

COURSE: PRINCIPLES OF MANAGEMENT
LECTURE # 01

THE WORLD OF INNOVATIVE MANAGEMENT

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LEARNING OUTCOMES

After studying this chapter, you should be able to:

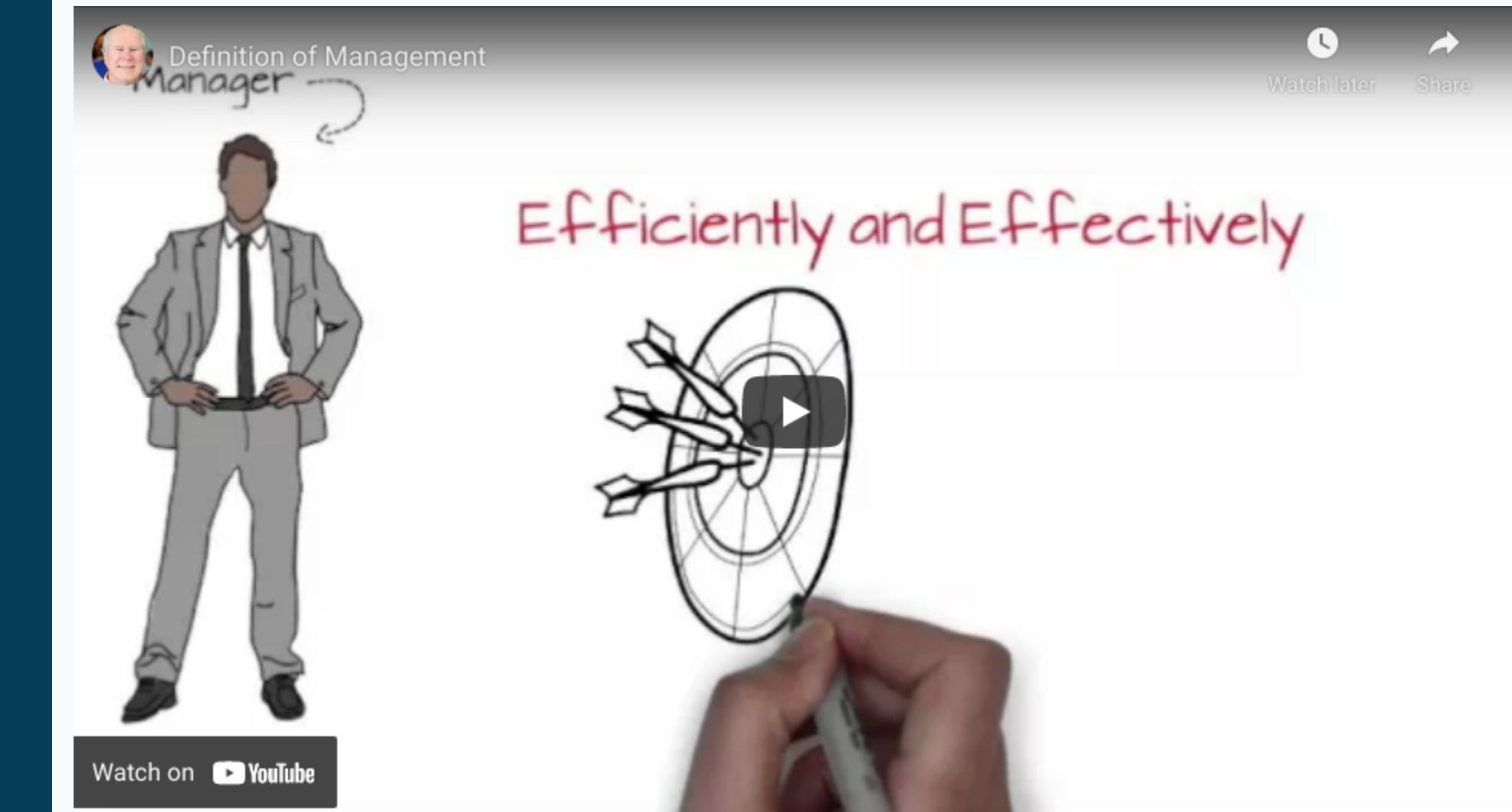
1. Define the four **management functions** and the **type of management** activity associated with each.
2. Explain the difference between **efficiency and effectiveness** and their importance for organizational performance.
3. Describe **technical, human, and conceptual skills** and their relevance for managers.
4. Describe **management types** and the horizontal and vertical differences between them.
5. Define **ten roles** that managers perform in organizations.

Why study Management?

