

# Principles of Management

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Lecture 1

# What is Management?

Management is the practice of consciously and continually  
shaping organizations.



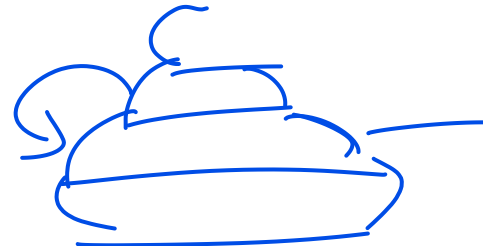
# Who Are Managers?

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



# Classifying Managers

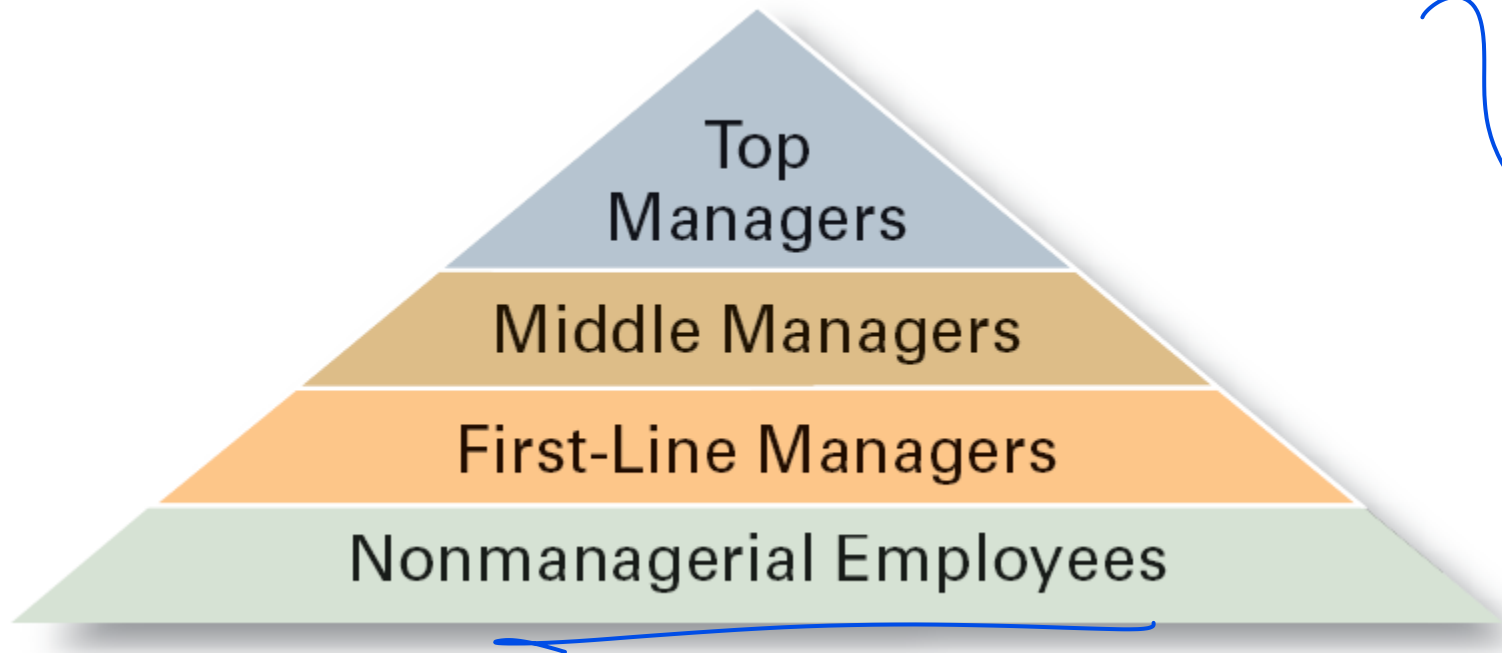
- First-line Managers
  - Individuals who manage the work of non-managerial employees.
- Middle Managers
  - Individuals who manage the work of first-line managers.
- Top Managers
  - Individuals who are responsible for making organization-wide decisions and establishing plans and goals that affect the entire organization.



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## Managerial Levels

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# What is the role of Management?

- **Management** involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively.

