

Management Process & Organizational Behaviour

Course Code: MS 101

Text Books

- Robbins, S.P., Judge, T.A., Sanghi, S (2009). Organizational Behaviour, Pearson Education.
- Stoner, R. James A.F., Edward Freeman Daniel R Gilbert Jr., Management 6TH Ed, .Prentice-Hall of India.
- Chhabra, T.N., (2011-12), Management Process and Organisational Behaviour, Sun India Publications.

Unit 1: Introduction to Management

- Introduction to Management: Meaning and Nature of Management, Evolution of Management (in India and Abroad), Managerial Skills, Tasks and Responsibilities of a Professional Manager, Management by Objectives
- Management and Society: The External Environment, Social Responsibility, and Ethics: An Overview.
- 14 Hours

MEANING AND NATURE OF MANAGEMENT

Traditional Meaning of Management

- Management is the art of getting things done through people

- Mary Parker Follett

- Management consists of getting things done through others.....A manager is one who accomplishes organisational objectives by directing the efforts of others.

- C. S. George

Limitations

- May give a wrong impression of manipulation
- Need and aspirations of workers ignored
- Employees are merely treated as means for getting results.

Modern Definition

- Effective Utilisation of Resources
- Management is the creation and maintenance of an internal environment in an enterprise where individuals, working in groups, can perform efficiently and effectively towards the attainment of organisational goals.

- Koontz and Weihrich

- Management entails the utilisation of human efforts and material resources towards the achievement of organisational objectives

- B. M. Richman

Elements

- Process
 - Primary Functions or activities that management performs to get things done i.e. Planning, Organising, Staffing, Directing & Controlling
- Effectiveness
 - Finishing the assigned task
- Efficiency
 - Optimum utilisation of the deployed resources
- Organisational Objectives
 - Synergied efforts of all towards the Org. Objectives.