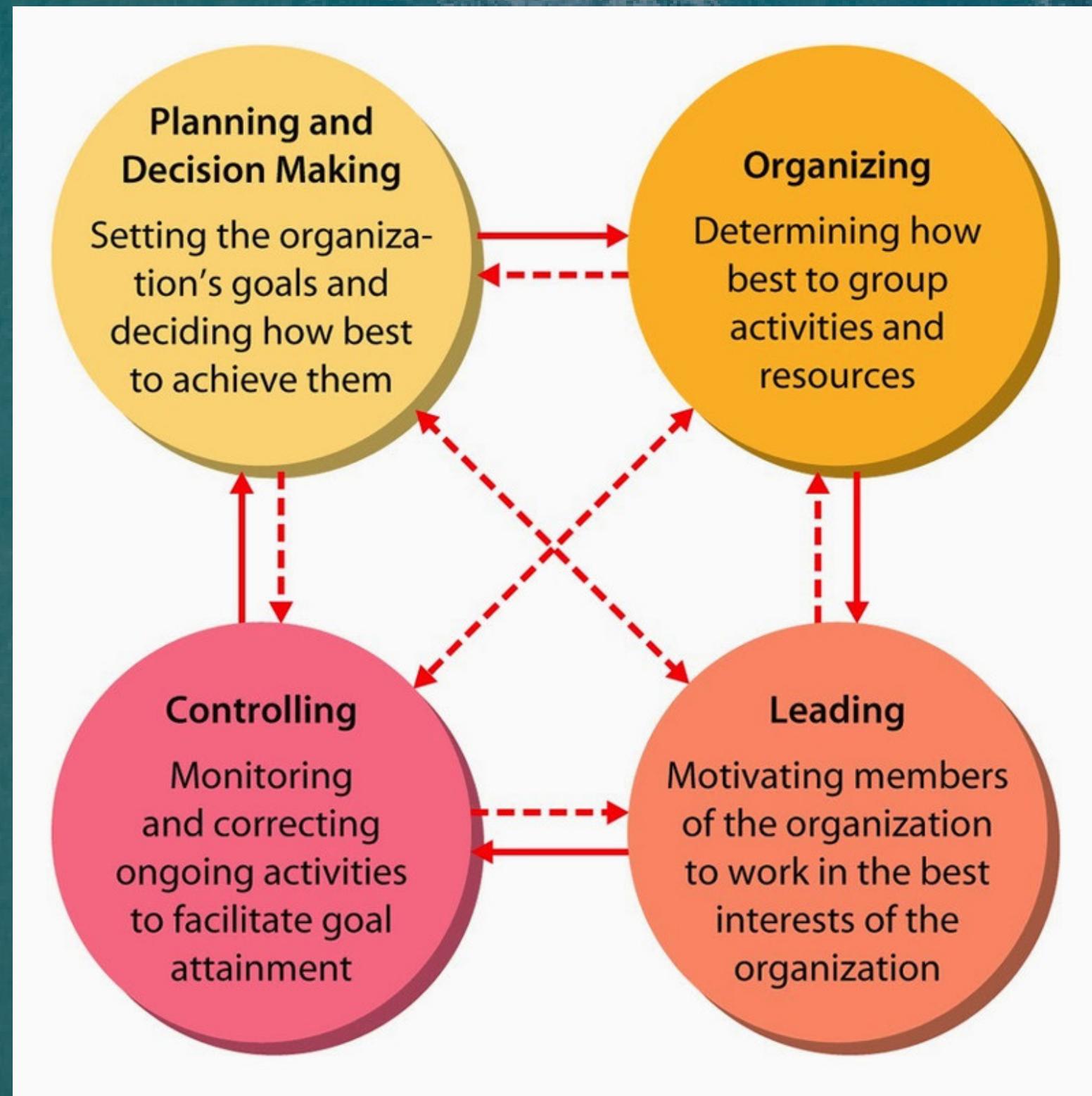


The Concept of Management

Please refer to the link in
your LMS - What is
Management?



The 4 Management Functions



Management is a process designed to achieve organisational goals

A process is a set of activities that are **ongoing** and **interrelated**.

Planning - Determining courses of action

Planning means **setting an organization's goals** and deciding **how best to achieve them**.

Plan works as a **guide** for **future** activities

Management activities involved:

- Identifying challenges
- Forecast the future impact of each solution on the business
- Formulating objectives & deadlines
- Re-evaluation

Organizing - Coordinating activities & resources

Organizing involves determining how **activities and resources** are to be **assembled** and **coordinated**.

Management activities involved:

- Classifying activities
- Assigning activities to individuals or groups
- Creating responsibilities
- Delegating authority

Leading - Managing, Motivating & Directing People

Skill of influencing people for a particular purpose or reason

Management activities involved:

- Communication
- Motivation (set clear goals and reward employees)
- Provide opportunities for growth and development

Controlling - Monitoring and Evaluating Activities

Controlling is **measuring, comparing, finding deviation, and correcting the organizational activities** performed to achieve the goals or objectives.

Management activities involved:

- Measuring the performance
- Comparing with the existing standard and finding the deviations
- Correcting the deviations



