

✓ The nature and purpose of management.

- ✓ That the aim of all managers is to create a “surplus.”
- ✓ The characteristics of excellent and admired companies.
- ✓ The trends in information technology and globalization.
- ✓ The concepts of productivity, effectiveness, and efficiency.
- ✓ That management as practice is an art in which the underlying theory and science are applied in the light of situations.
- ✓ The evolution of management and some recent contributions to management thought.
- ✓ The nature of the “management theory jungle”.
- ✓ The various approaches to management, their contributions as well as their limitations.
- ✓ That the management process, or operational approach to management theory and science has a basic core of its own and draws from the other approaches.
- ✓ That managing requires a systems approach and that practice must always take into account situations and contingencies.
- ✓ The managerial functions of planning, organizing, staffing, leading, and controlling.

The NEED

- 1) Why learn Management, What is Management?**
- 2) Meaning, definition, objectives and importance of Management**
- 3) Nature of Management**
- 4) Functions of Management**
- 5) Who are managers?**
- 6) Role of Managers, Managerial skills**

Why study this subject?

- 1) To understand the process of business management and its functions, and
- 2) To familiarize the students with current management practices. .
- 3) To understand the importance of ethics in business, and
- 4) To acquire knowledge and capability to develop ethical practices for effective management.

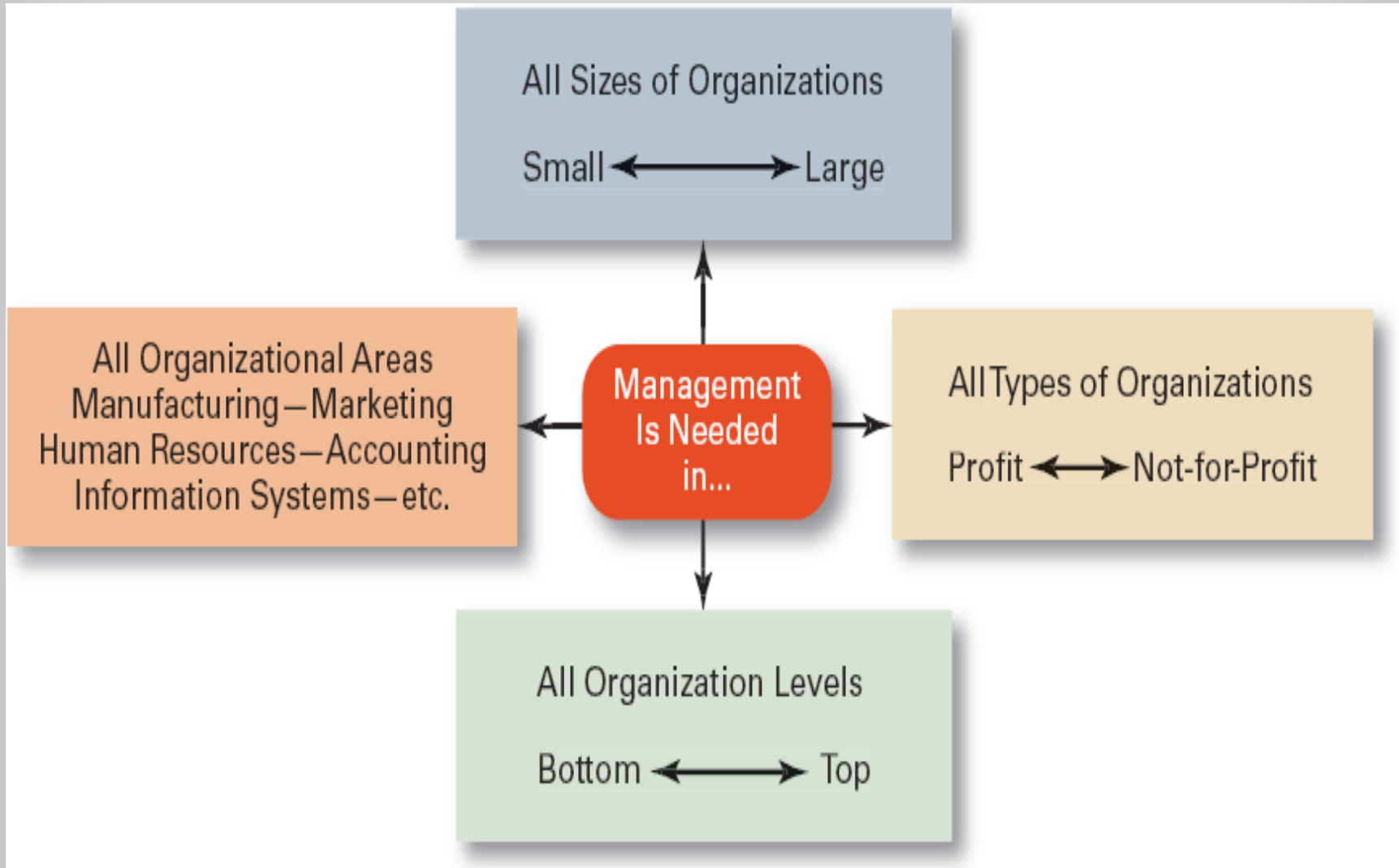
- Management is described as an “activity”, a “process”, and a “group of people” vested with the authority to make decisions.
- According to Mary Parker Follett, management is the “art of getting things done through people.”
- According to George R.Terry, Management as a process”consist of planning, organising, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources”.
- According to Louis Allen,” Management is what a manager does”.

