

# Principles of Management

**Course code: MGT:115**



# Management

## Chapter One

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# Managers and Managing





# What Is Management

A set of activities (including planning and decision making, organizing, leading, and controlling) directed by an organization's resources (human, financial, physical and information) with the aim of achieving organizational goals in a effective and efficient manner



**Management consist of getting things done through others. Managers is one who accomplishes the objectives by directing the efforts of others.**

**S.GEORGE**

**“Management is what a manager does”, Here A manager dose all the work effectively and efficiently which will meet the vision and mission of the organization**




**Effectively: Doing the right things**

**Efficiently: Doing the things in the right manner**

**Example:**

Mr. X has a car and wants to change the tire of his car. Mr. X don't know how actually he change the tire of the car. So in this case he adopt trial and error method and for this he loss a lot of time .After 60 minutes he finally change the tire.

In this as X doing the right things but doing it poorly




**MISSION:** describes the functional purposes of the organization.

The mission of the company is the answer of the question: *why does the organization exist?*

***Mission of Ford motors:***

*We are a global, diverse family with a proud inheritance, providing exceptional products and services*



**VISION:** describe the future situation that a company wishes to have.

The vision of the company is the response to the question of: What do we want our organization to be

***Vision of Ford Motors:***

*Become the main company of the world in products and services of the car*

**Differences:**

A mission statement focuses on a company's present state, While a vision statement focuses on a company's future.





# Management Key Concepts

“Managers perform Management in the Organization”

- ***Organizations***: People working together and coordinating their actions to achieve specific goals.
- ***Manager***: Is one who achieve goals by working with or through people.
- ***Management***: The process of using organizational resources to achieve the organization's goals by...
  - *Planning, Organizing, Leading, and Controlling*



# Additional Key Concepts

- **Resources are organizational assets and include:**
  - ◆ People,
  - ◆ Machinery,
  - ◆ Raw materials,
  - ◆ Information,
  - ◆ Financial capital.
- **Managers are the people responsible for supervising the use of an organization's resources to meet its goals.**

# Achieving High Performance

- **Organizations must provide a good or service desired by its customers.**
  - David Johnson of Campbell Soup manages his firm to provide quality food products.
  - Physicians, nurses and health care administrators seek to provide healing from sickness.
  - McDonald's restaurants provide burgers, fries and shakes that people want to buy.



# Organizational Performance

- Measures how efficiently and effectively managers use resources to satisfy customers and achieve goals.
  - **Efficiency:** A measure of how well resources are used to achieve a goal.
    - ◆ Usually, managers must try to minimize the input of resources to attain the same goal.
  - **Effectiveness:** A measure of the appropriateness of the goals chosen (are these the right goals?), and the degree to which they are achieved.
    - ◆ Organizations are more effective when managers choose the correct goals and then achieve them.