The Management Process.mp4



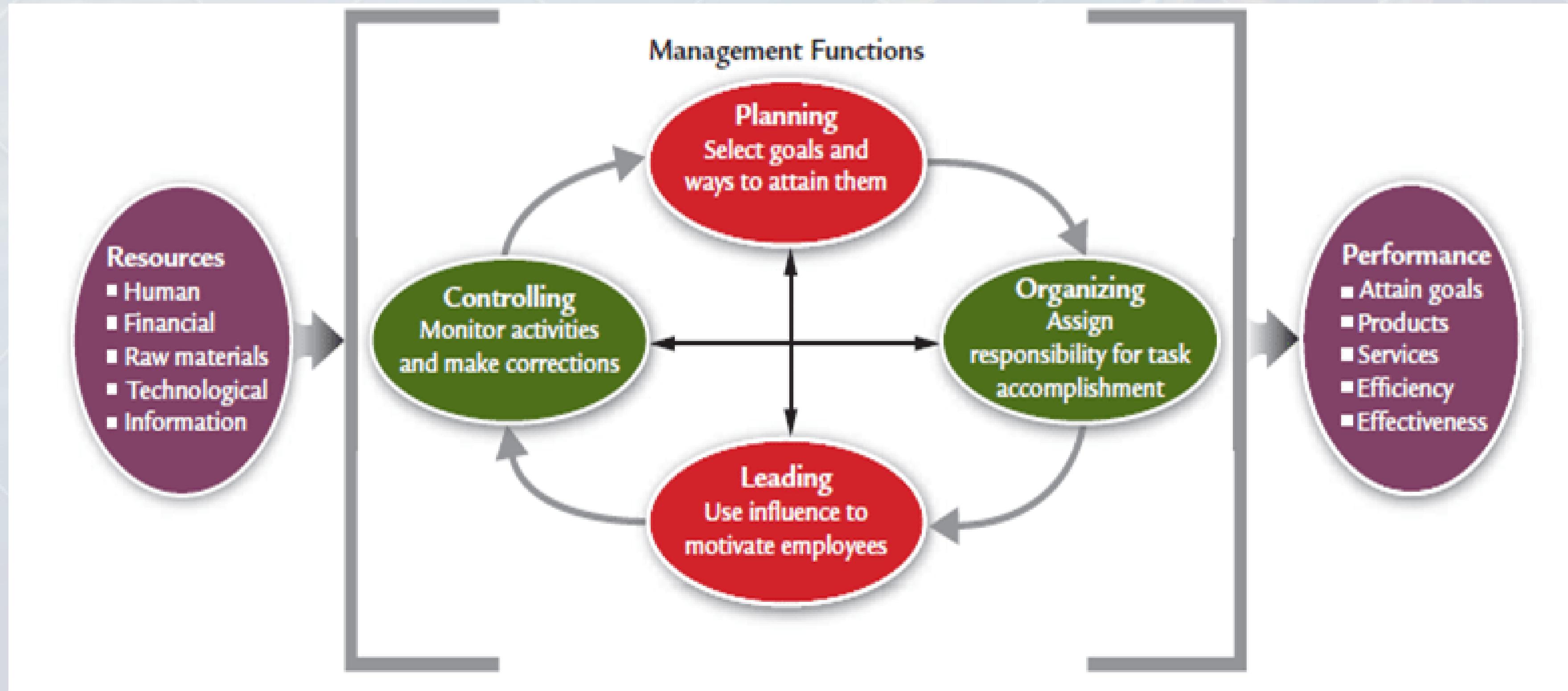
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The Process of Management



What is an Organisation?

A social entity that is goal-oriented and deliberately structured

Organisational Efficiency & Effectiveness

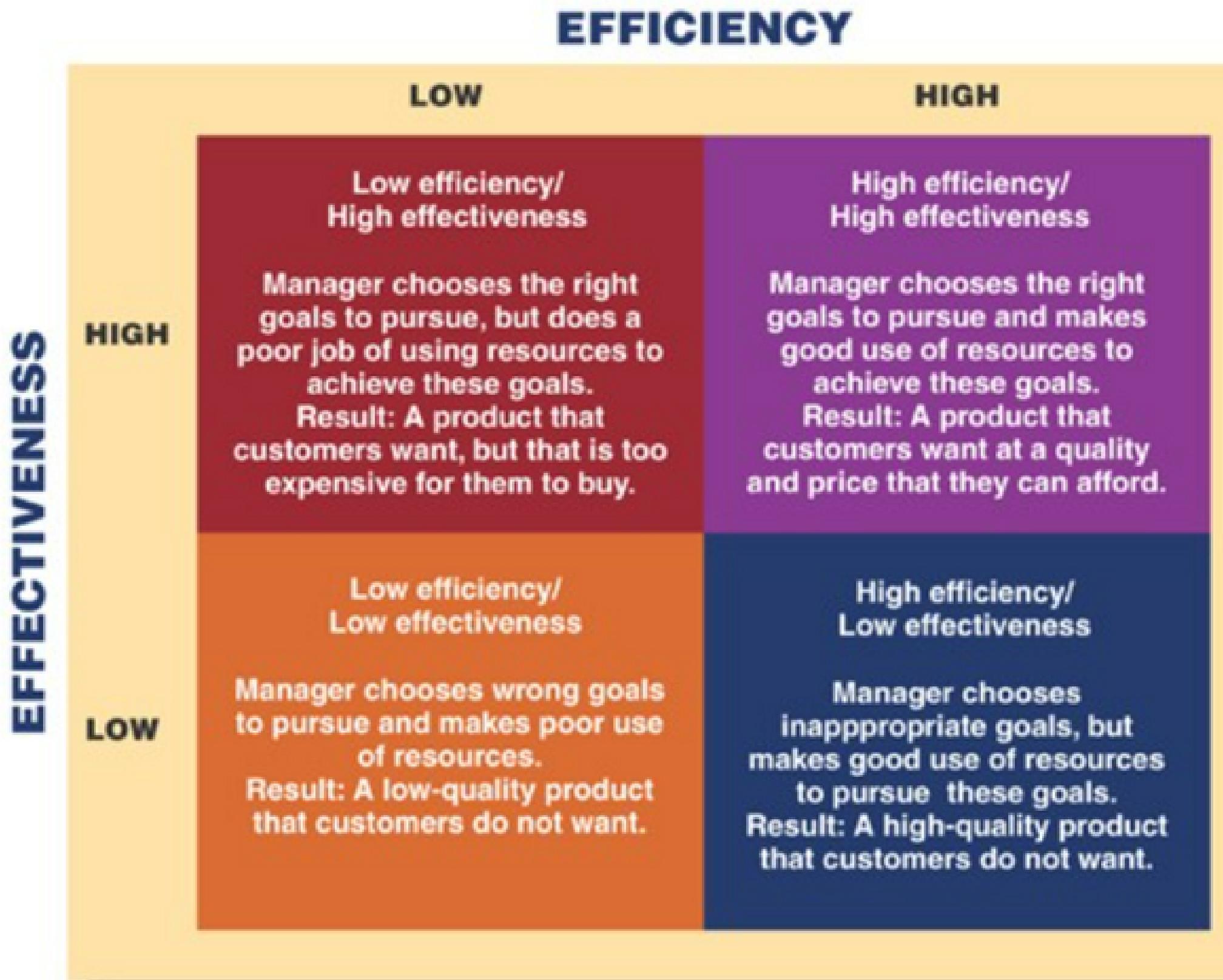
ORGANISATIONAL EFFICIENCY

Organizational efficiency refers to the **amount of resources** used to achieve an organizational goal.
(Quantitative aspect)