- According to Henry Fayol, "to manage is to forecast and plan, to organise, to command, to coordinate, and to control".
- According to James D. Mooney and Allan C. Reiley, "management is the art of directing and inspiring people".
- According to Harold Koontz, "Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals can co-operate towards attainment of group goals".
- Management is the process of reaching organizational goals by working with and through people and other organizational resources.

Management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. This basic definition needs to be expanded:

1. As managers, people carry out the managerial functions of planning, organizing, staffing, leading, and controlling.
2. Management applies to any kind of organization.
3. It applies to managers at all organizational levels.
4. The aim of all managers is the same: to create a surplus.
5. Managing is concerned with productivity; this implies effectiveness and efficiency.

Need for Management?



Manager

- ❖ Someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.



What Is An Organization?

An Organization Defined

- ❖ **A deliberate arrangement of people to accomplish some specific purpose (that individuals independently could not accomplish alone).**

Common Characteristics of Organizations

- ❖ **Have a distinct purpose (goal)**
- ❖ **Composed of people**
- ❖ **Have a deliberate structure**



- **Efficiency**

“Doing things right”

Getting the most output for
the least inputs

- ❖ **Effectiveness**

“Doing the right things”

Attaining organizational goals

Efficiency and Effectiveness in Management

Efficiency (Means)



Effectiveness (Ends)