↳ meeting organizational goals

# What Is Management ?

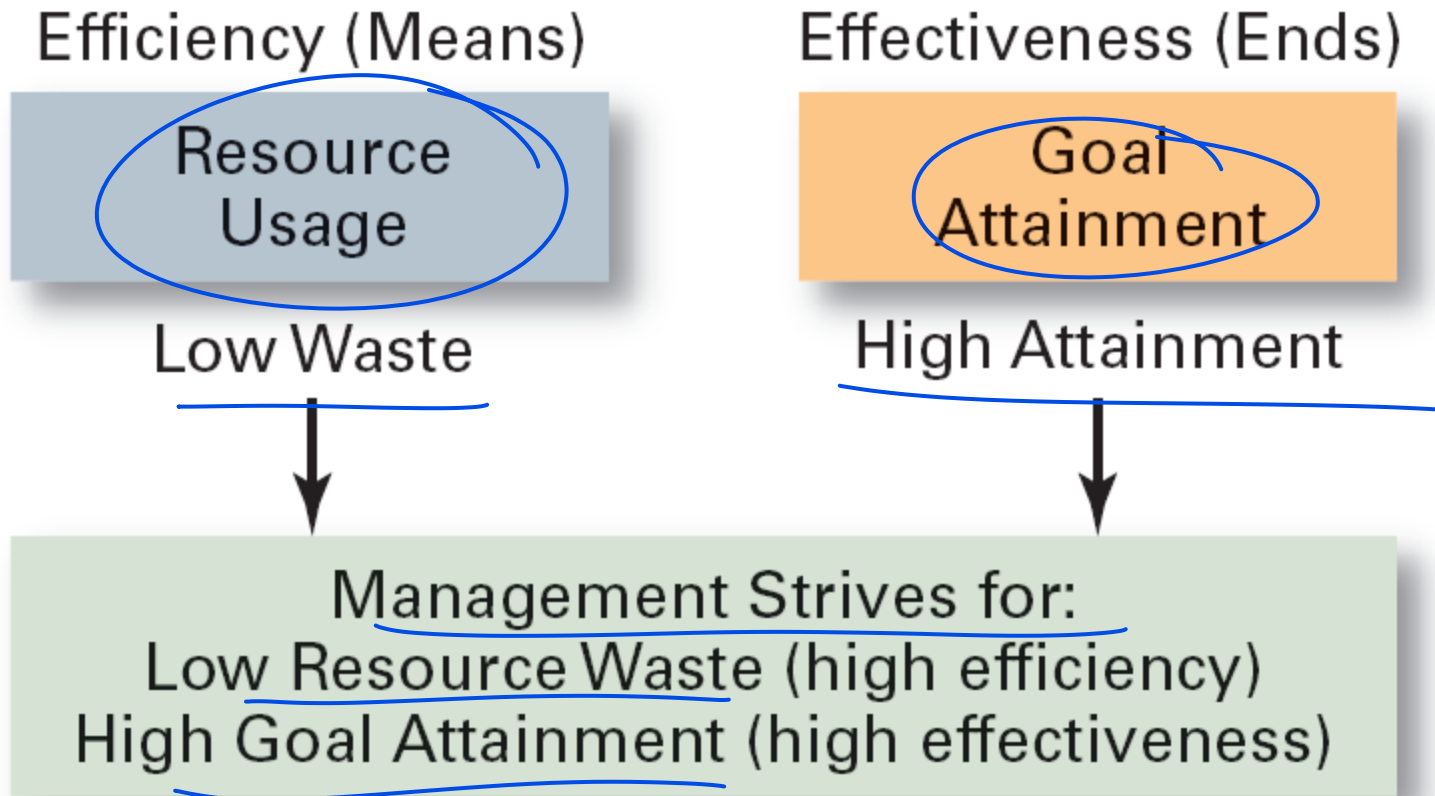
- Managerial Concerns
  - Efficiency
    - “Doing things right”
      - Getting the most output for the least inputs
  - Effectiveness
    - “Doing the right things”
      - Attaining organizational goals



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# Effectiveness and Efficiency in Management

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*Aligns with goals  
resource waste*



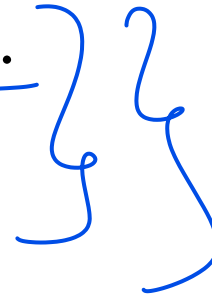
# What Managers Do?

- Three approaches to define what managers do.

- Functions they perform.

- Roles they play.

- Skills they need.



What things

What

What is needed

# What Managers Do?

- Functions Manager's Perform

- Planning

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

- Arranging and structuring work to accomplish organizational goals.

- Leading

- Working with and through people to accomplish goals.

