



BUS 1370 : Principles of Management

Lesson 01 **Introduction to Organisation and** **Management**

Department of Business Administration

Faculty of Management Studies and Commerce
University of Sri Jayewardenepura

Learning Outcomes

- Describe what is an organisation.
- Explain why we need organisations.
- Describe what is management.
- Explain the core concepts in management.
- Define who is a manager.
- Describe managerial skills and roles.
- Identify the challenges faced by modern-day managers.

What is an Organisation?

An Organisation

- A group of people who work together in a structured way for a shared purpose.

Cambridge Advanced Learners Dictionary

- An organisation is a collection of two or more people who work together in a structured way to achieve a specific goal or set of goals.

Stoner and Freeman (2009)

- An organisation is a social entity that is goal-directed and deliberately structured.

Samson, Donnet and Daft (2018)

- An organisation is a deliberate arrangement of people to accomplish some specific purpose.

Robbins and Coulter (2020)

Why do we need organisations?

- To accomplish otherwise impossible tasks.
- To provide means to achieve (complex) human needs.
- To accomplish psycho-emotional needs.
- To produce, preserve and disseminate knowledge.

Business Organisation

A business organisation is a collection of individuals and a deliberately structured entity which produces goods and services utilising limited resources to achieve its specific goals and objectives.

Classification of Business Organisation

- By objective
- By ownership
- By size

Questions *and* Discussion

What is Management?

Management Definitions

Definition – 1

- Management is the art of getting things done through other people.

Mary Parker Follet (1868-1933)

Definition – 2

- Management is the process of planning, organising, commanding, coordinating and controlling.

Fayol (1930)

Management Definitions (contd.)

Definition – 3

- Management is the process of getting things done, effectively and efficiently, through and with other people.

Robbins and Coulter (2020)

Definition – 4

- Management is the attainment of organisational goals in an effective and efficient manner through planning, organising, leading and controlling organisational resources.

Samson, Donnet and Daft (2018)

Core Concepts in Management

- **Resources**

All assets possessed by an organisation or the members of the organisation to use in the production process. E.g., human resources, financial resources, physical resources, and information resources.

- **Scarcity**

It is regarded as the fundamental economic problem arising from the fact that, while resources are finite, society's demand for resources is infinite.

- **Efficiency**

The use of resources wisely, in a cost-effective way. It's often referred to as “doing things right”—that is, not wasting resources i.e., getting the most output from the least amount of inputs. Efficiency is concerned with the *means* of getting things done. (Griffin, 2016; Robbins & Coulter, 2020).

