

Introduction to Management

Module 1

*Nature of Management;
Managerial Roles, Functions, and
Skills*

What is Management

- What is Management ?
- Can you think of some examples from our daily routine ?
- What is the importance of Management ?
- Do you think Management is a subject which is important for this Course and if so why ?

Management- Concept

Nature of Management

- *Management* is a set of activities (including planning and decision making, organizing, leading, and controlling)
- Directed at an organization's resources (human, financial, physical, and information)
- With the aim of achieving organizational goals in an efficient and effective manner.

What is Management?

- In simple words, *management means managing an activity.*
- When we talk of managing an activity, we really mean *to make the activity a success.*
- In other words, *we have in mind some goal and we decide about the ways of carrying out the activity so as to achieve the goal.*

Understanding Management from a Manager's point of view

- A manager's job involves planning for the future by anticipating changes in the external environment, organizing people into groups, allocating resources to them and motivating them to attain organizational goals.
- Good management is essential for any organization, be it a government agency, a non-profit organization or an industrial firm, if it is to achieve its objectives.
- We need to understand the fundamental concepts, functions and processes of management.

Definition of Management by Management Experts

- Art of knowing what you want to do and then seeing that it is done the best and cheapest way. **(F.W. Taylor)**
- To Manage is to forecast, to plan, to organise, to command, to co-ordinate and to control. **(Henry Fayol)**
- Management is work and as such it has its own skills, its own tools and its own techniques. **(Peter F. Drucker)**
- Management is the art of getting things done through and with people. **(Lawrence A. Appley)**

Importance of Management

- **Optimum use of resources** -- Ensures optimum utilisation of resources to avoid wastage.
- **Motivates the workers / employees through Effective leadership** -
- Enables employees to move with cooperation and achieve goals in a coordinated manner. Creates team work and motivates employees to work harder and better by providing necessary guidance, counselling and effective leadership.
- **Establishes sound industrial relations** -- Minimising industrial disputes and contributes to sound industrial relations in an undertaking. Managers try to strike a happy balance between the demands of employees and organisational requirements.
- **Achievement of goals** -- Since management is goal-oriented, Managers plan carefully, organise the resources properly, hire competent people and provide necessary guidance to achieve the goals.

Historical Origins of Management



Scientific Management Approach

By F W Taylor



<https://byjus.com/commerce/difference-between-fayol-and-taylors-theories-of-management/>

Scientific Management Approach - Taylor

Scientific Management is that kind of management which conducts a business or affairs by standards established by facts or truths gained through systematic observation, experiment or reasoning of work methods to improve the efficiency of workers. The steps are:

- Develop a science for each element of the job to replace old rule of thumb methods
- Scientifically select employees and then train them to do the job
- Supervise employees to make sure that they follow the prescribed methods for performing their jobs
- Continue to plan the work but use workers to actually get the work done

Principles of Scientific Management

- Science not rule of thumb
 - Discard the rule of Thumb
 - Advocates scientific approach
 - Steps involved
 - Investigation of traditional methods
 - Unifying the best practices
 - Developing standard method
- Selecting 'one best method' – saves time, effort money & resources

Principles of Scientific Management

- Harmony not discord
 - There should be complete harmony between the management and workers
 - Complete mental revolution on the part of both management and workers
 - Means that management and workers should transform their thinking
 - Management – share the gains of the company – workers. Workers should work hard – improve business