Low Waste

High Attainment

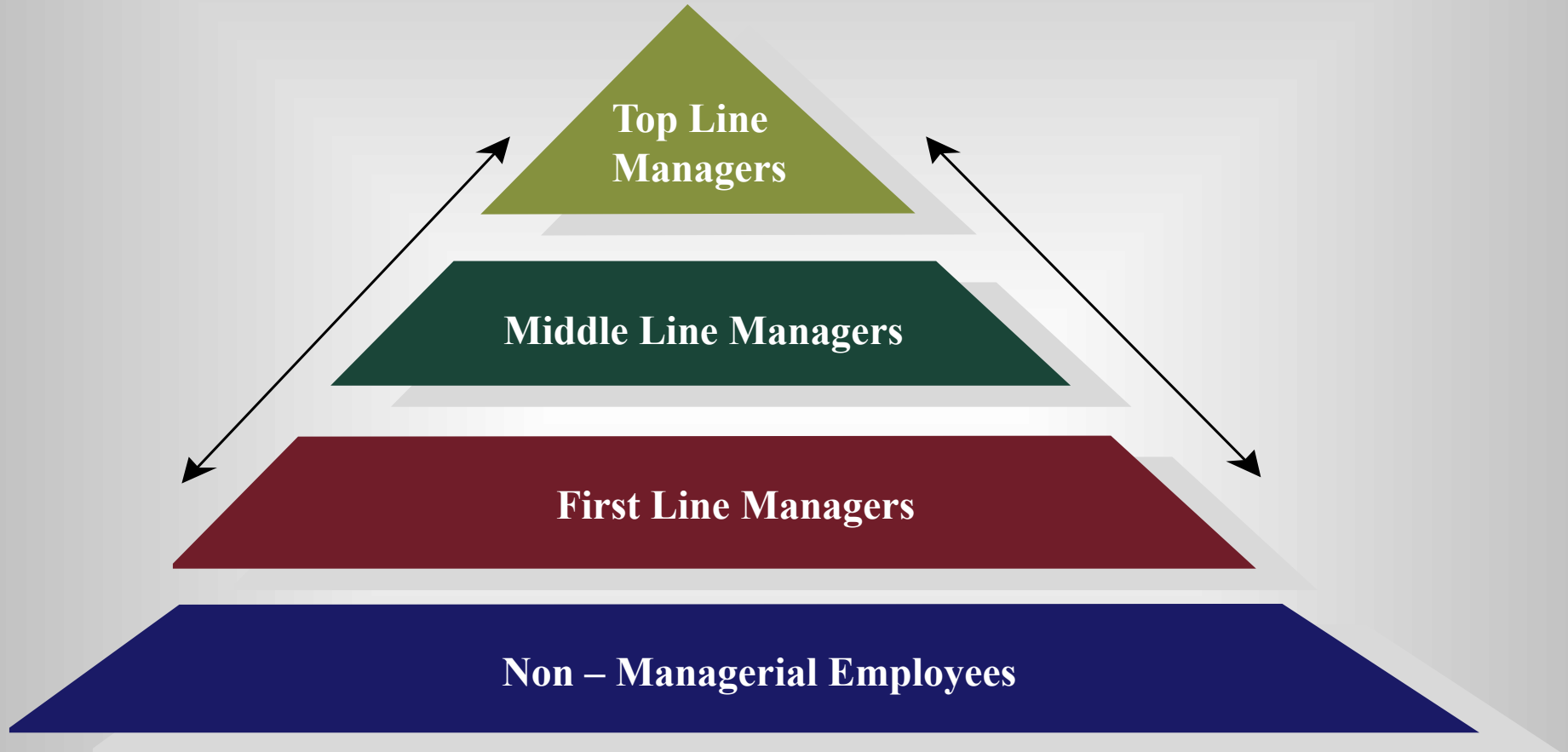
Management Strives For:
Low resource waste (high efficiency)
High goal attainment (high effectiveness)

Two black arrows point from the text "Low Waste" and "High Attainment" to the top of a large rounded rectangular box. The box has a blue-to-red gradient and a black border. It contains the text "Management Strives For:" followed by "Low resource waste (high efficiency)" and "High goal attainment (high effectiveness)" in white.