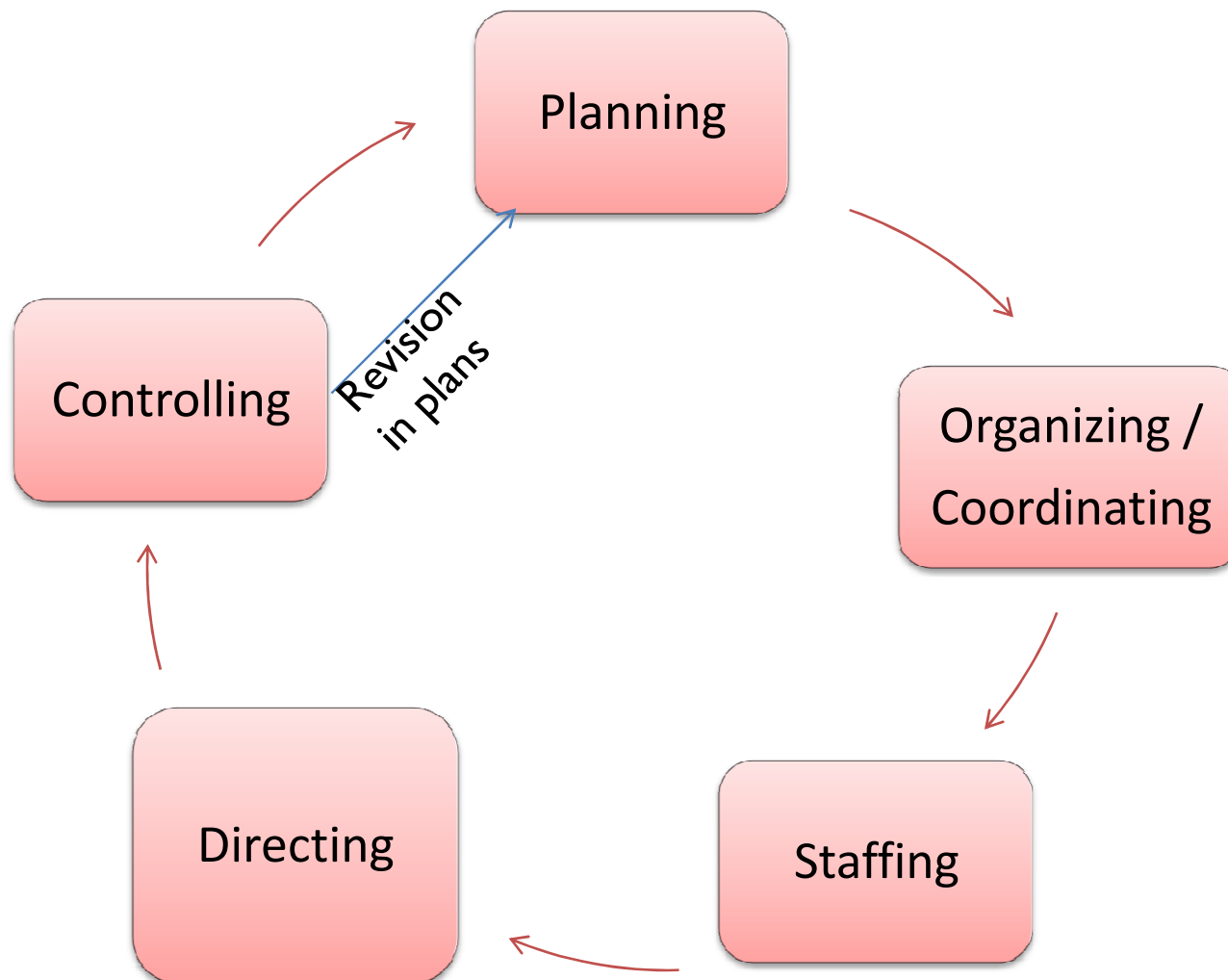
Management as a Process

- Management refers to a series of inter-related functions or elements to achieve the stated objectives through the effective utilisation of human and other resources.

Management Process

- Planning
 - To take decisions and to prepare plans, policies, procedures, rules, etc.
- Organising
 - Division on work and authority – responsibility
- Staffing
 - Deployment of workforce
- Directing
 - Instructing, motivating, leading the subordinates
- Controlling
 - Actual vis-à-vis standards and taking corrective measures.

The Management process.....



Management

- As a Discipline
 - Field of Study
 - Specialized branch of Knowledge
 - It is both : Science as well as Arts
- As a Group
 - People use it to denote : “A team or group of managers who run an organisation”

Is management an art or science ?

- ART: Because it depends on the skills, aptitude & creativity of the manager
- SCIENCE: Because there is considerable knowledge in the field of management with basic principles for guidance of basic activities.

Characteristics of Management

- Goal Oriented
- Continuous Process
- Coordinative Force
- Intangible Force
- Part of Group Effort
- Accomplishes result through the co-operation of others
- Balance Effectiveness and Efficiency
- Dynamic Discipline
 - Principles used from “Anthropology, Psychology, Sociology, etc.”
- Universal

