

Module 1 chapter 2

M 1.2 Management and Managers

Functions of Management – Manager's Roles – Types of Managers – Evolution of Management Theory – Contemporary Trends in Management Thinking

MANAGEMENT

Management is the art of getting things done through utilising scarce resources beneficially for the organisation.

Introduction to Management

- “Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims”. *Harold Koontz*
- “Management is the art and science of preparing, organising and directing human efforts to control the forces and utilise the material of nature for the benefit of men”. *ASME*
- Management applies to all kind of organizations. It applies to managers at all organizational levels.
- Managing is concerned with productivity, which implies effectiveness and efficiency.

Introduction to Management

- All do manage organizations.
- Organization is the group of people working together to create surplus.
 - In business organizations, this surplus is profit.
 - In non-profit organizations, it may be satisfaction of needs.
- Managers cannot perform their tasks well unless they have an understanding of, and are responsive to the many elements of the external environment – economic, technological, social, ecological, political and ethical factors – that affect their area of operation.

Introduction to Management

- Management applies to small and large organizations, to profit and non – profit enterprises, to manufacturing as well as service industries.
- Managers are charged with the responsibility of taking actions that will enable individuals to make their best contributions to group objectives.
- An important goal of management is the long term increase in the value of common stock.
- The managers must establish an environment in which people can accomplish group goals with least amount of time, money, materials and personal dissatisfaction, or in which they can achieve as much as possible of a desired goal with available resources.

Significance of management

- It helps in achieving group goals
- Optimum utilisation of resources
- Minimises cost
- Survival and growth
- Development of the nation



Levels of management

Broadly speaking, an organization has two important levels of management

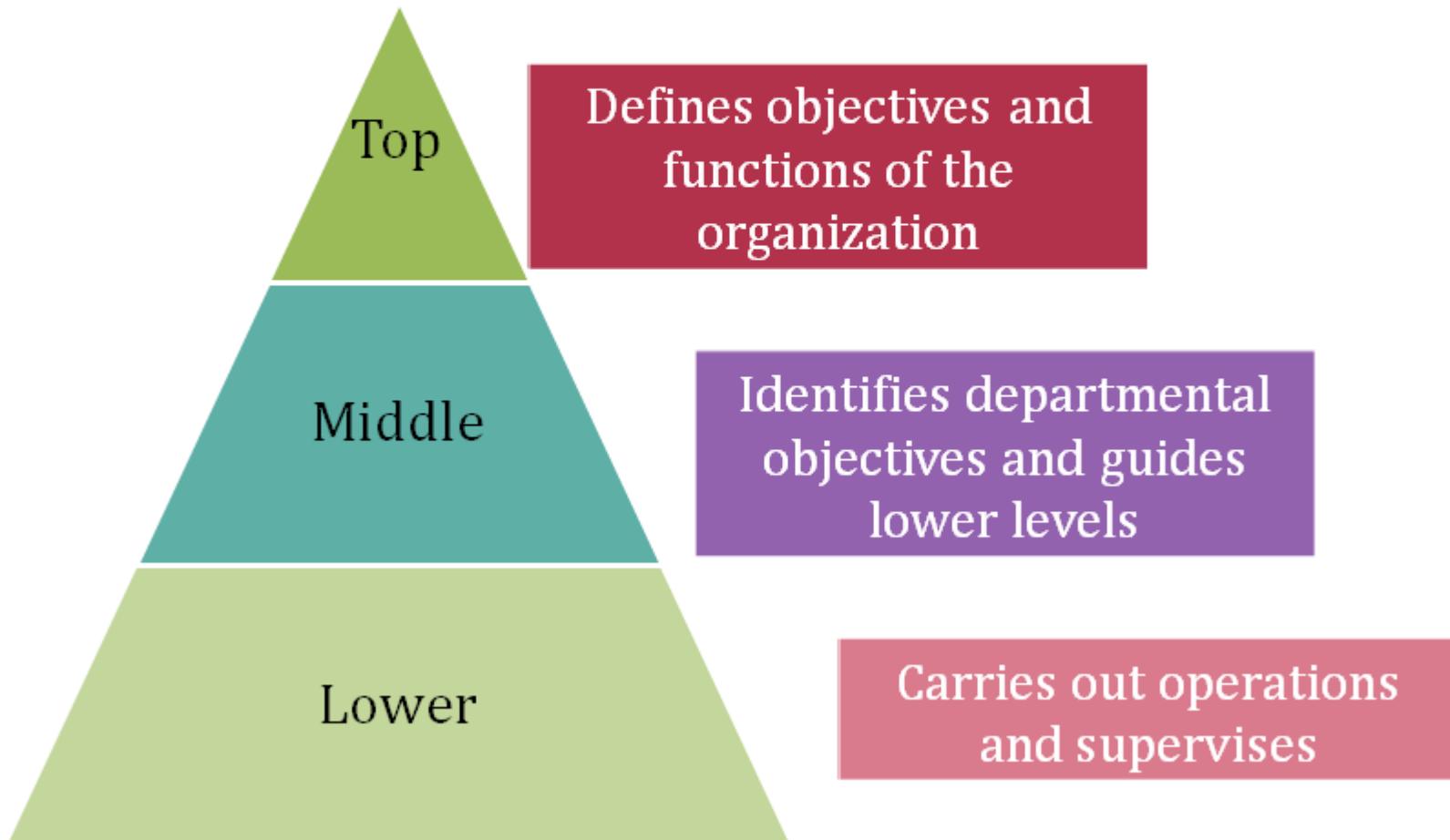
Functional level

- *Concerned with the process of determining primary objectives, formulating basic policies, making vital decisions and controlling and co-ordinating activities of the personal.*

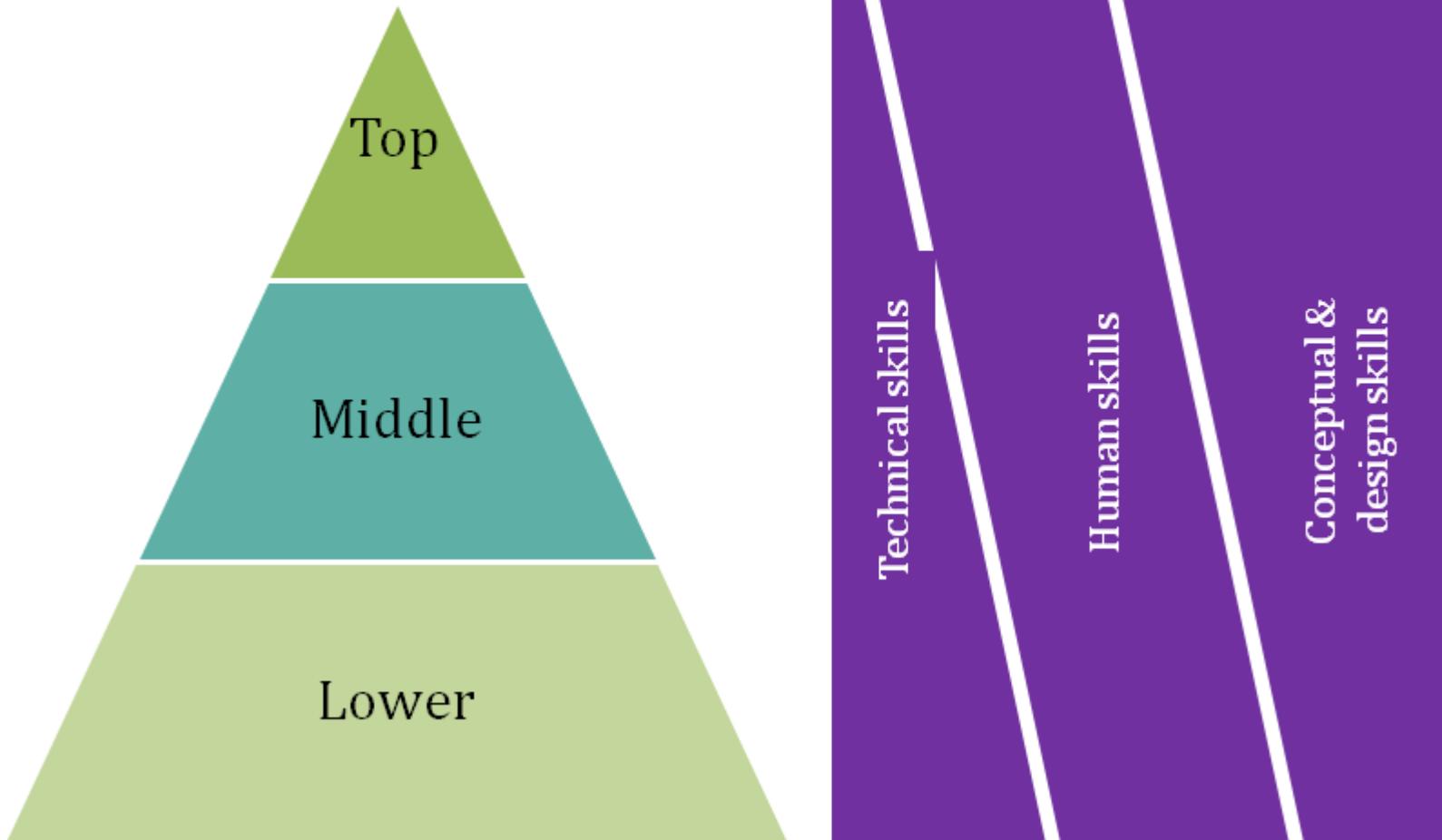
Operational level

- *Related to implementation of plans and decisions and pursuit of basic policies for achieving the objectives of the organization.*

