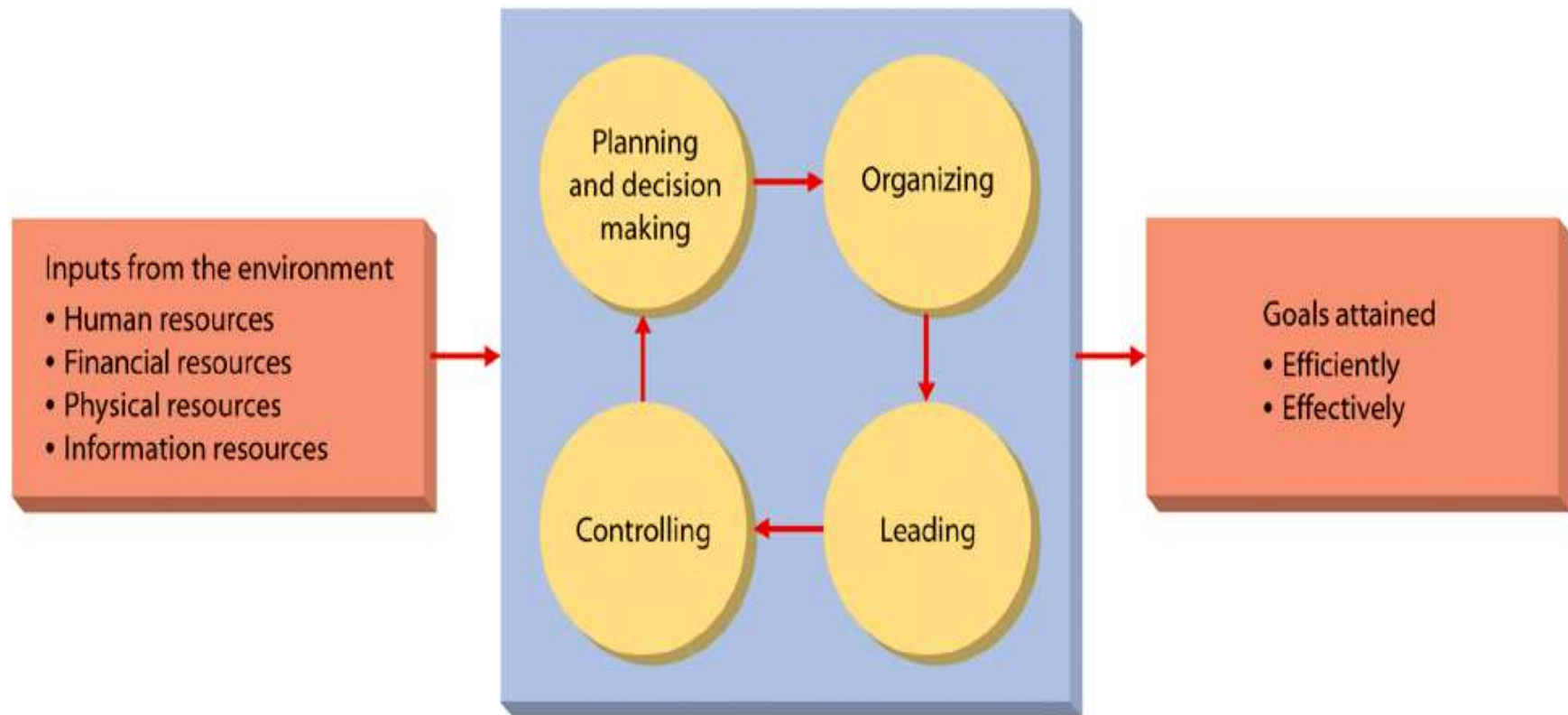


Industrial Management

What Is Management?

- Management is a set of activities that direct at an organization's resources with the aim of achieving organizational goals in an efficient and effective manner.



Efficiency

- By efficient, we mean using resources wisely and in a cost effective way.

Effectiveness

- By effective, we mean making the right decisions and successfully implementing them.