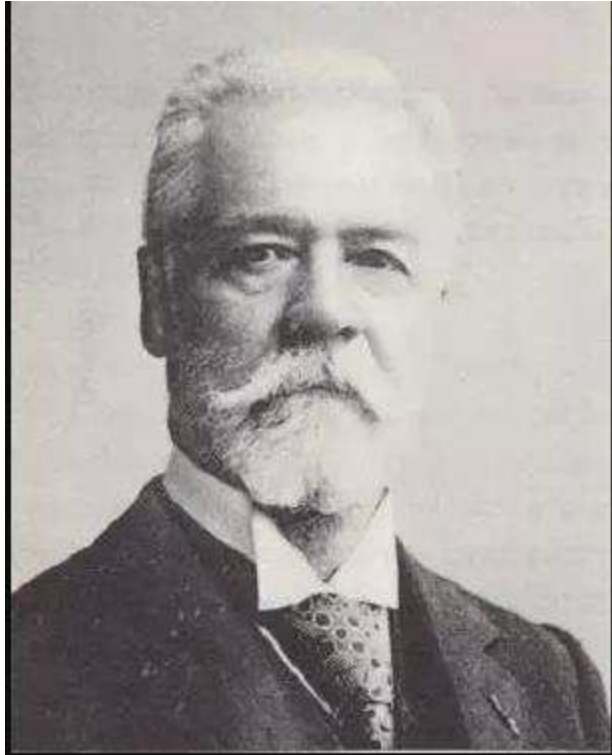
Principles of Scientific Management

- Cooperation, Not individualism
 - Cooperation between the labour and the management
 - Competition should be replaced by cooperation
 - Constructive suggestion made by the employees should not be ignore and rewarded
 - Equal division of work and responsibility between workers and management

Principles of Scientific Management

- Development of Each and Every person to His or Her Greatest Efficiency
 - Each person should be scientifically selected – Work assigned should suit her/her physical, mental and intellectual capabilities.
 - Train employees if needed
 - Training – essential – learn Best Method – ensure efficiency for workers and organization.

Fayol's Principles of Management



Principles of Management

Henry Fayol's has suggested the following 14 principles of management:



- **Division of work**
- **Authority and responsibility**
- **Discipline**
- **Unity of command**
- **Unity of direction**
- **Subordination of individual interest to general interest**
- **Remuneration**
- **Centralization**
- **Scalar Chain**
- **Order**
- **Equity**
- **Stability of tenure of personnel**
- **Initiative**
- **Sense of union**

1. Division of Work

- Henri believed that segregating work in the workforce amongst the workers will enhance the quality of the product.
- This improves the productivity, efficiency, accuracy and speed of the workers.
- This principle is appropriate for both the managerial as well as a technical work level.

2. Authority and Responsibility

- These are the two key aspects of management.
- Authority facilitates the management to work efficiently, and responsibility makes them responsible for the work done under their guidance or leadership.

3. Discipline

- Without discipline, nothing can be accomplished. It is the core value for any project or any management.
- Good performance and sensible interrelation make the management job easy and comprehensive.
- Employees' good behaviour also helps them smoothly build and progress in their professional careers.

4. Unity of Command

- This means an employee should have only one boss and follow his command.
- If an employee has to follow more than one boss, there begins a conflict of interest and can create confusion.

5. Unity of Direction

- Whoever is engaged in the same activity should have a unified goal.
- This means all the individuals working in a company should have one goal and motive which will make the work easier and achieve the set goal easily.

6. Subordination of Individual Interest

- This indicates a company should work unitedly towards the interest of a company rather than personal interest.
- Be subordinate to the purposes of an organization.
- This refers to the whole chain of command in a company.

7. Remuneration

- This plays an important role in motivating the workers of a company.
- Remuneration can be monetary or non-monetary.
- However, it should be according to an individuals' efforts they have made.

8. Centralization

- In any company, the management or any authority responsible for the decision-making process should be neutral.
- However, this depends on the size of an organization.
- Henri Fayol stressed on the point that there should be a balance between the hierarchy and division of power.

9. Scalar Chain

- Fayol on this principle highlights that the hierarchy steps should be from the top to the lowest.
- This is necessary so that every employee knows their immediate senior also they should be able to contact any, if needed.

10. Order

- A company should maintain a well-defined work order to have a favourable work culture.
- The positive atmosphere in the workplace will boost more positive productivity.
- “A place for everything, and everything in its place”.

11. Equity

- All employees should be treated equally and respectfully.
- It's the responsibility of a manager that no employees face discrimination.

12. Stability

- An employee delivers the best if they feel secure in their job.
- It is the duty of the management to offer job security to their employees.

13. Initiative

- The management should support and encourage the employees to take initiatives in an organization.
- It will help them to increase their interest and make them worth.

14. Esprit de Corps

- It is the responsibility of the management to motivate their employees and be supportive of each other regularly.
- Developing trust and mutual understanding will lead to a positive outcome and work environment.

Principles of Management

Henry Fayol's has suggested the following 14 principles of management:



- **Division of work:** This is the specialization that economists consider necessary for efficiency in the use of labor. Fayol's applies the principle to all kinds of work, managerial as well as technical.
- **Authority & responsibility:** Here Fayol finds authority and responsibility to be related, with the later arising from the former. He sees authority as a combination of official factors, deriving from the manager' position.

Principles of Management (Contd..)