Levels of management



Managerial skills



NEED & IMPORTANCE OF MANAGEMENT

- Optimum utilisation of scarce resources.
- Accomplishment of group goals.
- Essential to reduce the cost of product.
- Management meets the challenges of change.
- Helps in national growth.
- Stability

Objectives of management

- 1. Organizational objectives
- 2. Personal objectives
- 3. Social objectives



Objectives of management

1. Organizational objectives

- *Reasonable profit so as to give a fair return on the capital invested*
- *Survival of the business*
- *Growth and expansion of the enterprise*
- *Improving the goodwill of the enterprise*



Objectives of management

2. Personal objectives

- *Fair remuneration*
- *Reasonable working conditions*
- *Opportunities for training and deve*
- *Participation in management*



Objectives of management

3. Social objectives

- *Quality goods and services at fair price*
- *Honest and prompt payment of taxes*
- *Conservation of environment and natural resources*
- *Fair dealing with suppliers, dealers and competitors*



FEATURES OF MANAGEMENT

- ❖ Management is goal oriented.
- ❖ Management is a distinct activity.
- ❖ It is a process.
- ❖ Management is a social process.
- ❖ It is a system of authority.
- ❖ Management is needed at all levels.
- ❖ Principles of management are dynamic.
- ❖ Group efforts.
- ❖ Intangible and coordination force.
- ❖ Influences behaviour.

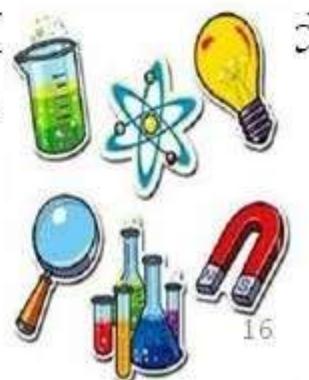
Management – art or science???

- Art implies application of knowledge and skill to trying about desired results..
- Art is a skilful application of knowledge which entirely depends on the inherent capacity of a person which comes from within a person and is learned from practice and experience.
- *Management is certainly an art as a manager uses his skills, knowledge and experience in solving various problems that arise in the enterprise.*



Management – art or science???

- Science is a systemised body of knowledge based on proper findings and exact principles and is capable of verification.
- *Management is certainly a science as it has also developed certain principles, laws etc. which is universal in nature and are applicable wherever efforts of people are to be co-ordinated.*
- But management is not an exact science as it deals with people and it is very difficult to predict their behaviour accurately.



Management – art or science???

- Management combines the features of both science as well as art.
- A manager must acquire the knowledge of science and the art of applying it.
- Science provides the knowledge and art deals with the application of knowledge and skills.
- Science teaches to ‘know’ and art teaches to ‘do’.
- The science and art of management should go together and are both mutually interdependent and complimentary.

Functions of Management

Leading

Quality of manager whereby they inspire confidence and trust in their subordinates, get maximum cooperation from them and guide activities to achieve

standards, measuring actual performance and taking corrective

rolling

Planning

Organizing

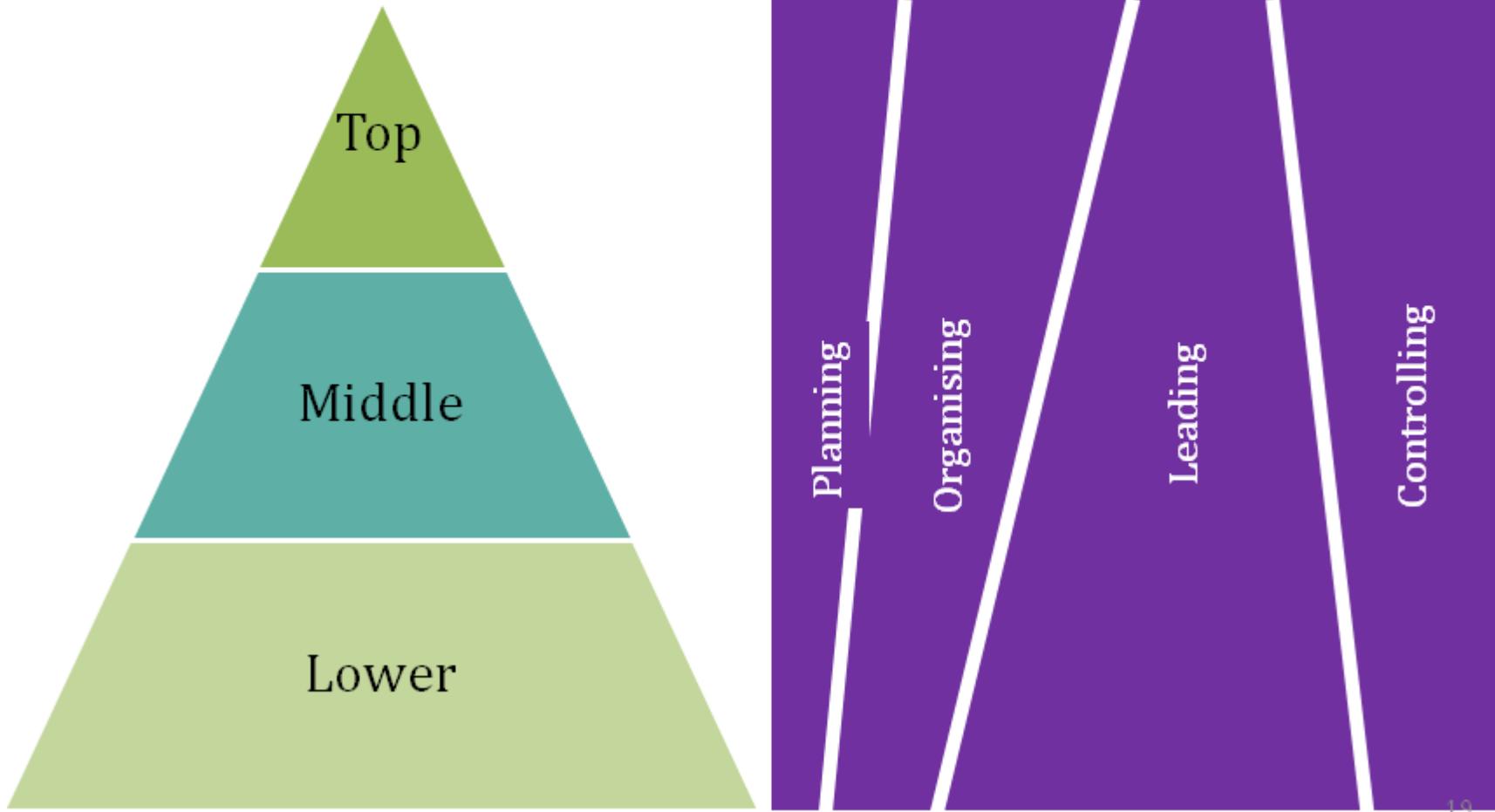
Staffing

Involves manning the organization through proper and effective selection, appraisal and development of the employees

The process of establishing goals and suitable course of action to achieve those goals

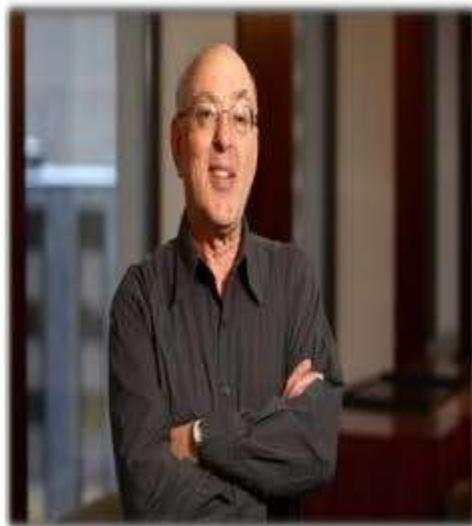
The process of grouping various activities to be done and assigning duties and responsibilities to people

Functions of management



Managerial roles

- *Henry Mintzberg* after systematically studying the activities of 5 CEOs in a variety of organizations came to the conclusion that executives do not only perform the classical managerial functions of planning, organising, leading and controlling.



Henry Mintzberg, a well-known management researcher, undertook a careful study of five chief executives (*consulting firm, school, hospital, technology firm and consumer good manufacturer*) at work.

