

MANAGEMENT & ORGANIZATIONAL BEHAVIOUR

SEME

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Part A - Principles of Management

- Module 1: **Introduction: Management:**
- Introduction
- Definition of management
- Nature, Purpose and Functions,
- Levels and types of managers
- Managerial roles,
- Skills for managers,
- Evolution of management thought,
- Fayol's fourteen principles of management,
- Recent trends in management.

Module 1: Introduction: Management

What is Management?

- Management is the accomplishment of results through the efforts of other people.
- Management is the art of getting things done through the efforts of other people in formally organised groups.
- Management is the force that unifies human as well as non-human resources in the service of organisational goals.
- “MANAGEMENT IS THE PROCESS OF DESIGNING AND MAINTAINING AN ENVIRONMENT IN WHICH INDIVIDUALS WORKING TOGETHER IN GROUPS CAN EFFICIENTLY ACCOMPLISH SELECTED AIMS.”



Characteristics/Nature of Management

- Management is intangible.
- Management is goal oriented.
- Management is universal.
- Management is a group activity.
- Management is dynamic.
- Management is both a science as well as an art.

Importance of Management

- Optimum use of resources.
- Effective Leadership and Motivation.
- Establishes sound relations.
- Achievement of goals.
- Change and Growth.
- Improves standard of living.

Evolution of Management



Limited stories

Many stories

Struggling

Bouncing Back

Rigid in Form

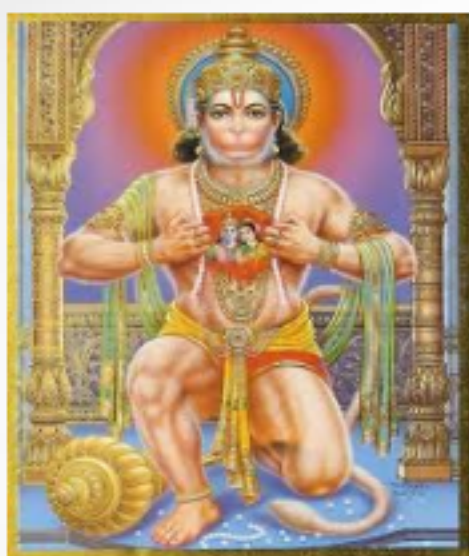
Adaptable in Form

Hermit Form

Householder Form

Engagement via family Engagement via

EVOLUTION OF MANAGEMENT



Pyramid of Giza



Functions of Management



Functions of Management

Planning

- According to KOONTZ, “Planning is deciding in advance what to do, when to do & how to do. It bridges the gap between where we are & where we want to be”.
- It deals with chalking out a future course of action & in advance the most appropriate course of action for achievement of pre-determined goals.
- Thus, planning is a systematic thinking about ways for accomplishment of pre-determined goals.

Functions of Management

Organizing

- According to Henry Fayol, "To organize a business is to put in order with everything useful or its functioning i.e. raw materials, capital and personnel's".
- It is the process of bringing together physical, financial, human resources and developing productive relationships amongst them for achievement of organizational goals.
- Organizing as a process involves:
 - Identification of activities.
 - Classification of grouping of activities.
 - Assignment of duties.
 - Delegation of authority and creation of responsibility.
 - Coordinating authority and responsibility relationships.

Functions of Management

Staffing

- It is the function of manning the organization structure and keeping it manned.
- The main purpose of staffing is to put right man on job
- Staffing involves:
 - Manpower Planning (estimating man power in terms of searching, choose the person and giving the right person to the job)
 - Recruitment, Selection & Placement.
 - Training & Development.
 - Remuneration.
 - Performance Appraisal.
 - Promotions & Transfer.

Functions of Management

Leading

- "Leading is the use of influence to motivate employees to achieve organizational goals" .
- Managers must be able to make employees voluntarily participate in achieving an organization's goals.
- Components make up the leading function:
 - Motivating employees
 - Influencing employees
 - Forming effective groups.

Functions of Management

Controlling

- It implies measurement of accomplishment against standards and correction of deviation if any to achieve achievement of organizational goals.
- The purpose of controlling is to ensure that everything occurs in conformity with the standards.
- Therefore controlling has following steps:
 - Establishment of standard performance.
 - Measurement of actual performance.
 - Comparison of actual performance with the standards finding out deviation if any.
 - Corrective action.