ORGANISATIONAL EFFECTIVENESS

It is the **degree** to which the organization achieves a stated goal, or succeeds in accomplishing what it tries to do.
(Qualitative aspect)

Efficiency, Effectiveness, and Performance in an Organization



Organisational Performance

It is the **attainment of organizational goals** by using resources in an **efficient** and **effective** manner.

Responsibility of Managers?

It is to coordinate resources in an effective and efficient manner to accomplish the organization's goals.

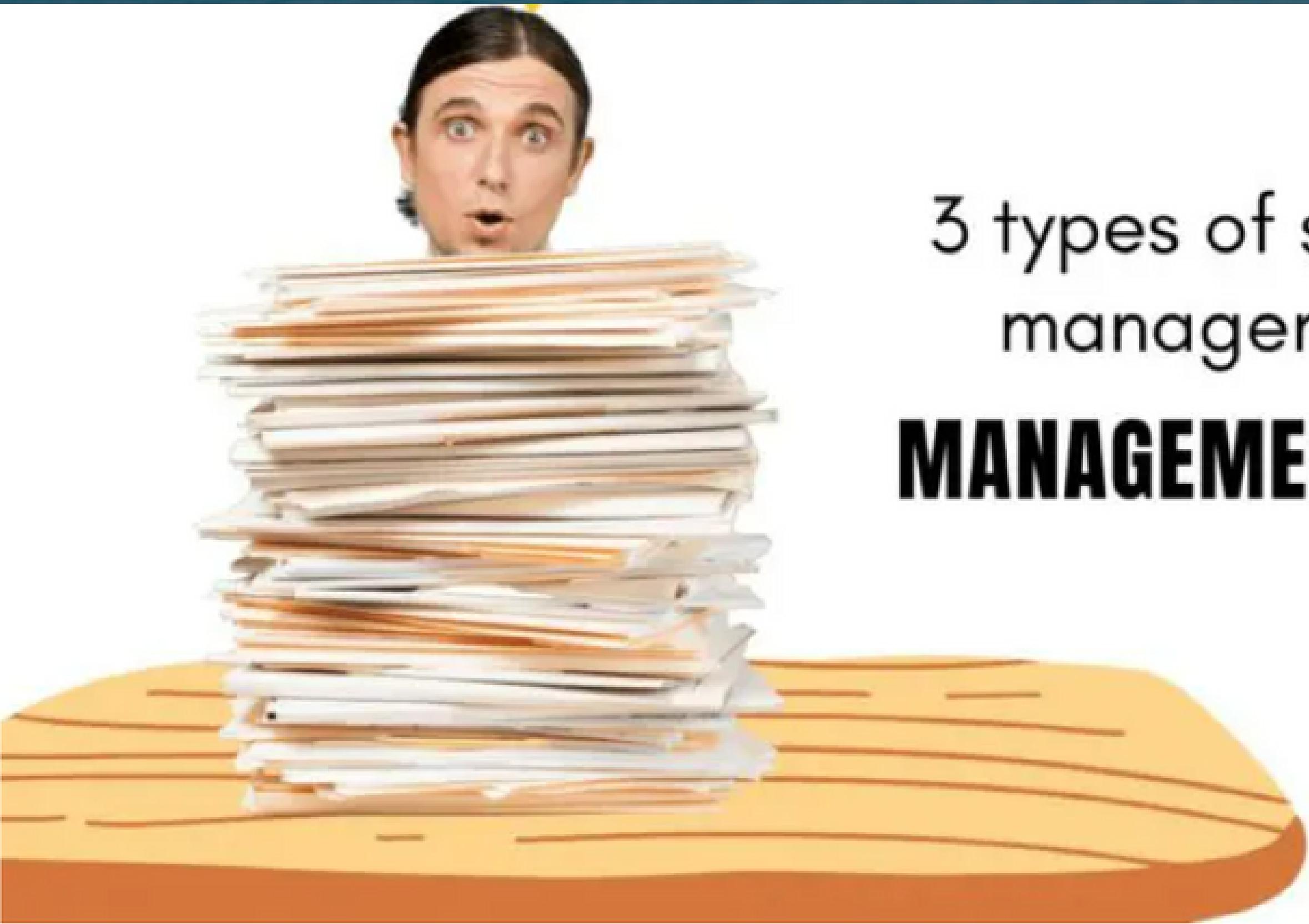
MANAGEMENT SKILLS



What are Management skills?

