HMM305: Management for Engineers

UNIT 1: Introduction of Management & Organisation

UNIT 1A: **Management - Definition of Management & Organisation**

UNIT 1B: Concept, Nature, Scope and Functions of Management, Levels of Management, Management Theories - Taylors principle, Fayol's Principles, Hawthorne Studies, Systems Approach and Contingency Approach to Management.

UNIT 1C: Mintzberg's Managerial Roles, Skills of Manager, Functions of management

Management

- According to *Harold Koontz*, ***Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals.*** *'*

- According to *F.W. Taylor* **, ' *Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way '.***

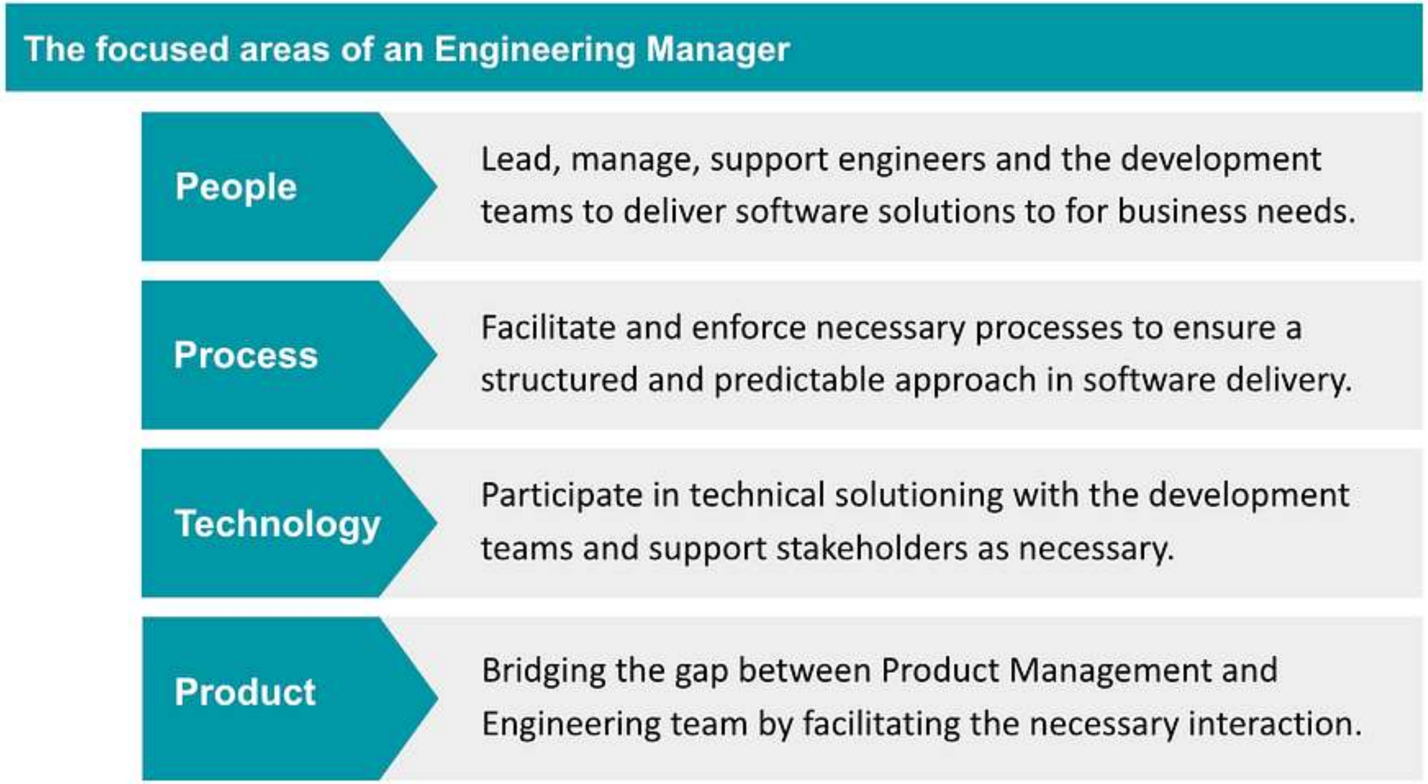
- Van Fleet and Peterson, *'**as a set of activities directed at the efficient and effective utilization of resources in the pursuit of one or more goals.**'*

INTRODUCTION

- Organization is a social unit of people that is structured and managed to meet a need or to pursue collective goals.
- Organizations have a variety of goals like profit maximization or rendering service.
- Also, they have limited resources(both human and non-human), namely manpower, money, materials, machinery and methods, which they direct towards achieving the goals.
- Management is the force that unifies human as well as non-human resources in the service of organizational goals.
- Management is required whenever people work together in an organization.

MANAGEMENT

- Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing and controlling organizational resources.
- Organizational resources include men(human beings), money, machines and materials.



Defining Management

- Traditionally , **Management is the art of getting things done through and with the people in formally organized groups.**
- Working with and through individuals, groups, and other resources to accomplish organizational goals and objectives.
- A process of designing and maintaining an environment in which individuals, working together in groups accomplish effectively organizational goals.
- "Management is a distinct process consisting of planning, organizing, activating and controlling to determine and accomplish the objectives by the use of people and resources.“ - G.R. Terry.

Features of Management

- Management is intangible
- It is goal oriented
- Management is a continuous process
- Management is universal or pervasive
- It is dynamic in nature
- Management is a science as well as an art (Management is a systematized body of knowledge consisting of distinct concepts, principles and techniques, having wide applications; thus, management is treated as a science. Also, the application of management concepts, principles and techniques requires specialized knowledge and skills on the part of the manager; so, management is an art as well)
- Management is multidisciplinary

Responsibilities of an engineering manager

Importance of management

- Management imparts life to every organization.
- Without management, an organization will be merely a collection of men, machines, money and material.
- Management is important as:
- It leads to accomplishment of organizational goals.
- It Leads to optimum and effective utilization of available resources.

Definitions

- Louis E Boone & David L Kurtz- The use of people and other resources to accomplish objectives.
- Mary Parker Follet- the act of getting things done through people.
- Frederick Taylor defines Management as the art of knowing what you want to do in the best and cheapest way.

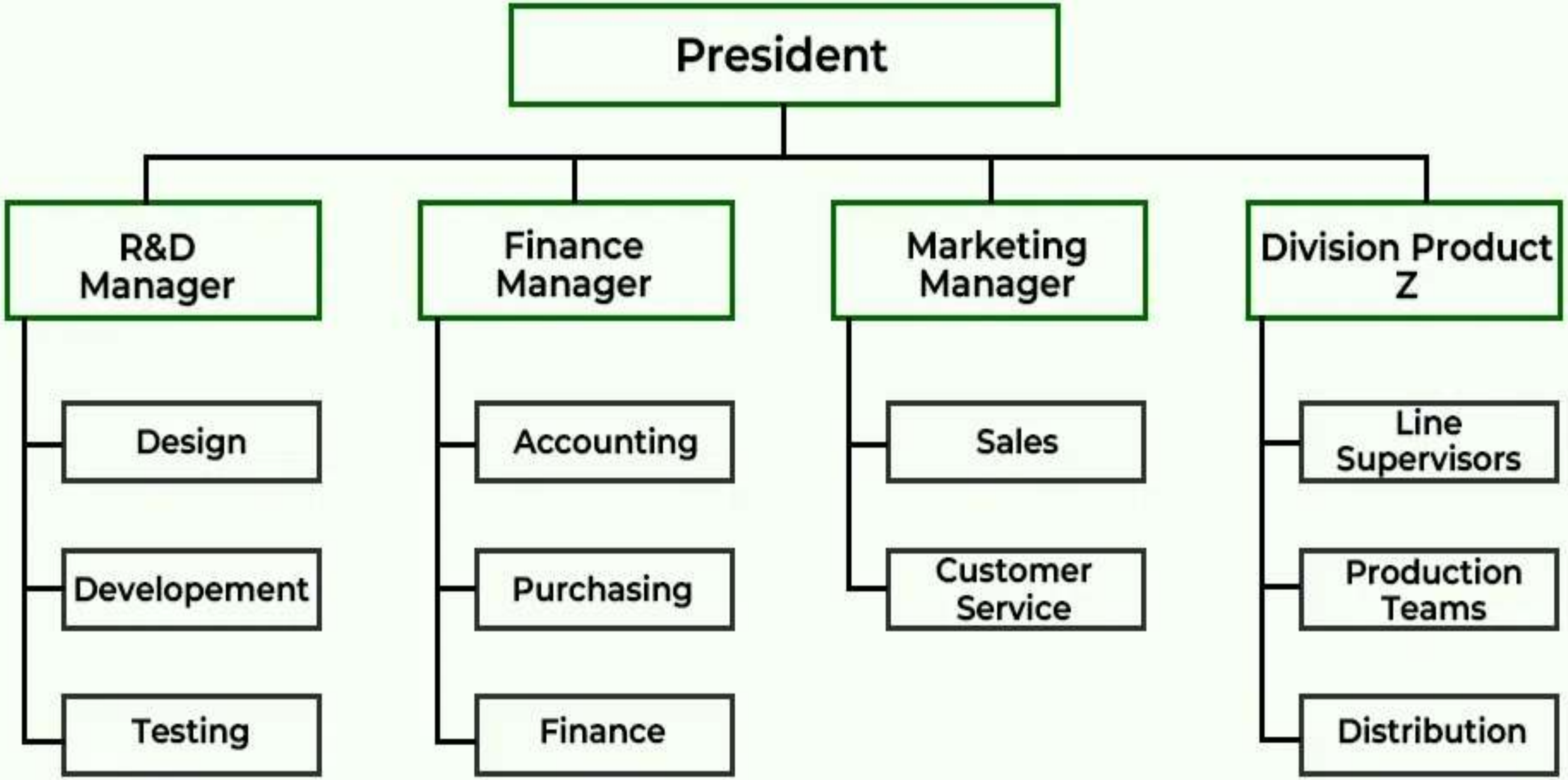
Characteristics

- Management is a distinct process.
- Management is an organized activity
- Management aims at the accomplishment of predetermined objectives.
- Management is both a science and an art.
- Management is a group activity
- Management principles are universal in nature
- Management integrates human and other resources.