Levels and Types of Managers

Jobs	Responsibilities
Top Managers	
CEO COO CFO CIO Vice president Corporate heads	Change Commitment Culture Environment
Middle Managers	
General manager Plant manager Regional manager Divisional manager	Resources Objectives Coordination Subunit performance Strategy implementation
First-Line Managers	
Office manager Shift supervisor Department manager	Nonmanagerial work Teaching and training Scheduling Facilitation
Team Leaders	
Team leader Team contact Group facilitator	Facilitation External relationships Internal relationships



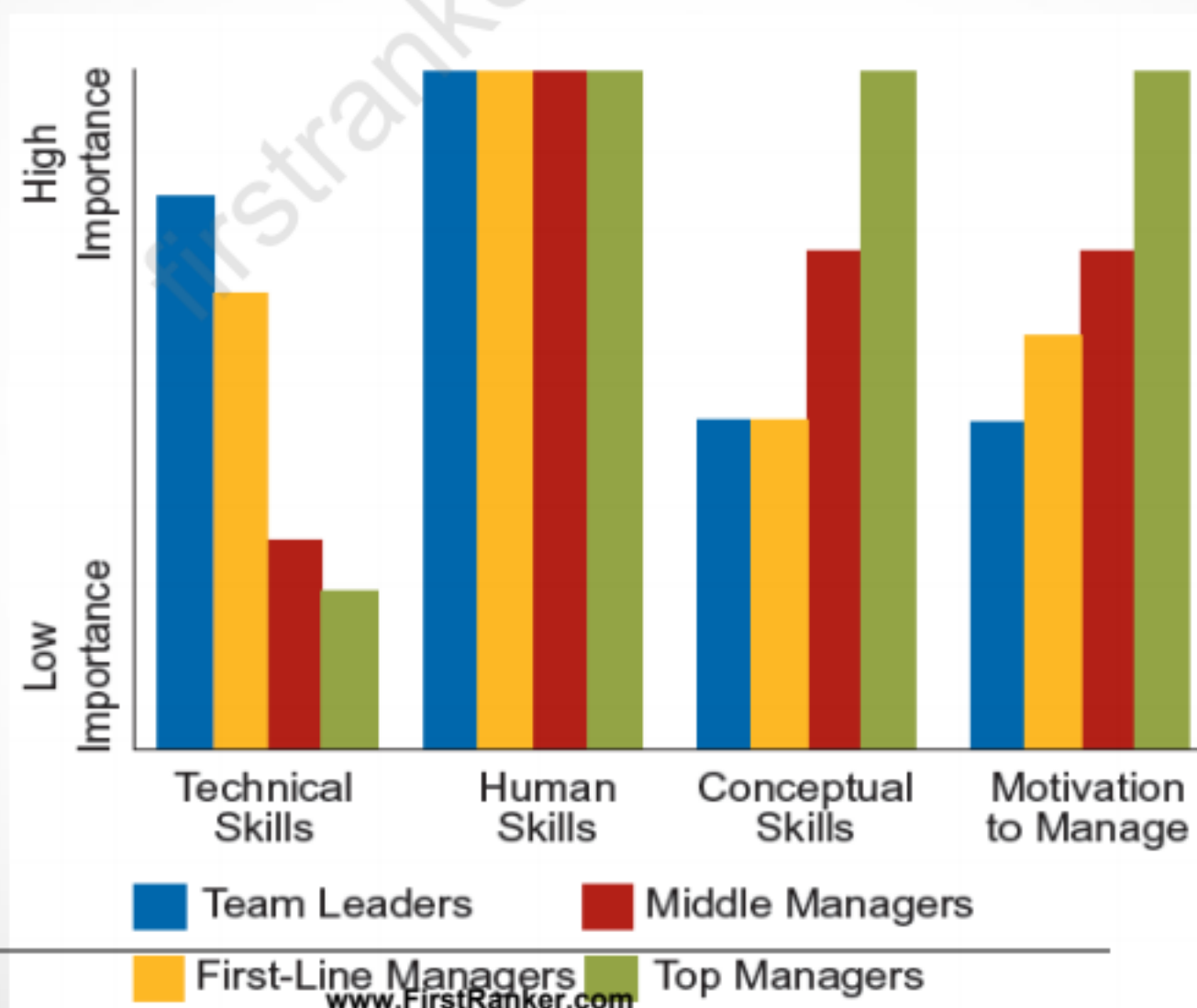
Managerial Roles

Category	Role	Activity
Informational	Monitor	Seek and receive information, scan papers and maintain interpersonal contacts
	Disseminator	Forward information to others, send memos, make calls
	Spokesperson	Represent the unit to outsiders in speeches and
Interpersonal	Figurehead	Perform ceremonial and symbolic duties, receive
	Leader	Direct and motivate subordinates, train, advise
	Liaison	Maintain information links in and beyond the organization
Decisional	Entrepreneur	Initiate new projects, spot opportunities, identify business development
	Disturbance handler	Take corrective action during crises, resolve conflicts amongst staff, adapt to external changes
	Resource allocator	Decide who gets resources, schedule, budget, etc.
	Negotiator	Represent department during negotiations with suppliers, and generally defend interests

Skills of Managers

- **TECHNICAL SKILLS** - specialized procedures, techniques and knowledge required to get the job done.
- **HUMAN SKILLS**- Ability to work well with others.
- **CONCEPTUAL SKILLS** - Ability to see the organization as a whole, understand how the different parts relate to each other and recognize how the company fits into its environment.
- **MOTIVATIONAL SKILLS** - ability to inspire and motivate subordinates to perform better on their respective tasks.