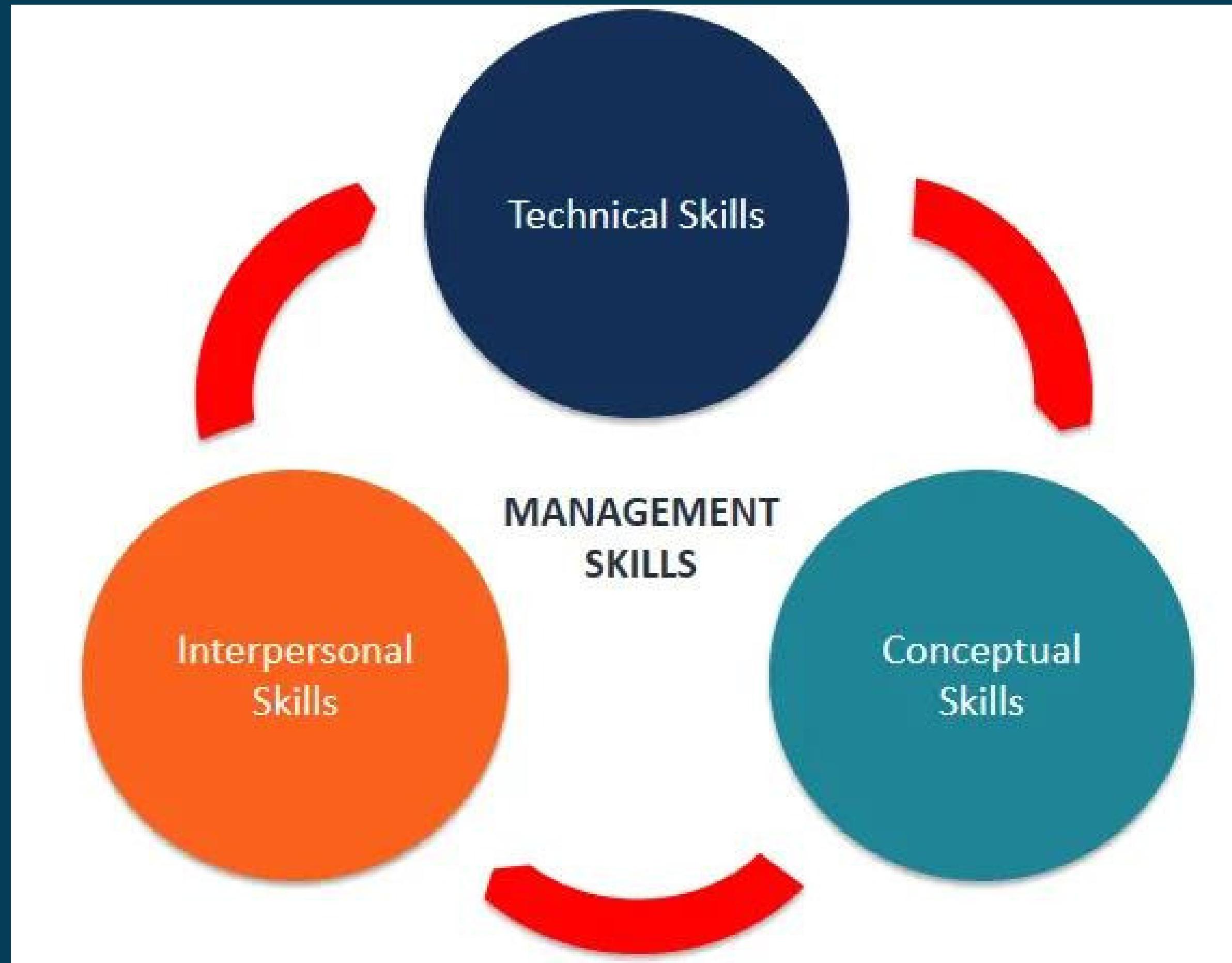
Management skills can be defined as certain **attributes or abilities** that an executive should possess in order to fulfill **specific tasks** in an organization.

They include the capacity to perform executive duties in an organization while avoiding crisis situations and promptly solving problems when they occur.



3 types of skills each
manager will need

MANAGEMENT SKILLS





TECHNICAL SKILLS

To demonstrate an **understanding and proficiency** in the performance of *specific* tasks,

Technical skills also include:

- **specialized knowledge**
- **analytical ability**
- **competent use of tools and techniques**
to solve problems in a specific discipline.



Technical skills are particularly important at **lower organizational levels** (*first line and middle managers*) as they are heavily involved in the technical aspects of the organisation's operations.



HUMAN SKILLS

Manager's ability to work **with and through other people** and to work effectively as a group member.

Human skills also include the ability to:

- **motivate**
- **facilitate**
- **coordinate and communicate**
- **lead**
- **resolve conflicts**

Human skills are increasingly important for managers **at all levels** and in all types of organizations.

Employees want managers who listen to them, build positive relationships, and show an interest in their lives and careers.