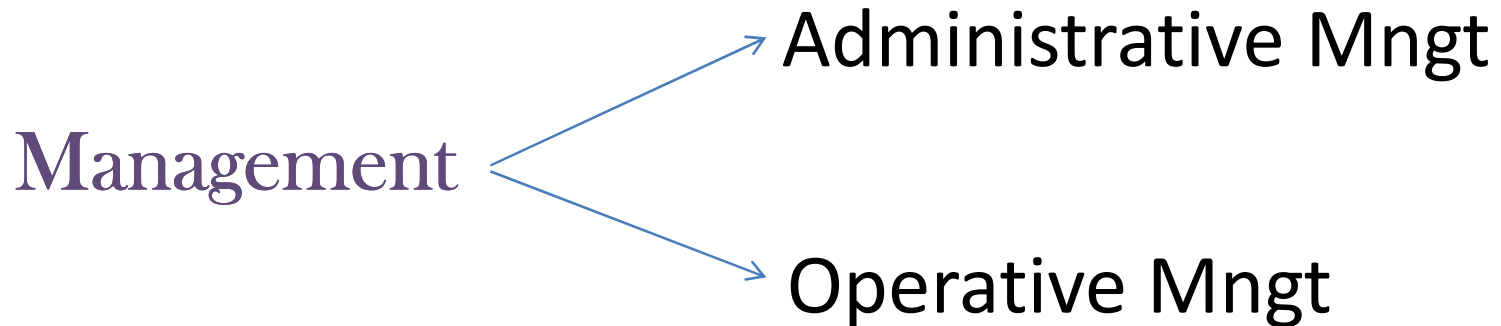
Objectives of Management

- Maximum Results with Minimum Efforts
- Satisfaction of Customers
- Contribution to National Goals
- Higher Efficiency
- Relations with Suppliers
- Better Working Conditions
- Better Workforce

Importance of Management

- Accomplishment of Goals
- Effective Utilisation of Resources
- Providing Vision and Foresight
- Sound Organisation to accomplish objectives.
- Development of Society and Nation
- Harmony in Work among employees
- Help the Employees in Achieving Personal objectives

- Organization determines network or structure establishes or relationships among individuals.
- Administration refers to management functions of **planning & control**



- **Administration:** Concerned with laying down of corporate policy, obtaining finance, production & distribution.
- **Management:** Concerned with actual execution of policies within limits set by administration.
- **Organization:** Combines the work in such a way with individuals/groups that duties formed provide best possible application of available effort

Basis	Management	Administration	Organisation
Meaning	Concerned with directing the efforts of subordinates towards the achievement of pre-determined objectives	Concerned with the formulation of broad objectives, plan and policies	Concerned with distribution of work and authority among diff. positions & dept
Nature of Function	Execution Function	Decision-making Function	It is a part of management & administration
Type of Decisions	Mgmt decides who should do it and how s/he should do it.	Adm. decides what is to be done & when	Org. leads to creation of a str. Of authority responsibility relationships in the org.
Relative Importance	Mgmt is a doing function. Managers get the work done under their supervision	Adm. Is a thinking function i.e. policy and decision making	Org. is a doing function. It is carried out to execute the policies of the top administrators.
Usage of the Term	Term "Management" is used in Business and Industry in Private Sector	Term "Administration" is used in Govt. & NGO	Term "Organisation" is used universally everywhere
Factors in Decision Making	Decisions are influenced by the opinions, beliefs and values of the managers.	Decisions are influenced by forces of public opinion, govt. etc.	Structural decisions are influenced by administration and its policies.

Evolution of Management (in India and Abroad)

Introduction

Both theory and history are indispensable tools for managing contemporary organizations.

A theory is a conceptual framework for organizing knowledge that provides a blueprint for various courses of action.

MAJOR CLASSIFICATION OF MANAGEMENT APPROACHES

CLASSICAL APPROACH	SCIENTIFIC MANAGEMENT	BUREAUCRATIC MANAGEMENT	ADMINISTRATIVE MANAGEMENT
BEHAVIORAL APPROACH	HAWTHORNE STUDIES	MASLOW'S NEED HIERARCHY	THEORY X AND THEORY Y
QUANTITATIVE APPROACH	MANAGEMENT SCIENCE	OPERATIONS MANAGEMENT	MANAGEMENT INFORMATION SYSTEM
MODERN APPROACH	THE SYSTEMS THEORY	CONTINGENCY THEORY	EMERGING APPROACHES

Approaches to Management

Traditional School of Management

- Classical Theory:
 - Scientific Management Approach
 - Management Approach or Administrative Management Approach
 - Bureaucratic Organisation Approach
- Neo-Classic or Human Relations Approach

Modern Approaches

- Behavioural Science Approach
- Quantitative or Management Science Approach
- Systems Approach
- Contingency Approach
- Operational Approach

Classical Perspective

Emphasized a rational, scientific approach to study of management and sought to make workers and organizations like efficient operating machines

Classical Categories

Scientific Management

Frederick Taylor

Frank and Lillian Gilbreth

Bureaucratic Organizations

Max Weber

Administrative Principles

Henri Fayol

CLASSICAL APPROACH

1. SCIENTIFIC MANAGEMENT-F.W. TAYLOR

- Piece rate incentive system
- Time and motion study
- Gantt scheduling chart-Henry Laurence Gantt