Skills of Managers

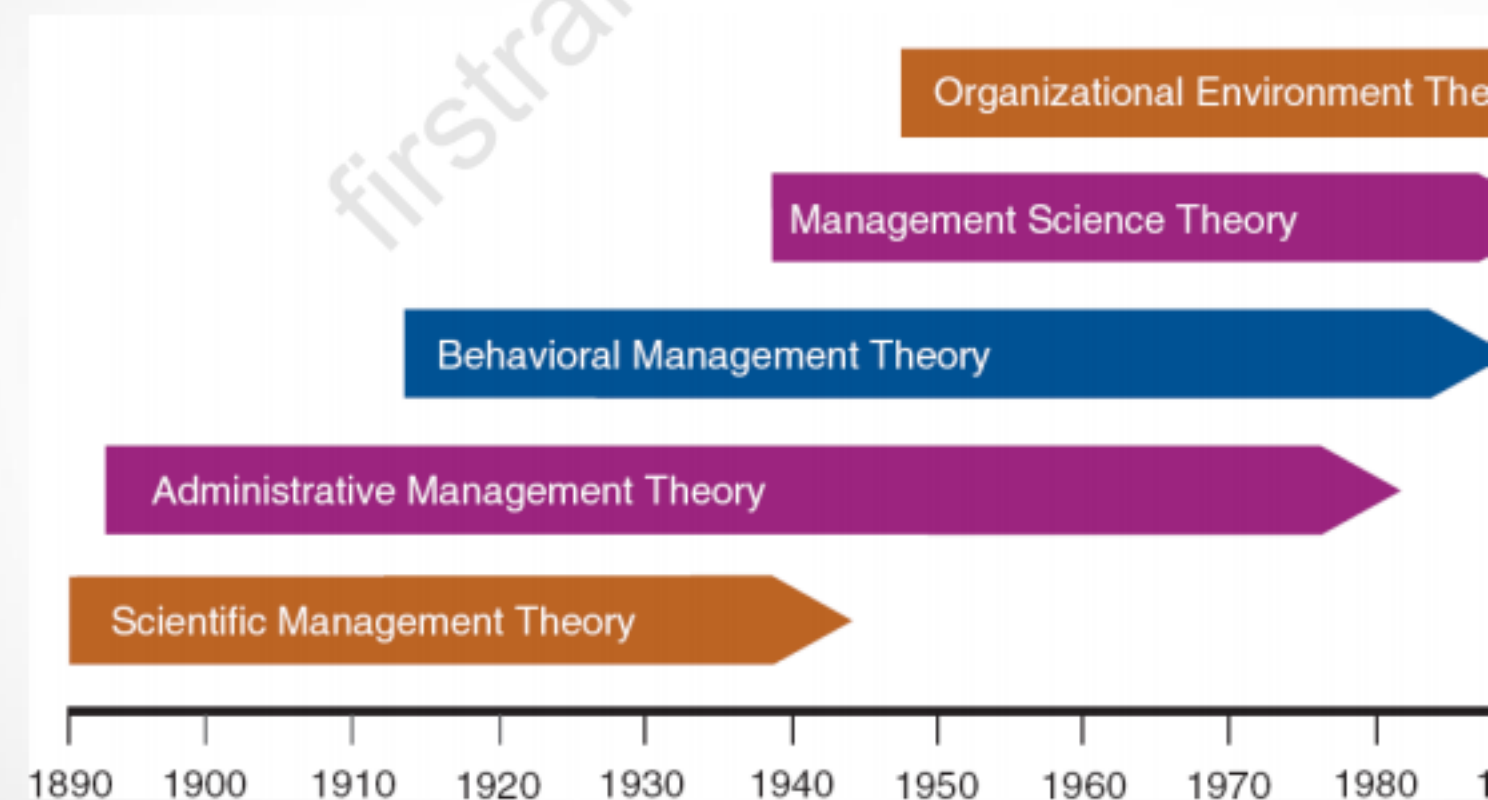




Mistakes Managers Make

1. Insensitive to others: abrasive, intimidating, bullying style
2. Cold, aloof, arrogant
3. Betray trust
4. Overly ambitious: thinking of next job, playing politics
5. Specific performance problems with the business
6. Overmanaging: unable to delegate or build a team
7. Unable to staff effectively
8. Unable to think strategically
9. Unable to adapt to boss with different style
10. Overdependent on advocate or mentor

The Evolution of Management Theory



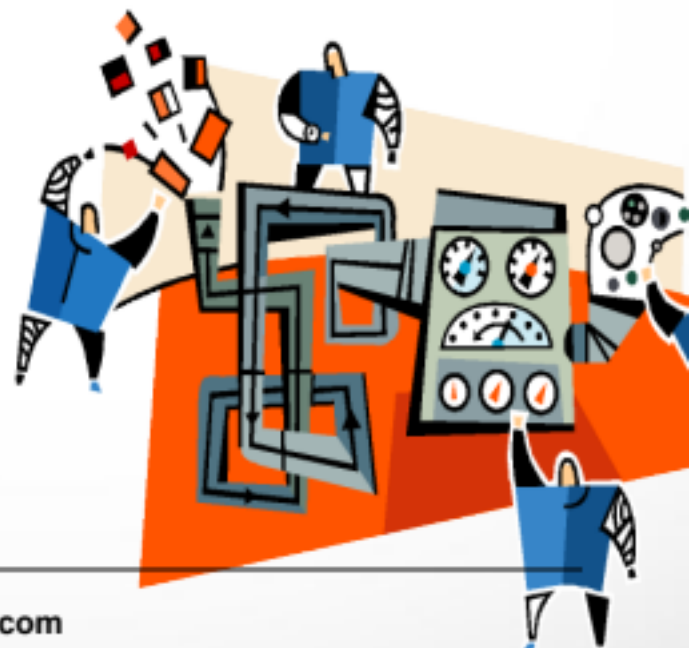
Job Specialization and the Division of Labor

- Adam Smith (18th century economist)
 - Observed that firms manufactured pins in two different ways:
 - - Craft-style—each worker did all steps.
 - - Production—each worker specialized in one or more tasks.
- Smith found that the performance of the factory in which workers specialized in only one or more tasks was much greater than the performance of the factory in which each worker performed all pin-making tasks

Job Specialization and the Division of Labor

- **Job Specialization**

- process by which a division of labor occurs
different workers specialize in specific tasks
over time





F.W. Taylor and Scientific Management

- **Scientific Management**

- The systematic study of the relationships between people and tasks for the purpose of redesigning the work process to increase efficiency.
- **Identify Best Practices**
- **Standard Operating Procedures**
- **Match workers skills and abilities to tasks**
- **Pay and performance**



Problems with Scientific Management

- Managers frequently implemented only the increased output side of Taylor's plan.
 - Workers did not share in the increased output.
- Specialized jobs became very boring, dull.
 - Workers ended up distrusting the Scientific Management method.