Give an example of a decision situation
that is

- **Efficient** but not **Effective**
- **Effective** but not **Efficient**
- Both **Efficient** and **Effective**
- neither **Efficient** nor **Effective**

Functions of Management

- **Planning**

- Planning is deciding in advance what is to be done
- It is the future course of action
- It is the first and foremost task of management
- It includes:
 - establishing goals and standards,
 - developing rules and procedures,
 - developing plans and forecasting.

- **Decision Making**

- act of choosing one alternative from among a set of alternatives

Decision Making process



Decision Making Conditions

- Certainty
 - A conditions in which the decision maker clearly knows the potential payoffs and costs

Decision Making Conditions

- Risk
 - A conditions in which the potential payoffs and costs are all associated with probability estimates

Decision Making Conditions

- Uncertainty
 - A conditions in which the decision maker does not know the potential payoffs and costs

The Decision Making Conditions

```
graph TD; A([The Decision Making Conditions]) --> B[Certainty]; A --> C[Risk]; A --> D[Uncertainty]; B --> E[Level of ambiguity and chances of making bad decision]; C --> E; D --> E; E --> F[lower]; E --> G[Moderate]; E --> H[Higher]
```

The diagram is a flowchart illustrating the conditions of decision-making. At the top, a pink oval contains the title 'The Decision Making Conditions'. Three arrows point down from this oval to three colored rectangular boxes: a blue box labeled 'Certainty', a green box labeled 'Risk', and a red box labeled 'Uncertainty'. From each of these three boxes, an arrow points down to a single, wider pink rectangular box labeled 'Level of ambiguity and chances of making bad decision'. From this central box, three arrows point down to three more colored rectangular boxes: a blue box labeled 'lower', a green box labeled 'Moderate', and a red box labeled 'Higher'.

Certainty

Risk

Uncertainty

Level of ambiguity and chances of making bad decision

lower

Moderate

Higher

- **Organizing**

- determining how activities and resources are to be grouped

- Basic elements:

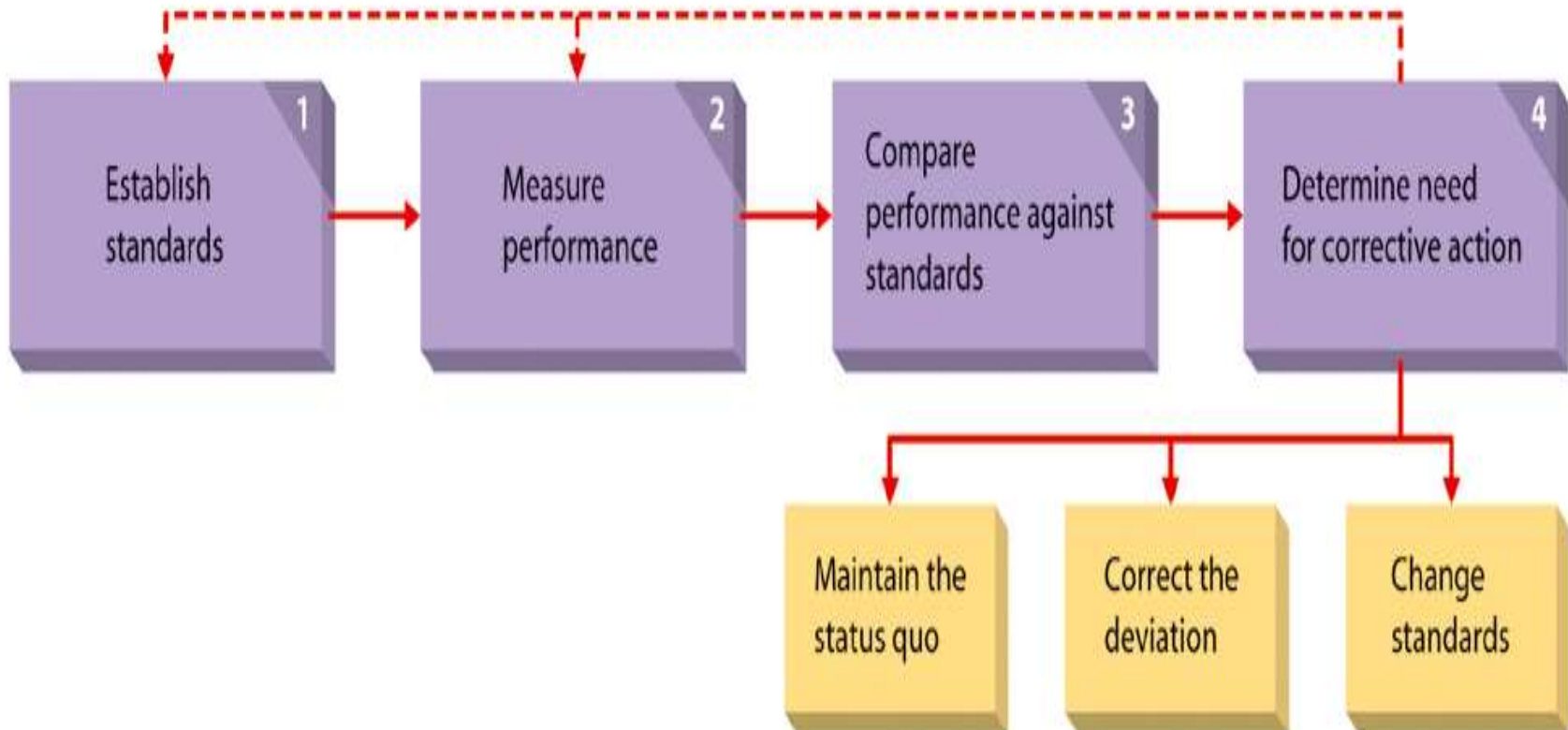
- job design
 - departmentalization
 - authority relationships
 - span of control
 - line and staff roles