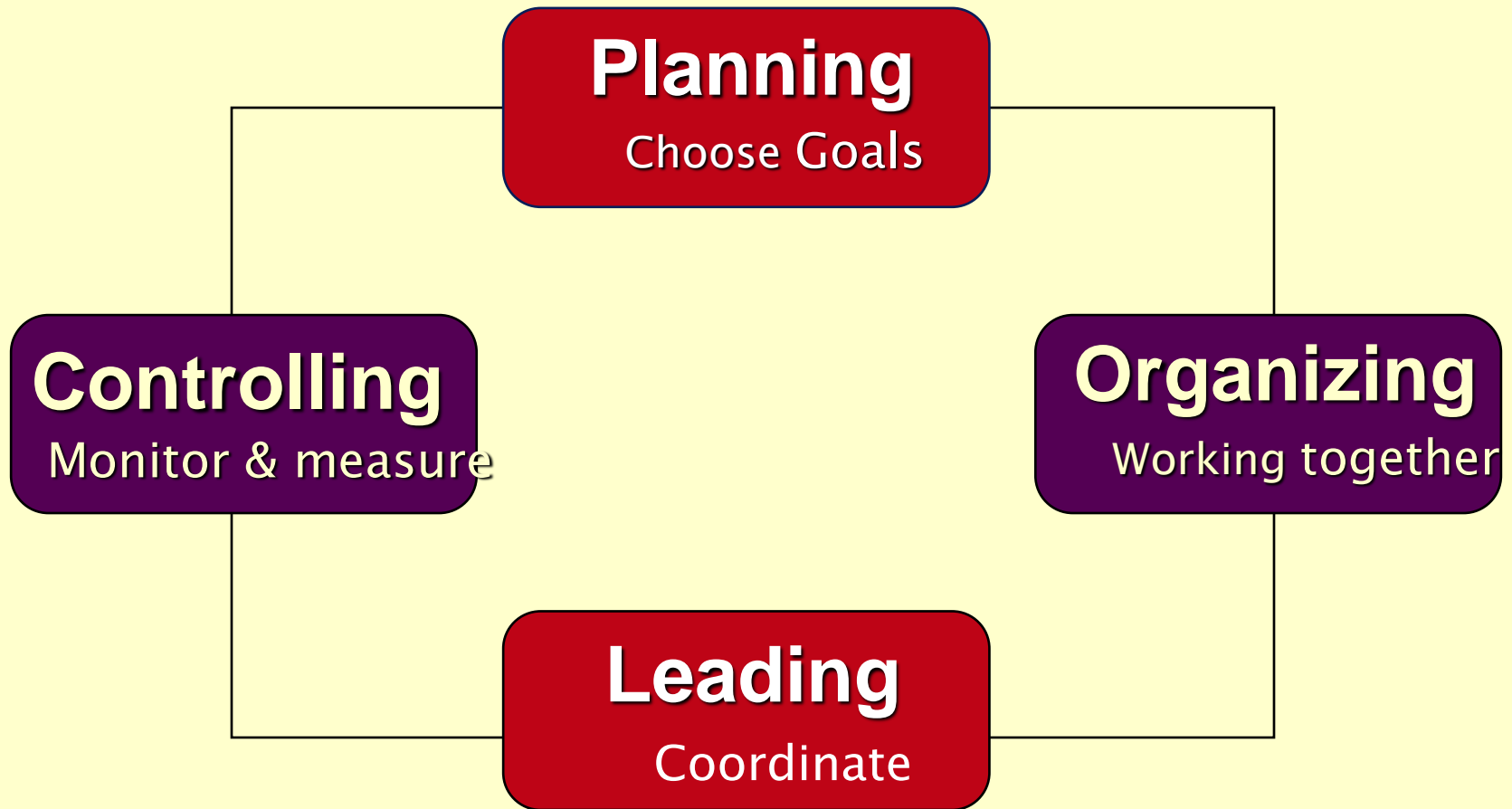
# Managerial Functions

- Henri Fayol was the first to describe the four managerial functions when he was the CEO of a large mining company in the later 1800's.
- Fayol noted managers at all levels, operating in a for profit or not for profit organization, must perform each of the functions of:

Planning,  
organizing,  
leading,  
controlling.

# Four Functions of Management

Figure 1.2





# Planning

*Planning is the process used by managers to identify and select appropriate goals and courses of action for an organization.*

## **3 steps to good planning :**

1. Which goals should be pursued?
2. How should the goal be attained?
3. How should resources be allocated?

- **The planning function determines how effective and efficient the organization is and determines the strategy of the organization.**



# Organizing

- In organizing, managers create the structure of working relationships among organizational members that best allows them to work together and achieve goals.
- Managers will group people into departments according to the tasks performed.
  - Managers will also lay out lines of authority and responsibility for members.
- An *organizational structure* is the outcome of organizing. This structure coordinates and motivates employees so that they work together to achieve goals.





# Leading

- In leading, managers determine direction, state a clear vision for employees to follow, and help employees understand the role they play in attaining goals.
- Leadership involves a manager using power, influence, vision, persuasion, and communication skills.
- The outcome of the leading function is a high level of motivation and commitment from employees to the organization.