Managerial roles

- Managers play 10 different but interrelated roles at various times to varying degrees.
 1. Interpersonal roles
 2. Informational roles
 3. Decisional roles



Managerial roles



Interpersonal roles

1. Figure head
2. Leader
3. Liaison



Informational roles

1. Monitor
2. Disseminator
3. Spokes person



Decisional roles

1. Entrepreneur
2. Disturbance handler
3. Resource allocator
4. Negotiator

Managerial roles



ROLE	DESCRIPTION	IDENTIFIABLE ACTIVITIES
Figurehead	<i>Symbolic head</i> , obliged to perform a number of routine duties of a legal or social nature.	<i>Greeting visitors</i> , signing legal documents.
Leader	Responsible for the <i>motivation and activation of employees</i> , responsible for staffing, training, and associated duties.	Performing virtually all <i>activities that involve outsiders</i> .
Liaison	<i>Maintains self-developed network</i> of outside contacts and informs who provides favour and information.	<i>Acknowledging mail</i> , doing external board work; performing other activities that involve outsiders.

ROLES	DESCRIPTION	IDENTIFIABLE ACTIVITIES
Monitor	<p><i>Seeks and receives</i> wide variety of special information (much of it current) through develop through understanding of organization and environment; emerges as <i>nerve centre of internal and external</i> information about the organization.</p>	<p><i>Reading</i> periodicals and reports; maintaining <i>personal contacts</i></p>
Disseminator	<p><i>Transmits information</i> received from other employees <i>to the members</i> of the organization – some information is <i>factual</i>, some involves <i>interpretation and integration of diverse value</i> positions of organizational influences</p>	<p>Holding <i>informational meeting</i>; making <i>phone calls</i> to relay information</p>
Spokesperson	<p><i>Transmits information</i> to <i>outsiders</i> on organization's plans, policies, actions, results, etc. serves as expert on organization's industry</p>	<p>Holding <i>board meetings</i>; giving information to <i>the media</i></p>

ROLES	DESCRIPTION	IDENTIFIABLE ACTIVITIES
Entrepreneur	Searches organization and its environment for opportunities and initiates “ <i>improvement</i> programs <i>projects</i> ” to bring change; supervises design of certain projects as well	<i>Organizing strategy and review sessions</i> to develop new and
Disturbance handler	Responsible for <i>corrective action</i> when organization faces important disturbances	Organizing strategy and review sessions that <i>involve disturbances and crises</i>
Resource allocator	Responsible for <i>the allocation of organizational resources</i> of all kinds – in effect, the activity that involves <i>budgeting</i> making or approval of all significant organizational decisions	<i>Scheduling</i> ; requesting authorization; performing any all kinds – in effect, the activity that involves <i>budgeting</i> making or approval of all significant organizational decisions
Negotiator	Responsible for <i>representing</i> the organization <i>at major negotiations</i>	Participating in <i>union contract</i> the organization <i>at major negotiations</i> or in those with <i>negotiations suppliers</i>

Managerial roles



- Managerial roles refers to the specific action or behaviour expected from the manager
Example – Consider yourself (student, son/daughter, citizen etc)



First-Level Managers



Middle Managers



Top Managers

Managerial Skills

Robert L. Katz developed an approach to describe the skills of management

He concluded that managers need three essential skills

1. Technical skills
2. Human skills
3. Conceptual skills

Managerial Skills

1. Technical skills



- Technical skills are the *job – specific knowledge* and techniques needed to perform *proficiently*. These skills are more important for *first line managers*, as they directly deal with the line employees.

Managerial Skills

2. Human skills



Involves the *ability to work well with other people* both individually and in groups. These skills are important to *all level of managers*. Managers with good human skills get the best out of their people.

Managerial Skills

3. Conceptual skills



Managerial Skills

3. Conceptual skills

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Internal and external environment of management

The works of all managers are affected by

1. Internal environment
2. External environment
 - a. *Specific environment (task or industry environment)*
 - b. *General environment*



Internal and external environment of management

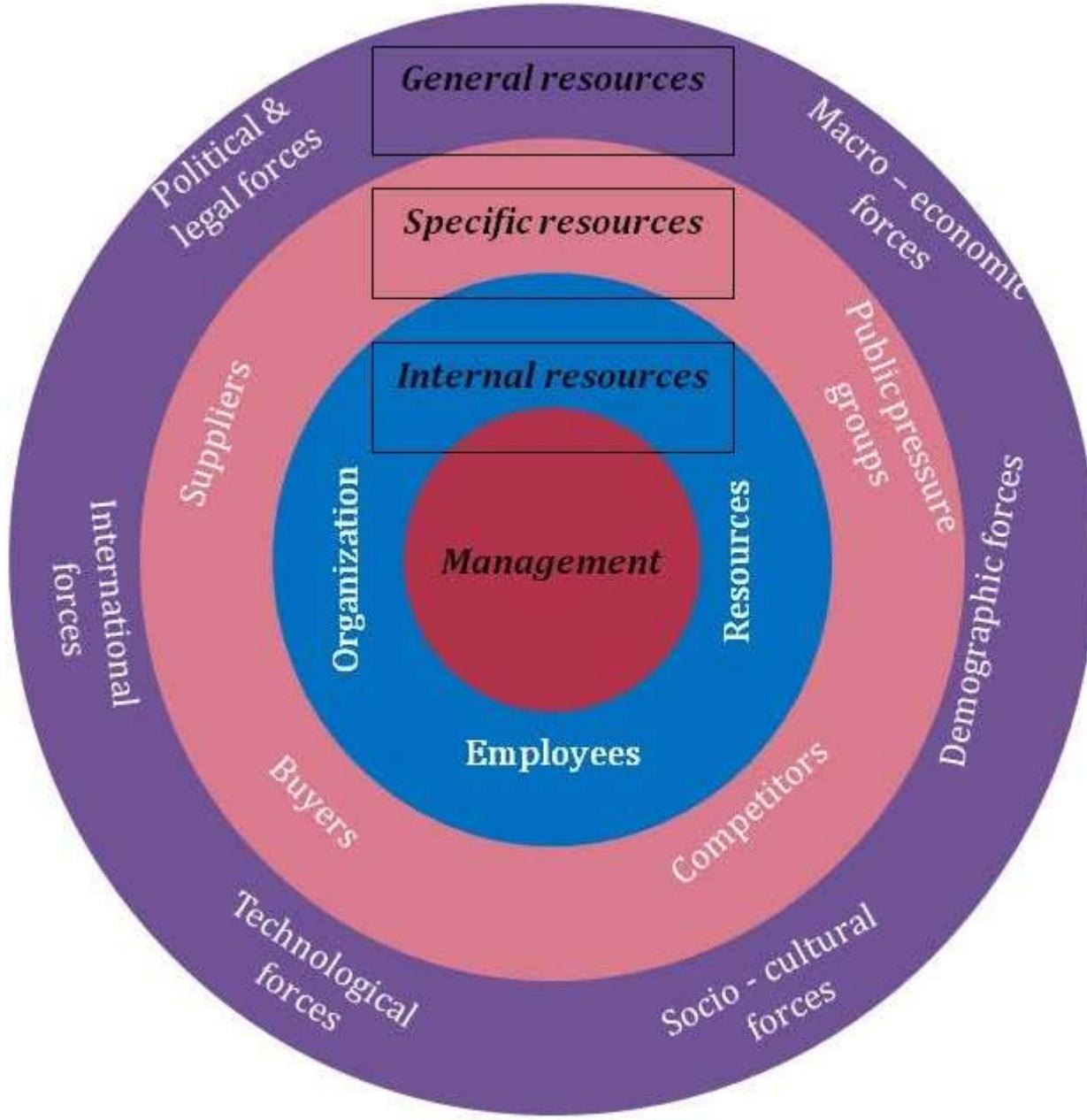
- *Specific environment (task or industry environment)*
 1. *Suppliers*
 2. *Buyers*
 3. *Competitors*
 4. *Public pressure groups*



Internal and external environment of management

- *General environment*
 1. *Demographic forces*
 2. *Socio-cultural forces*
 3. *Technological forces*
 4. *Political & legal forces*
 5. *Macro – economic forces*
 6. *International forces*





The global perspective of management

- The international market is concerned with managerial issues related to the flow of people, goods and money with the ultimate aim of managing better in situations that involve crossing the national boundaries.
- Free market agreements have made the fall of trade barriers which poses a serious threat to the manager because they increase competition in the task environment.
- The environment factors that affect domestic firms usually are more critical for international corporations operating in foreign coun



The global perspective of management

- There is a need for more of global managers, they not only handle the professional goals but also handle cultural difference and human interaction at workplace.
- The global economy creates opportunities because, with the entire world as a market place and national borders becoming irrelevant, the potential for organizations to grow and expand increases dramatically.
- It can create challenges in that new competitors can suddenly appear anytime, anywhere, and managers who don't respond quickly to changes are likely to find their organizations' survival in doubt.



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TYPES OF MANAGERS



Who is a Manager ?