Concept of management-Raymond G. Leon

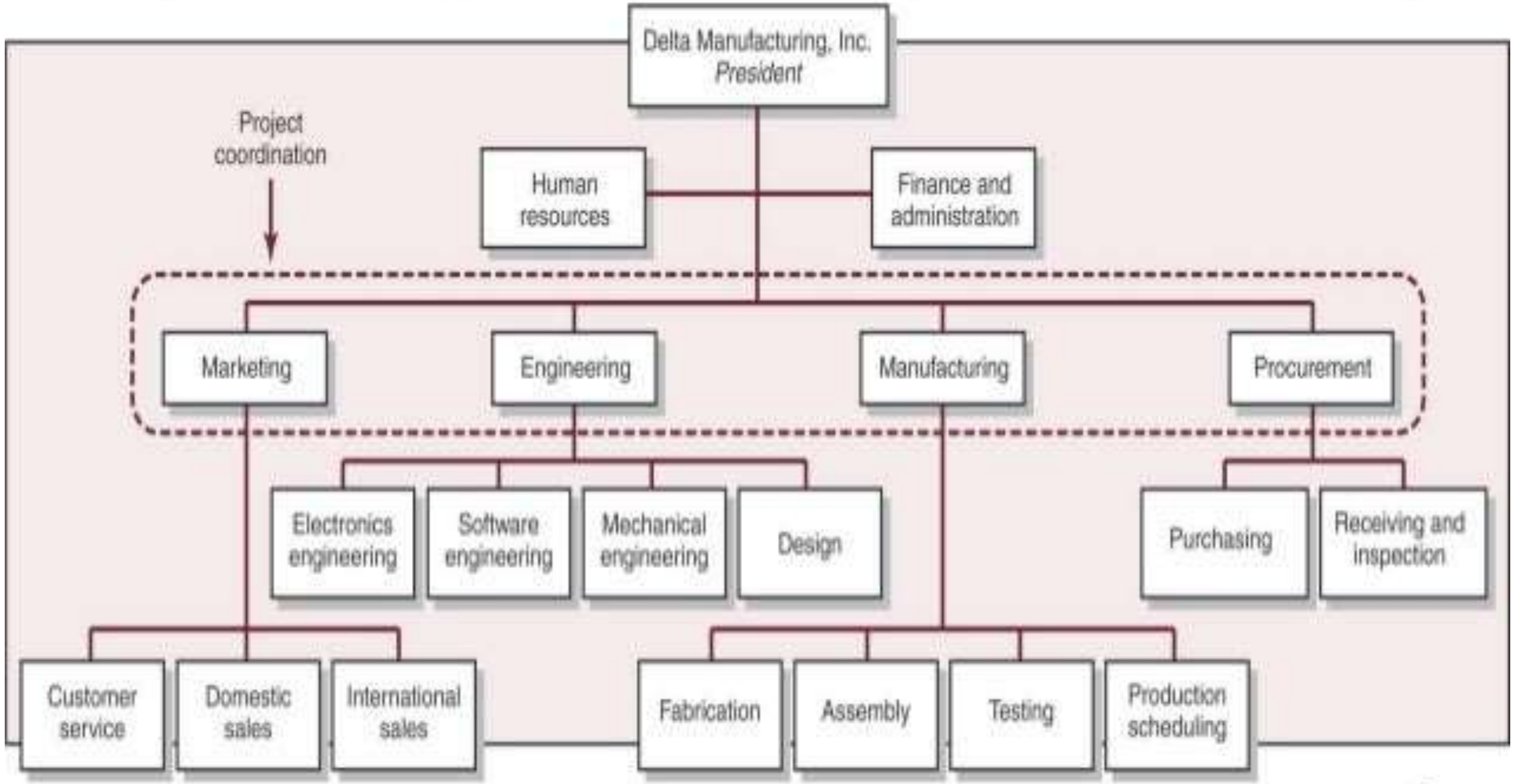
- Management by Communication
- Management by Systems
- Management by Results
- Management by Participation
- Management by Motivation
- Management by Exception
- Management by Objectives

Functional Organisation



Functional Organizations

Project is managed with the existing functional hierarchy



Steps in MBO

- To establish long-term and short-tem organizational goals
- To establish long-term and short-term objectives for each manager, clarifying the key performance standards
- Periodic review of performance
- Encouraging managers to accept responsibility

FEATURES

- Management involves five functions
- These functions are organised to achieve organisational goals.
- Management involves effective and efficient use of resources

FUNCTIONS OF MANAGEMENT

- PLANNING
- ORGANIZING
- STAFFING
- DIRECTING
- CONTROLLING

Organisation & Management

- Organization is a social unit of people that is structured and managed to meet a need or to pursue collective goals.
- Organizations have a variety of goals like profit maximization or rendering service.
- Also, they have limited resources(both human and non-human), namely manpower, money, materials, machinery and methods, which they direct towards achieving the goals.
- Management is the force that unifies human as well as non-human resources in the service of organizational goals.
- Management is required whenever people work together in an organization.

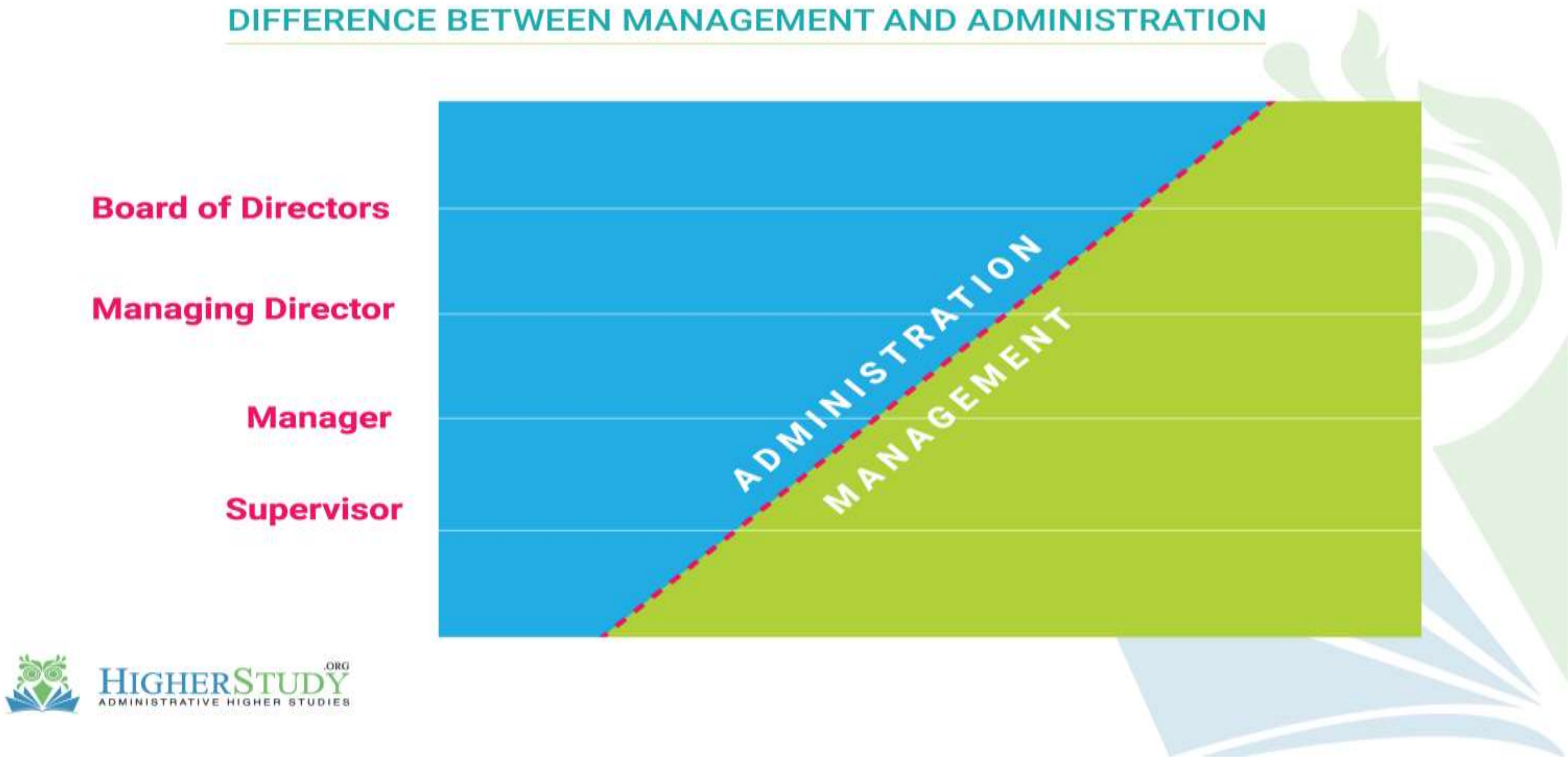
Organization

Allen, organization is an instrument for achieving organizational goals. The work of each and every person is defined and authority and responsibility is fixed for accomplishing the same.

Wheeler, Organization is a process of fixing duties and responsibilities of persons in an enterprise so that business goals are achieved.