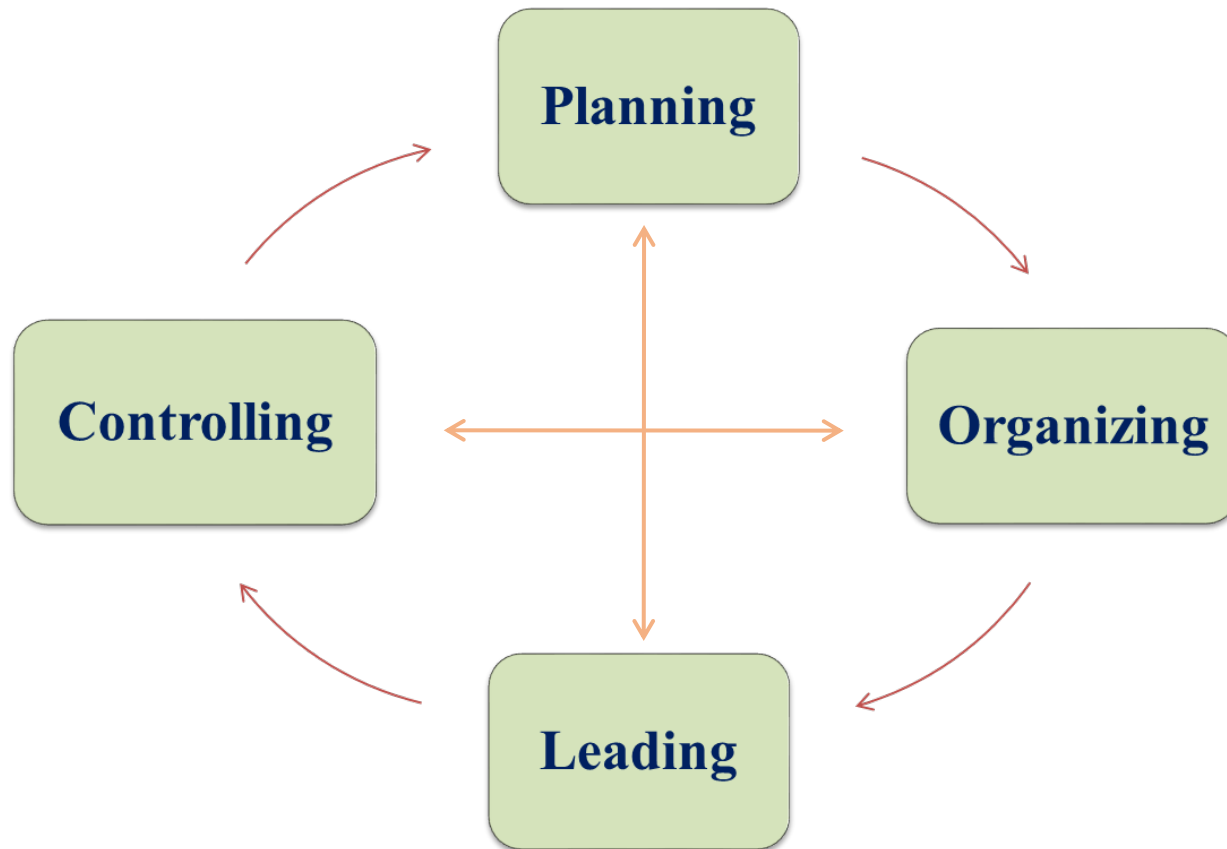
- **Effectiveness**

The degree to which the organisation achieves a stated goal. It's often described as “doing the right things”—that is, completing work activities so that organizational goals are attained. Effectiveness is concerned with the *ends*, or attainment of organisational goals (Robbins & Coulter, 2020; Samson, Donnet & Daft, 2018).

- **Productivity**

The ability to attain organisational goals by using resources in an efficient and effective manner (Daft, 2014).

Four Management Functions



Samson, Donnet and Daft (2018)

Why Management is Important?

- Achieving goals
- Efficient and effective use of resources
- Growth and development
- Proper administration and leadership
- Planning for the future
- Discipline

Who is a Manager?

Manager/s

- The people responsible for directing the efforts aimed at helping organisations achieve their goals.

Stoner, Freeman and Gilbert (2008)

- Someone whose primary responsibility is to carry out the management process.

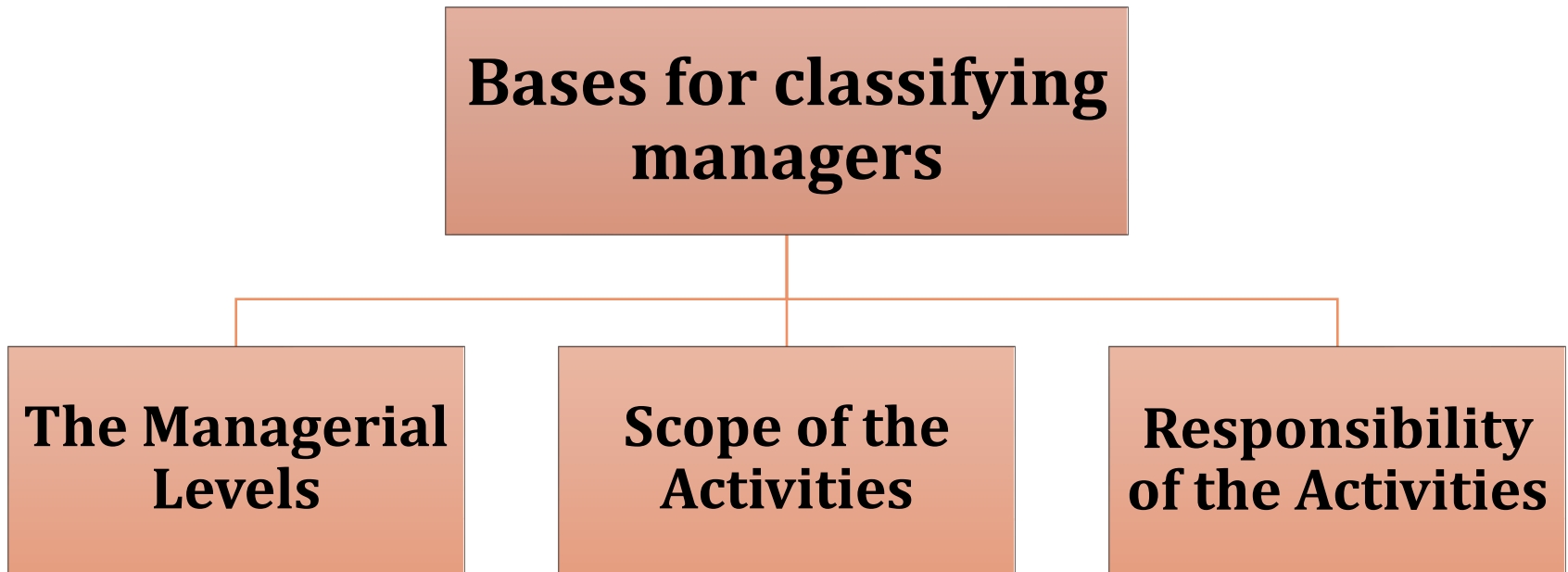
Griffin (2016)

