MANAGEMENT PRINCIPLES AND PRACTICE (MPPR 210)

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Outline

- Introduction to Management
- Definition of Management
- Functions of Management
- Levels of Management

Unit A: Introduction to Management

- Before 1980s, the curricula emphasized on technical aspects of management, focusing on economics, accounting, finance, etc. and courses on human behaviour and people skills had less attention.
- But currently, leadership and communication skills have become the core in distinguishing managers with a good career path.
- Recent surveys have highlighted that interpersonal skills help organisations attract high performing employees.
- Among others, social relationships among co-workers and supervisors seem to be strongly related to overall job satisfaction and positive social relationships are also associated with lower stress at work and lower quitting intentions.

Introduction to Management

- Above all, managers with good interpersonal skills make the workplace more pleasant.
- These managers who relate well with employees with supportive dialogue and proactivity will find that their ideas are often more endorsed and further improving workplace satisfaction.
- For these reasons, courses on social entrepreneurship have started finding their way into the curricula as universities started incorporating these to address future leaders social issues withing their organisations with interpersonal skills.
- In today's competitive and demanding workplace, managers cannot succeed on their own technical issues alone. They have to have good people skills, and hence this course of management principles and practice.

So What is Management?

- Managers primary challenge is to solve problems creatively. Therefore, Management is the art of getting things done through the efforts of other people.
- The principles of management then are the means by which you actually manage or get things done through others, individually, in groups or in organisations.
- Formally defined, the principles of management are the activities that "plan, organise and control the operations of the basic elements of people, providing direction and coordination and giving leadership to human efforts, so as to achieve the sought obejctives of the enterprise"
- The notion of principles of management was developed by French management theorist Henri Fayol (1841-1925).

Definition of Management

- Henry Fayol is credited with the original planning-organising-leading-controlling framework (P-O-L-C) which still remains the dominant management framework.
- Managers are required in all activities of organisations: budgeting, designing, selling, creating, financing, accounting and artistic presentation.
- The larger the organisation, the more managers are needed.
- Everyone employed in an organisation is affected by management principles, processes, policies and practices as they are either a manager or a subordinate to a manager and usually they are both (manager and subordinate).

The Functions of Management

- Managers perform 5 (major) management functions and these are: planning, organising, commanding, coordinating and controlling.
- However, these have been condensed into four (4).
- Remember that organisations exist to achieve goals, and they need someone to define those goals but also define the means for achieving them; and management is that someone.

1. PLANNING

- This encompasses defining an organisation's goals, establishing an overall strategy for achieving those goals, and developing comprehensive set of plans to integrate and coordinate activities.
- Evidence shows that this function increases the most as managers move from lower-level to mid-level

2. ORGANISING

- Managers are also responsible for designing an organisation's structure.
- This is what is called organising.
- This includes determing what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

3. LEADING

- Every organisation contains people and it is management's job to direct and coordinate those people.
- This is the leading function of management.
- When managers motivate employees, direct their activities, select the most effective communication channels, or resolve conflicts among members entails leading.
- That is to say, in this way, they are engaging in leading.

4. CONTROLLING

- For things to be going as they should, management must monitor the organisation's performance and compare it with previously set goals.
- If there are any significant deviations, it is management's job to get the organsiation back on track.
- This monitoring, comparing deviations and actual performances and correcting is called the controlling function of management.
- So, managers plan, organise, lead and control.

Some Key Terms in Management

- Organisation people working together and coordinating their actions to achieve specific goals.
- Goal a desired future condition that the organisation seeks to achieve.
- Management the process of using organisational resources to achieve the organsiation's goals by planning, organising, leading and controlling.
- Resources these are organisational assets and include people, machinery, raw materials, information, skills, financial capital.
- Managers are the people responsible for supervising the use of organisational resources to meet its goals.

Levels of Management

- Managing the organisation effectively requires levels of management.
- There are 3 levels of management: **TOP-LEVEL** Management

MIDDLE-LEVEL Management

LOW-LEVEL Management

- These three levels of management provide a separation between the managerial positions of the organisation.
- The administrative rank of an organisation worker determines the extent of authority, the status enjoyed and the chain of command that can be controlled by the worker.
- So in these 3 levels of management, managers at these levels have different roles to perform for the organisation to have a smooth performance.