Koontz and O'Donnell, 'The establishment of authority relationships with provision for co-ordination between them, both vertically and horizontally in the enterprise structure."

Management/ Administration



Difference Between Management & Administration

S.No	Features	Administration	Management
1	Nature	Determinative or Thinking function	Executive or Doing function
2	Type of work	Decision on Objectives & Policies	Implementation of policies
3	Levels of authority	Top level	Middle and Lower level
4	Influence	Public opinion & Outside sources	Objectives & Policies of concern
5	Direction of human efforts	Not directly concerned	Actively concerned
6	Main functions	Planning & Control	Directing & Organizing
7	Skills required	Conceptual and human skills	Technical and Human skills
8	Usage	Used in Govt. & Public sector	Business organizations
9	Designations	Administrator, Incharge, Officer	Manager, Supervisor
		Commissioner	

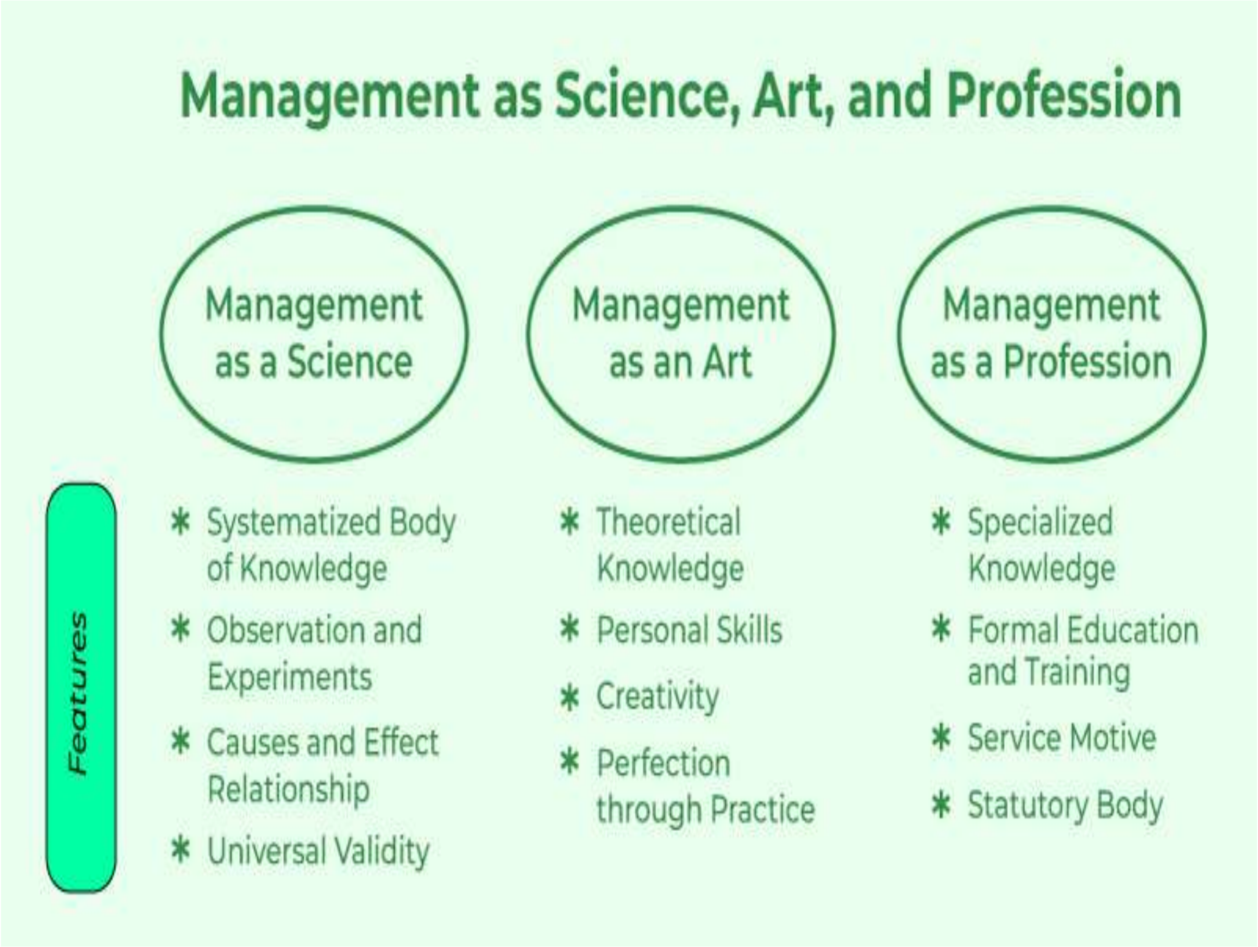
Management as Science or Art

Science

- Systematized body of knowledge- Cause and effect.
- Principles based on experiments.
- Verifiable Principles
- Universal Application

Art

- Practical Knowledge
- Personalized Application
- Improvement through Continuous Practice
- Situational Application
- Creativity.



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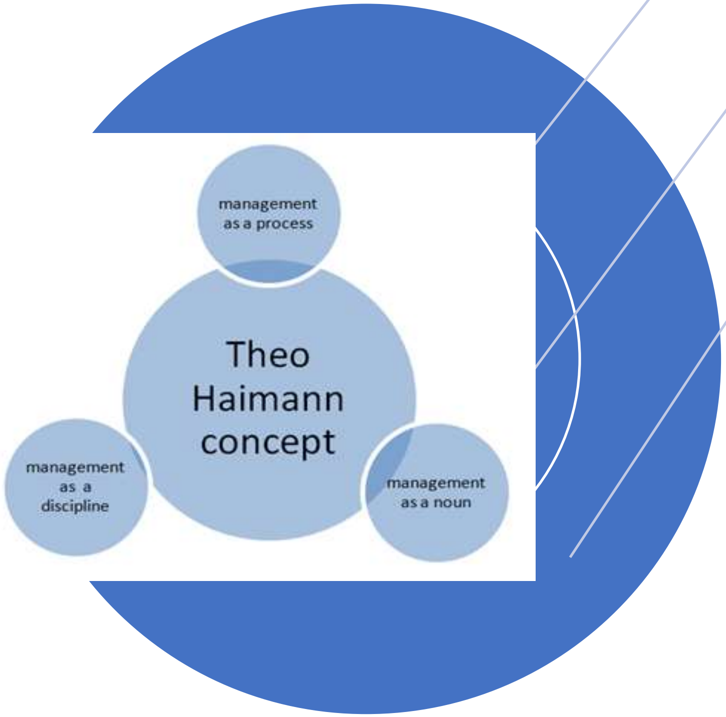
Concepts of Management



Management as a Discipline- Art or science

Management as a group of people-

Management as a Process- Planning, Organizing, Directing, Controlling

Concept of Management – its Features & Objectives

Management means to manage all the activities related to planning, organising, directing, coordinating, controlling etc. with the aim to achieve desired goals.

Planning

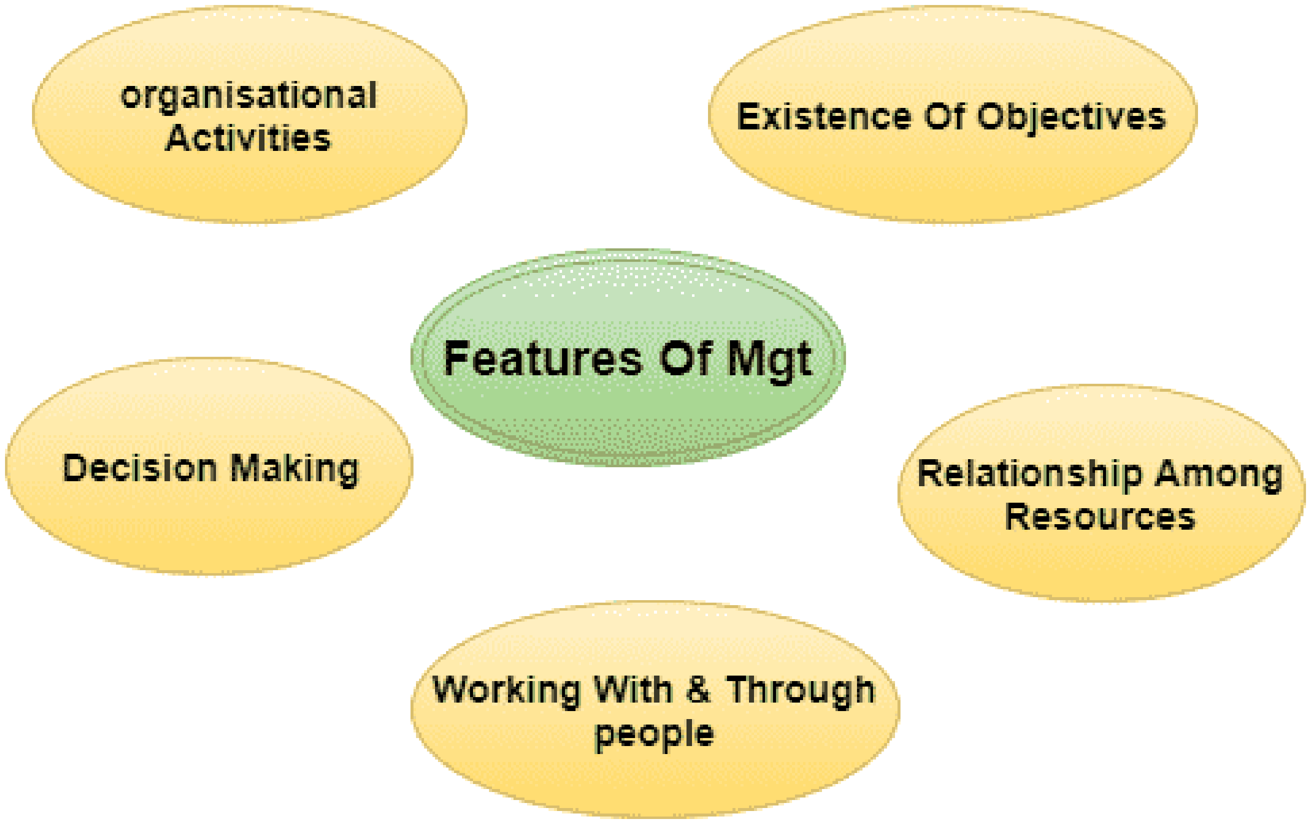
Coordinating

Desired Goals


Multi Disciplinary
Dynamic Nature Of Principle
Universality Of Management
Nature Of Management
Relative Not Absolute Principle
Management As Profession
Management Science & Art

Features of Management

- Group Activity
- Goal Oriented
- Continuous Process
- Dynamic Process
- Integrating Force.