- Individuals in an organisation who direct and oversee the activities of others.

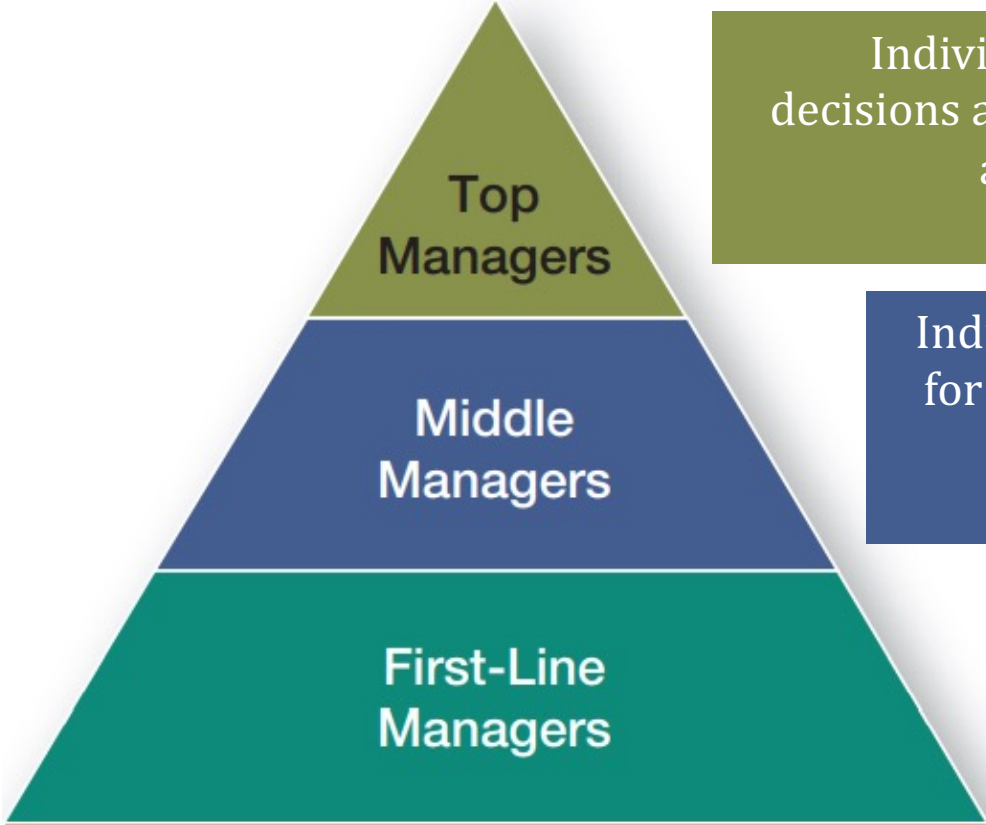
Robbins and Coulter (2020)

In general, we can define a manager as someone who performs management functions in an organisation.

Bases for classifying managers



Classification of Managers by the Managerial Level



**Top
Managers**

Individuals who are responsible for making decisions about the direction of the organisation and establishing policies that affect all organisational members.

**Middle
Managers**

Individuals who are typically responsible for translating goals set by top managers into specific details that lower-level managers will see get do.

**First-Line
Managers**

Supervisors responsible for directing the day-to-day activities of non-managerial employees and/ or team leaders.

Classification of Managers by the Scope of the Activities

- **Functional Manager**

A manager who is responsible for one business function in an organisation.

- **General Manager**

The individual responsible for all the business functions in an organisation.

Classification of Managers by the Responsibility of the Activities

- **Line Managers** are responsible for work activities that directly affect organisation's outputs and objectives.
- **Staff Managers** use technical expertise to advise and support the efforts of the line managers and workers.