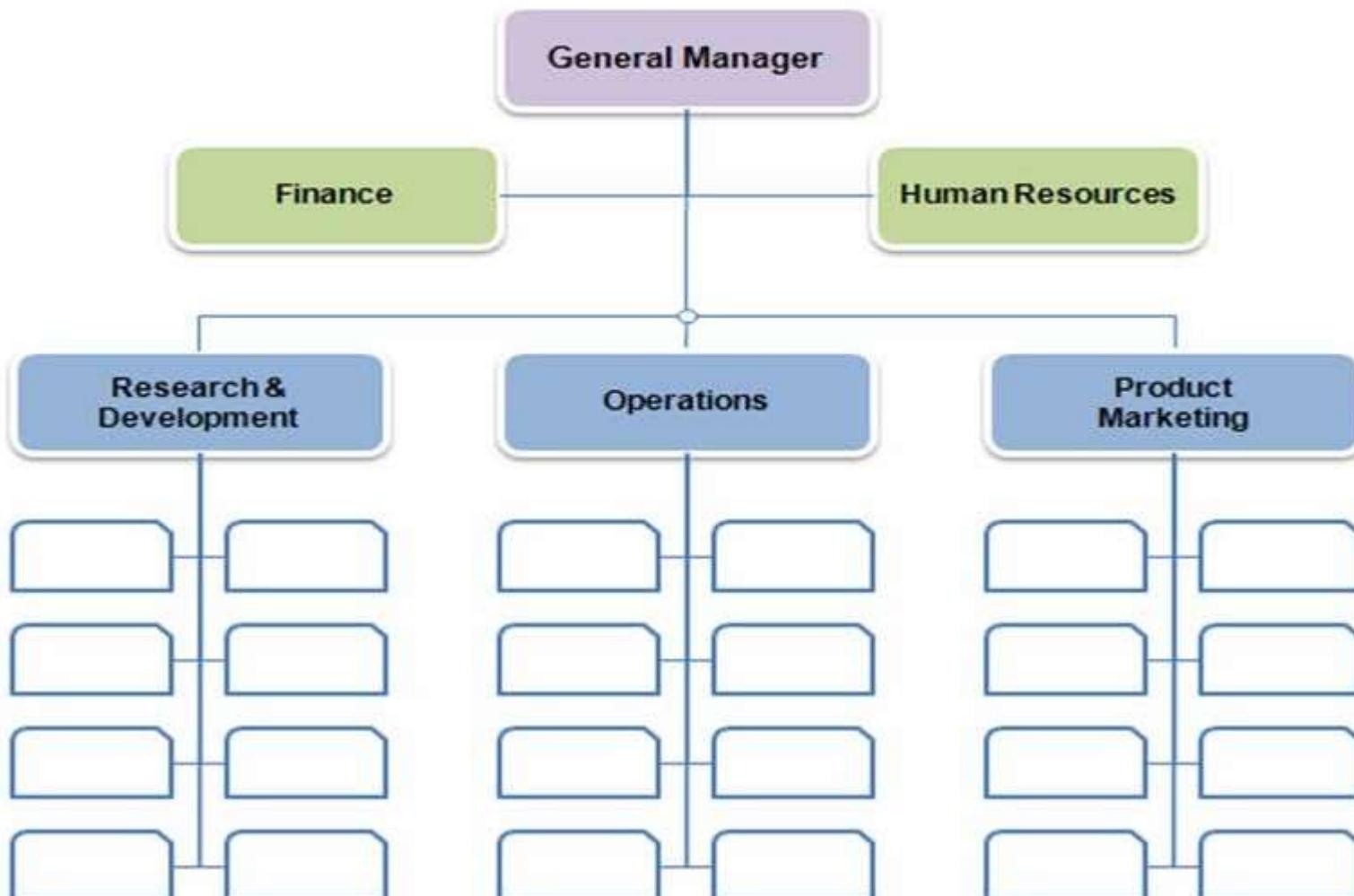
In simple words, a manager is someone who coordinates and oversees the work of other people so that organizational goals can be accomplished

Manager types



Manager types

Functional Organizational Structure



Manager types



Top managers are responsible for making organization Wide decisions, establish the plans & goals that impact over entire organisations

Top Managers



E.g. Executive, vice-president, president, director, chief operating / executing officer.

Middle Managers



They are found *between first – line managers and top managers. Manage the work of first – line managers.*

Middle Managers



E.g.: Regional manager, project leader, store manager or division manager

First line Managers



Manage the work of non – managerial employees.

First – line managers are usually called as supervisors.

First line Managers



First – Line Managers:

E.g.: *Shift managers, District managers, Department managers or office managers.*

Need of studying management theories

- Coherent group of assumptions put forth to explain the relationship between two or more observable facts and to provide a sound basis for predicting future events.
- It provide a stable focus for understanding what we experience
- Enable us to communicate efficiently and thus move into more and more complex relationships with other people (imagine the frustration you would encounter with other people, you always had to define even the most basic assumption you make about the world in which you live).
- Theories Make it possible-indeed, challenge us-to keep learning about our world.
- By definition, theories have boundaries; there is only so much that can be covered by any one theory.
- Once we are aware of this, we are better able to ask ourselves if there are alternative ways of looking at the world.

Evolution of management theories

- The development of management approach has been evaluated in nature under the following three parts:
 - Classical management approach (1880 – 1930)
 - Neo-classical management approach (19
 - Modern management approach (1950 or



Schools of Management Thought

- Scientific Management School
- Classical Organization Theory school
- Behavioral School
- Management Science School
- The System Approach
- The Contingency Approach
- Dynamic Engagement Approach

Management theories

Classical management approach

- Scientific management
- Administrative management
- Bureaucracy management

Neo-classical management approach

- Human relation movement
- Behavioral approach

Modern management approach

- Systems approach
- Contingency management theory
- Theory Z
- Management science

Classical approach

- Consists of a group of similar ideas on the management of organizations that evolved in the late 19th century and early 20th century.
- These theories evolved as a result of industrial revolution in England, in response to the growth of large organizations and in contrast to the handicraft system that existed till then.
- The primary contributions of the classical approach are
 - Application of science to the practice of management
 - Development of basic management functions
 - Application of specific principles of management

Scientific management

- It is the result of applying scientific knowledge and scientific methods to the various aspects of management and various problems that arise from them.
- Introduced a logical, systematic approach to work and do the management of work.
- Provides managers with a scientific basis for solving problems and making decisions.
- Arouse out of a need to improve manufacturing productivity through more efficient use of physical and human resources.
- Improved productivity by the use of standardised tools, equipment and methods, improves quality of products by research, quality control and inspection and reduces cost of production by cost control techniques.
- Eliminates wastages in the use of resources, time and methods of manufacturing.
- Places right man on the right job by proper selection and training, ensures fair wage to the workers.