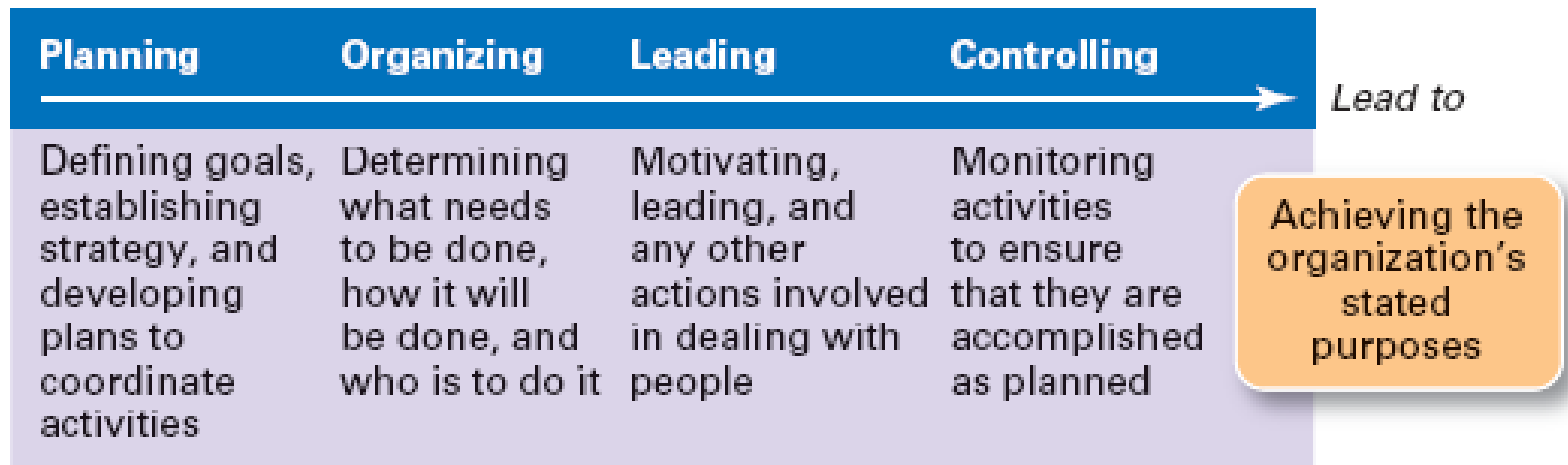
- Controlling

- Monitoring, comparing, and correcting work.

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# Management Functions

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# What Managers Do?

- Roles Manager's Play
  - Roles are specific actions or behaviors expected of a manager.
  - Mintzberg identified 10 roles grouped around interpersonal relationships, the transfer of information, and decision making.

# What Managers Do?

- Management Roles (Mintzberg)
  - Interpersonal roles
    - Figurehead, leader, liaison
  - Informational roles
    - Monitor, disseminator, spokesperson
  - Decisional roles
    - Entrepreneur, disturbance handler, resource allocator, negotiator



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# Mintzberg's Managerial Roles

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- **Interpersonal Roles**

- Figurehead
- Leader
- Liaison

- **Informational Roles**

- Monitor
- Disseminator
- Spokesperson

- **Decisional Roles**

- Entrepreneur
- Disturbance handler
- Resource allocator
- Negotiator

Interpersonal  
Informational

<b>Role</b>	<b>Description</b>	<b>Examples of Identifiable Activities</b>
<b>Interpersonal</b>		
Figurehead	Symbolic head; obliged to perform a number of routine duties of a legal or social nature	Greeting visitors; signing legal documents
Leader	Responsible for the motivation of subordinates responsible for staffing, training, and associated duties	Performing virtually all activities that involve subordinates
Liaison	Maintains self-developed network of outside contacts and informers who provide favors and information	Acknowledging mail; doing external board work; performing other activities that involve outsiders

## Informational

### Monitor

Seeks and receives wide variety of internal and external information to develop thorough understanding of organization and environment

Reading periodicals and reports; maintaining personal contacts

### Disseminator

Transmits information received from outsiders or from subordinates to members of the organization

Holding informational meetings; making phone calls to relay information

### Spokesperson

Transmits information to outsiders on organization's plans, policies, actions, results, etc.

Holding board meetings; giving information to the media



<b>Decisional</b>		
Entrepreneur	Searches organization and its environment for opportunities and initiates "improvement projects" to bring about changes	Organizing strategy and review sessions to develop new programs
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances	Organizing strategy and review sessions that involve disturbances and crises
Resource allocator	Responsible for the allocation of organizational resources of all kinds—making or approving all significant organizational decisions	Scheduling; requesting authorization; performing any activity that involves budgeting and the programming of subordinates' work
Negotiator	Responsible for representing the organization at major negotiations	Participating in union contract negotiations

# How The Manager's Job Is Changing

- The Increasing Importance of Customers
  - Customers: the reason that organizations exist
    - Managing customer relationships is the responsibility of all managers and employees.
    - Consistent high quality customer service is essential for survival.
- Innovation
  - Doing things differently, exploring new territory, and taking risks
    - Managers should encourage employees to be aware of and act on opportunities for innovation.