2. ADMINISTRATIVE THEORY- HENRY FAYOL

- Technical
- Commercial
- Financial
- Security
- Accounting
- managerial

CLASSICAL APPROACH

3. BUREAUCRATIC MANAGEMENT- MAX WEBER

- Work specialization and division of labor
- Abstract rules and regulations
- Impersonality of managers
- Hierarchy of organization structure

Classical Perspective

Emphasized a rational, scientific approach to study of management and sought to make workers and organizations like efficient operating machines

Classical Categories

Scientific Management (Taylor's Scientific Management)

Frederick Taylor

Frank and Lillian Gilbreth

Bureaucratic Organizations (Weber's Ideal Bureaucracy)

Max Weber

Administrative Principles (Fayol's Administrative Mgmt)

Henri Fayol

Scientific Management

Develop a standard method for performing each job

Select appropriate workers

Train workers in standard method

Plan work and eliminate interruptions

Provide incentives for increased output.

Scientific Management

Early 1900s

- ❑ It is defined as “that kind of management which conducts a business or affairs by standards established, by facts or truths gained through systematic observation, experiment, or reasoning.”
- ❑ **Major contributors:**
 - ❑ Frederick Winslow Taylor
 - ❑ Frank and Lillian Gillbreth
 - ❑ Henry L. Gantt

Frederick Winslow Taylor

- ❑ “Father of scientific management”(1878)
- ❑ Two major managerial practices:
- ❑ Piece-rate incentive system
- ❑ Time-and-motion study

Frank and Lillian Gilbreth

- ❑ 1868-1924
- ❑ Motion study involves finding out the best sequence and minimum number of motions needed to complete a task.
- ❑ Explore new ways for eliminating unnecessary motions and reducing work fatigue.

HENRY L.GANTT(1861-1919)

- ❑ Well known for Task – and - bonus system -The Gantt chart
- ❑ If the worker completed the work fast, i.e., in less than the standard time, he received a bonus.
- ❑ It is a Simple chart that compares actual and planned performances.

Limitations of Scientific Management

- ☐ Do not focus on the management of an organization from a manager's point of view.
- ☐ people were “rational” and were motivated primarily by the desire for material gain.
- ☐ It also ignored the human desire for job satisfaction.

Administrative Theory:

- ❑ It focused on principles that could be used by managers to coordinate the internal activities of organizations.
- ❑ Henri Fayol (1841-1925)

Administrative Management - Henri Fayol

14 Principles

Unity of command
Division of work
Unity of direction
Scalar chain-of-command
Authority=Responsibility
(etc.)

Five basic management functions

Planning
Organizing
Commanding
Coordinating
Controlling

Henri Fayol (1841-1925)

Fourteen principles:

- ☐ Division of work
- ☐ Authority and responsibility
- ☐ Discipline
- ☐ Unity of command
- ☐ Unity of direction
- ☐ Subordination of the individual interest to the general interest
- ☐ Remuneration
- ☐ Centralization:
- ☐ Scalar chain
- ☐ Order
- ☐ Equity
- ☐ Stability
- ☐ Initiative
- ☐ Esprit de corps (team spirit)

Bureaucratic Management

Weber (1864-1920)

Characteristics of Weber's ideal Bureaucracy:

- ☐ Work specification and division of labor
- ☐ Abstract rules and regulations:
- ☐ Impersonality of managers:
- ☐ Hierarchy of organization structure:

Bureaucratic Organizations

Clearly defined authority and responsibility

Set procedures for each situation

Goals of fairness and efficiency

Separation of management and ownership

i.e., run by professional mgrs.

Bureaucratic Organizations

Become “dysfunctional”
when:

- There is no effort to recognize exceptions to rules or to change rules when necessary
- Enforcement of rules takes precedence over pursuit of the organization’s mission

Relatively High in
Bureaucracy:

United Parcel Service
U.S. Postal Service

Relatively Low in
Bureaucracy:

Hewlett-Packard
Disney Studios

Limitations of Bureaucratic Management and Administrative Theory

- ❑ Not universally applicable to today's complex organizations.
- ❑ Fayol's principles like that of specialization were frequently in conflict with the principle of unity of command.
- ❑ Principle characteristic of bureaucracy changes in the global environment.
- ❑ Classical theorists ignored the problems of leadership, motivation, power or information relations.