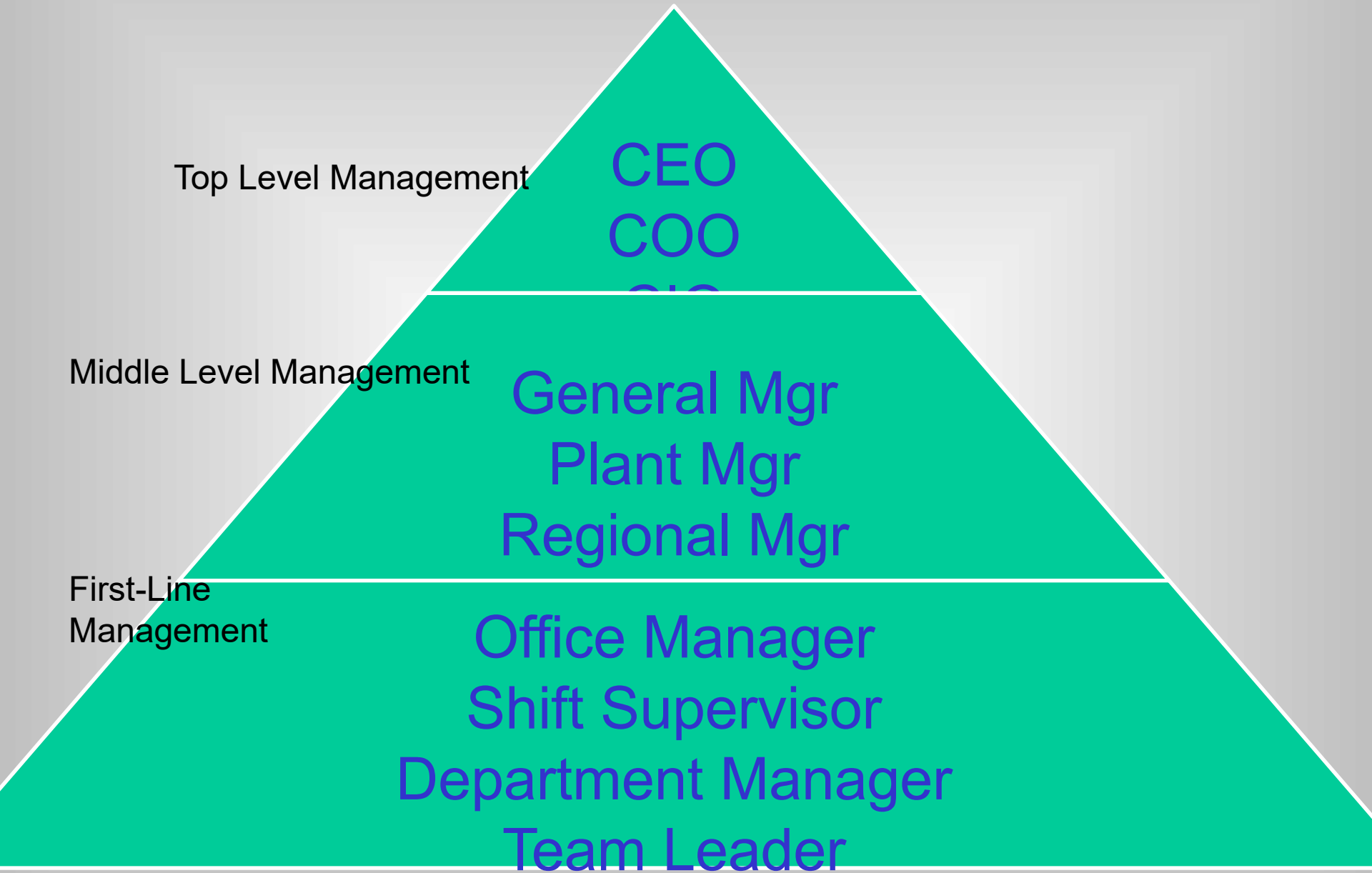
Managers have to cope with diverse and far-reaching challenges

- 1. To keep pace with ever-advancing technology**
- 2. To find ways to incorporate the Internet and e-business into their strategies and business model**
- 3. Strive to remain competitive in a dynamic and far reaching world**

Managerial Levels



Levels of Management



Top Managers

Responsible for...

Creating a context for change

**Developing attitudes of commitment
and ownership in employees**

**Creating a positive organizational
culture through language and action**

Monitoring their business environments

Middle Managers

Responsible for...

Setting objectives consistent with top management goals, planning strategies

Coordinating and linking groups, departments, and divisions

Monitoring and managing the performance of subunits and managers who report to them