Features of Management

1. Continuous and Never Ending Process.
2. Art of Getting Work Done from People.
3. Is Result-Oriented.
4. Multidisciplinary in Nature.
5. Group and Not an Individual Activity.
6. Follows Established Principles or Rules.
7. Aided but Not Replaced by Computers.
8. Situational in Nature.
9. Separate from Ownership.
10. Both an Art as well as a Science.
11. Is All Pervasive.
12. Intangible but its Impact is Felt.
13. Uses a Professional Approach in Work.
14. Dynamic in Nature.

Objectives of Management

1. Proper Utilization of Resources

The main objective of management is to use various resources of the enterprise in a most economic way. The **proper use of men, materials, machines and money** will help a business to earn sufficient profits to satisfy various interests.

2. Improving Performance

Management should aim at improving the performance of each and every factor of production.

3. Mobilizing Best Talent

The management should try to employ specialist in various fields so that better results are possible.

4. Planning for Future:

Future performance will depend upon present planning. So, planning for future is essential to help the concern.


Scope
Analyze
Consulting
Control
Quality
Business
Assessment
Evaluation
Management
Inspect
Audit
Plan
Project
Process
Risk
Report
Result
Strategy
Validation
Financial
Service
Review

Scope of Management

- Production Management
- Marketing Management
- Financial Management
- Human Resource Management

Production Management

- Planning, Organizing, directing, and controlling production function so as to produce **right goods, in the right quantity, at the right time, and at right cost**.

- Location of plant, Product Designing, Purchase, Repairs, Inventory, R&D.

Marketing Management

- Identifying customers needs and supplying them goods that can satisfy their needs.

- Research, Planning and developing, pricing, Channel of distribution, Promotional activities,
- Customer relationship management.

Financial Management

- Right amount of fund at a right time at reasonable cost.

- Assessing fund volume, source of fund, Raising fund, allocation of fund, earnings.

Human Resource Management

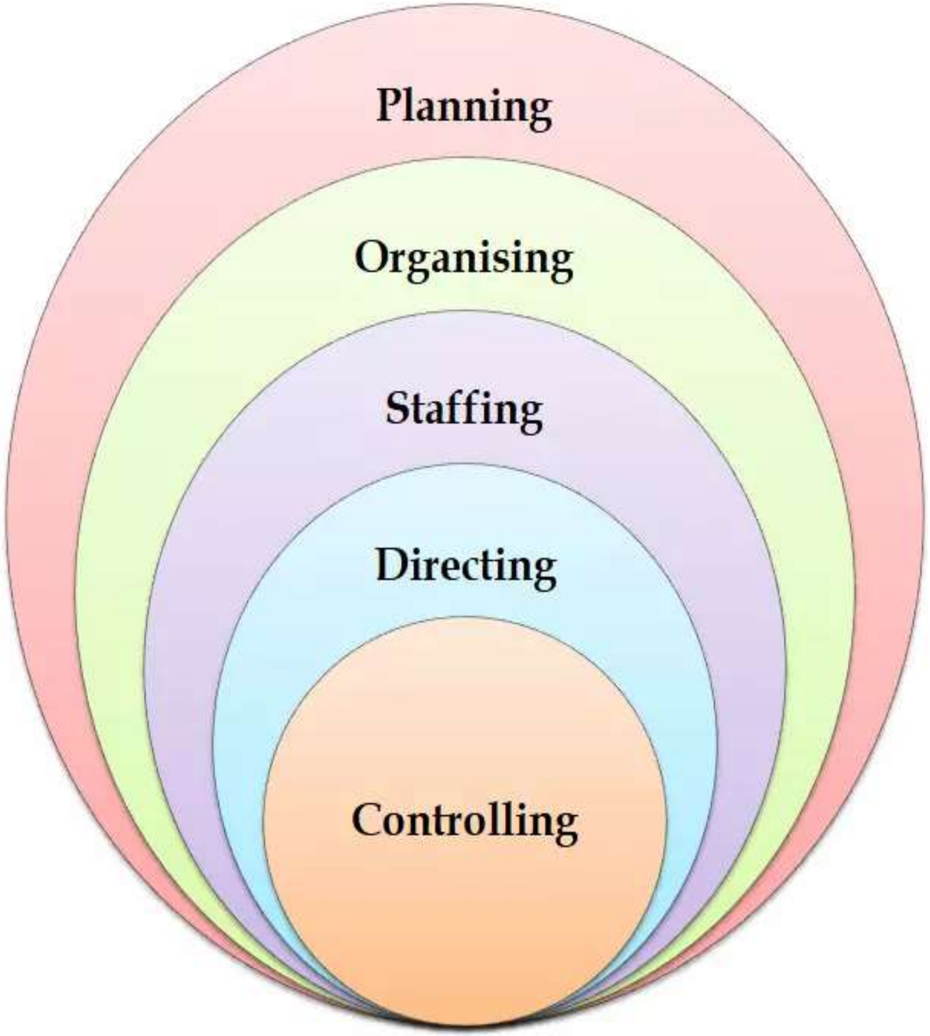
- Recruiting, developing, retaining, and integrating personnel.

- Planning, Recruitment, Training, Performance appraisal, promotion and transfers, compensation, employee welfare, Industrial relations, HR records and research.

Functions of Management

Five functions of management as explained by Koontz and O'Donnel are as follows;

- Planning,
- Organizing,
- Staffing,
- Directing and
- Controlling.



Five Functions of Organizational Management

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Controlling

- Evaluate and regulate ongoing activities
- Provide feedback for future planning
- Your text here

Directing

- Issue instructions to work better
- Build effective group of subordinates
- Your text here

Staffing

- Evaluate employee performance
- Hire competent people
- Your text here

Organizing

- Assign tasks to employees
- Establish management hierarchy
- Your text here

Planning

- Determine courses of action for achieving objectives
- Realize business vision

Functions of management

- **Planning**: Deciding in advance what to do, how to do, why to do, where to do and who will be responsible for doing is planning. Determination of the objectives of business, splitting of objectives into goals for each department of the organization and formulating policies, programs, procedures rules and regulations and budget are the important steps involved in planning.

- **Organizing**: Division of work into functions and sub-functions, grouping of activities that are closely related in their nature, assigning of duties and responsibilities to the employees and finally delegation of authority and power to each employee or the group to discharge their duties accordingly are the processes come under the function of management organizing.

- **Directing:** It is guiding and leading the people in an organization. It is not just giving instructions by a superior to the sub-ordinates but also is a process of supervising, guiding and motivating the latter to achieve the organizational goals. It is a complex function of management that ensures the employees work effectively and efficiently.

Functions of management

- **Staffing**: The process of making out, assessing, appointing, evaluating and developing the employees at work in an organization is staffing. In here the characteristics of a job are determined primarily. It is followed by ensuring of the right number of and kind of employees are placed at the right places and at the right time when organization is in need of them.

- **Controlling**: It is the process that ensures whether the resources are obtained and used efficiently in achieving the organizational objectives. Controlling function of management is closely linked with the planning function because, it includes checking the performance of employees to see whether the planned performance is being achieved by them or not.

Levels of Management

- The term "**Levels of Management**' refers to a line of demarcation between various managerial positions in an organization.
- The number of levels in management increases when the size of the business and work force increases and vice versa.
- The level of management determines a chain of command, the amount of authority & status enjoyed by any managerial position.

- The levels of management can be classified in three broad categories:

❑**Top level / Administrative level**

❑**Middle level / Executory**

❑**Low level / Supervisory / Operative / First-line managers**

Level of Management

Level of management is defined as the vertical rank of the managers in the organization. Managers of each level have different tasks and responsibilities.

Top Level Management

- ✓ It main job is to establish mission and goals as well as the general operating policies of the organization.
- ✓ The common job titles of top-level management **are chairman, managing director, or general manager**

Middle-Level Management

- ✓ It main job is to establish mission and goals as well as the general operating policies of the organization.
- ✓ The common job titles of top-level management **are marketing managers, human resources managers, finance managers etc.**

Lower-Level Management

- ✓ It is largely responsible for carrying out the day-to-day activities within the organization.
- ✓ The common job titles of top-level management **are supervisors, foremen, etc.**

Top Level of Management

- It consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

The role of the top management can be summarized as follows –

1. Formulation of long-term organizational objectives.
2. Formulation of long-term overall plans
3. Formulating strategies for the organization as a whole, Known as corporate strategies
4. Formulation of broad policies covering entire organizational operations
5. Prescribing overall organization structure
6. Appointment of key managers in the organization
7. Providing guidance and direction to departmental heads
8. Allocating resources to different business units and departments.
9. Coordinating the operations of different departments- Created function wise or department wise.
10. Reviewing and controlling overall organizational performance.
11. Keeping liaison with various external agencies like shareholders, industry, associations, financial institutions, government, etc.