Behavioral Approach

- ❑ The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace.

Behavioral Sciences Approach = Applied Social Sciences

Study of human behavior in organizations

Draws on Disciplines of:

Economics

Psychology

Sociology

Communication

Anthropology

Contributions of Behavioral Thinkers to Management Thought

Name	Period	Contribution
Mary Parker Follet	1868-1933	Advocated the concept of 'power sharing' and integration
Elton Mayo	1868-1933	foundation for the Human Relations Movement;
Abraham Maslow	1908 – 1970	motivated by a hierarchy of needs
Douglas McGregor	1906-1964	Theory X and Theory Y personalities
Chris Argyris	-	Classified organizations based on the employees' set of values

The Human Resources Perspective

Jobs should be designed to allow workers to use their full potential

Abraham Maslow's Hierarchy of Needs

**Douglas McGregor's Theory X vs. Theory Y
(comparison of Classical Mgmt to Human Resources)**

Humanistic Perspective

Emphasizes enlightened treatment of workers and power sharing between managers and employees.

Emphasized satisfaction of employees' social/psychological needs as the key to increased worker productivity.

Supported by Hawthorne Studies

Mary Parker Follet (1868-1933)

- ❑ Power, according to Follet, was the ability to influence and bring about a change.
- ❑ Concept of integration, which involves finding a solution acceptable to all group members

Elton Mayo (1868-1933)
Father of Human Relations School

Pre-judgment	Findings
Job performance depends on the individual worker	The group is the key factors in job performance
Fatigue is the main factor affecting output.	Perceived meaning and importance of the work determining output.
Management sets production standards	Workplace culture sets its own production standards.

HAWTHORNE STUDIES

- Period 1924 – 1927 , lasted till 1932
- Illumination studies
 - Increase in illumination increased the output
 - Illumination reduction does not effect output
 - No consistent relation between Output of workers and illumination in the factory.
- Relay assembly room study
 - Homogeneous group of work-group girls
 - Introduction of privileges like – shorter worker hours, rest pause, improved physical conditions etc. given and then removed
 - Socio-Psychological factors (i.e. Feeling of being important, recognition etc.) held the key for higher productivity)
- Bank wiring room study
 - 14 workers output observed pre and post expereiment in normal conditions
 - Each individual was restricting output
 - Group has its own “Standard of performance”
 - Individual remains fairly constant

The Hawthorne Studies

“Social Man”

**Methodological Problems, but Profound
Influence on Management Thought**

“Hawthorne Effect”

