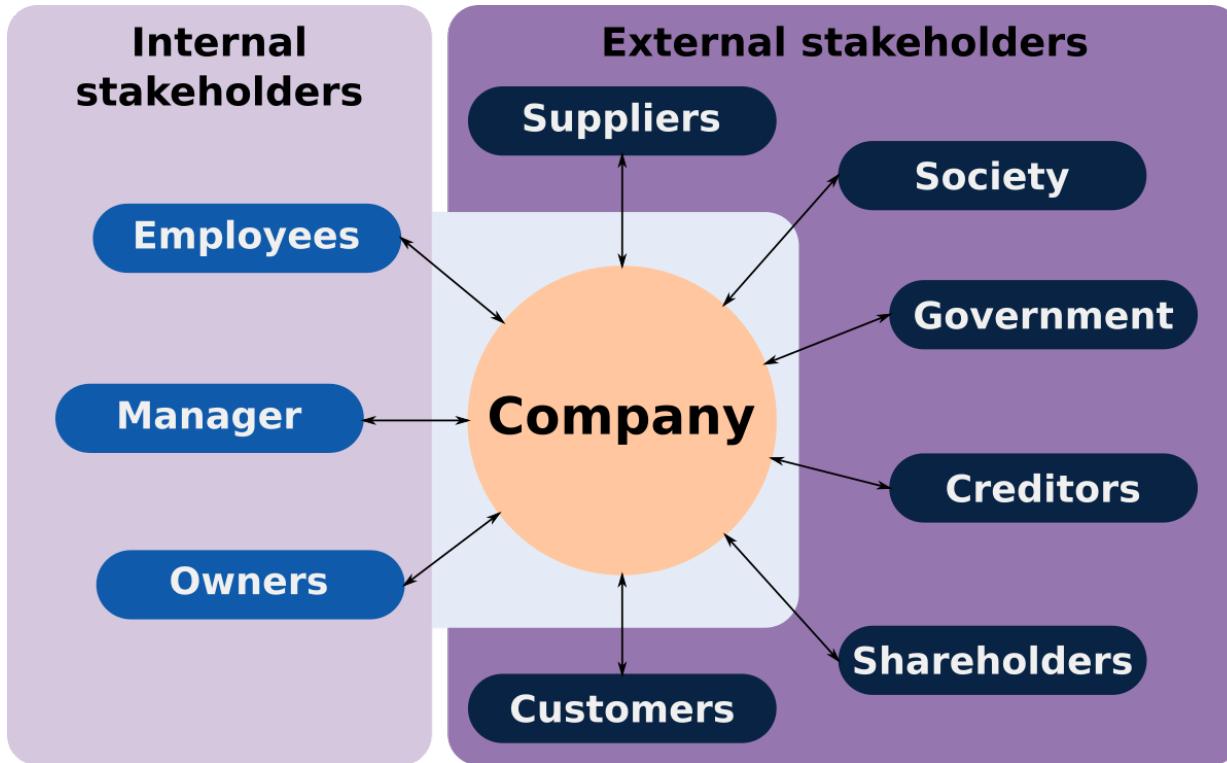
- Many managers also use the practical approach, which sidesteps debates about what is right, good, or just and bases decisions on prevailing standards of the profession and the larger society and, in so doing, takes into account the interests of all stakeholders.



CORPORATE SOCIAL RESPONSIBILITY?

- Corporate social responsibility (CSR) refers to the obligation of organizational managers to make choices and take actions that will enhance the welfare and interests of society as well as the organization.
- Companies can now be assessed and measured on their performance along environmental, social, and governance (ESG) dimensions.

THE NEW PURPOSE OF A CORPORATION



Moving from Shareholder to Stakeholder

GOING GREEN Vs GREEN WASHING

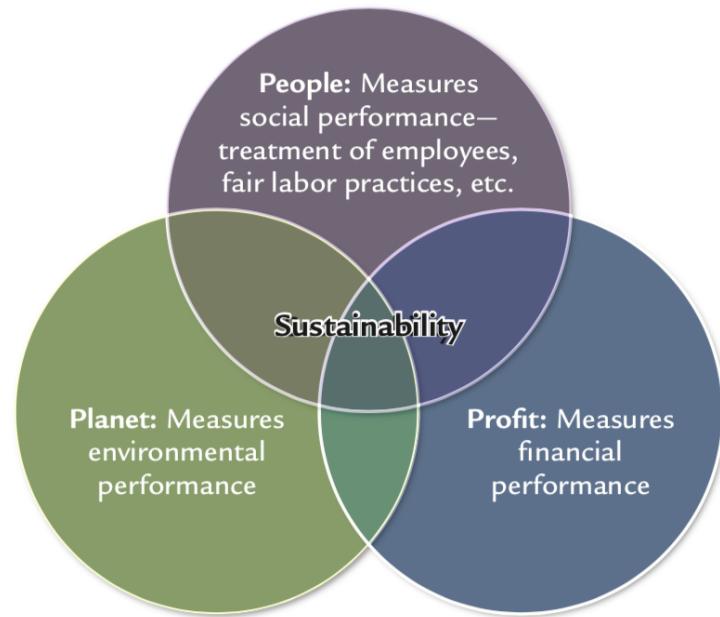
- “Going Green” = Preserve the environment
- “Green Washing” = Occurs when a company tries to portray itself as more environmentally minded than it actually is.



SUSTAINABILITY AND THE TRIPLE BOTTOM LINE

- **Sustainability:** refers to the ability to generate wealth with environmental responsibility and social stewardship, thereby meeting the current and future needs of stakeholders while preserving the environment and society so that future generations can meet their needs as well.

- **Triple Bottom Line:**
 - ✓ How **socially** responsible the organization is?
 - ✓ How **environmentally** responsible the organization is?
 - ✓ How **economically** responsible the organization is?



MANAGING COMPANY ETHICS & SOCIAL RESPONSIBILITY

- Management is responsible for creating and sustaining an ethical organization.

Values-Oriented Approach

directly targets individuals' internal desire to be ethical.



Structure-Oriented Approach

uses structures, incentives, choices, task groupings, and policies to reduce the temptation to act unethically.

WHISTLE -BLOWING

- Employee disclosure of any corrupt, illegal, unethical, or illegitimate practices on the employer's part is called **whistle-blowing**.
- Whistle-blowers often report wrongdoing to outsiders.
- Companies must view whistle-blowing as a benefit to the company and make dedicated efforts to encourage and protect whistle-blowers.



IN-CLASS ACTIVITY

- How do you feel about having a manager's responsibilities in today's world, which is characterized by social, technological, and other sudden changes in the environment? Describe some skills and competencies that are important to managers working in these conditions.

- Why do some organizations seem to have a new CEO every two or three years, whereas others have top leaders who stay with the company for many years (e.g., Warren Buffett's 50 years at Berkshire Hathaway)? What factors about the manager or about the company might account for this difference?