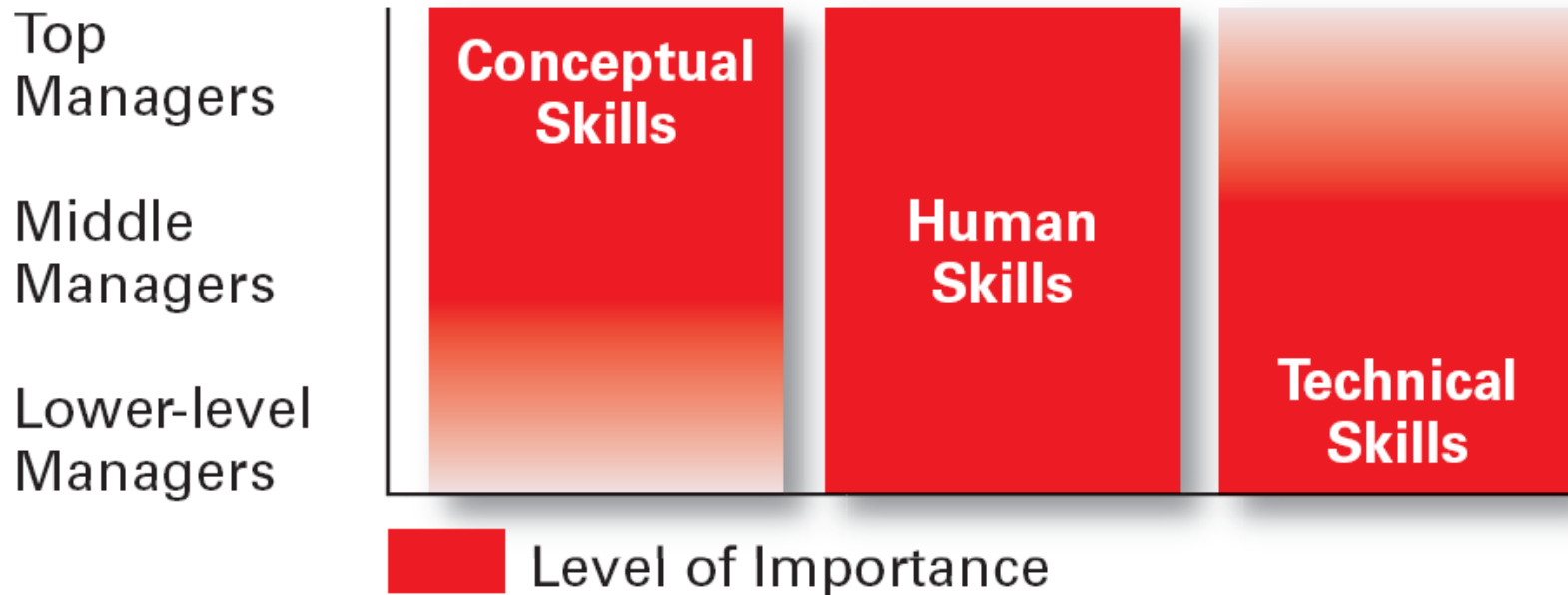
# What Managers Do?

- Skills Managers Need
  - Technical skills
    - Knowledge and proficiency in a specific field
  - Human skills
    - The ability to work well with other people
  - Conceptual skills
    - The ability to think and conceptualize about abstract and complex situations concerning the organization

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## Skills Needed at Different Management Levels

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# Types of Business Organisation

- Sole proprietorship
- Partnership
- Company
  - Public limited company
  - Private limited company
- Public corporations

# Types of Business Organisation

- Sole proprietorship
  - The sole proprietorship is a form of business that is owned, managed and controlled by an individual.
  - He has to arrange capital for the business and he alone is responsible for its management
- Partnership
  - Partnership is an association of persons who agree to combine their financial resources and managerial abilities to run a business and share profits in an agreed ratio.

# Types of Business Organisation

- Company
  - The company form of organisation is considered to be most suitable for organising business activities on a large scale as it does not suffer from the limitations of capital and management of other forms of organisation
  - Public and private limited company
- Public corporations
  - A public corporation is wholly owned by the government