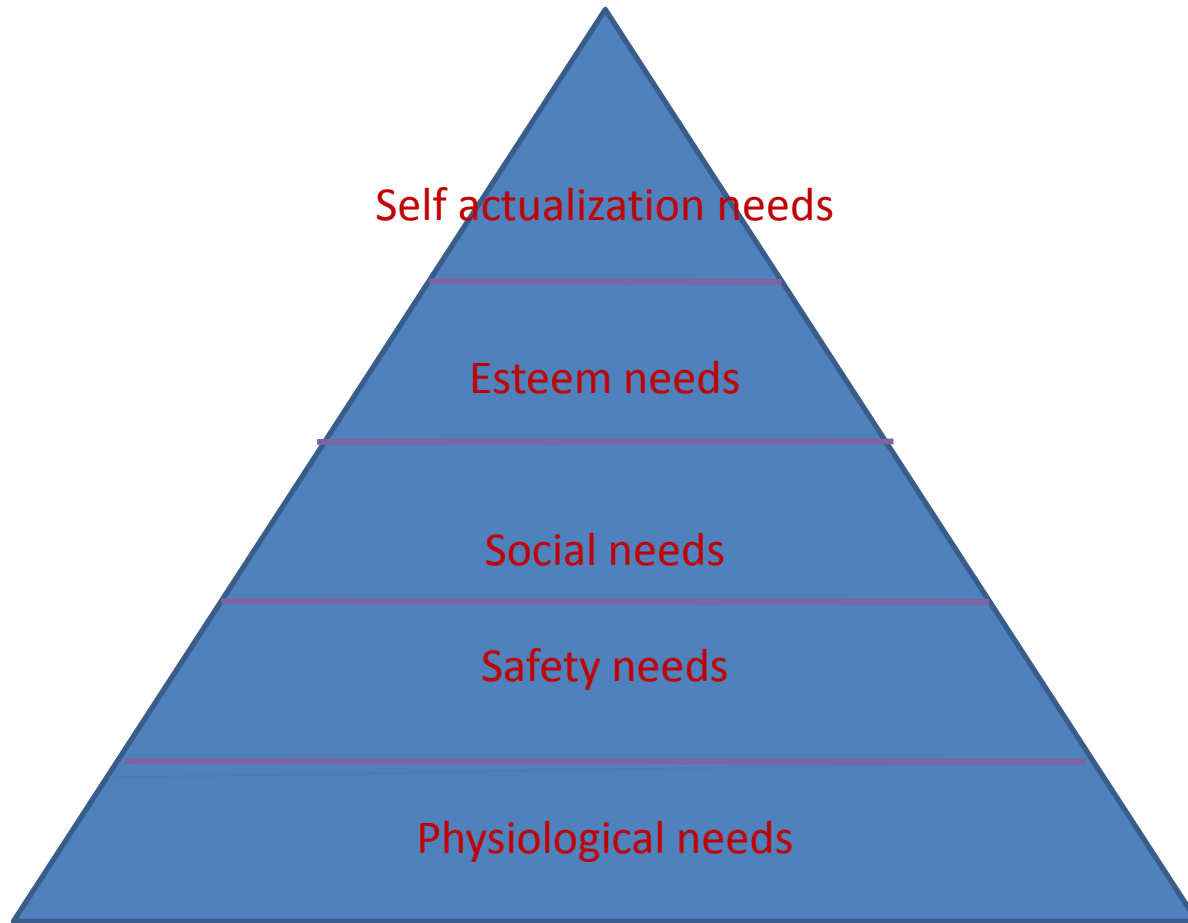
Mass Interviewing Techniques – Social Effect

Abraham Maslow

His theory rested on these assumptions.

- ☐ Physiological needs;
- ☐ Safety or security needs
- ☐ Belongingness or social needs;
- ☐ Esteem or status needs
- ☐ Self actualization or self-fulfillment needs.

Maslow's Need Hierarchy



Theory X (Classical):

**People dislike work and
prefer to be directed**

**Must be coerced to
work**

**Want to avoid
responsibility and
have little ambition**

**Want security above
everything**

Theory Y (Human Resources):

**People will accept
responsibility**

**Have intellect that could
be applied to
organizational goals**

**Only partially use their
intellectual potential.**

Management Science Perspective

Involves Mathematics, Computers

Examples:

Forecasting

Inventory control

Scheduling

Break-even analysis

Douglas McGregor

Theory X	Theory Y
Most People dislike work	Work is a natural activity like play.
Most People must be coerced and threatened before they work.	People are capable of self direction and self control
Most people prefer to be directed. They avoid responsibility and have little ambition.	People become committed to organizational objectives if they are rewarded in doing so.

Quantitative Approach

- ❑ It includes the application of statistics, optimization models, information models and computer simulations. More specifically, this approach focuses on achieving organizational effectiveness.
- ❑ Three main branches:
 - ❑ Management Science
 - ❑ Operations Management and
 - ❑ Management Information Systems.

Management Science

- ❑ It stresses the use of mathematical models and statistical methods for decision-making.
- ❑ Another name is the Operations Research.



Operations Management

- ❑ It deals with the effective management of the production process and the timely delivery of an organization's products and services.