CONCEPTUAL SKILLS

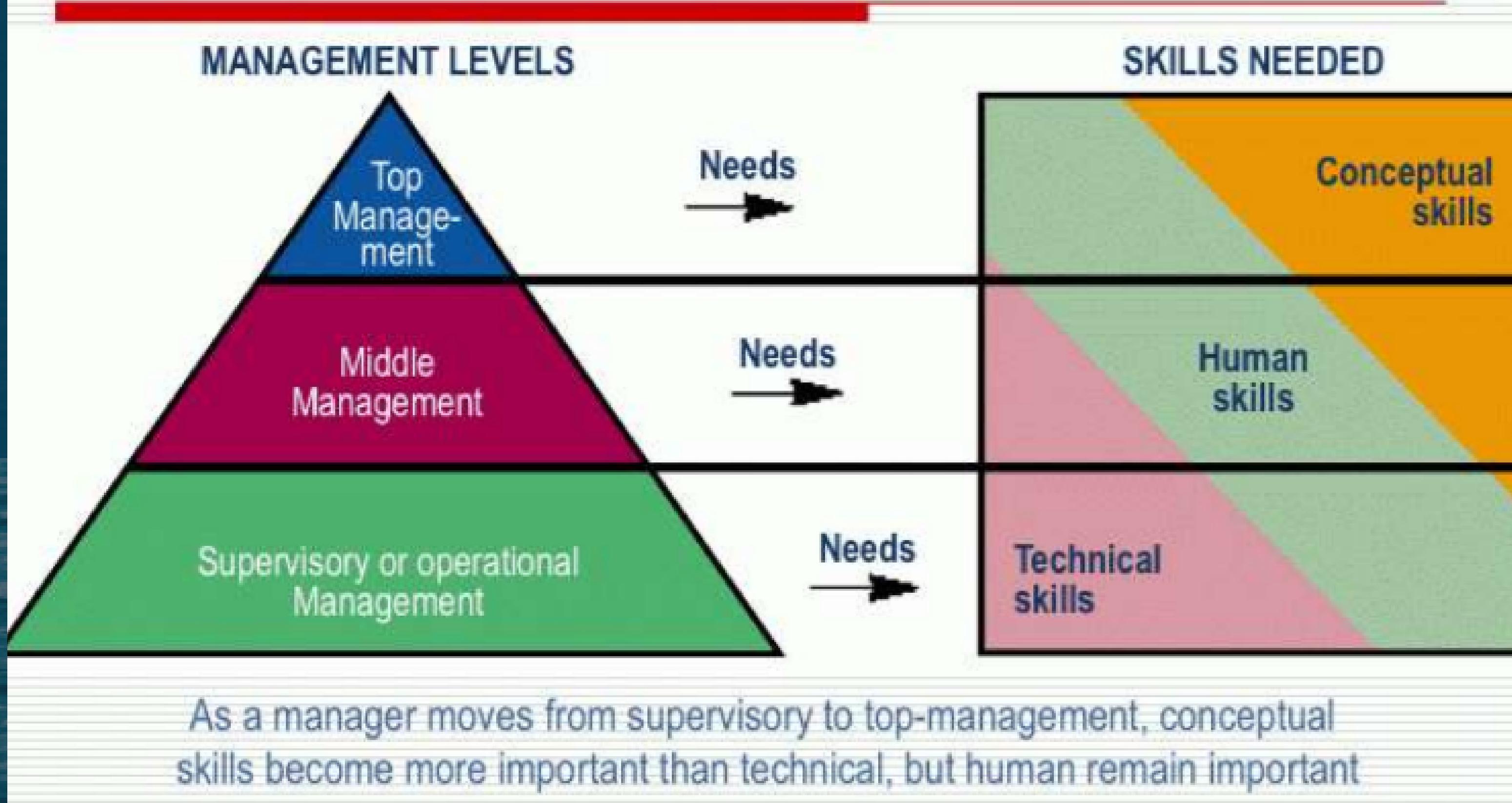
Cognitive ability to see the organization as a whole system and the relationships among its parts.

Conceptual skills include the ability to:

- **think strategically**
- **identify, evaluate and solve complex problems**
- **effectively predict hurdles in the business**
- **find creative solutions**

Conceptual skills are increasingly important for managers **at the top** as decision making there requires a **broader view** of things.

Management skills continuum



MANAGEMENT TYPES



MANAGEMENT TYPES

VERTICAL

TOP
MANAGERS

MIDDLE
MANAGERS

FIRST LINE
MANAGERS

HORIZONTAL

FUNCTIONAL
MANAGERS

LINE
MANAGERS

STAFF
MANAGERS

GENERAL
MANAGERS

Top Managers

Make decisions about the **direction of the organization**, setting organisational goals, monitoring and interpreting the external environment, are responsible for the entire org.

Examples : president, executive vice president, managing director, chief operating officer, or chief executive officer.

Middle Managers

They are responsible for implementing the overall strategies and policies defined by top managers

Examples: Regional manager, project leader, store manager, or division manager

First- line Managers

Directly responsible for the production of goods and services

Examples: supervisors, shift managers, district managers, department managers, or office managers

HORIZONTAL MANAGERS

1. Functional managers

Responsible for departments that perform a single functional task and have employees with similar training and skills.