The Gilbreths - TIME & MOTION STUDY

1. Analyze every individual action necessary to perform a particular task and break it into its component actions
2. Find better ways to perform each component action
3. Reorganize each of the component actions so that the action as a whole could be performed more efficiently-at less cost in time and effort

Administrative Management Theory



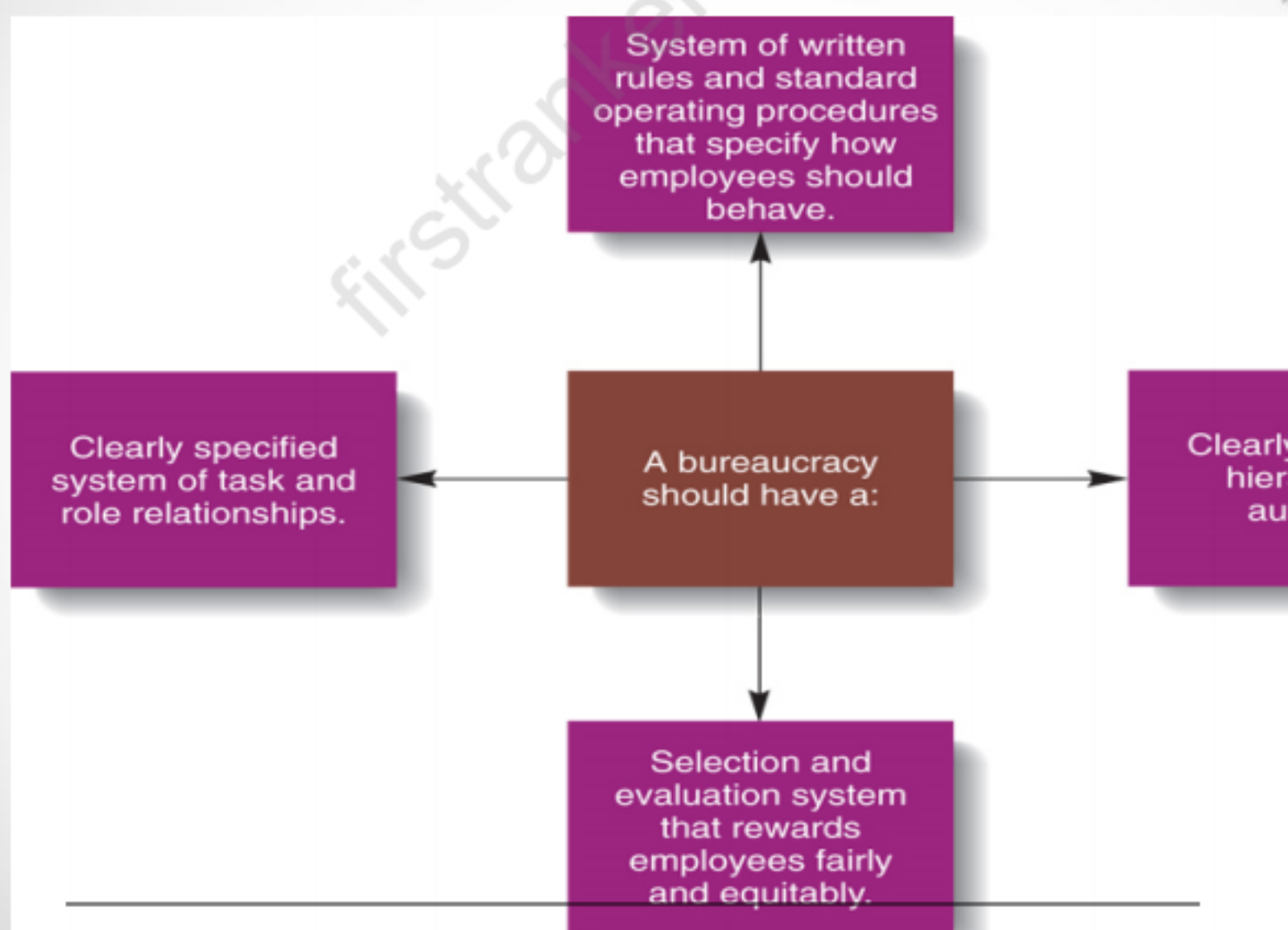
- Administrative Management
 - The study of how to create an organizational structure that leads to high efficiency and effectiveness

Administrative Management Theory

- **Max Weber**

- Developed the principles of bureaucracy formal system of organization and administration designed to ensure efficiency and effectiveness.