# Controlling

- In controlling, managers evaluate how well the organization is achieving its goals and takes corrective action to improve performance.
- Managers will monitor individuals, departments, and the organization to determine if desired performance has been reached.
  - Managers will also take action to increase performance as required.
- The outcome of the controlling function is the accurate measurement of performance and regulation of efficiency and effectiveness.



# Management Levels

- Organizations often have 3 levels of managers:
  - First-line Managers:** responsible for day-to-day operation. They supervise the people performing the activities required to make the good or service.
  - Middle Managers:** Supervise first-line managers. They are also responsible to find the best way to use departmental resources to achieve goals.
  - Top Managers:** Responsible for the performance of *all* departments and have cross-departmental responsibility. They establish organizational goals and monitor middle managers.

# Three Levels of Management





# Areas of Management

- ❖ Marketing Manager
- ❖ Financial Manager
- ❖ Operations Manager
- ❖ Human Resource Manager
- ❖ Administrative Manager
- ❖ Other Kind of Manager (such as public relation manager)



# Managerial Roles

- **Described by Mintzberg.**
  - A role is a set of specific tasks a person performs because of the position they hold.
- **Roles are directed inside as well as outside the organization.**
- **There are 3 broad role categories:**
  - 1. Interpersonal*
  - 2. Informational*
  - 3. Decisional*



# Interpersonal Roles

- **Roles managers assume to coordinate and interact with employees and provide direction to the organization.**
  - ***Figurehead role:*** symbolizes the organization and what it is trying to achieve.
  - ***Leader role:*** train, counsel, mentor and encourage high employee performance. Motivate and encourage subordinates
  - ***Liaison role:*** link and coordinate people inside and outside the organization to help achieve goals.



# Informational Roles

- Associated with the tasks needed to obtain and transmit information for management of the organization.
  - ***Monitor role:*** analyzes information from both the internal and external environment. Receive non routine information
  - ***Disseminator role:*** manager transmits information to all subordinates
  - ***Spokesperson role:*** Transmit organizational information to outsiders





# Decisional Roles

- **Associated with the methods managers use to plan strategy and utilize resources to achieve goals.**
  - ***Entrepreneur role:*** deciding upon new projects or programs to initiate and invest.
  - ***Disturbance handler role:*** assume responsibility for handling an unexpected event or crisis.
  - ***Resource allocator role:*** Allocate monetary and non monetary resources of the organization
  - ***Negotiator role:*** seeks to negotiate solutions between other managers, unions, customers, or shareholders.