- **Discipline:** Seeing discipline as “respect for agreements which are directed at achieving obedience, application, energy, and the outward marks of respect. Fayol declares that discipline requires good superiors at all levels.
- **Unity of command:** This means that employees should receive orders from one superior only.
- **Unity of direction:** According to this principle, each group of acts with the same objective; must have one head and one plan.
- **Subordination of individual to general interest:** This is self explanatory when the two are found to differ, management must reconcile them.

Principles of Management (Contd..)

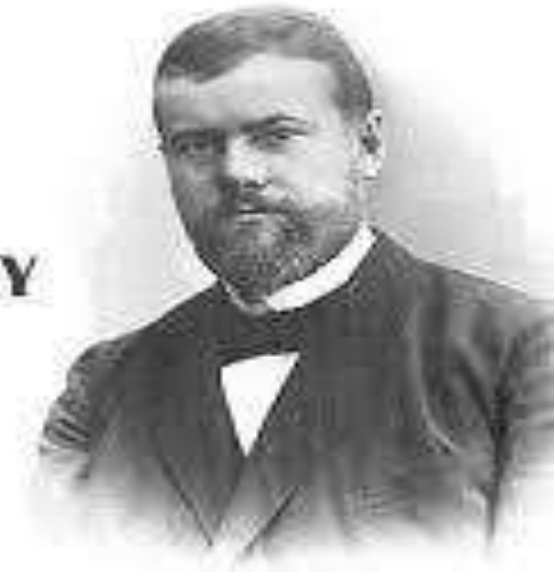
- **Remuneration and methods:** Employees should be paid fairly in accordance with their contribution.
- **Centralization:** The relationship between centralisation and decentralisation is a matter of proportion; the optimum balance must be found for each organisation
- **Scalar chain:** subordinates should observe the formal chain of command unless expressly authorised by their respective superiors to communicate with each other
- **Order:** Both material things and people should be in their proper places.

Principles of Management (Contd..)

- **Equity:** Loyalty and devotion should be elicited from personnel by a combination of kindness and justice on the part of managers when dealing with subordinates.
- **Stability of tenure:** People need time to learn their jobs
- **Initiative:** One of the greatest satisfactions is formulating and carrying out a plan.
- **Esprit de corps:** This is principle that “in union there is strength” as well as an extension of the principle of unity of command, emphasizing the need for teamwork and the importance of communication in obtaining it.

MAX WEBER

BUREAUCRACY THEORY



- According to Weber , **bureaucracy** is the basis for the systematic formation of any organisation and is designed to ensure efficiency and economic effectiveness.
- It is an ideal model for management and its administration to bring an organisation's power structure into focus.

Features of Bureaucracy Structure

1. Division of Labor	Complex work broken down into simple jobs
2. Hierarchy of Authority	Accepted chain of command to direct individual's effort towards organizational goal accomplishment
3. Framework of Rules	Effort directed and coordinated by rules
4. Impersonality	Hiring and promoting people on the basis of objective merit rather than favoritism (on the basis of what they know, and not who they know)
5. Formal Selection	Technical competence members selected accordingly on the basis of training, qualification, education etc.