Scientific management



Frederick W Taylor

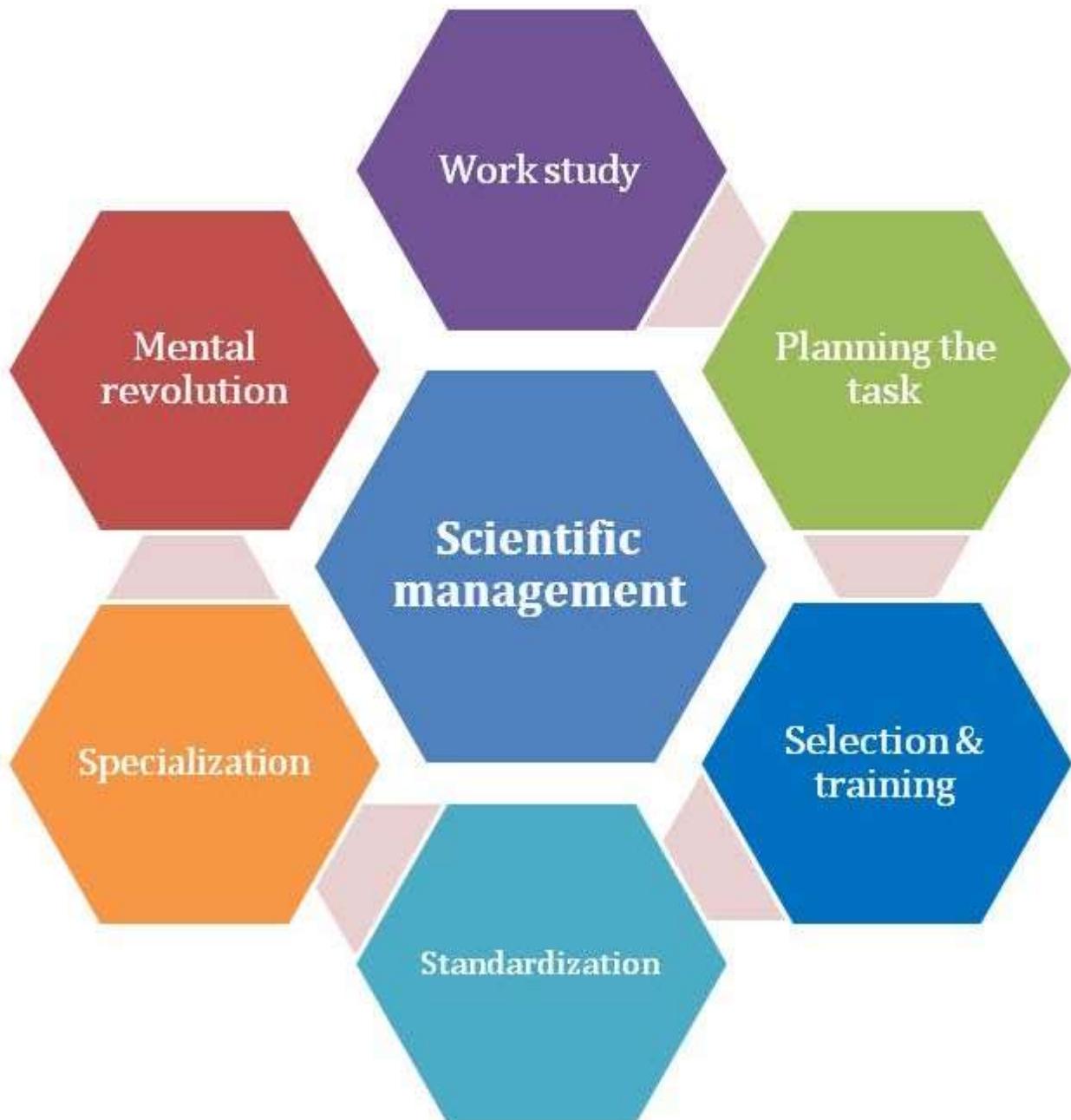
Henry Gantt

Harrington Emerson

Frank and Lillian Gilberth

Contributions of F W Taylor

- Known as father of scientific management.
- According to Taylor, *scientific management is an art of knowing exactly what you want your men to do and seeing that they do it in the best and cheapest way.*
- If a work is analysed scientifically it will be possible to find one best way out of it.
- In his book, *Principles of scientific management*, he formulated a view on management which was highly inspired by engineering principles.



Elements of scientific management

1. Work study

- Systematic, objective and critical examination of all the factors governing the operational efficiency of any specified activity in order to effect improvement.
 - Taylor advocated scientific study of the task to find the best work method rather than relying on traditional methods handed down from one worker to another.
- Method study
 - Motion study
 - Time study
 - Fatigue study
 - Rate setting – Differential piece wage system

Elements of scientific management

a. Methods study

- Systematic, objective and critical examination of all the factors governing the operational efficiency of any specified activity in order to effect improvement.
- Concerned with reduction of the work content and establishing the one best way of doing the job.

b. Motion study

- Study of the movement of an operator (or a machine) in performing an operation with the purpose of eliminating useless motions.

c. Time study

- To determine the proper time for performing an operation.
- Conducted after motion study.

Elements of scientific management

d. Fatigue study

- If a standard task is set without providing measures to eliminate fatigue, it may either be beyond the workers or the workers may over strain themselves to attain it.
- Hence regulate the working hours and provide rest pauses at scientifically determined intervals.

e. Rate setting – Differential piece wage system

- Introduced with a view to provide greater incentive to efficient workers.
- Standard task is fixed by the help of time and motion studies, and two piece rates are set up for each job – a high price rate for efficient workers and low price rate for less efficient workers.
- High piece rate for those who produce equal or more than standard work.
- Low rate for those who fail to reach the standard.

Elements of scientific management

2. Planning the task

- Having set the task which an average worker must strive to perform to get wages at the higher price rate, necessary steps have to be taken to plan the production thoroughly so that there is no bottle neck and the work goes on systematically.

3. Selection & training

- Workers must be chosen on scientific basis considering their education, experience, skills, physical strength etc.
- Employees should be offered work for which they are physically and technically perfect.
- Adequate importance should be given to training.

Elements of scientific management

4.

Standardization

- Aims at providing a pre-determined standard for everything.
 - Converts the entire process into a routine to increase the efficiency of workers and reduce costs.
- Standard product
 - Standard material
 - Standard tools and materials
 - Standardised working conditions

Elements of scientific management

a. Standard product

- Determines the design, form, size and quality of the product to suit the requirements of variety of customers.

b. Standard material

- To obtain standardized products, raw materials should be of a good quality and of standard type.

Elements of scientific management

c. Standard tools and equipment

- Workers must be provided standardized tools and equipment.
- Economies the maintenance cost.

d. Standardized working conditions

- Working conditions denote the physical setup in which a worker is required to work.
- It includes working space, cleanliness, safety, lighting, ventilation, temperature, humidity etc.
- Excellent working conditions should be provided to the workers on a uniform pattern.

Elements of scientific management

5. Specialization

- Functional foremanship for achieving specialization.
- It was developed to improve the quality of work as single supervisor may not be an expert in all aspects of the work.
- Workers are supervised by several supervisors (foreman).

6. Mental revolution

- Involves a change in the attitude of workers and management towards each other.
- Both should realize the importance of each other and should work with full co-operation.
- Workers should put in their best efforts so that the company makes profit and on the other hand management should share part of profits with the workers.

Principles of scientific management

- Analyse work scientifically
- Divide work and responsibility
- Select workers best suited to perform specific tasks
- Provide guidelines for worker performance
- Achieve support and cooperation from workman

Benefits of scientific management

- Division of labour
- Reduction in cost of production
- Better quality products
- Provision of better working conditions
- Proper methods of selection and training of workers
- Increased wages for efficient workers
- Lesser production time
- Better utilisation of resources

Weaknesses in scientific management

- Exploitation of workers
- Problem of unity of command
- Mechanical approach
- Wrong assumptions
- Narrow application

Contributions of Henry Gantt

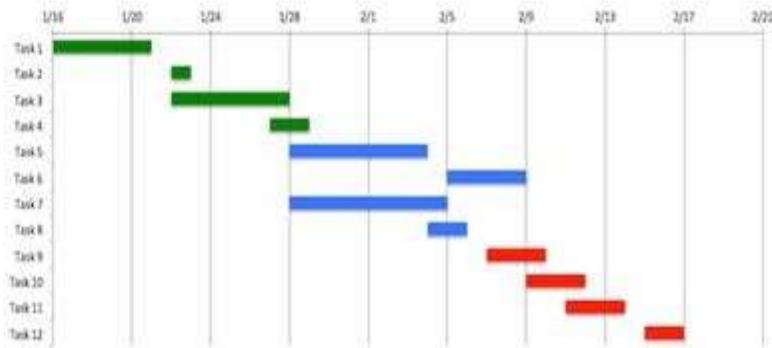
1. Improved Taylor's *differential piece rate system* and brought out *task and bonus plan*.

Workers received a day's wage even if he doesn't complete the task. But if completed in less than prescribed time, he receives a bonus.

2. Developed daily balance chart, known as *Gantt's chart*.

Shows work progress against time.

Proved to be voluntary in the area of production, planning and control.



Contributions of Frank Gilbreth and Lillian Gilbreth

- Micro-motion study
- Therbligs

⌚ Search	[U] Use
👁 Find	[#] Disassemble
→ Select	[O] Inspect
为抓 Grasp	[P] Preposition
[吊] Hold	[R] Release Load
[手] Transport Loaded	[H] Unavoidable Delay
[空] Transport Empty	[L] Avoidable Delay
⌚ Position	[P] Plan
[#] Assemble	[R] Rest

Contributions of Harrington Emerson

- Introduced the term *efficiency engineering*. Efficiency means that the right thing is done in the right manner, by the right man, at the right place, in the right time.
- In order to determine wages, he developed *Emerson efficiency plan*. Encouraged the efficient workers to increase their efficiency. Efficient workers are paid bonus for their work efficiency.

Administrative management

- When scientific management focused on the productivity of the individual worker, the administrative approach focused on the total organization.
- In scientific management, emphasis was on first line supervision, whereas in administrative management emphasis is on higher level management.
- Business enterprise can be divided into 6 groups:
 1. Technical
 2. Commercial
 3. Financial
 4. Security
 5. Accounting
 6. Managerial

Henri Fayol's principles of management

- Henry Fayol is the father of modern management theory.
- Henry Fayol strongly felt that the managers should be guided by certain principles and he developed the principles of management.
- These principles provide modern day managers with general guidelines on how a supervisor should organise his department and manage his staff.

