

Introduction to Organizations and Management

IPE 4111



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What Is An Organization?

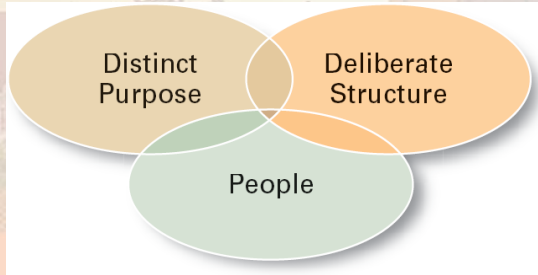
Organization

A deliberate arrangement of people to accomplish some specific purpose that individuals independently could not accomplish alone.



Common Characteristics of Organizations

- Composed of people
- Have a deliberate structure
- Have a distinct purpose (goal)



What Is Management?

Management

Coordinating work activities so that they are completed efficiently and effectively with and through other people.

Managerial Concerns

➤ Efficiency

“Doing things right”

Getting the most output from the least amount of inputs

➤ Effectiveness

“Doing the right things”

Completing activities so that organizational goals are attained



Efficiency Vs. Effectiveness

Efficiency

Doing things right

Getting the most output from the least amount of inputs

Takes the present state into consideration

Quantity based

Effectiveness

Doing the right things

Completing activities so that organizational goals are attained

Takes the long term strategy into consideration

Quality based



Exhibit 1-2 Effectiveness and Efficiency in Management

Efficiency (Means)

Resource
Usage

Low Waste



Effectiveness (Ends)

Goal
Attainment

High Attainment



Management Strives for:
Low Resource Waste (high efficiency)
High Goal Attainment (high effectiveness)

Importance of Management

- It helps in achieving group goals
- It arranges the factors of production
- It assembles and organizes the resources
- It improves productivity and efficiency
- It improves the customer experience and increases profitability



Why Study Management?

The Value of Studying Management

- The universality of management
- The reality of work
- Rewards and challenges of being a manager



Why Study Management?

➤ *The universality of management*



Why Study Management?

➤ *The reality of work*

- employees either manage or are managed.

➤ *Rewards and challenges of being a manager*

- Management offers challenging, exciting and creative opportunities for meaningful and fulfilling work.
- Successful managers receive significant monetary rewards for their efforts.



Exhibit 1–12 Rewards and challenges of being a manager

Rewards

- Create a good work environment
- Have opportunities to think creatively and use imagination
- Help others to find meaning and fulfillment in work
- Support, coach and nurture others
- Work with a variety of people
- Receive recognition and status in organization and community etc.



Exhibit 1–12 Rewards and challenges of being a manager

Challenges

- Need to do hard work
- Have to deal with a variety of personalities
- Often have to do things with limited resources
- Motivate workers in chaotic and uncertain situations
- Success depends on others' work performance



Who Are Managers?

Manager

Someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals.



Classification of Managers

- First line managers
- Middle managers
- Top managers



Classification of Managers

First line managers

- Managers at the lowest level of the organization
- Manage the work of non managerial employees
- First-line managers may be called supervisors or even shift managers, district managers, department managers, or office managers.



Classification of Managers

Middle managers

- Managers between the first line level and top level of the organization
- Manage the work of first line managers.
- They may have titles such as regional manager, project leader, store manager, or division manager.



Classification of Managers

Top Managers

- Managers at the top level of the organization
- Responsible for making organization wide decisions and establishing the goals and plans that affect the entire organization.
- Typically have titles such as executive vice president, president, managing director, chief operating officer, or chief executive officer.



What Do Managers Do?

Management Functions

- Planning
- Organizing
- Leading
- Controlling



Management Functions

Planning

Management function that involves

- defining goals
- establishing strategies to achieve those goals
- developing plans to integrate and coordinate activities.



Management Functions

Organizing

Management function that involves

- determining what tasks are to be done
- who is to do them
- how the tasks are to be grouped
- who reports to whom
- where the decisions are to be made.