- **Leading**

- The set of processes used to get members of the organization to work together to further the interests of the organization
- Activities and processes:
 - motivating employees
 - influencing others
 - managing interpersonal relations and communication
 - managing work groups and teams

- **Controlling**

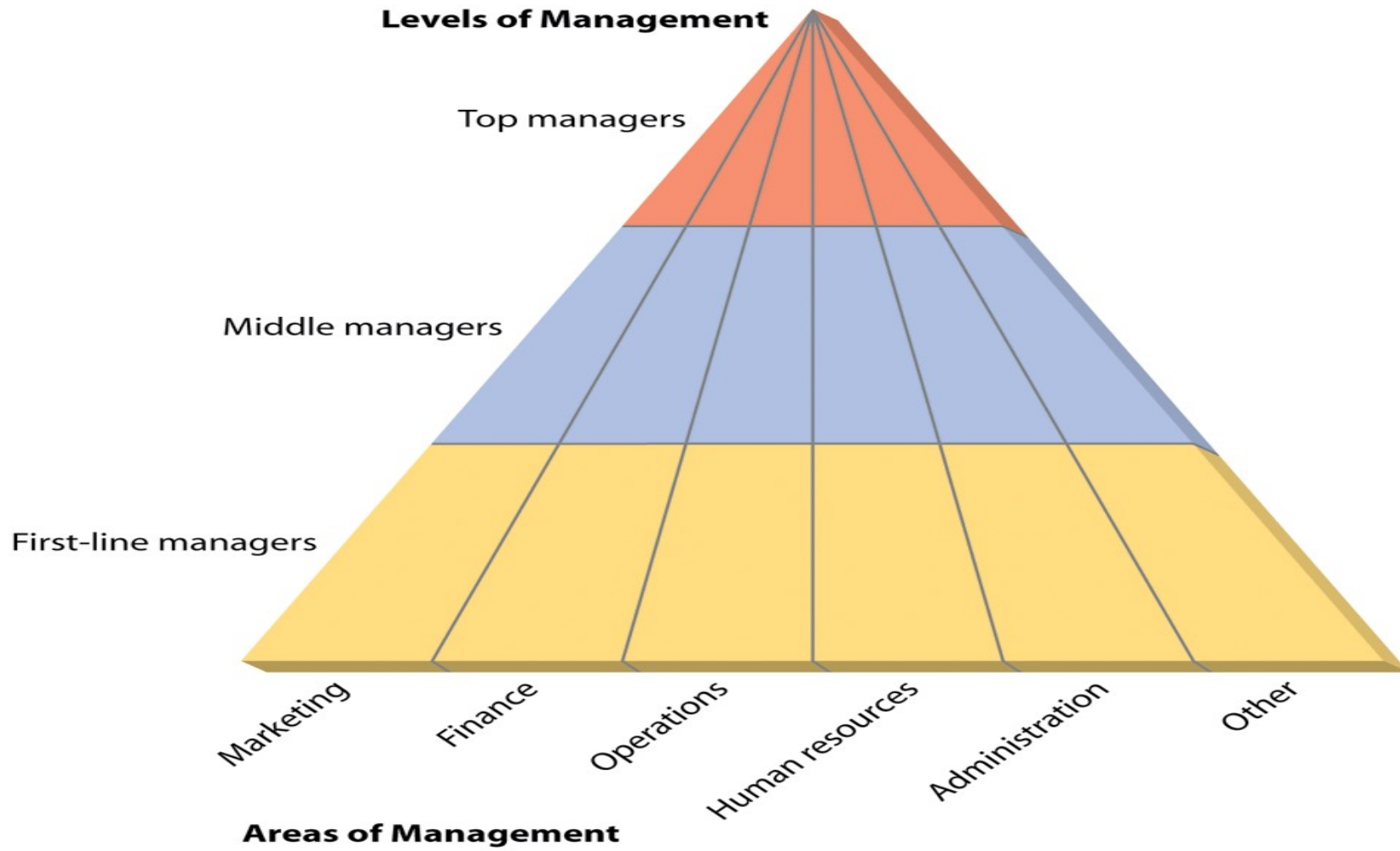
- monitoring organizational progress toward goal attainment



The Management Process



Levels and Areas of Managers



Top Managers

- The small group of executives who manage the overall organization, the strategic level

Top Managers

- Title:

- President
- Vice President
- Chief Executive Officer

Top Managers

- Their functions and responsibilities are diverse and varied
 - making strategy
 - policies & plans
 - representing organizations

Middle Managers

- The largest group that implements the strategies developed at the top and coordinates and supervise the activities of the first line managers