Middle Level of Management

- The branch managers and departmental managers constitute middle level.
- They are responsible to the top management for the functioning of their department.
- They devote more time to organizational and directional functions.
- In small organization, there is only one layer of middle level of management but in big enterprises, there may be senior and junior middle level management.

Their role can be emphasized as -

- They execute the plans of the organization in accordance with the policies and directives of the top management.
- They make plans for the sub-units of the organization.
- They participate in employment & training of lower-level management.
- They interpret and explain policies from top level management to lower level.
- They are responsible for coordinating the activities within the division or department.
- It also sends important reports and other important data to top level management.
- They evaluate performance of junior managers.
- They are also responsible for inspiring lower-level managers towards better performance.

Lower Level of Management

- Lower level, also known as supervisory / operative level of management, consists of supervisors, foreman, section officers, superintendent etc.
- According to R.C. Davis, “Supervisory management refers to those executives whose work has to be largely with personal oversight and direction of operative employees”. In other words, they are concerned with direction and controlling function of management.

Their activities include -

- Assigning of jobs and tasks to various workers.
- They guide, motivate and instruct workers for day-to-day activities.
- They are responsible for the quality as well as quantity of production.
- They communicate workers problems, suggestions, and recommendatory appeals etc. to the higher level and higher-level goals and objectives to the workers.
- They help to solve the grievances of the workers.
- They supervise & guide the sub-ordinates.
- They are responsible for providing training to the workers.
- They arrange necessary materials, machines, tools etc for getting the things done.
- They prepare periodical reports about the performance of the workers.
- They ensure discipline in the enterprise.
- They are the image builders of the enterprise because they are in direct contact with the workers.

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Evolution Of Management Thought

Evolution Of Management Thought

- Classical Theory
- Neo classical Theory
- Modern Theory

MANAGEMENT APPROACHES

CLASSICAL

- SCIENTIFIC
- ADMINISTRATIVE
- BEUROCRACY

NEO -CLASSICAL

- Hawthrone Experiments
- Human Relations Movement
- Behavioural Sciences Thinking

MODERN

- QUANTITATIVE
- SYSTEM
- CONTINGENCY

Classical Theory

- It is a branch of Management Theory.
- Evolved between late 19th century and early 20th century.
- To find out the best way to do the task.
- The classical theory of management is divided in mainly three focus areas:
  - Scientific Management
  - Administrative Management
  - Bureaucratic Management

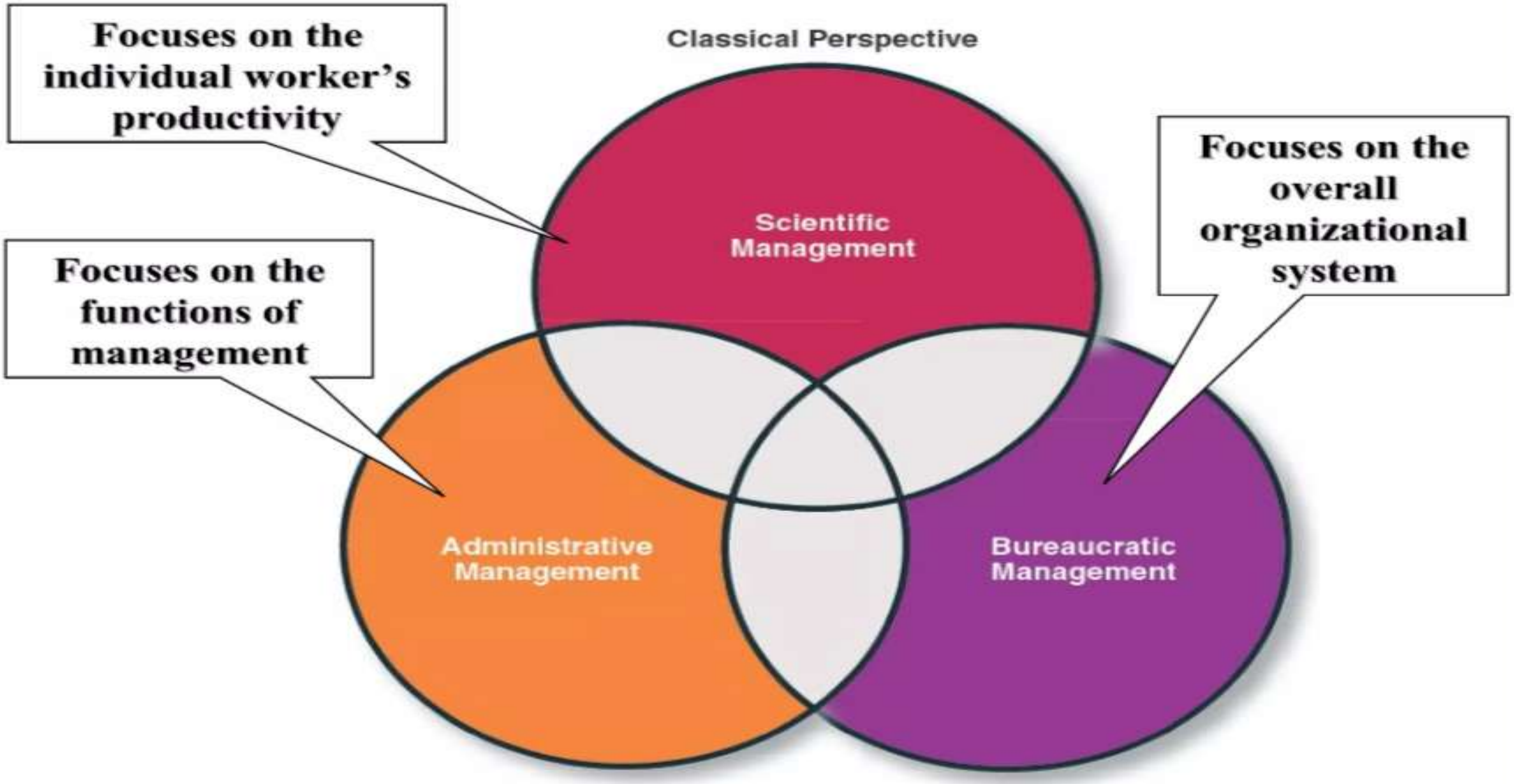
Definition of classical approach

- Classical approach is the oldest formal school of thought which began around 1900 and continued into the 1920s.
- Its mainly concerned with the increasing the efficiency of workers and organizations based on management practices, which were an outcome of careful observation.
- Classical approach mainly looks for the universal principles of operation in the striving for economic efficiency.
- Classical approach includes scientific. Administrative & bureaucratic management.

classical Theory

- Scientific management
- Administrative management
- Bureaucratic management

Figure Subfields of the Classical Perspective on Management



Scientific Management

F.W. TAYLOR

(1856-1915)

- He is known as the father of Scientific Management.
- To do a task, the best way is:
  - Perform task with Systematic Study.
  - And with Scientific Method.
- He believed that improved management practices lead to improved productivity.
- F.W. Taylor believed that these three tools should be used for management:
  - ✓ Task Performance
  - ✓ Supervision
  - ✓ Motivation

Task Performance

It is defined as the method with which the worker perform activities to contribute towards the organization. It should be effective and efficient.

- **Scientific management incorporates basic expectations of management, including:**
  - Development of Work Standards – Company sets a work standard with which a worker has to work accordingly.
  - Selection of workers – Should be on Scientific Basis.
  - Training of workers – If machinery has to operated by workers then training for operating the machines should be provided first because the company cannot afford any mistake by worker.
  - Support of workers – Support of worker is needed to perform a task in a organization.

SUPERVISION

- Taylor felt that a single supervisor could not be an expert at all tasks.

Managers must provide detailed instructions and supervision to each worker to ensure the job is done in a scientific way.

MOTIVATION

Taylor believed money was the way to motivate workers to their fullest capabilities.

Workers who met a standard level of production were paid a standard wage rate.

Workers whose production exceeded the standard were paid at a higher rate for all of their production output.

Also by giving Bonus, Incentives to the employee's working in Company.

PRINCIPLES OF SCIENTIFIC MANAGEMENT

Science,
Not Rule of Thumb

The one should must have the knowledge in the selected field.

It is the basic principle of scientific management as formulated by Taylor.

For managing activities in a scientific manner we have to start with understanding, analyzing and applying scientific methods and techniques.

Positive Impacts of the principle:

- Objectives can be achieved in a better way.
- Better utilization of available resources & skills.

Scientific Selection, Training & Development of Workers

There should be Scientific designed procedure for selection of workers.

Physical, Mental & Education must meet the eligible qualification.

Workers must be selected and provided with training to make them fit for the job.

Management must provide workers the opportunities to show their capabilities.

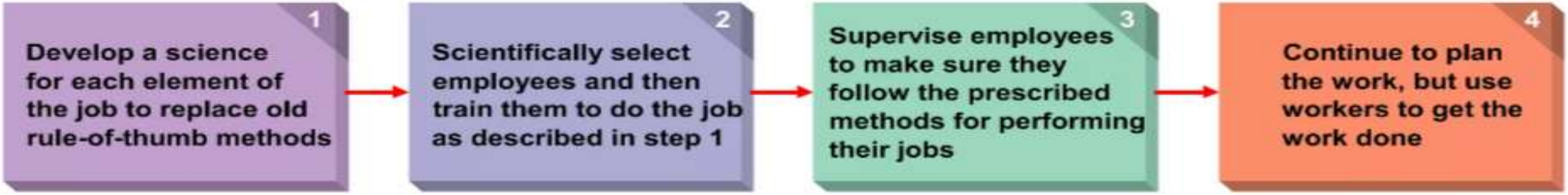
Efforts should be made to develop each employee to do his greatest level and efficiency of work.