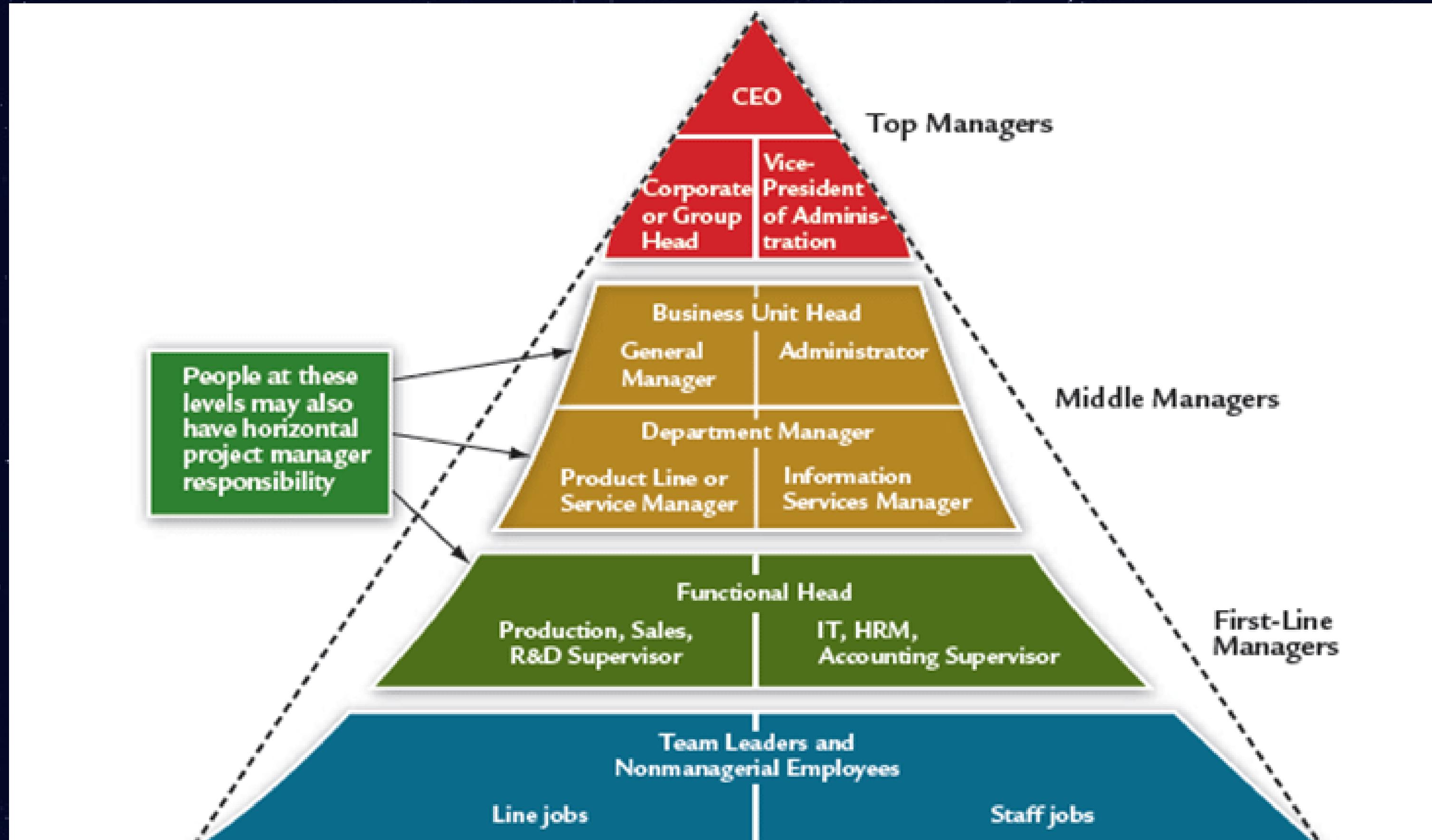
Functional departments include advertising, sales, finance, human resources, manufacturing, and accounting

a)Line managers are responsible for the **manufacturing** and **marketing** departments that make or sell the product or service.

b)Staff managers are in charge of departments, such as finance and human resources, that **support** line departments.

2. General managers

Responsible for several departments that perform different functions



SOURCE: Adapted from Thomas V. Bonoma and Joseph C. Lawler, "Chutes and Ladders: Growing the General Manager," *Sloan Management Review* (Spring 1989): 27–37.

MINTZBERG'S 10 MANAGERIAL ROLES



INFORMATIONAL ROLES



MONITOR

Gathers intel for sustained competitive advantage

Assesses market for changes and collects relevant data

DISSEMINATOR

Communicates useful and relevant information to team members and subordinates

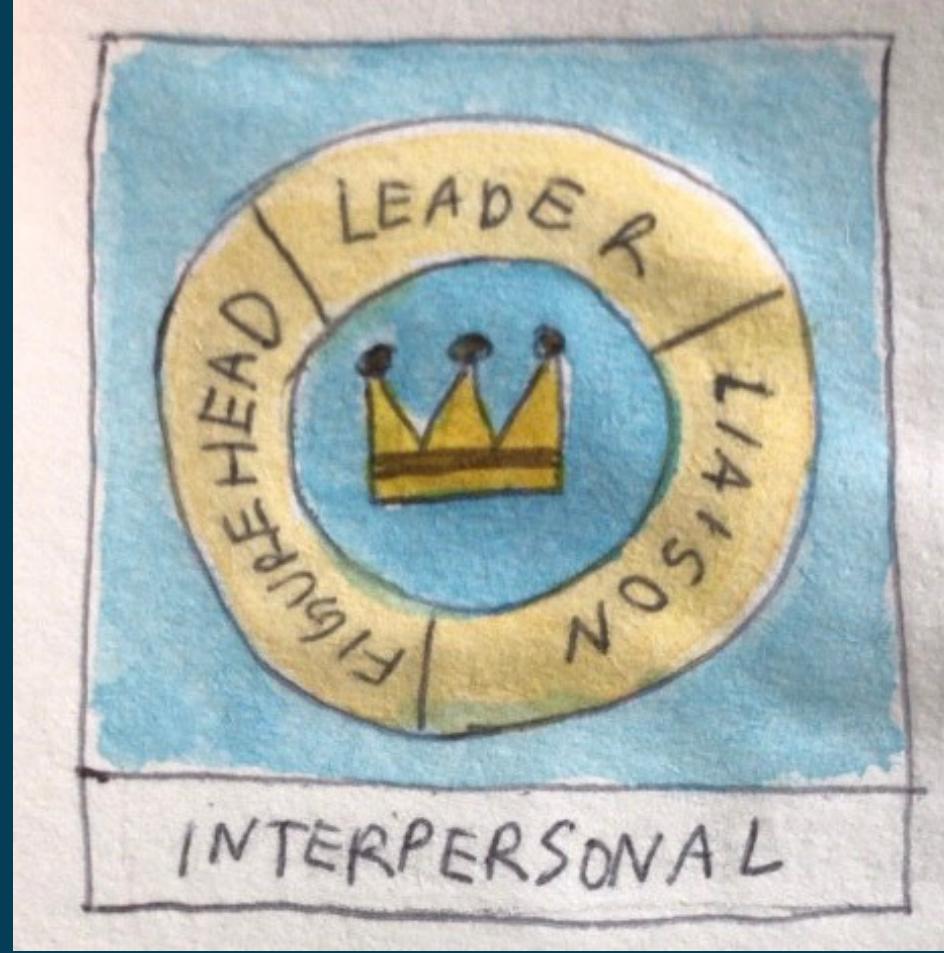
Invites feedback for open communication

SPOKESPERSON

Conveys important information about the organization to external stakeholders.