Implementing the changes or strategies generated by top managers

First-Line Managers

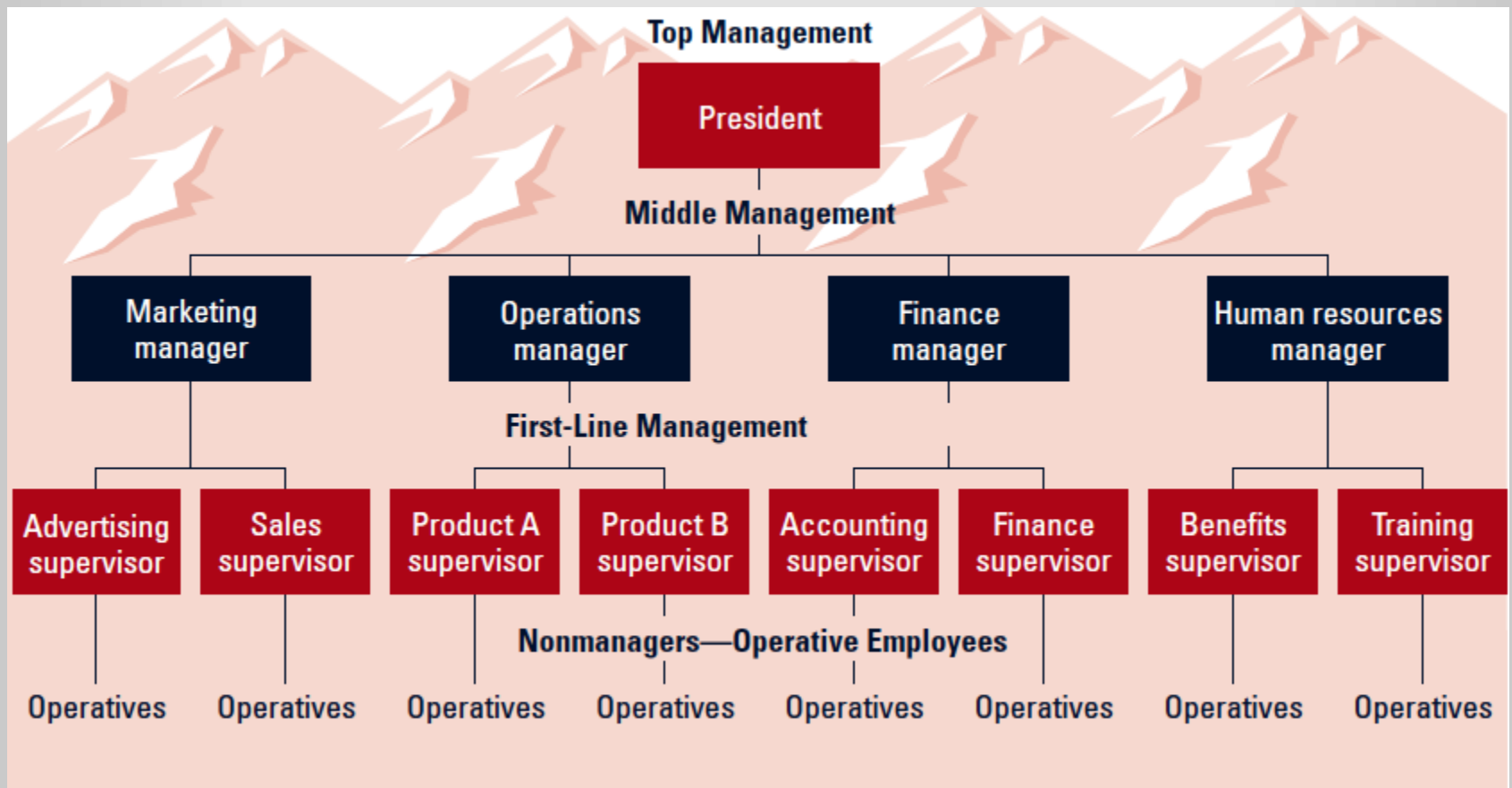
Responsible for...