Scientific management

F.W Taylor's contribution (1856-1915)

- Scientific management focus on workers and machine relationship.
- Organizational productivity can be increased by increasing the efficiency of production processes.

Steps in Scientific Management




8 Supervisors
4 Planning in office
4 Executing at Shop Floor
Route Clerk
Time & Cost Clerk
Instruction Card Clerk
Disiplinarians
Gang Boss
Speed Boss
Repair Boss
Inspector

General approach

Developed standard method for performing each job

Trained workers in standard method

Provided wage incentives to workers for increased output

Selected workers with appropriate abilities for each job

Supported workers by planning their work and eliminating interruptions

Administrative Management

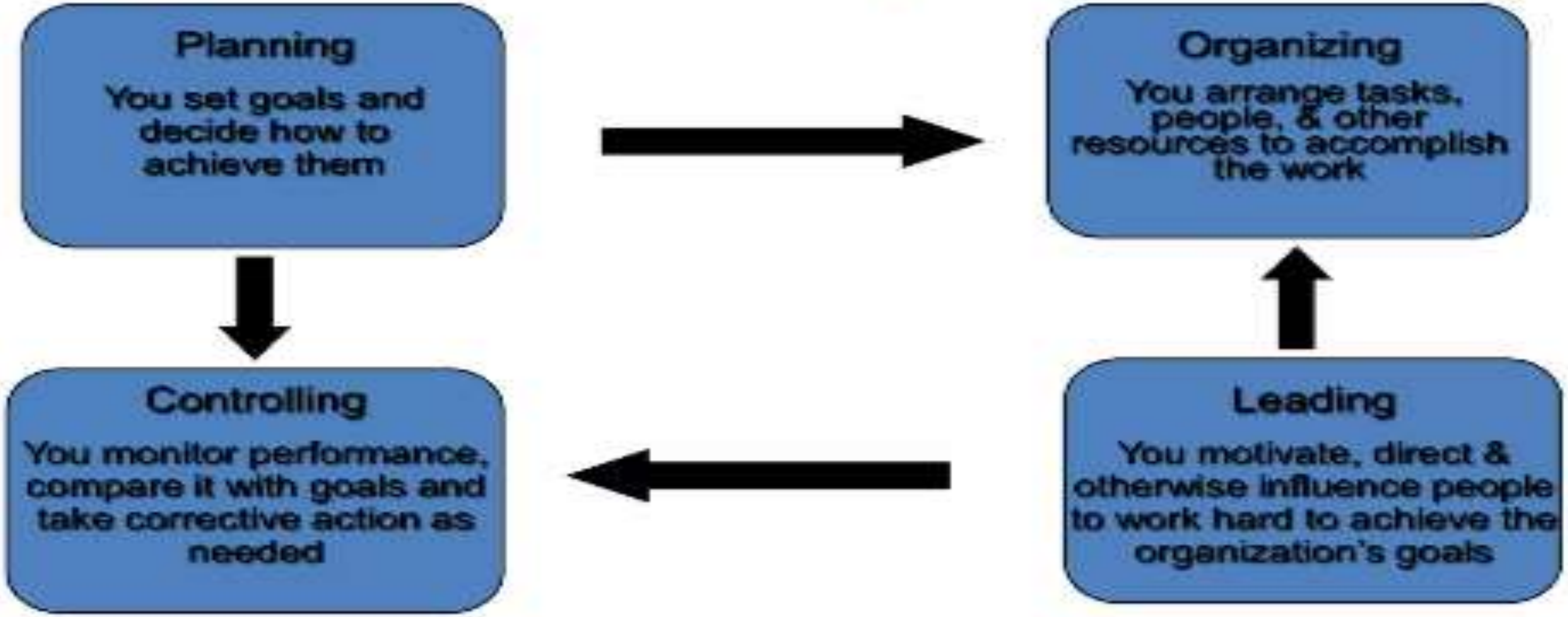
HENRI FAYOL

(1841-1925)

- He is known as the father of Administrative Management.
- First recognized that successful managers had to understand the basic managerial functions.
- Developed a set of 14 general principles of management.

Henry Fayol and the Functions of Management

Henry Fayol was the first to systematize management management behavior– he was the first to identify the major functions of management: planning, organizing, leading, controlling, as well as coordinating



Administrative Theory

Henry Fayol (1841-1925)

Father of Adminstrative Management

His Contributions...

- 6 Business Activities
- 5 Management Functions
- 14 Principles

Business Activities

1. Technical
2. Commercial
3. Financial
4. Accounting
5. Security
6. Managerial Activity

Operating activities of business

Most Neglected

Administrative management

Administrative management focuses on the managers and the use or principles and functions for improving organizational functioning. The administrative management school treated as management as a process get work done through and with people.

Henri Fayol, James D Mooney, Alan C Reilly are the pioneer contributors to the administrative management though.

Henri Fayol

Fayal's administrative management focuses on managers and basic management functional.

- Classification of business activities
- Basic functions of a managers
- Qualities and skills of a managers
- Principles of management

Classification of business activities

Fayol divided activities into following six groups

- Technical activities
- Commercial activities
- Financial activities
- Security activities
- Accounting activities
- Managerial activities

Basic functions of a manager

- Planning
- Organising
- Commanding
- Coordinating
- Controlling

Qualities and skills of a manager

- Physical quality
- Mental quality
- Moral education
- Special knowledge
- Experience

FAYOL's General Principles of Management

1. ***Division of work*** *– Equal Work Division according to their capabilities.*
2. ***Authority and responsibility*** *– Parity b/w authority and responsibility of work given to a worker.*
3. ***Discipline*** *– Must follow rules and regulations.*
4. ***Unity of command*** *– One worker should be allotted with a single instructor.*
5. ***Unity of direction*** *– All the worker should go in one direction only which is the target of the company.*
6. ***Subordination of individual interest to the common good*** *– Workers personal interest should be secondary and company goals should be primary.*
7. ***Remuneration of personnel*** *– Workers should be paid according to their capabilities, eligibility and task performance.*
8. ***Centralization*** *– The power of making any decision for the company is in the hands of top level management(i.e. BOD's & CEO's).*
9. ***Scalar chain*** *- Fig 1*
10. ***Order*** *– Task should be perform step by step.*
11. ***Equity*** *– Equality b/w workers.*
12. ***Stability*** *– Management should provide a meaning of security.*
13. ***Initiative*** *– Workers should be encouraged to give their opinion's.*
14. ***Esprit de corps*** *– Unity is Strength.*

Bureaucratic Management

- Focuses on the overall organizational system.
- Bureaucratic management is based upon:
  - Firm rules.
  - Policies and procedures.
  - A fixed hierarchy.
  - A clear division of labor.

BUREAUCRATIC MANAGEMENT

- Max Weber [1864-1920].
- Rules and regulations to eliminate managerial inconsistencies.
- Authority is the power to hold people accountable for their actions.
- Positions in the firm should be held based on performance not social contacts.
- Position duties are clearly identified. People should know what is expected of them.
- Lines of authority should be clearly identified. Workers know who reports to who.

Bureaucratic Principles

A Bureaucracy should have

- Written rules
- Hierarchy of authority
- Fair evaluation and reward
- System of task relationships

Bureaucratic Principles

- Division of work
- Hierarchy of position
- Rules and regulations
- Impersonal conduct
- Staffing
- Technical competence
- Official records