Weber's Principles of Bureaucracy





Rules, SOPs and Norms

- **Rules**

- formal written instructions that specify actions to be taken under different circumstances to achieve specific goals

- **Standard Operating Procedures (SOPs)**

- specific sets of written instructions about how to perform a certain aspect of a task

- **Norms**

- unwritten, informal codes of conduct that prescribe how people should act in particular situations

Fayol's Principles of Management

**Division of
Labor**

Responsibility

**Unity of
Command**

**Line of
Authority**

Centralization

**Unity of
Direction**

Equity

Order

Fayol's Principles of Management

Initiative

Discipline

**Remuneration
of Personnel**

**Stability of
Tenure of
Personnel**

**Subordination of
Individual Interest
to the Common
Interest**

**Esprit
corps**

Behavioral Management Theory

- **Behavioral Management**

- The study of how managers should personally behave to motivate employees and encourage them to perform at high levels and be committed to the achievement of organizational goals.

Behavioral Management

- **Mary Parker Follett**

- Concerned that Taylor ignored the human aspect of the organization
 - Suggested workers help in analyzing their jobs
 - If workers have relevant knowledge of the task then they should control the task



The Hawthorne Studies And Human Relations

- Studies of how characteristics of the work setting affected worker fatigue and performance at the Hawthorne Works of the Western Electric Company from 1927 to 1932.
 - Worker productivity was measured at various levels of light illumination.

The Hawthorne Studies and Human Relations

- **Human Relations Implications**
 - **Hawthorne effect** — workers' attitudes toward their managers affect the level of workers' performance





The Hawthorne Studies and Human Relations

- **Human relations movement**

- advocates that supervisors be behaviorally trained to manage subordinates in ways that elicit their cooperation and increase their productivity



The Hawthorne Studies and Human Relations

- Behavior of managers and workers in work setting is as important in explaining the level of performance as the technical aspects of the task
- Demonstrated the importance of understanding how the feelings, thoughts, and behavior of work-group members and managers affect performance

Theory X and Theory Y

Douglas McGregor proposed two different sets of assumptions about workers.

- **Theory X**

- A set of negative assumptions about workers that leads to the conclusion that a manager's task is to supervise workers closely and control their behavior.

Theory X and Theory Y

- **Theory Y**

- A set of positive assumptions about work that leads to the conclusion that a manager's task is to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction.

Theory X vs. Theory Y

THEORY X	THEORY Y
<p>The average employee is lazy, dislikes work, and will try to do as little as possible.</p> <p>To ensure that employees work hard, managers should closely supervise employees.</p> <p>Managers should create strict work rules and implement a well-defined system of rewards and punishments to control employees.</p>	<p>Employees are not inherently lazy. Given the chance, employees will do what is good for the organization.</p> <p>To allow employees to work in the organization's interest, managers must create a work setting that provides opportunities for workers to exercise initiative and self-direction.</p> <p>Managers should decentralize authority to employees and make sure employees have the resources necessary to achieve organizational goals.</p>

Management Science Theory

- **Management Science Theory**

- Contemporary approach to management focuses on the use of rigorous quantitative techniques to help managers make maximum use of organizational resources to produce goods and services.



Management Science Theory

- **Quantitative management**

- utilizes mathematical techniques, like linear programming, modeling, simulation and theory

- **Operations management**

- provides managers a set of techniques that can use to analyze any aspect of an organization's production system to increase efficiency

Management Science Theory

- **Total quality management**

- focuses on analyzing an organization's input, conversion, and output activities to increase product quality

- **Management information systems**

- help managers design systems that provide information that is vital for effective decision making

Organizational Environment Theory

- **Organizational Environment**

- The set of forces and conditions that operate beyond an organization's boundaries but affect a manager's ability to acquire and use resources

The Open-Systems View

- **Open System**

- A system that takes resources from its external environment and transforms them into goods and services that are then sent back to that environment where they are bought by customers.