# Managerial Skills

**There are three skill sets that managers need to perform effectively.**

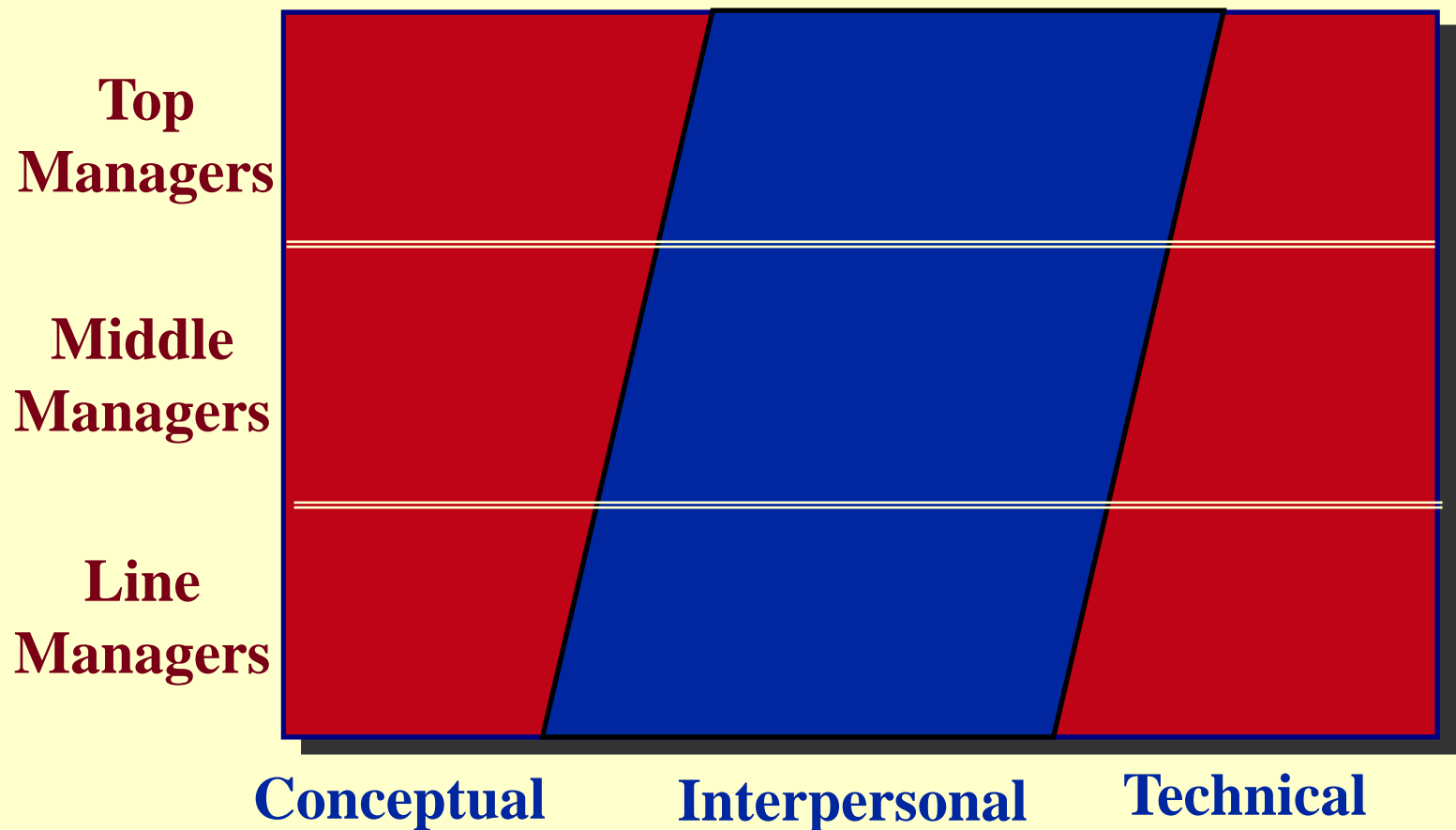
1. ***Conceptual skills***: the ability to analyze and diagnose a situation and find the cause and effect.
2. ***Interpersonal skills***: the ability to communicate with, understand, & motivate both individual & group.
3. ***Technical skills***: the job-specific knowledge required to perform a task. Common examples include marketing, accounting, and manufacturing.

**All three skills are enhanced through formal training, reading, and practice.**

There have some other skills such as **communication skill, diagnostic skills, decision making skills, time mgt. skills**

# Skill Type Needed by Manager Level

Figure 1.5





# Management Challenges

- Increasing number of global organizations.
- Building competitive advantage through superior efficiency, quality, innovation, and responsiveness.
- Increasing performance while remaining ethical managers.
- Managing an increasingly diverse work force.
- Using new technologies.



# Is Management Science Or Arts

## The Science of Management

1. Many problems & issues can be solved in scientific ways.
2. Managers use quantitative models, and decision making techniques to reach at correct decisions.
3. Technical & diagnostic skills are important when practicing the science of management.



# The Art Of Management

- Manager try to Take decisions to Solve the Problems on the Basis of Perception, Experience, Character & Personal Insight
- Relaying on Conceptual and Interpersonal skills
- Solving Unusual and Non-routine Problems