**Managing the performance of
entry-level employees**

**Teaching entry-level employees
how to do their jobs**

**Making schedules and operating plans based on
middle management's intermediate-range plans**

Management Levels and Functional Areas



Types of Managers

General Managers

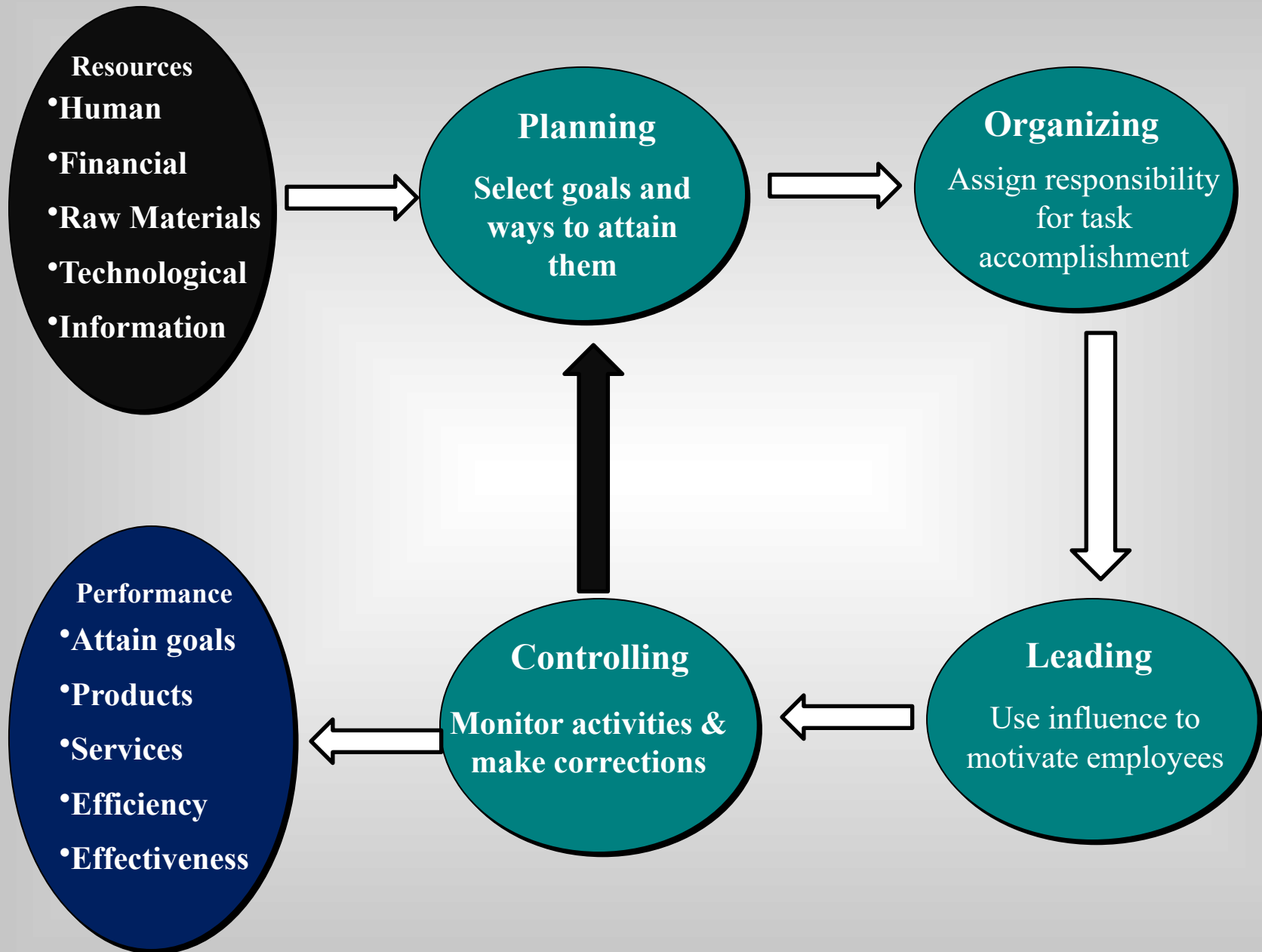
- ❖ Supervise the activities of several departments.

Functional Managers

- ❖ Supervise the activities of related tasks.
- ❖ Common functional areas:
 - *Marketing*
 - *Operations/production*
 - *Finance/accounting*
 - *Human resources/personnel management*

Project Managers

- ❖ Coordinate employees across several functional departments to accomplish a specific task.