The Open-Systems View

- **Input stage**

- organization acquires resources such as raw materials, money, and skilled workers to produce goods and services

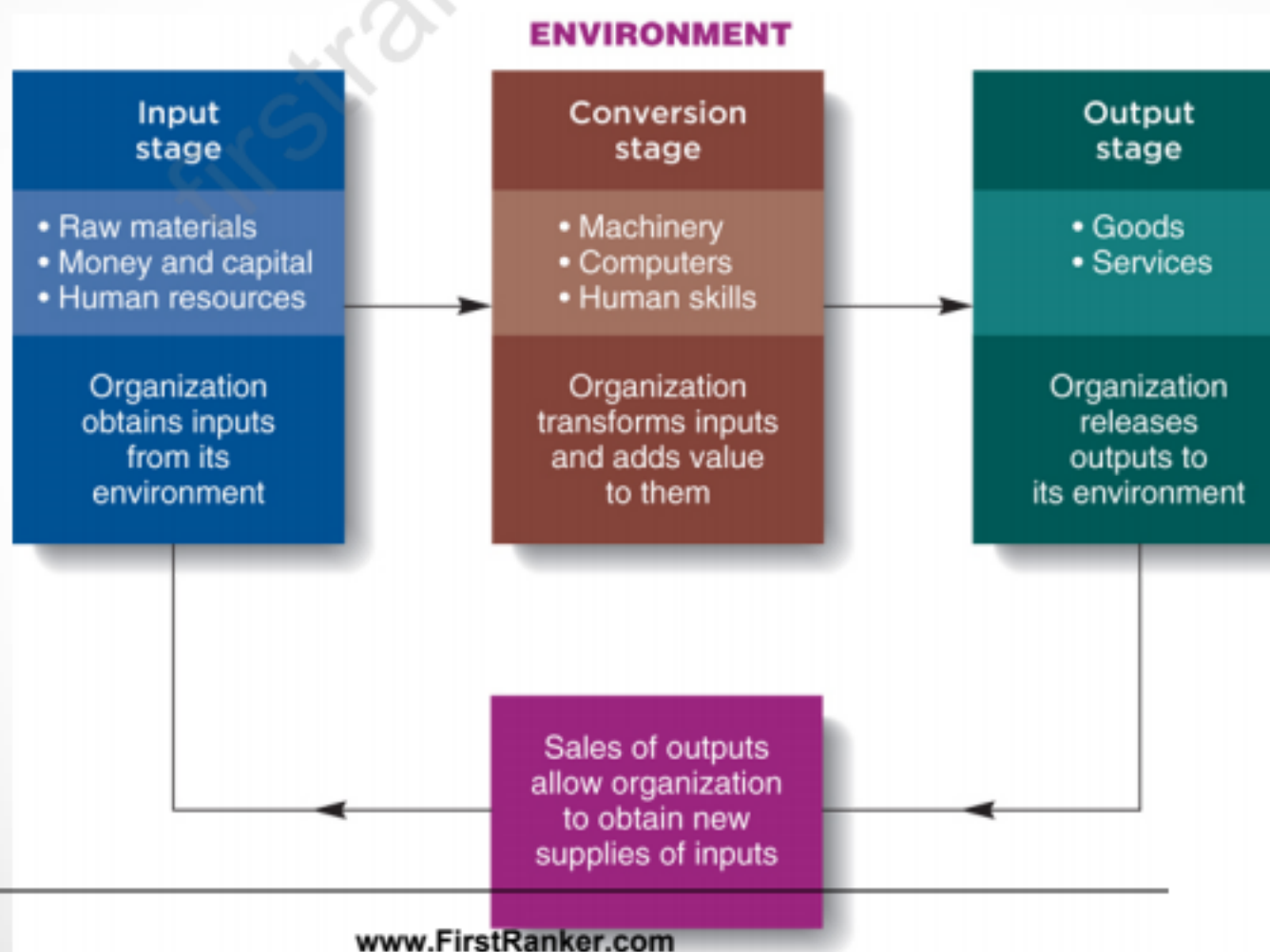
- **Conversion stage**

- inputs are transformed into outputs of finished goods

- **Output stage**

- finished goods are released to the external environment

The Organization as an Open System



The Open-Systems View

- **Closed system**

- A self-contained system that is not affected by changes in its external environment.
- Likely to experience entropy and lose its ability to control itself

The Open-Systems View

- **Synergy**

- the performance gains that result from the combined actions of individuals and departments
- Possible only in an organized system