II. BUREAUCRATIC MGMT.

cont'd

Father of BM Theory: **Max Weber**

IDEAL BUREAUCRACY

Ranking organisations by Bureaucratic orientation

Low Bureaucratic structure

- Private business
- Voluntary organisation

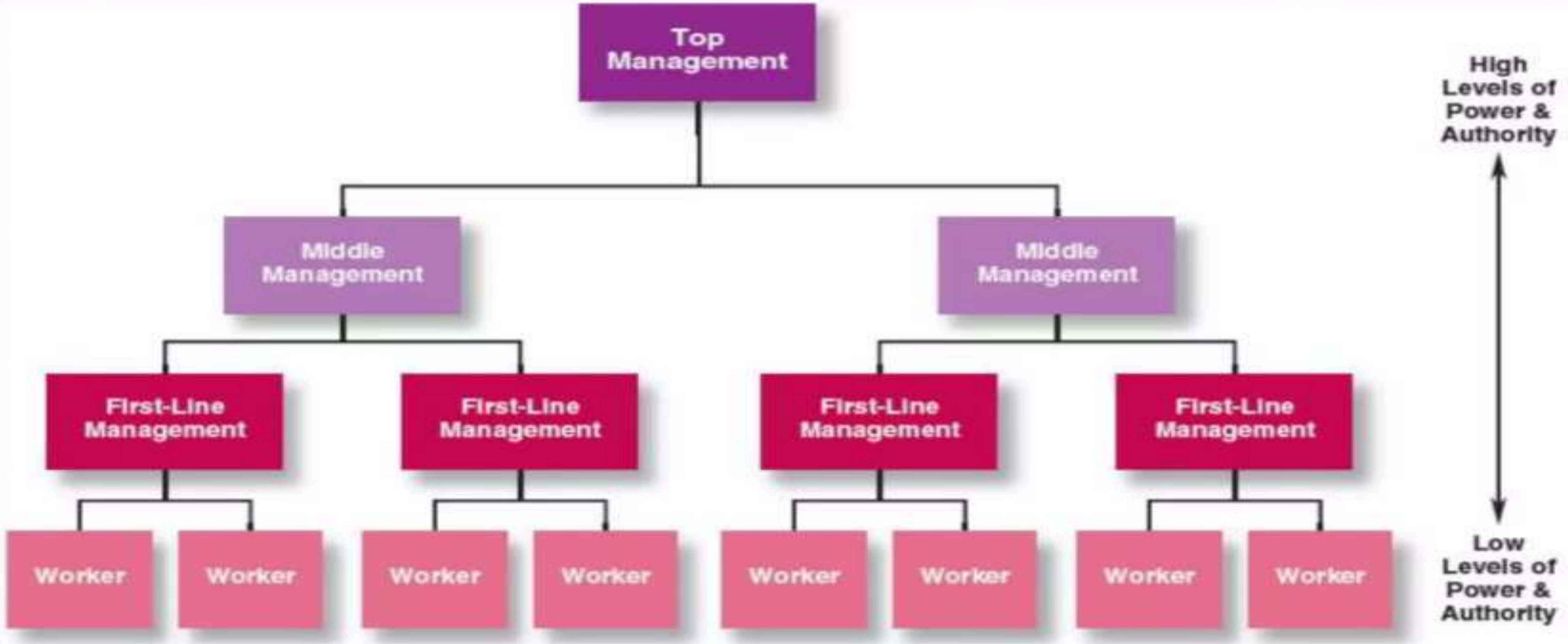
Mid range Bureaucratic structure

- Joint sectors
- Statutory cooperation

High Bureaucratic structure

- Government departments
- Military departments

Bureaucratic Hierarchical Power Structure



Hawthorne Experiment and Timeline

About the Experiment

Hawthorne works, a western electric plant near Philadelphia, was studied for eight years staring 1924 and 1932.

The reasons for inefficiency were believed to be improper job design, fatigue and other conditions of work.

This was commissioned to see if workers would become more productive under different circumstances. This was studied through a set of 4 series of experiments

Timeline

1924 **1927** **1929** **1930** **1932**

Illumination experiments → **Relay Assembly Test Room Study** → **Mass Interviewing Programme** → **Bank wiring experiment** →

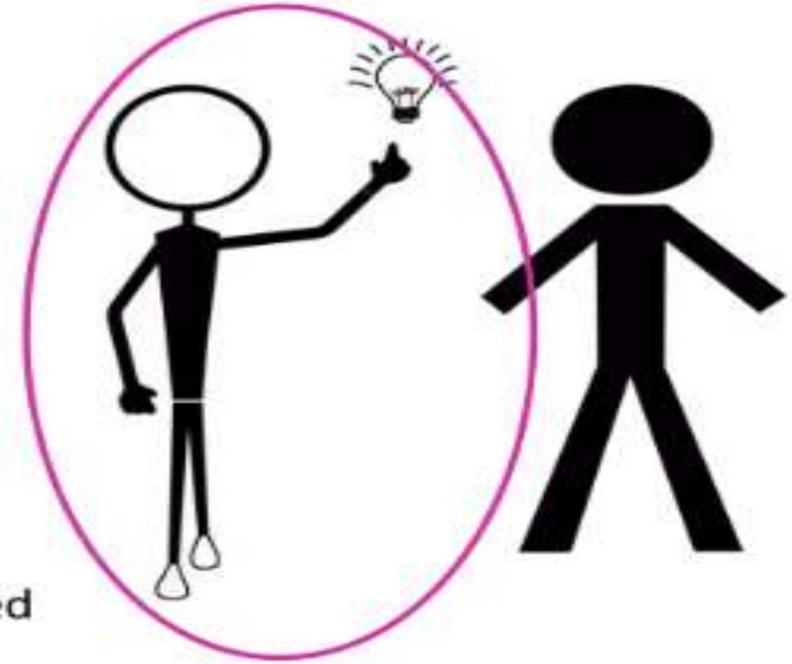
Experiment 1: The Illumination Experiment

Objective:
To study the effect of **illumination**, a physical factor on **productivity**

Experiment:
The illumination of the room was increased and decreased and its productivity on workers was observed

Method :
Control and Treatment Method

- Treatment group was subjected to increased and diminished illumination
- Control group wasn't subjected to any change



What was is the expected outcome?

Actual Result :
Illumination did not have any effect on productivity there were some other factors that were playing a part in determining productivity

Independent variable

Dependent variable

Experiment 2: Relay Assembly Test Room Study

Objective:
To study the effect of changes in **job conditions**, on **productivity**

Experiment:
Few changes were introduced in the working conditions like:

- Introduction of group incentive
- Introduction of longer breaks
- Flexibility in working hours

Observation:

- The changes resulted in decrease in absenteeism, increase in motivation and reduction of requirement of supervision
- These changes prevailed even after these benefits were removed

Result:

- ***Team work provided social solidarity and cohesion which helped people to develop a sense of belonging***
- ***Group behaviour and attitude were affecting the productivity and not the other physical factors***

Independent variable
Dependent variable

Experiment 3: The Mass Interviewing Programme

Objective:

To study the effect of **counselling and indirect interviewing** on **human behaviour**

Experiment:

- Indirect interview method was adopted where the employee was given an opportunity to talk
- "Yes or No" type reply system was eliminated
- The interviewer listened and did not argue or cross questioned

Observation:

The worker behaviour was influenced by group behaviour

Result:

This experiment helped the researchers understand the minds of the workers since through this experiment the labour was treated more than just a "labour input" as they were given a voice

Independent variable

Dependent variable

Experiment 4: Bank Wiring Observation Room Study

Objective:
To study how **small groups** effect the functioning of **individual behaviour**

Hypothesis:
- In order to earn more the individual would produce more
- In order to get group bonus they would help each other to produce more

Observation:
The individuals set low targets for themselves

Result:
- ***Fear of layoff and unemployment***
- ***Fear of rising standards and expectations***
- ***A desire to project slower workers***
- ***Monetary gain doesn't only motivate the workers***
- ***Social security measures, autonomy and social bonding also effect productivity***

Independent variable
Dependent variable

Key Take Aways from the Experiments

System Approach

- The basic idea of system approach is that an organization must rely on a method of analysis involving simultaneous variations of mutually dependent variables.
- Systems Theory views **management as an interrelated component of the organization**. Instead of viewing the organization as a series of silos, each department is part of an overall system or organism. Management must support goals and process flows that serve the overall organizational health.

Features of a system

System is an integrated set of elements that are organized according to a plan and function as a whole. On the basis of this definition, features of a system can be identified:

1. System is a combination of various parts(Sub System)
2. Parts and subparts of system are mutually related to each other, Some more, some less, some directly, some indirectly. (Change in one may effect other)
3. Arrangement of system make difference.Whole system becomes greater than total of individual parts.
4. System can be identified because of its boundary. Boundary can be classified as open and closed system.
5. System Transforms input into output

System Approach

Implication of System Approach

1. Organization should not be treated merely a combination of its different parts but more than that.

2. Management of an organization must be consistent with the demand of organizational environment and needs of its member

3. There should be integration of various forces affecting management processes- Planning, organizing, staffing, directing and controlling- affects each other and affected be each other

Contingency approach

The contingency approach sometimes called the situational approach says that organizations are different ,face different situations ,and require different ways of managing.

Contingency approach

- A good way to describe contingency
- If this is the way my situation is then this is the best way for me to manage in this situation
- This approach is intuitively logical because organizations and even units within the same organization differ-in terms of size ,goals , work activities.

Contingency Theory

- Contingency Theory was developed by sociologist **Joan Woodward** after she examined why some companies performed better than others. She found that high performing organizations make better use of technology and their managers made better decisions in situational contexts. **This theory recognizes that effective managers must be adaptable to unique situations and circumstances.**

Features

1. Management actions is contingent on certain action outside the system or subsystem as the case may be.
2. Organizations action should be based on the behavior of action outside the system so that organization is integrated with the environment.
3. Organization-environment relationship is specific in case of each organization. Therefore, no action can be universal; it varies from situation to situation.

UNIT 1: Introduction of Management & Organisation

UNIT 1A: Management - Definition of Management & Organisation

UNIT 1B: Concept, Nature, Scope and Functions of Management, Levels of Management, Management Theories - Taylors principle, Fayol's Principles, Hawthorne Studies, Systems Approach and Contingency Approach to Management.

UNIT 1C: **Mintzberg's Managerial Roles, Skills of Manager, Functions of management**

MANAGERIAL ROLES IN ORGANIZATIONS

- Managers fulfill a variety of roles.
- A role is an organized set of behaviors that is associated with a particular office or position.
- Dr. Henry Mintzberg, a prominent management researcher, identified three types of roles which a manager usually does in any organization.

- ***Interpersonal roles*** are roles that involve people (subordinates and persons outside the organization) and other duties that are ceremonial and symbolic in nature. The three interpersonal roles include being a figurehead, leader, and liaison.
- ***Informational roles*** involve receiving, collecting, and disseminating information. The three informational roles include a monitor, disseminator, and spokesperson.
- ***Decisional roles*** revolved around making choices. The four decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator.