Levels of Management: 1: TOP-LEVEL MANAGEMENT/ADMINISTRATIVE LEVEL

- At this level, management coordinate services and are keen on planning.
- The top-level management is made up of the Board of Directors, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Chief Operating Officer (COO) or the President and the Vice President.
- The top-level management controls the management of goals and policies and the ultimate source of authority of the organisation.
- They apply control and coordination of all the activities of the firm as they organise the several departments of the enterprise which would include their budget techniques and agendas.

Levels of Management: 1: TOP-LEVEL MANAGEMENT/ADMINISTRATIVE LEVEL

- The Top-Level management is accountable to shareholders for the performance of the organisation.
- There are several functions performed by Top-Level management but the most important are these three:
- 1. To lay down the policies and objectives of the organisation.
- 2. Strategizing the plans of the enterprise and aligning competent managers to the department or middle level to carry them out.
- **B.** Keeping the communication between the enterprise and the outside.

Levels of Management: 2: MIDDLE-LEVEL MANAGEMENT

- This is also called executory level.
- These are subordinates of the Top-Level Management and are responsible for the organisation and direction of the low-level management.
- They account to the Top-Level Management for the activities of their departments.
- The Middle-Level managers are semi-executives and are made up of the departmental managers and branch managers.

Levels of Management: 2: MIDDLE-LEVEL MANAGEMENT

- They could be divided into senior and junior middle-level management if the organisation is big.
- They coordinate the responsibilities of the sun-units of the firm and access the efficiency of lower-level managers.
- These are incharge of the employment and training of the lower levels.
- They are also the communicators between the top level and the lower level as they transfer information reports, and other data of the enterprise to the top-level management.

Levels of Management: 2: MIDDLE-LEVEL MANAGEMENT

- Apart from these, there are three primary functions of Middle-Level Management in the organisation:
- 1. To carry out the plans of the organisation according to policies and directives laid down by the top-level management
- 2. To organise the dividion or departmental activities.
- 3./To be an inspiration or create motivation for junior managers to improve their efficiency.

Levels of Management: 3: LOW-LEVEL MANAGEMENT

- This level is also called the supervisory or the operative level of managers.
- They oversee and direct the operative employees.
- They spend most of their time addressing the functions of the firm as instructed by the managers above them.
- The lower-level managers are the first line of managers as they feature at the base of operations.
- These are essential personnel that communicates the fundamental problems of the firm to the higher levels.

Levels of Management: 3: LOW-LEVEL MANAGEMENT

- This management level is made up of foreman, the line boss, the shift boss, the section chief, the lead nurse, superitendents and sergeants.
- They are intermediary, they solve issues amidst the workers and are responsible for the maintenance of appropriate relationship within the organisation.
- They are also responsible for training, supervising, and directing the operative employees.
- The Lower-Level managers represent the management to the operative workers as they ensure discipline and efficiency in the organisation.
- The duty of inspiration and encouragement falls to them as they strengthen the workforce.
- They also organise the essential machines, tools, and other materials required by the employees to get their job done.

Levels of Management: 3: LOW-LEVEL MANAGEMENT

- Their primary focus include:
- 1. To allocate tasks and responsibilities to the operative employees.
- 2. To ensure quality and be responsible for the production quantity.
- 3./ To communicate the goals and objectives of the firm laid down by higher level management.
- A. Managers to employees and also the suggestions, recommendations, appeals and information concerning employee problems to the higher level management.
- 5. To give instruction and guided direction to workers on their day to day jobs.
- 6. To give periodic reports of the workers to the higher level managers.

Recap of Management Levels

- 1. Firstline Managers Responsible for the day to day operation.
 - they supervise the people performing the activities required to make the good or service.
- 2. Middle Managers Supervise first-line managers
 - they are responsible to find the best way to use departmental resources to achieve goals.
- 3. Top Managers
- Responsible for the performance of all departments and have crossdepartmental responsibility
- They establish organisational goals and monitor middle-line managers.