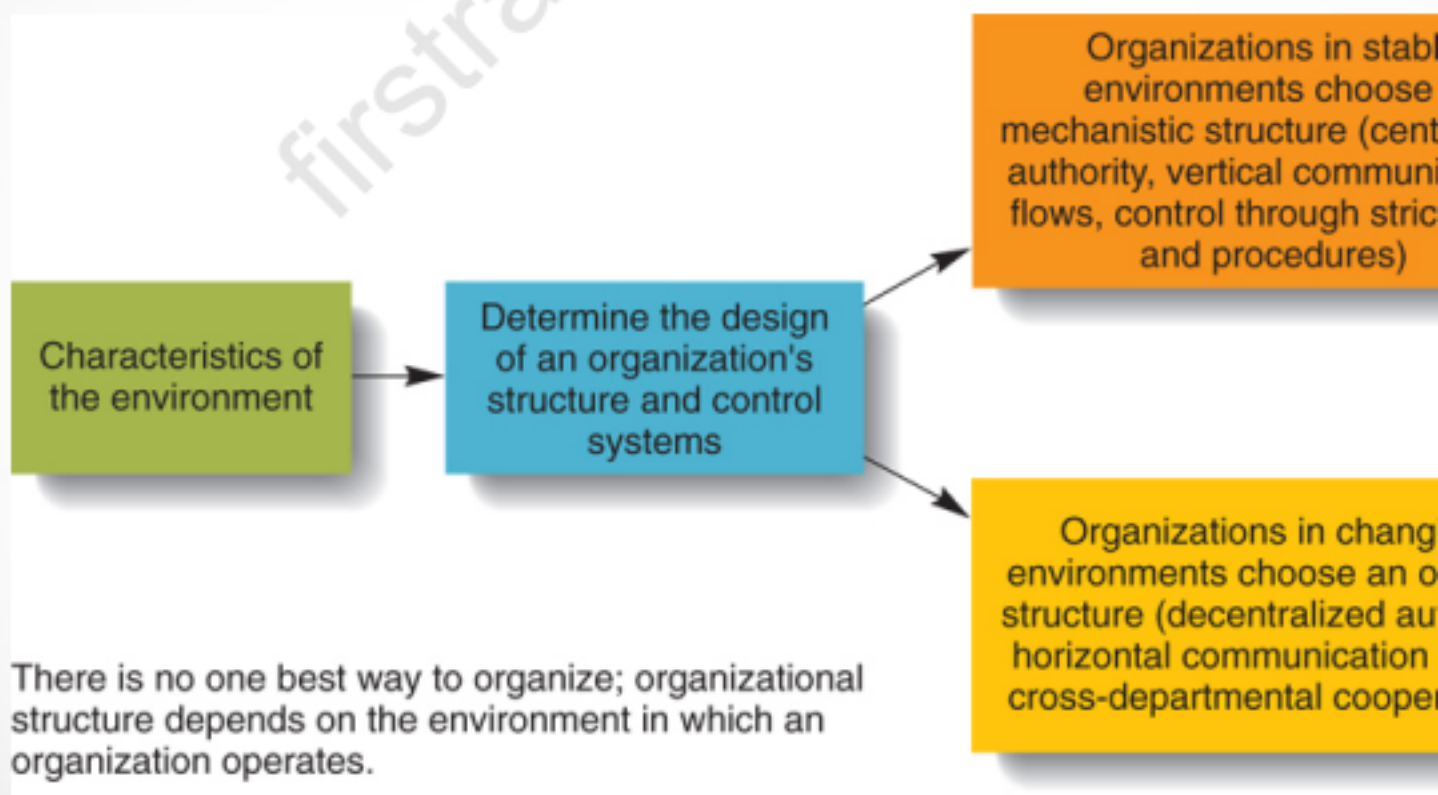


Contingency Theory

- **Contingency Theory**

- The idea that the organizational structure and control systems managers choose are contingent on characteristics of the external environment in which the organization operates.
- “There is no one best way to organize”

Contingency Theory





Type of Structure

- **Mechanistic Structure**

- An organizational structure in which authority is centralized, tasks and rules are clearly specified, and employees are closely supervised.

Type of Structure

- **Organic Structure**

- An organizational structure in which authority is decentralized to middle and first-line managers and tasks and roles are left ambiguous to encourage employees to cooperate and respond quickly to the unexpected