Managerial Skills

Managers need certain skills as they manage others. Robert L. Katz proposed that managers need three critical skills in managing: technical, human, and conceptual.

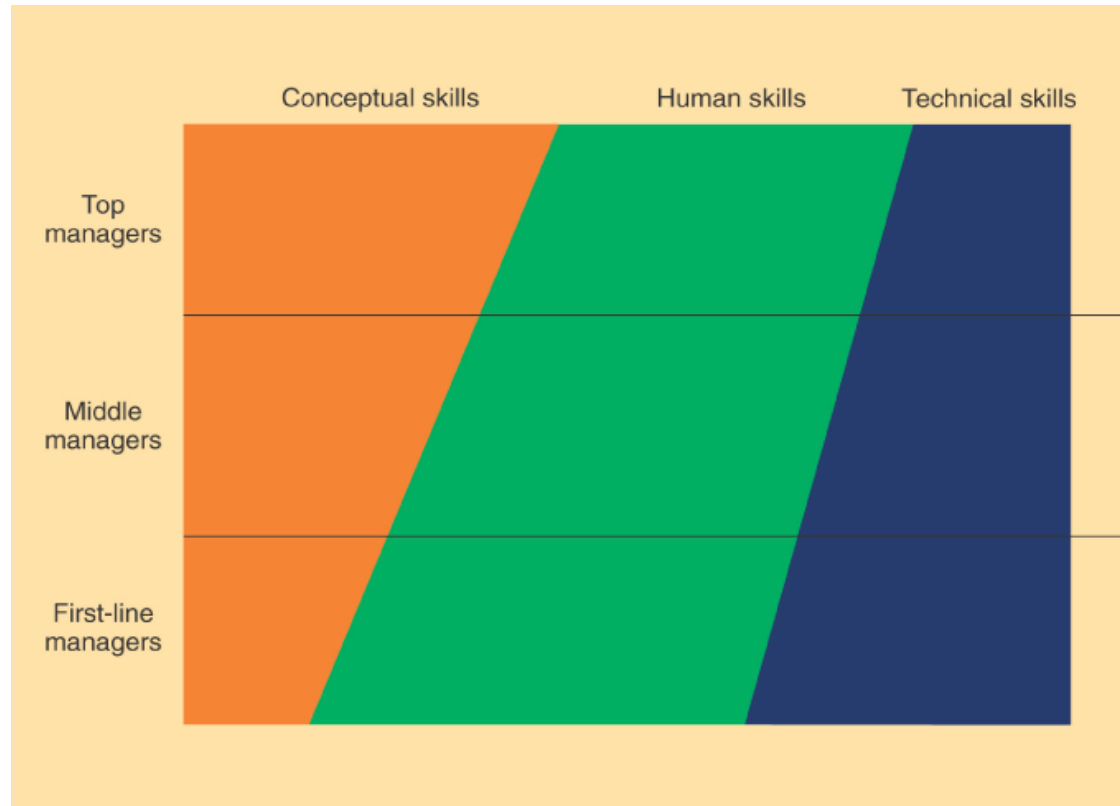


Robbins and Coulter (2018)

Managerial Skills

- **Conceptual Skills:** A manager's ability to analyse and diagnose a situation and find the cause and effect.
- **Human Skills:** A manager's ability to work with, understand, mentor, and motivate others, both individually and in groups.
- **Technical Skills:** the job-specific knowledge required to perform a task. Common examples include marketing, accounting, and manufacturing.

Relative skills needed for effective performance at different levels of Management