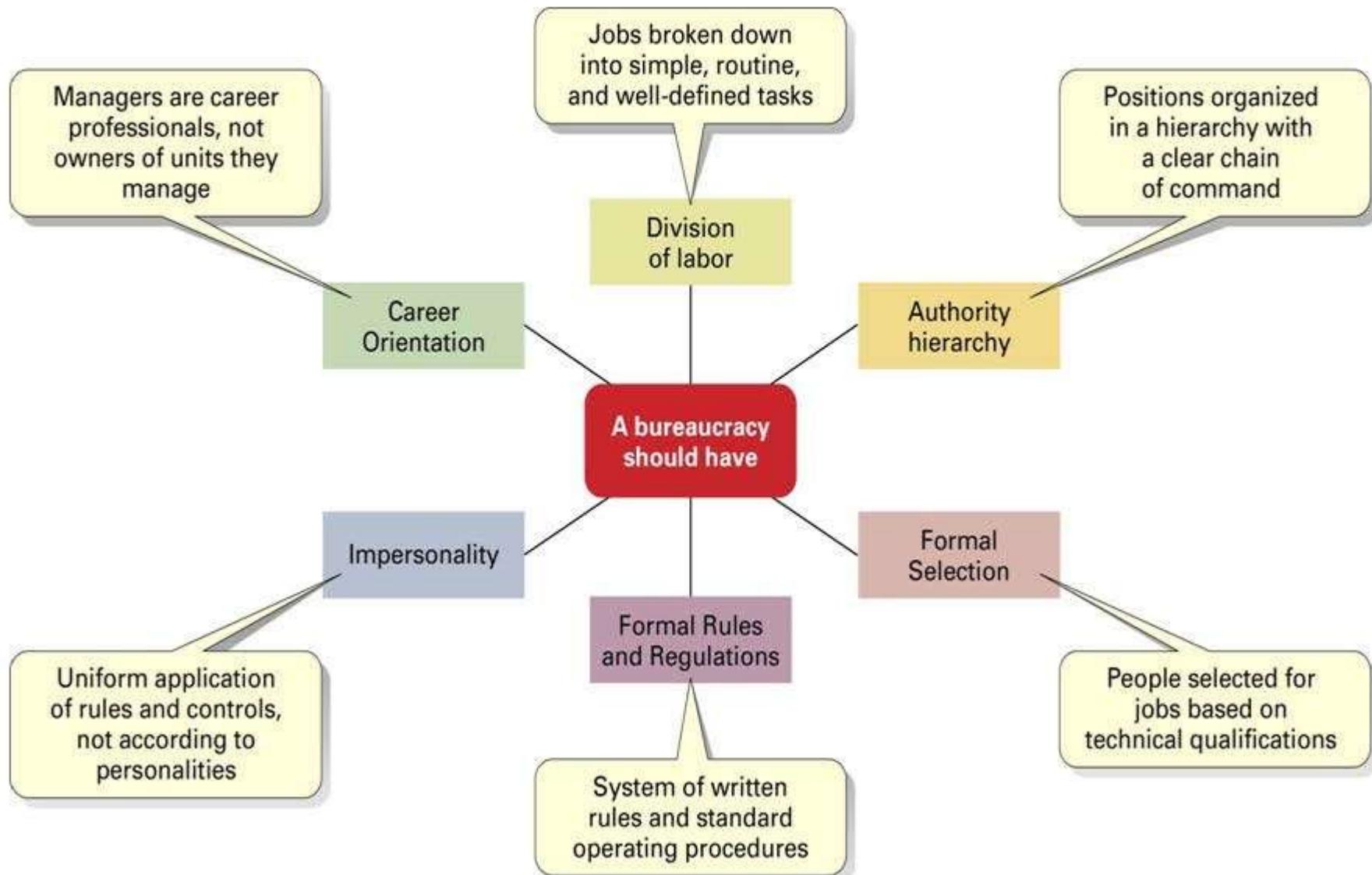
Henri Fayol's principles of management

- 1. Division of labour
- 2. Authority and responsibility
- 3. Discipline
- 4. Unity of command
- 5. Unity of direction
- 6. Remuneration
- 7. Degree of centralisation
- 8. Equity of treatment
- 9. Stability
- 10. Initiative
- 11. Order
- 12. Scalar chain
- 13. Subordination of individual to general interest
- 14. Esprit de corps

Bureaucracy management approach

- Bureaucratic approach was developed by German economist Max Weber.
 - Well defined rules and regulations.
 - High degree of division of labour and specialisation.
 - Well defined hierarchy of authority.
 - Formal and impersonal relations among the members of organization.
 - Interpersonal relations based on positions and not personalities.
 - Selection and promotion is based on technical qualifications.
 - Only bureaucratic or legal power is given importance.

WEBER'S IDEAL BUREAUCRACY



Neo-classical approach

- Neo-classical approach focused on the factors that affect human behaviour at work.
- Typical approach focused on motivation, communication, leadership and employee behaviour.
- Two branches that contributed to the neo-classical approach:
 - Human relation movement
 - Behavioural approach

Human relation movement by Elton Mayo

- Elton Mayo is considered as the father of the human relations management. Human relations movement grew from the Hawthorne studies (1927 – 1932).
 - Industrial organization should be viewed as a social system made up of interdependent parts.
 - Social and psychological factors are responsible for workers productivity and job satisfaction.
 - Financial incentives cannot alone increase the performance.
 - Revealed the need of recognition, security and sense of belongingness.
 - Supervisory style and practices have a great impact on the mental attitude and behaviour of work groups.
 - Good communication between supervisors and subordinates improve productivity.
 - Special attention and freedom to express the employers views.

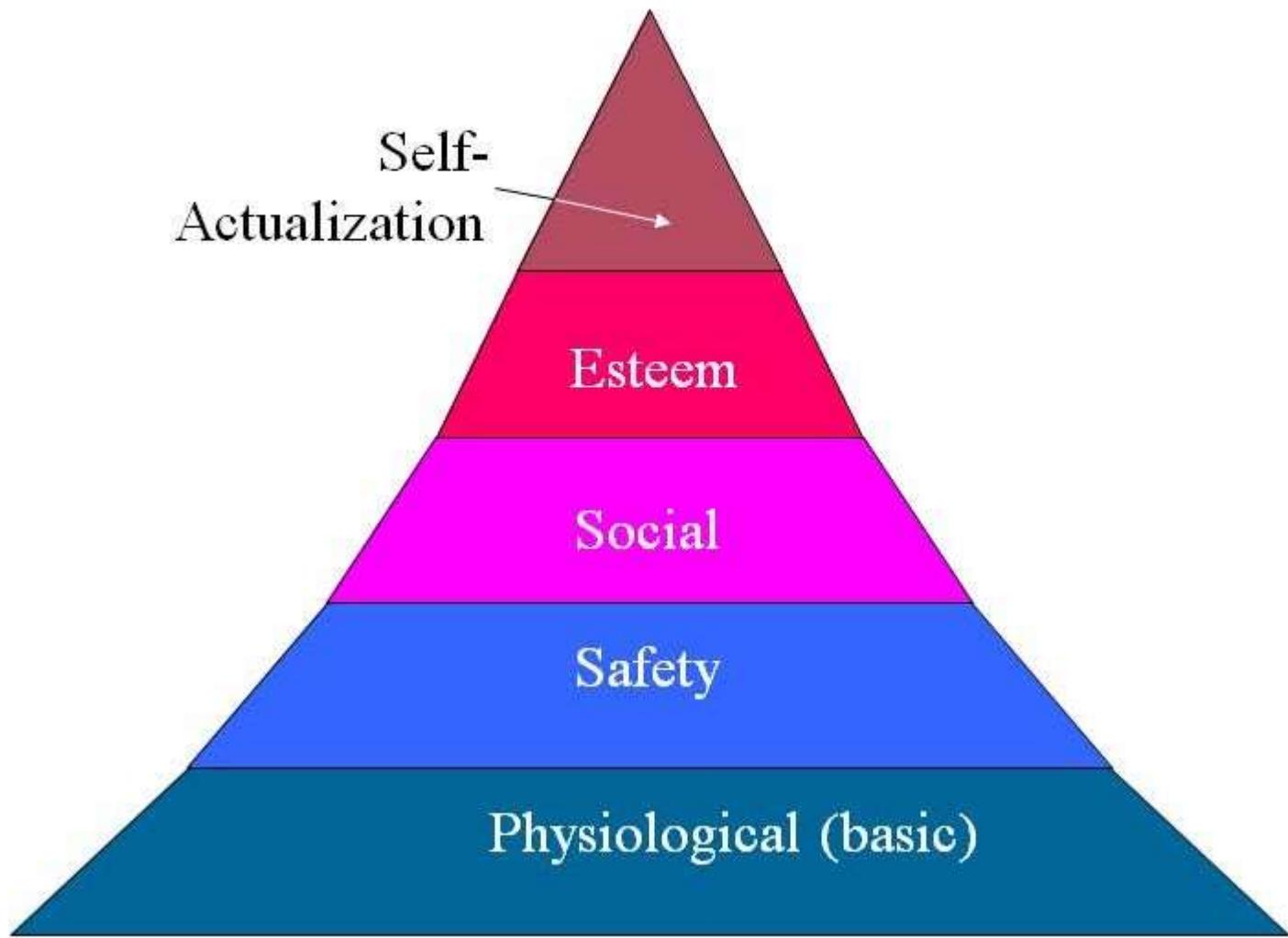
MARY PARKER FOLLETT

- She introduce new element, specially in the new area of human relation and organizational structure.
- Follett was convinced that no one could become a whole person except as a member of a group;
- Human relationship with others in organization.
- She called Management as “art of getting things done through people”
- Follett’s “holistic” model of control took into account not just individuals and groups, but the effect of such environment factors as politics, economic, and biology.
- In her model she gave an idea that management meant more than just what was happening inside a particular organization.