Management Functions

Leading

Management function that involves

- motivating subordinates
- influencing individuals or teams as they work
- selecting the most effective communication channels
- dealing in any way with employee behavior issues.

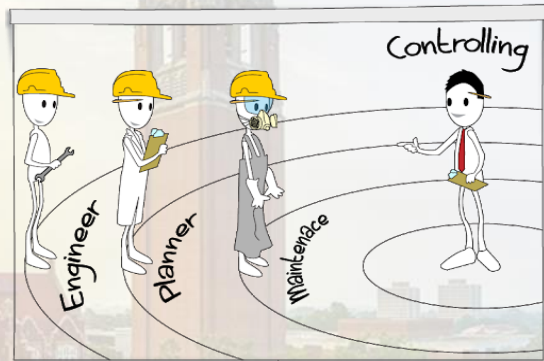


Management Functions

Controlling

Management function that involves

- monitoring actual performance
- comparing actual to standard
- taking action, if necessary.



What Do Managers Do? (cont'd)

Mintzberg's Managerial Roles

- Interpersonal roles
- Informational roles
- Decisional roles



Mintzberg's Managerial Roles

Interpersonal Roles

Figurehead

Leader

Liaison

Informational Roles

Monitor

Disseminator

Spokesperson

Decisional Roles

Entrepreneur

Disturbance
handler

Resource
allocator

Negotiator

Mintzberg's Managerial Roles

Interpersonal roles

Managerial roles that involve people and other duties that are ceremonial and symbolic in nature

The three interpersonal roles include

- figurehead
- leader
- liaison



Mintzberg's Managerial Roles

Interpersonal roles

Figurehead

- Symbolic head
- Obligated to perform a number of routine duties of a legal or social nature

Examples of activities

- Greeting visitors
- Signing legal documents



Mintzberg's Managerial Roles

Interpersonal roles

Leader

- Responsible for the motivation of subordinates
- Responsible for staffing, training and associated duties

Examples of activities

- Performing virtually all activities that involve subordinates



Mintzberg's Managerial Roles

Interpersonal roles

Liaison

- Maintains self developed network of outside contacts and informers who provide favors and information.

Examples of activities

- Acknowledging mail
- Performing other activities that involve outsiders.



Mintzberg's Managerial Roles

Informational roles

Managerial roles that involve collecting, receiving, and disseminating information.

The three informational roles include

- monitor
- disseminator
- spokesperson



Mintzberg's Managerial Roles

Informational roles

Monitor

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

Examples of activities

- Reading periodical and reports
- Maintaining personal contacts



Mintzberg's Managerial Roles

Informational roles

Disseminator

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

Examples of activities

- Holding informational meetings
- Making phone calls to relay information



Mintzberg's Managerial Roles

Informational roles

Spokesperson

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

Examples of activities

- *Holding board meetings*
- *Giving information to the media*



Mintzberg's Managerial Roles

Decisional roles

Managerial roles that revolve around making choices.

The four decisional roles include

- entrepreneur
- disturbance handler
- resource allocator
- negotiator

Mintzberg's Managerial Roles

Decisional roles

Entrepreneur

- Searches organization and its environment for opportunities and initiates improvement projects to bring about changes.

Examples of activities

- Organizing strategy and review sessions to develop new programs



Mintzberg's Managerial Roles

Decisional roles

Disturbance handler

- Responsible for corrective actions when organization faces important, unexpected disturbances.

Examples of activities

- Organizing strategy and review sessions that involve disturbances and crises.



Mintzberg's Managerial Roles

Decisional roles

Resource allocator

- Responsible for the allocation of organizational resources of all kinds.

Examples of activities

- Scheduling
- Requesting authorization
- Performing any activities that involves budgeting and the programming of subordinates' work



Mintzberg's Managerial Roles

Decisional roles

Negotiator

- *Responsible for representing the organization at major negotiations*

Examples of activities

- Participating in union contract negotiations

Management Skills

Managers need certain skills to perform the duties and activities associated with being a manager.