Chapter-2

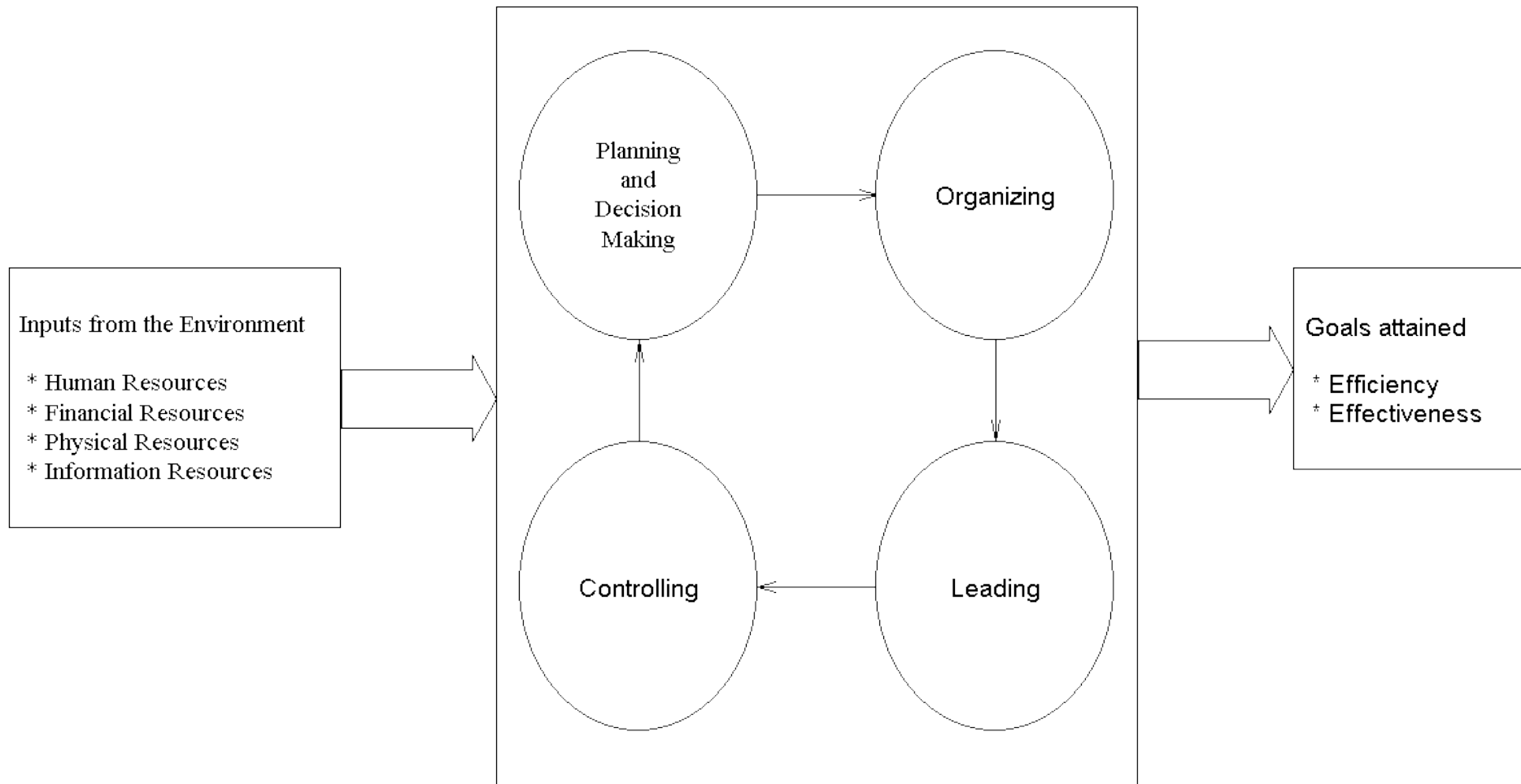
MANAGERIAL ROLES, FUNCTIONS AND SKILLS

Who is a Manager?

A *manager* is someone whose primary responsibility is to carry out the management process.

A manager is someone who plans and makes decisions, organizes, leads, and controls human, financial, physical, and information resources.

Management Process



Informational Role

Informational roles are primarily concerned with the information aspects of managerial work.

- **Disseminator Role** -- transmits factual and value based information to subordinates
- **Spokesperson** -- communicates to the outside world on performance and policies
- **Monitor** -- gathers internal and external information relevant to the organization

Decision Role

Managerial roles that revolve around making choices. There are four decision roles --

- **Entrepreneur** -- designs and initiates change in the organization
- **Disturbance Handlers** -- deals with unexpected events and operational breakdowns
- **Allocator** -- controls and authorizes the use of organizational resources
- **Negotiators** -- participates in negotiation activities with other organizations and individuals

Functions of Management

1. Planning

This is an activity of Deciding in advance : What to do; How to do; When to do; and Who is going to do it

- It is the basic function of management to chalk out a future course of action . It is a
 - Systematic thinking about ways & means for accomplishment of pre-determined goals.
 - Necessary to ensure proper utilization of human & non-human resources.
 - An intellectual activity in avoiding confusion, and uncertainties

Functions of Management (Contd..)

2. Organizing

- It is the process of bringing together physical, financial and human resources and developing productive relationship among them
- According to Henry Fayol, “To organize a business is to provide everything useful or its functioning i.e. raw material, tools, capital and personnel’s”.
- **Organizing involves**
 - Identification of activities, and classifying them into groups
 - Assigning of duties.
 - Delegation of authority and creation of responsibility
 - Coordinating the relationships of authority and responsibility
- Establishing the framework of working. This involves deciding :
 - How many units or sub-units or departments are needed.
 - How many posts or designations are needed in each department.
 - How to distribute authority and responsibility among employees

Once these decisions are taken, organizational structure gets set up.

Functions of Management (Contd..)