What Do Managers Do?

Functional Approach

❖ Planning

- *Defining goals, establishing strategies to achieve goals, developing plans to integrate and coordinate activities.*

❖ Organizing

- *Arranging and structuring work to accomplish organizational goals.*

❖ Leading

- *Working with and through people to accomplish goals.*

❖ Controlling

- *Monitoring, comparing, and correcting work.*



In its annual survey, the 10 most admired companies listed in *Fortune's* March 6, 2006 issue were:

1. General Electric
2. FedEx
3. Southwest Airlines
4. Proctor & Gamble
5. Starbucks
6. Johnson & Johnson
7. Berkshire Hathaway
8. Dell
9. Toyota Motor
10. Microsoft.

Global Biggest Industries by Revenue in 2020

- **Global Oil & Gas Exploration & Production. ...**
- **Global Commercial Real Estate. ...**
- **Global Car & Automobile Sales. ...**
- **Global Car & Automobile Manufacturing. ...**
- **Global Direct General Insurance Carriers. ...**

Rankings can change from year to year as Warren Buffett said: "It takes 20 years to build a reputation, and five minutes to ruin it."⁶

**EVOLUTION
OF MANAGEMENT
THOUGHT AND
PATTERNS OF
MANAGEMENT ANALYSIS**

FREDERICK TAILOR AND SCIENTIFIC MANAGEMENT

- **Frederick Winslow Taylor** (March 20, 1856 – March 21, 1915) was an American mechanical engineer who sought to improve industrial efficiency.
- He was o
- ne of the first management consultants.



Frederick Winslow Taylor gave up college studies and started out as an apprentice pattern maker and machinist in 1875, joined the Midvale Steel Company in Philadelphia as a machinist in 1878, and rose to the position of chief engineer after earning a degree in engineering through evening study. He invented high-speed steel-cutting tools and

Taylor's famous work entitled *The Principles of Scientific Management* was published in 1911. The fundamental principles that Taylor saw underlying the scientific approach to management are as follows:

1. Replacing rules of thumb with science (organized knowledge).
2. Obtaining harmony in group action, rather than discord.
3. Achieving cooperation of human beings, rather than chaotic individualism.
4. Working for maximum output, rather than restricted output.
5. Developing all workers to the fullest extent possible for their own and their company's highest prosperity.

Fayol, the Father of Modern Operational Management Theory

- **French Industrialist**
- **real father of Management Theory**



1. *Authority and responsibility*: Fayol suggests that authority and responsibility are to be related, with the latter arising from the former. He sees authority as a combination of official factors, deriving from the manager's position, and personal factors, "compounded of intelligence, experience, moral worth, past service, etc."
2. *Unity of Command*: This means that employees should receive orders from one superior only.
3. *Scalar Chain*: Fayol thinks of this as a "chain of superiors" from the highest to the lowest ranks, which, while not to be departed from needlessly, should be short-circuited when to follow it scrupulously would be detrimental.
4. *Esprit de Corps*: This is the principle that "in union there is strength," as well as an extension of the principle of unity of command, emphasising the need for teamwork and the importance of communication in obtaining it.

Elton Mayo and F Roethlisberger and the Hawthorne Studies.

- Experiments on Western Electric Company (1927 -32).
- Effects of illumination and other conditions on workers and their productivity.



Finding that when illumination was either increased or decreased for a test group, productivity improved, the researchers were about to declare the whole experiment a failure; however, Elton Mayo, of Harvard, saw in it something unusual and, with Roethlisberger and others, continued the research.

Changing illumination

for the test group, modifying rest periods, shortening workdays, and varying incentive pay systems did not seem to explain changes in productivity. Mayo and his researchers then came to the conclusion that other factors were responsible for it.

the improvement in productivity was due to such social factors as morale, satisfactory interrelationships between members of a work group (a sense of belonging),



and effective management—a kind of managing that would understand human behavior, especially group behavior, and serve it through such interpersonal skills as motivating, counselling, leading, and communicating.

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