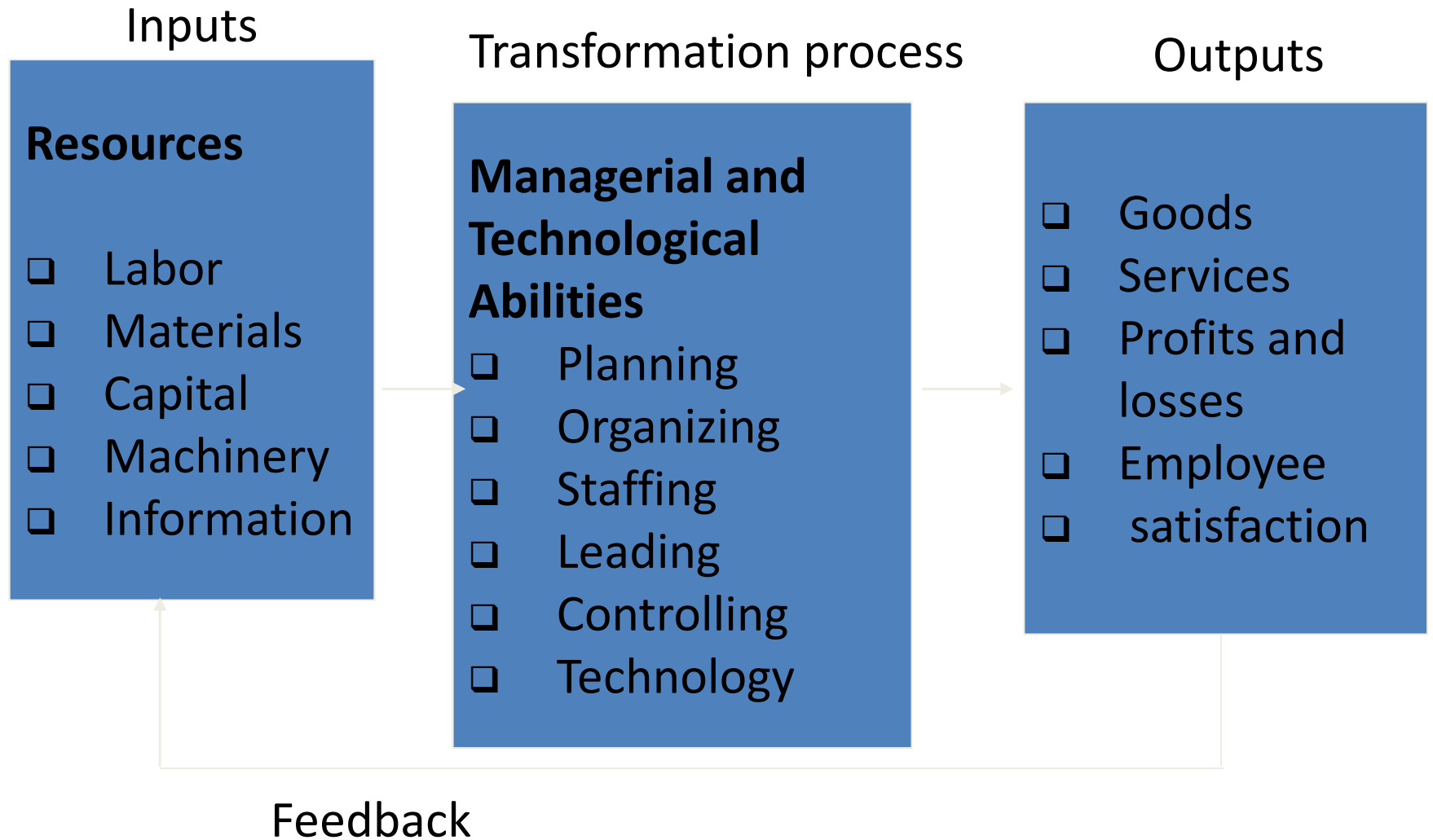
Management Information Systems

- ❑ Management information systems focuses on designing and implementing computer-based information systems for business organizations.

Modern Approaches to Management

-  Systems Theory
-  Contingency Theory

Systems Theory



Contingency Theory