3. Staffing

It is the function of providing Human Resources to the organization structure

Staffing involves:

- Manpower Planning
- Recruitment, selection & placement.
- Training & development.
- Remuneration.
- Performance appraisal.
- Promotions & transfer.

Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc.

The main purpose of staffing is to put right man on right job

Functions of Management (Contd..)

4. Directing

It is the inert-personnel aspect of management for the achievement of organizational goals.

Direction involves :

- **Supervision** - overseeing the work of subordinates by their superiors. It is the act of watching & directing the work & the workers.
- **Motivation**- inspiring, stimulating or encouraging the sub-ordinates with zeal to work.
- **Leadership**- guiding and influencing the work of subordinates in a desired direction.
- **Communication** - is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding

FUNCTIONS OF MANAGEMENT (Contd..)

5. Controlling

- The purpose of controlling is to ensure that everything occurs in conformity with the standards.

Controlling involves:

- Establishing standards (a Benchmark)
 - Measuring the actual performance.
 - Comparison of actual performance with the standards for finding out deviations if any.
 - Corrective action.
-
- An efficient system of control helps to predict deviations before they actually occur.
 - According to Theo Haimann, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and if necessary, to correct any deviation”.

POLC Framework

1. Planning
2. Organizing
3. Leading
4. Controlling

[A small video Clip](#)

LEVELS OF MANAGEMENT

This refers to a line of demarcation between various managerial positions. In a large organisation, three levels of management are usually identified.

1. Top level management

- Determines objectives and policies
- Designs the basic operating and financial structure of an organisation
- Provides guidance and direction
- Lays down standards of performance
- Maintains good public relations

2. Middle level Management

- Interprets and explains the policies formed by the top
- Issues detailed instructions
- Participates in operating decisions
- Trains other managers

3. Lower Level Management

- Plans day-to-day operations
- Assigns jobs to workers
- Provides supervision and control over work
- Arranges material tools and equipment
- Maintains discipline

[A small Video Clip](#)

Managerial Skills

Robert L. Katz has identified three basic types of skills - technical, human and conceptual – They are essentially required for all the managers

1. Conceptual skills

- The ability to analyze and diagnose a situation and distinguish between cause and effect.

2. Human skills

- The ability to understand, alter, lead, and control the behavior of other individuals and groups.

3. Technical skills

- The specific knowledge and techniques required to perform an organizational specific role.

The Management Expert who explained the Managerial Roles



Henry Mintzberg

Henry **Mintzberg** is a management expert, author and academician.

Mintzberg recommends breaking down management roles and responsibilities and organizing the workplace to simplify complex concepts.

This helps companies to organize into a more efficient culture, and it allows each member to develop their own skills

Mintzberg's Managerial Roles

- According to **Mintzberg**, these **roles**, or expectations for a **manager's** behavior, fall into three categories:
 - informational (managing by information),
 - interpersonal (managing through people),
 - decisional (managing through action)

Mintzberg's Managerial Roles

Role	Description
Interpersonal	
Figurehead	Symbolic head; required to perform a number of routine duties of a legal or social nature
Leader	Responsible for the motivation and direction of employees
Liaison	Maintains a network of outside contacts who provide favors and information
Informational	
Monitor	Receives a wide variety of information; serves as nerve center of internal and external information of the organization
Disseminator	Transmits information received from outsiders or from other employees to members of the organization
Spokesperson	Transmits information to outsiders on organization's plans, policies, actions, and results; serves as expert on organization's industry
Decisional	
Entrepreneur	Searches organization and its environment for opportunities and initiates projects to bring about change
Disturbance handler	Responsible for corrective action when organization faces important, unexpected disturbances
Resource allocator	Makes or approves significant organizational decisions
Negotiator	Responsible for representing the organization at major negotiations

Interpersonal Roles

- Interpersonal role is one of the most effective ways to reduce prejudice between different group members.
- Properly managed contact between the groups should reduce problems and lead to better interactions.
- The **three** interpersonal roles are primarily concerned with interpersonal relationships --
 - **Figure Head Role** -- The manager performs ceremonial and symbolic duties as head of the organization
 - **Leadership role** -- Fosters a proper work atmosphere and motivates and develops subordinates
 - **Liaison role** -- Managers serves as a connecting link between their organisation and other organisational units.

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Let us see the Case Study of

- *South West Airlines to relate the Principles of Management, Management Functions, and Managerial Roles*
- *Airport Manager's Role, Duties and Responsibilities, Skills*