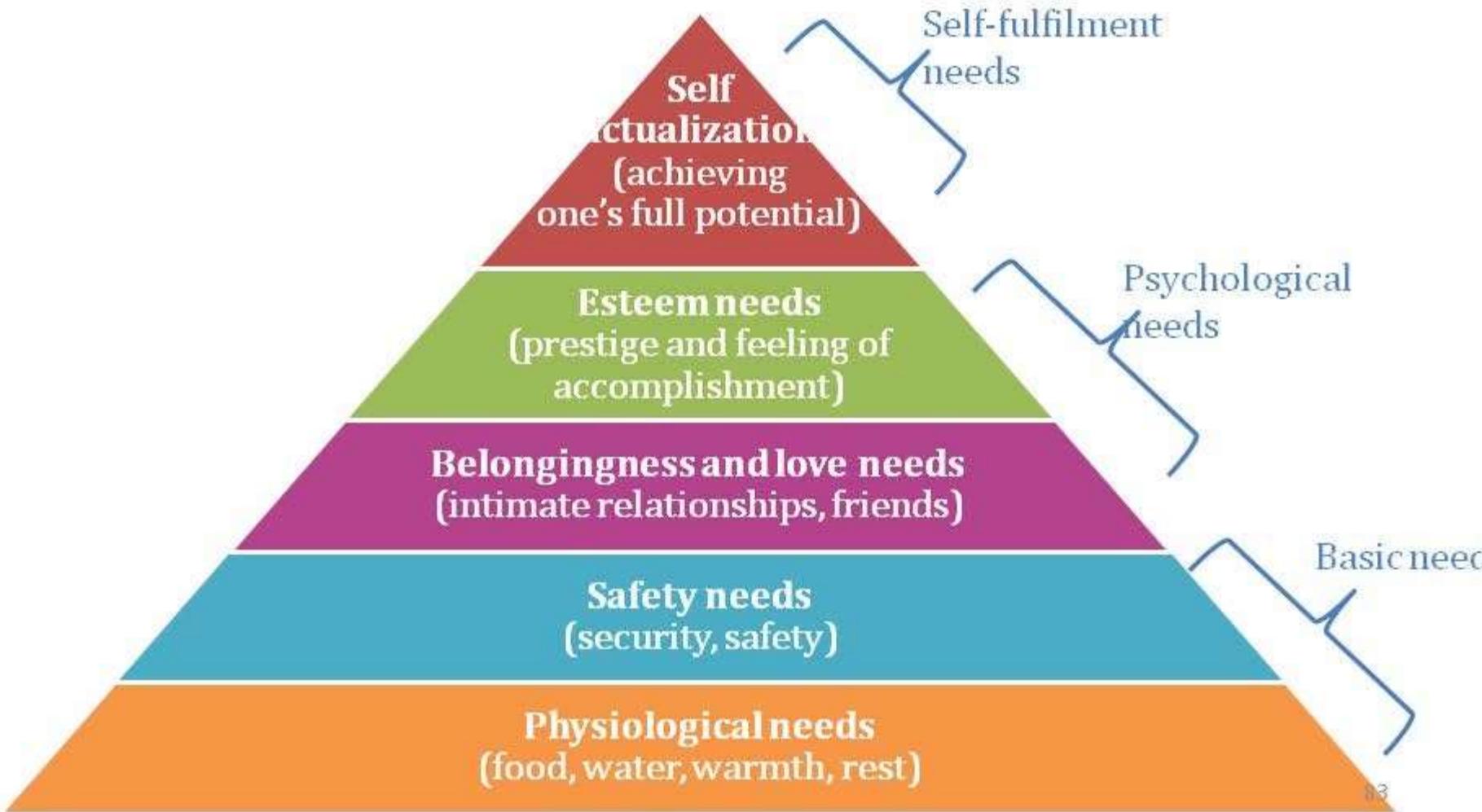
Behavioural approach

- Focused mainly on psychological needs as a means of achieving economic goals.
- Emphasis on individual attitudes and behaviours and on group processes in the workplace.
- A better understanding of human behaviour at work, such as motivation, conflict, expectations and group dynamics improved productivity.
- Employees were viewed as individuals, resources and assets to be developed and worked with, not as machines, as in the past.
- Among the best known contributors who helped behavioural approach are **Abraham Maslow** and **Douglas McGregor**.

A Maslow's theory



'Hierarchy of needs theory' by Abraham Maslow



'Theory X' & 'Theory Y' assumptions by Douglas McGregor

Theory X assumptions

- Average human beings have an inherent dislike of work and will avoid it if they can.
- Because of this human characteristic of disliking work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
- Average human beings prefer to be directed, wish to avoid responsibility, have relatively little ambition and want security above all.

'Theory X' & 'Theory Y' assumptions by Douglas McGregor

Theory Y assumptions

- The expenditure of physical and mental effort in work is as natural as play or rest.
- External control and threat of punishment are not only means for producing effort toward organizational objectives.
- People will exercise self direction and self control in the service of objectives to which they are committed.
- The degree of commitment to objectives is in proportion to the size of the rewards associated with their achievement.
- Average human beings learn, under proper conditions, not only to accept responsibilities, but also seek it.
- The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
- The intellectual potentialities of the average human being are only partially utilised.

'Theory X' & 'Theory Y' assumptions by Douglas McGregor

Theory X	Theory Y
Pessimistic view of workers	Optimistic view of workers
Human beings are inherently distasteful towards work	For human beings, work is natural as play or rest.
People do not have ambitions and try to avoid responsibilities	Assumes that people have ambitions and are eager to take up responsibilities in jobs
People have little capacity creativity	Creativity is widely distributed
Lack self motivation	People are self directed
Managers are result oriented	Managers are welfare oriented

'Theory X' & 'Theory Y' assumptions by Douglas McGregor

1. Theories X and Y are just assumptions only. They are not prescriptions or suggestions for managerial strategies. These assumptions must be tested against reality.
2. Theories X and Y do not imply hard or soft management. Effective management recognizes the dignity and capabilities as well as limitations of people and adjust behaviour as demanded by situation.
3. Theories X and Y are not to be viewed as being on a continuous scale, with X and Y on opposite extremes.
4. Under theory Y, authority is seen as only one of the many ways a manager exerts leadership.
5. The variety of tasks and situations requires different approaches to management.

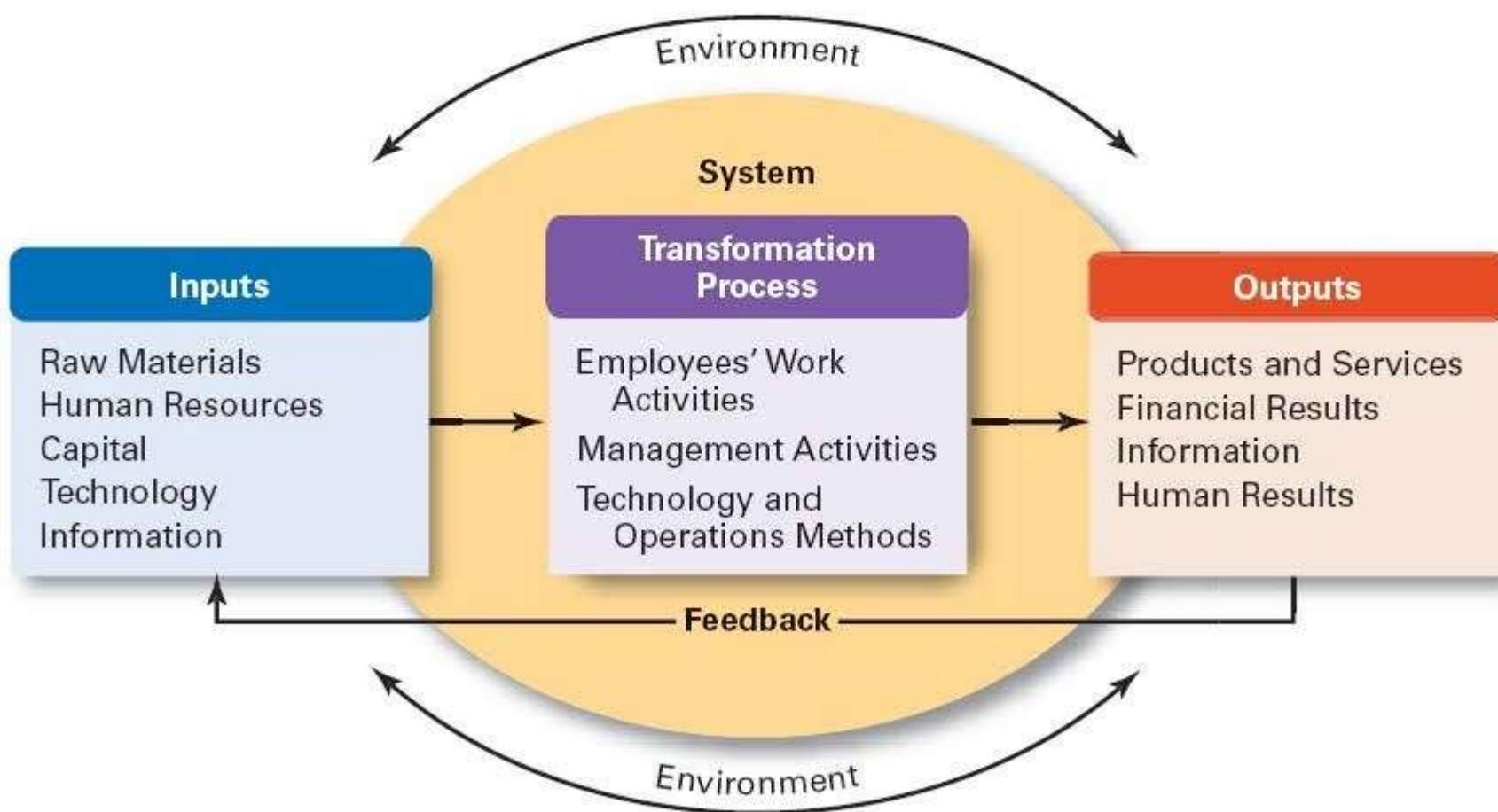
Modern management approaches

- Sees organizations as complex systems and uses modern techniques to solve organizational and human problems.
- Important modern management approaches are:
 - Systems approach
 - Contingency management theory
 - Theory Z approach
 - Management science approach

Systems approach

- The approach is based on the concept that organizations can be visualised as systems.
- A system is a set of interrelated parts that operate as a whole to achieve common goals.
- The full system is made up of many parts. Each of these parts is called a subsystem. A system may be a subsystem of a larger system.
- A system can either be open or closed.
- Output of a system is always more than the combined output of its parts. This is called synergy.
- In organizational terms, synergy means that as separate departments within organization cooperate and interact, they become more productive than if they had acted in isolation.