Addresses government policies, or deals with the suppliers.

INTERPERSONAL ROLES



FIGUREHEAD

Builds a strong relationship with peers and subordinates.

Becomes a good role model by being empathetic and compassionate.

LEADER

Directs and motivates subordinates

Trains and counsels them

LIAISON

Liaises with a variety of people internal and external to the organisation

DECISIONAL ROLES



ENTREPRENEUR

Initiates projects and addresses concerns with effective problem-solving skills.

Generates new ideas

DISTURBANCE HANDLER

Ensures that everything runs smoothly.

Resolves conflicts with mentoring sessions and identifies areas for improvement

RESOURCE ALLOCATOR

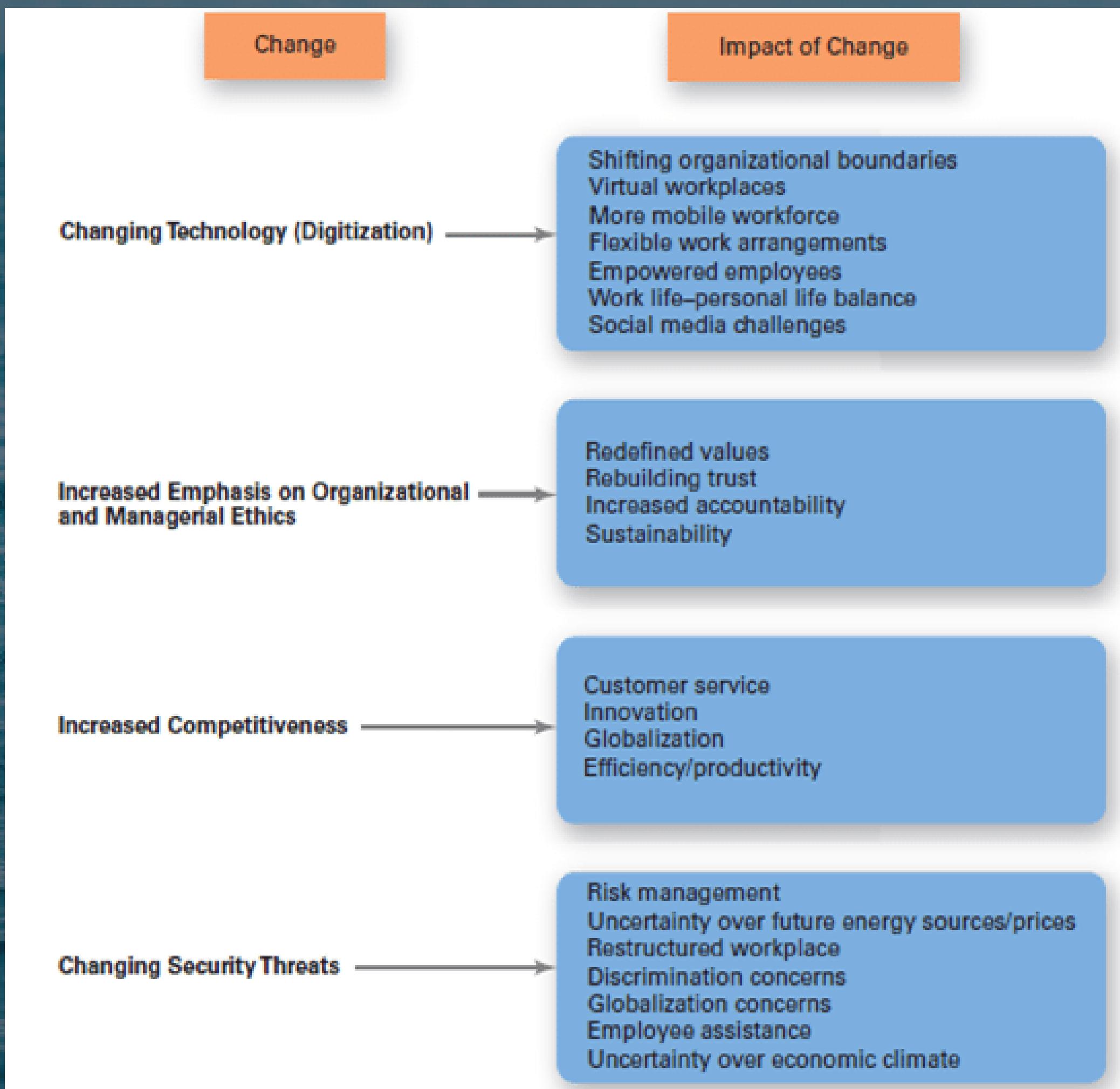
Concerns himself with fund allocation, cost cutting, and distributes resources across the organization.

NEGOTIATOR

Participates in negotiations with team members and other stakeholders to reach a favorable outcome for both parties.

Contemporary challenges for Management

Our modern world has turned into the world of constant changes, adjustments, and contradictions, depending on ever changing demands of the market economy system



**PLEASE READ THE HARVARD
BUSSINESS REVIEW ARTICLE

'WHAT DOES IT MEAN TO BE A
MANAGER TODAY?'**

The link of the article is present in your LMS



RECAP AND CHAPTER ENDS!