Research by Robert L. Katz found that managers needed three essential skills-

- Technical skills
- Conceptual skills
- Human skills



Management Skills

Technical skills

- Job-specific knowledge and techniques needed to proficiently perform work tasks.
- More important at lower levels of management



Management Skills

Conceptual skills

- The ability to think and to conceptualize about abstract and complex situations concerning the organization.
- More important at top levels of management

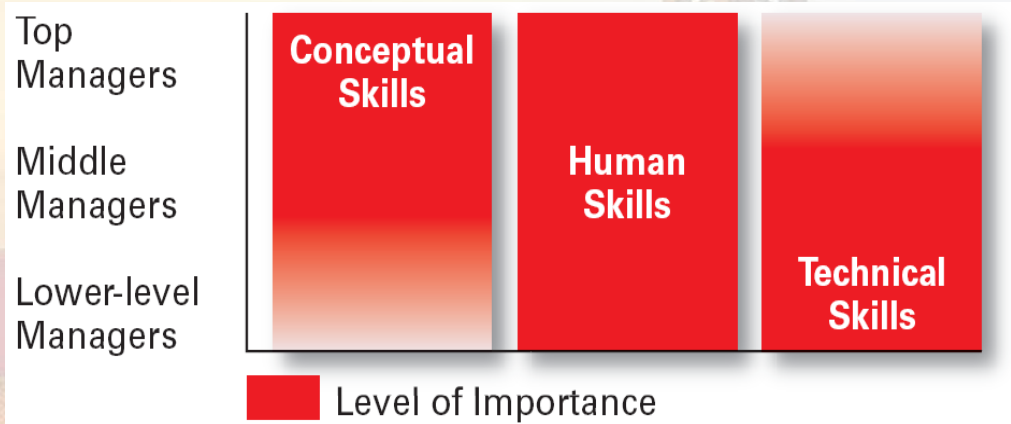


Management Skills

Human skills

- The ability to work well with other people individually and in a group.
- These skills are equally important at all levels of management.

Exhibit 1–5 Skills Needed at Different Management Levels



How The Manager's Job Is Changing

Managers have always had to deal with changes taking place inside and outside their organization. Three important changes are-

- Importance of customers
- Importance of innovation
- Importance of sustainability



Management History



Scientific Management

Fredrick Winslow Taylor

- The “father” of scientific management
- Published Principles of Scientific Management



Scientific Management

Taylor's Four Principles of Management

1. Develop a science for each element of an individual's work
2. Scientifically select then train, teach and develop the worker
3. Cooperate with the workers to ensure all the work is done according to the principles of science.
4. Divide work and responsibility almost equally between management and workers.



Scientific Management

Frank and Lillian Gilbreth

- Frank and his wife Lillian, a psychologist, studied work to eliminate wasteful hand-and body motions.
- The Gilbreths also experimented with the design and use of the proper tools and equipment for optimizing work performance.





Scientific Management

How Do Today's Managers Use Scientific Management?

- Use time and motion studies to increase productivity
- Hire the best qualified employees
- Design incentive systems based on output



General Administrative Theorists

Henri Fayol

- He first identified five functions that managers perform: planning, organizing, commanding, coordinating, and controlling.
- Developed principles of management that applied to all organizational situations.



Fayol's 14 Principles of Management

- | | |
|--|--------------------------------------|
| 1. Division of work | 7. Remuneration |
| 2. Authority | 8. Centralization |
| 3. Discipline | 9. Scalar chain |
| 4. Unity of command | 10. Order |
| 5. Unity of direction | 11. Equity |
| 6. Subordination of individual interests to the general interest | 12. Stability of tenure of personnel |
| | 13. Initiative |
| | 14. Esprit de corps |



Thank You