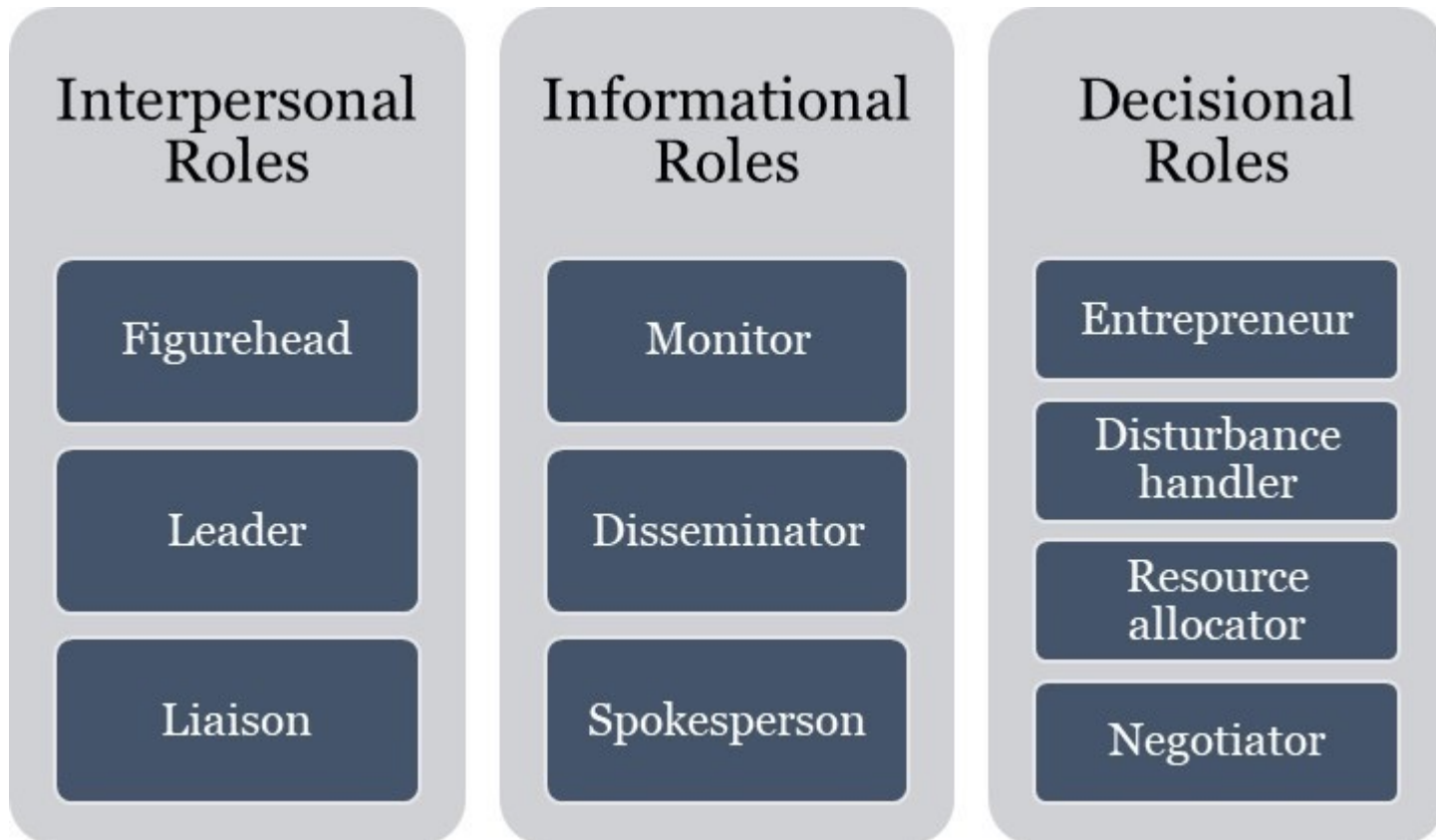
Jones and George (2008)

What Managers do?

According to Henry Mintzberg, diverse management activities can be organised into 10 roles. These roles are divided into 03 conceptual categories.

1. Interpersonal Roles
2. Informational Roles
3. Decisional Roles

Key Managerial Roles (Mintzberg)



Robbins and Coulter (2020)

Interpersonal Roles

Roles Managers assume to coordinate and interact with employees and provide direction to the Organisation.

- ***Figurehead role:*** Perform ceremonial and symbolic duties, such as greeting visitors, signing legal documents.
- ***Leader role:*** Direct and motivate subordinates, train counsel and communicate with subordinates.
- ***Liaison role:*** Maintain information links and coordinate people inside and outside the organisation to help achieve goals.

Informational Roles

Associated with the activities needed to obtain and transmit information for Management of the Organisation.

- ***Monitor role:*** Seek and receive information from both the internal and external environment.
- ***Disseminator role:*** Forward information about the changes taking place in the external and internal environment to the organisation members.
- ***Spokesperson role:*** Transmit information through speeches and reports to outsiders of the organisation.

Decisional Roles

Associated with the methods managers use to plan strategy and utilise resources to achieve goals.

- ***Entrepreneur role:*** decide and initiate projects, identify new ideas, delegate idea responsibility to others.
- ***Disturbance handler role:*** assume responsibility for handling an unexpected event or crisis.
- ***Resource allocator role:*** assign resources between functions and divisions, set budgets of lower managers.
- ***Negotiator role:*** seeks to negotiate solutions between other managers, unions, customers, or shareholders.

Challenges faced by modern-day managers

Questions *and* Discussion