Middle Managers

- Titles:
 - operations managers
 - divisional heads
 - regional managers

First-Line Managers

- Supervise and coordinate the activities of operating employees

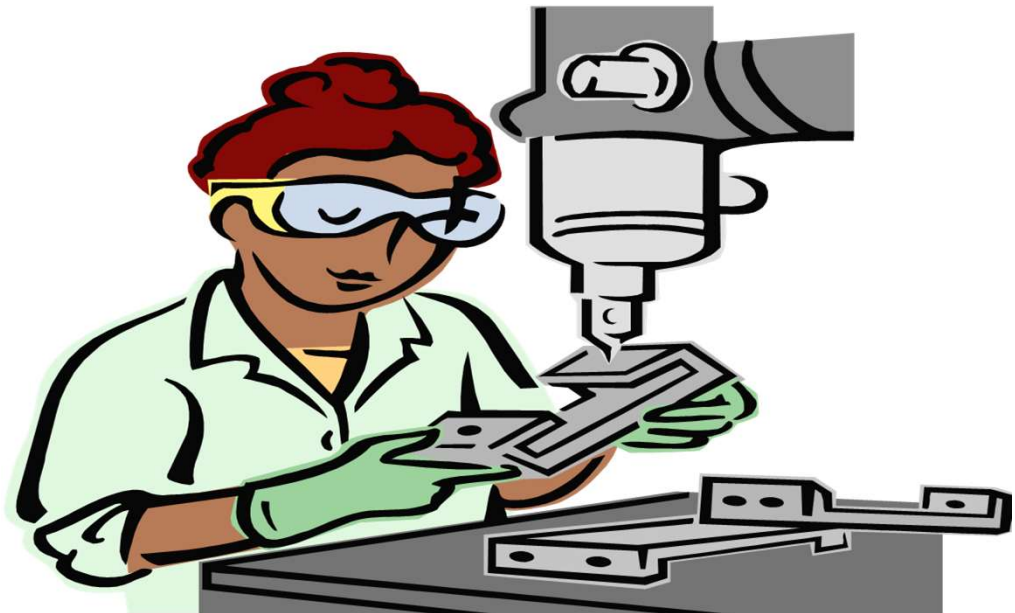
First-Line Managers

- Titles:
 - coordinator
 - supervisor

Fundamental Management Skills

- **Technical Skills**

- Necessary to accomplish or understand the specific kind of work being done
- These skills are especially important for first line managers



- **Interpersonal Skills**

- The ability to communicate with, understand, and motivate both individuals and groups
- Be able to get along with: Subordinates, Peers, and Those at higher levels

- **Conceptual Skills**

- Ability to think in the abstract
- Understand organizational goals and its environment
- How the organization is structured
- Viewing the organization as system

- **Diagnostic Skills**

- Skills that enable a manager to visualize the most appropriate response to a situation

- **Communication Skills**

- Abilities both to effectively convey ideas and information to others and to effectively receive ideas and information from others

- **Decision-making Skills**

- Ability to correctly recognize and define problems and opportunities and to then select an appropriate course of action to solve problems and capitalize on opportunities

- **Time-management Skills**

- Ability to prioritize work, to work efficiently, and to delegate appropriately

Principles of Administrative Management

1. Division of labor

- It is the principle of job specialization
- It will enhance the employee's expertise about the particular job

2. Authority and accountability

- It clearly defines the rights and responsibility of manager
- It defines the area of action, initiative and responsibility of each manager

3. Discipline

- Members in an organization need to respect the rules and agreements that govern the organization
- discipline will result from
 - good leadership at all level of organization
 - fair agreements
 - judiciously enforced penalties for infractions

4. Unity of command

- It is the safeguard against dualism of control
- Each employee must receive his or her instructions about a particular operation from only one person

5. Unity of direction

- Those operations within an organization that have the same objectives should be directed by only one manager

6. Superiority of general interest over individual interests

7. Remuneration

- Adequate remuneration secures a committed work force and sustains employee's interest and participation
- Compensation for work done should be fair to both employees and employer

8. Centralization

- Decreasing the role of subordinates in decision making is centralization; increasing their role is decentralization
- Manager should retain final responsibility but they also need to give their subordinates enough authority to do their jobs properly

9. Scalar chain

- It is the principle of the chain of command
- It discourages level jumping unless and until serious situation occurs

10. Order

- Materials and people should be in the right place at the right time

11. Equity

- It secures loyalty of employees and their cooperation
- Manager should be both friendly and fair to their subordinates

12. Stability and security

- It is a basic motivation for attention to work, interest and sustained efforts of the employees

13. Initiative

- Subordinates should be given freedom to imagine and carry out their plans even some mistakes result

14. Esprit de corps

- It means cooperation and fellow feeling.
- It means everybody helps everybody else in a close spirit of teamwork

Principles of Scientific Management

1. Develop a science for each element of a worker's job that replaces rule of thumb

Principles of Scientific Management

2. Use scientific method rather than intuition and experience to determine the work methods and tools

Principles of Scientific Management

3. Lay down standard time, standard methods, tools and working conditions for each task

Principles of Scientific Management

4. Functional specialization should be a part of every job

Principles of Scientific Management

5. Scientific selection, training and development of workers

Principles of Scientific Management

6. Planning and scheduling of the work to ensure availability of materials and other resources at the right place, right time, and in proper condition

Principles of Scientific Management

7. Wage incentives should be an integral part of each job

Principles of Scientific Management

- Close co-operation between management and workers to accomplish work in accordance with scientific method

Principles of Scientific Management

8. Planning should be separated from doing