Management Roles by Henry Mintzberg

1. Interpersonel

- Figurehead
- Leader
- Liasion

2. Informational

- Monitor
- Disseminator
- Spokeperson

3. Decisional

- Entrepreneur
- Disturbance Handler
- Resource Allocator
- Negotiator

EXHIBIT 1.5

Henry Mintzberg's Managerial Roles			
Category	**Role**	**Organizational Function**	**Example Activities**
Informational	Monitor	Responsible for information relevant to understanding the organization's internal and external environment	Handle correspondence and information such as industry, societal, and economic news and competitive information
	Disseminator	Responsible for the synthesis, integration, and forwarding of information to other members of the organization	Forward informational e-mails; share information in meetings, conference calls, webcasts, etc.
	Spokesperson	Transmit information to outsiders about organizational policy, plans, outcomes, etc.	Attend management meetings; maintain networks between the organization and stakeholders
Interpersonal	Figurehead	Symbolic leadership duties involving social and legal matters	Attend ceremonies; greet visitors; organize and attend events with clients, customers, bankers, etc.
	Leader	Motivate, inspire, and guide employees' actions; provide opportunities for training; support appropriate staffing	Build trusting relationships with employees; build effective teams; manage conflict
	Liaison	Build and maintain relationships between the organization and outside entities	Work on external boards; create and maintain social networks (real and virtual) with key stakeholders
Decisional	Entrepreneur	Scan the organizational environment for opportunities; foster creativity and innovation	Participate in strategy and review meetings for new projects or continuous improvement
	Disturbance handler	Manage organizational problems and crises	Participate in strategy and review meetings that involve problems and crises; get involved directly with key issues and people
	Resource allocator	Take responsibility for allocation of all types of organizational resources	Create work schedules; make authorization requests; participate in budgeting activities
	Negotiator	Represent the organization during any significant negotiations	Negotiate with vendors and clients; settle disputes about resource allocation

MANAGERIAL ROLES IN ORGANIZATIONS

- **Interpersonal roles** grow directly out of the authority of a manger's position and involve developing and maintaining positive relationships with significant others.

✓ ***Figurehead***: symbolic head, obliged to perform a number of routine duties of a legal or social nature.

✓ ***Leader***: responsible for the motivation and activation of subordinates; responsible for staffing, training, and associated duties.

✓ ***Liaison***: maintain self-developed network of outside contacts and informers who provide favors and information.

- **Informational roles** pertain to receiving and transmitting information so that managers can serve as the nerve centers of their organizational units

✓ ***Mentor:*** seeks and receives wide variety of special information (much of it current) to develop thorough understanding of organization and environment; emerges as nerve center of internal and external information of the organization.

✓ ***Disseminator***: transmits information received from outsiders or from other subordinates to members of the organization; some information factual, some involving interpretation and integration of diverse value positions of organizational influences.

✓ ***Spokesman***: transmits information (plans, policies, results, etc.) within and outside of the organization; serves as expert on organization's industry.

MANAGERIAL ROLES IN ORGANIZATIONS

- **Decisional roles** involve making significant decisions that affect the organization.

✓ ***Entrepreneur***: searches organization and its environment and initiates improvement projects to bring about change; supervises design of certain projects as well.

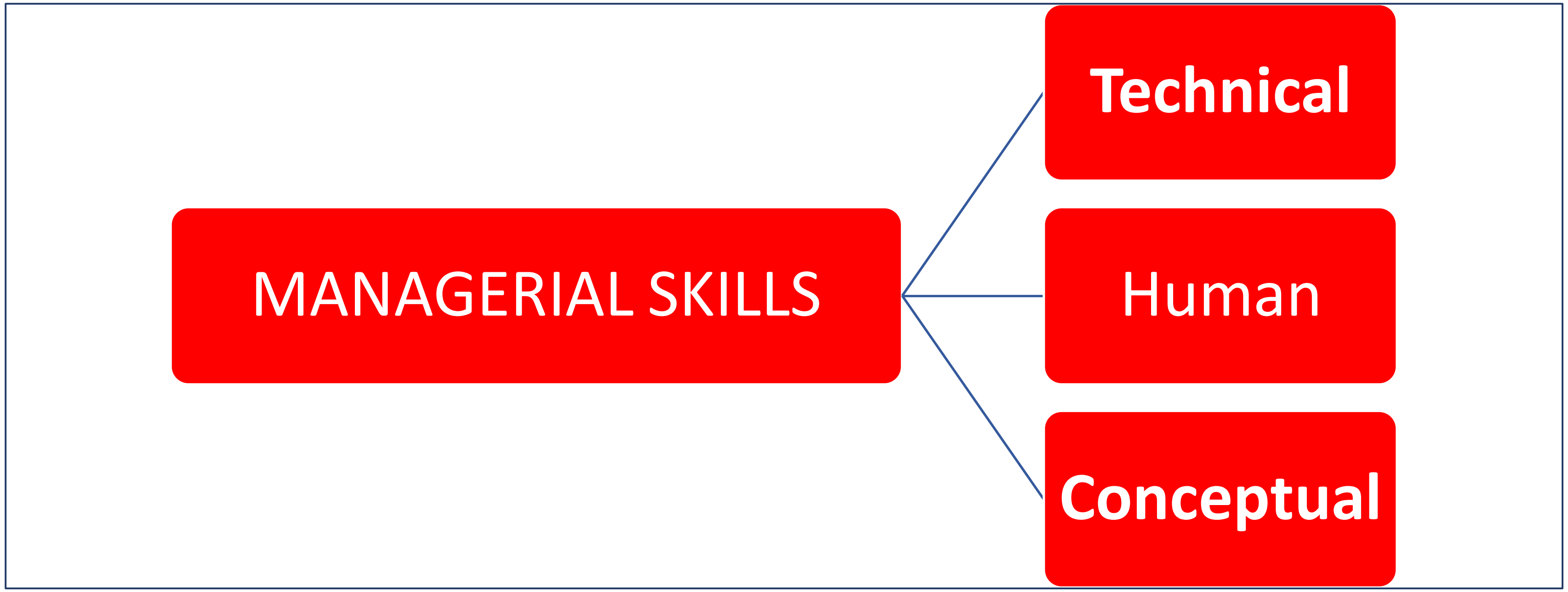
✓ ***Disturbance Handler***: responsible for corrective action when organization faces important, unexpected disturbances.

✓ ***Resource Allocator*** : responsible for the allocation of the organization's resources; makes or approves of all significant organizational decisions.

✓ ***Negotiator***: responsible for representing the organization at major negotiations.

MANAGERIAL SKILLS

- Not everyone can be a manager.
- Certain skills, or abilities to translate knowledge into action that results in desired performance, are required to help other employees become more productive.
- These skills fall under the following categories:



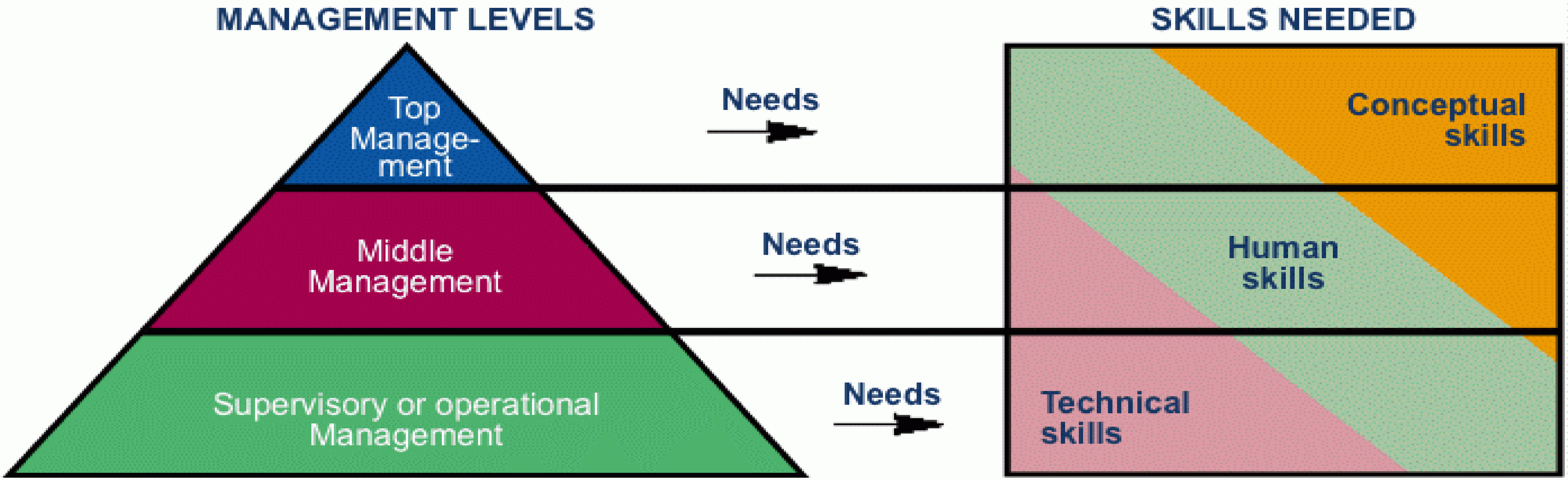
MANAGERIAL SKILLS

- **Technical**: This skill requires the ability to use a special proficiency or expertise to perform particular tasks. Accountants, engineers, market researchers, and computer scientists, as examples, possess technical skills. Managers acquire these skills initially through formal education and then further develop them through training and job experience. Technical skills are most important at lower levels of management.

- **Human**: This skill demonstrates the ability to work well in cooperation with others. Human skills emerge in the workplace as a spirit of trust, enthusiasm, and genuine involvement in interpersonal relationships. A manager with good human skills has a high degree of self-awareness and a capacity to understand or empathize with the feelings of others. Some managers are naturally born with great human skills, while others improve their skills through classes or experience. No matter how human skills are acquired, they're critical for all managers because of the highly interpersonal nature of managerial work.

- **Conceptual**: This skill calls for the ability to think analytically. Analytical skills enable managers to break down problems into smaller parts, to see the relations among the parts, and to recognize the implications of any one problem for others. As managers assume ever-higher responsibilities in organizations, they must deal with more ambiguous problems that have long-term consequences. Again, managers may acquire these skills initially through formal education and then further develop them by training and job experience. The higher the management level, the more important conceptual skills become.

Management skills continuum



As a manager moves from supervisory to top-management, conceptual skills become more important than technical, but human remain important