The Organization as an Open /Closed System



Systems approach

- An organization is a system consisting of many interrelated and interdependent sub-systems.
- The sub-parts should be studied in their inter-relationships rather than in isolation.
- The organization is responsive to environmental effect.
- As a system, an organization draws inputs (energy, info, materials etc.) from its environment. It transforms these inputs and returns the output into the environment in the form of goods and services.
- Organization is an open system and it interacts with its environment.

Systems approach

- Stresses the absence of a single best way to manage and emphasizes the need for managerial strategies based on all relevant facts.
- Each manager's situation must be viewed separately, a wide range of internal and external factors must be considered and then focus should be on the action that best fits the situation.
- Managers need to be developed in skills that are most useful in identifying the important situational factors.
- They should be able to identify which technique, in a particular situation, will best contribute to the attainment of management goals.

Contingency management approach

- Management is externally situational; the conditions of the situation will determine which techniques and control system should be designed to fit the particular situation.
- There is no best way of doing things.
- One needs to adapt himself to the circumstances.
- It is kind of ‘if’ ‘then’ approach.
- It is practically suited.
- Management policies and procedures should respond to environment.
- It is highly dependent on the experience and judgement of the manager in a given organizational approach.

Benefits of contingency management approach

- ✓ Guides the manager to be adaptive to environment.
- ✓ Tells management to be practical and open minded.
- ✓ It is an improvement over systems approach.
- ✓ Examines relationship between sub-systems of the organization and also the relationship between the organization and its environment.

‘Theory Z’ by William Ouchi

- William Ouchi made a comparative study of American and Japanese management practices and he developed Theory Z which is a combination of American and Japanese management philosophies.

American organization	Japanese organization
Short term employment	Lifetime employment
Individual decision making	Collective decision making
Individual responsibility	Collective responsibility
Rapid evaluation and promotion	Slow evaluation and promotion
Explicit control mechanisms	Implicit control mechanisms
Specialised career paths	Non-specialised career paths
Segmented concern for employee	Holistic concern for employee

‘Theory Z’ by William Ouchi

- Long term employment and job security
- Individual responsibility
- Collective decision making
- Slow evaluation and promotion
- Moderately specialised carriers
- Concern for total person, including family

Dynamic Engagement Approach

- The view that time and human relationship are forcing management to rethink tradition approach in the face of constant, rapid change.
- The term Dynamic Engagement best expresses other vigorous way today's most successful managers focus on human a relationship and quickly adjust to changing conditions over time.
- The management has come limelight after 1990s.

Contemporary Trends in Management Thinking

- Changes in socio – economic and political conditions are bound to bring the changes in environment within the organization.



Contemporary Trends in Management Thinking

Workforce diversity: The biggest challenge for an organization will be accommodating diverse groups of people at work place. If an organization succeeds in this, it can increase the creativity and innovation.



Contemporary Trends in Management Thinking

Changing demographics of workforce: Increase in young workers, friends, women employees, etc. Such workforce requires to be handled with circumspection.



Contemporary Trends in Management Thinking

Changing employee expectation: organization have to redraw new methods of motivation such as job design. In terms attractive remuneration (housing, job security, empowerment, etc.)



Contemporary Trends in Management Thinking

Organization design and structure: Designing an organization with foreign concepts such as qu



Contemporary Trends in Management Thinking

Technological up gradation: In wake of technological advances, new jobs will be created and many old jobs will become redundant.



Contemporary Trends in Management Thinking

Management of human relations: Satisfaction of employees. Ego based on qualification of employees.



Contemporary Trends in Management Thinking

Changes in legal environment: Change in political situation, women working in night shift.



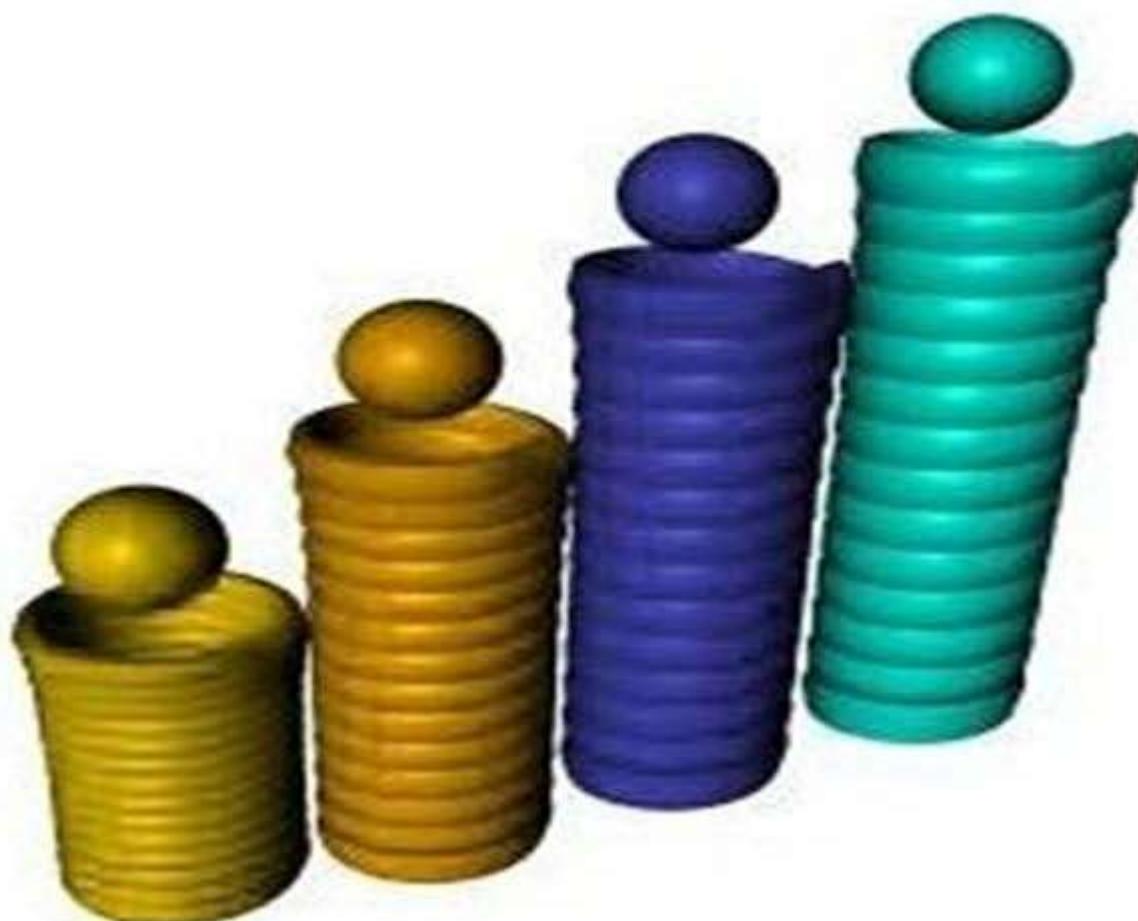
Contemporary Trends in Management Thinking

Change in industrial relations : Tie up with industries.



Contemporary Trends in Management Thinking

Expanding globalization: Business have crossed national boundaries.



Contemporary Trends in Management Thinking

Adaptability:



Contemporary Trends in Management Thinking

Indian business in the globalization: New Industrial Policy (NIP) 1991. Advances in technology in area of telecommunication transportation and IT have made possible the global business.



Contemporary Trends in Management Thinking

Globalization means integration of countries through commerce, transfer of technology, and exchange of information and culture.



Contemporary Trends in Management Thinking

Multi National Corporations: An enterprise operating in several countries but managed from home country.



Contemporary Trends in Management Thinking

Multi National Corporations: Any company or group that derives a quarter of its revenue from operations outside of its home country is considered as MNC.



Contemporary Trends in Management Thinking

- Advantages:
- Inexpensive labor.
- Availability of natural resources.
- Favorable tax arrangements.
- Fresh markets for products.
- New jobs with higher pay and greater challenge.
- Transfer of advanced technology.
- Array of social benefits from sharing.