

PART ONE

CHAPTER I: MANAGEMENT AN OVERVIEW

I. Definition of Management and managers

There are several definitions of Management, but they all are fundamentally the same. Among the many, some are:

1. Management is the process of coordinating all resources through the five major functions of planning, organizing, staffing, directing /leading and controlling to achieve organizational goals/desired objectives.

That is, it is the process of achieving organizational goals through engaging in the five major functions of planning, organizing, staffing, directing/leading and controlling.

In the above definition there are three key concepts

- o **Coordination of all resources:** managers should coordinate the resources of an organization. These resources may be human or non human.
- o **The five managerial functions:** To coordinate the resources of an organization a manager should employ/use the five managerial functions.
- o **Objectives:** Is the reason for the establishment of organizations and management is useful for achieving these goals. Managing/management is concerned with productivity: effectiveness and efficiency. There are points to be meet, targets to be shot or places to be reached. All organizations establish a variety of goals and direct their energies and resources to achieve them.
 - I. Profit oriented business e.g. ROI goals
 - II. Hospital e.g. Patient care
 - III. Educational institution e.g. Teaching, research and community service.

All organizations also have resources that can be used to meet these objectives. Such resources can be classified into: human and non-human, and management is, then, the force that unifies these resources. It is the process of bringing them together and coordinating them to help accomplish organizational goals.

2. Management is the art of getting things done through other people by making the atmosphere conducive for others. It is the process of getting things done through others, and the process puts emphasis on both the objectives to be attained and the people who will be pursuing them.

- o An effective manager focuses on both work and people.
- o The job of every manager is to achieve organizational goals through the combined efforts of people.

3. Management is the utilization of scientifically derived principles to examine and improve collective efforts or production.

- o Management applies to any kind of organization, to managers at all organizational levels.
- o Without management, virtually no business could survive.
- o Management increases the values of our resources.

4. Management is the **process** of achieving organizational goals through engaging in the five major functions of planning, organizing, leading, staffing and controlling.

The definition recognizes that

- o Management is an ongoing activity
- o Entails reaching important goals, and
- o Involves knowing how to perform the five major functions of management.

Managers: are those persons in the position of authority who make decisions to commit (use) their resources and the resources of others towards the achievement of organizational objectives.

➤ Everybody is the manager of her time, energy and talents.

Organization is a group of two or more people brought together to achieve common stated objectives. Or a collection of two or more persons engaged in a systematic effort to produce goods and/or services.

II. Managerial Functions

Regardless of the type of firm and the organizational level, all managers perform certain basic functions. These managerial functions are planning, organizing, staffing, directing/leading and controlling.

- **PLANNING** is making decisions today about future actions. It involves selecting missions and objectives and the actions to achieve them; it requires decision making. That is, choosing future courses of action from among alternatives. No real plan exists until a decision – a commitment of human or material resources – has been made. Before a decision is made, all we have is a planning study, an analysis or a proposal, but not a real plan.

- Planning bridges the gap between where we are to where we want to be in a desired future.

- Planning identifies goals and alternatives. It maps out courses of action that will commit individuals, departments and the entire organization for days, months and years to come.
 - Planning is the first managerial function that all managers engaged in because it lays the groundwork for other managerial functions.
- **ORGANIZING:** is concerned with assembling the resources necessary to achieve organizations' objectives and establishing the activity authority relationship.
- It is the management function that focuses on allocating and arranging human and non-human resources so that plans can be carried out successfully. Resources are allocated on the basis of major company goals.
 - Planning has established the goals of the company and how they are to be achieved; organizing develops the structure to reach these goals.

It is through organizing function that managers determine which tasks are to be done, how tasks can best be combined into specific jobs, and how jobs can be grouped into various units that make up the structure of the organization. It involves creating job positions with assigned duties and responsibilities, arranging positions into hierarchy by establishing authority-reporting relationship, determining the number of subordinates each manager should supervise, determining the number of hierarchical levels etc and thereby create an organization. Organizing is not done once and then forgotten. As the objectives of the company change, they will influence the structure of managerial and organizational relationship.

- **STAFFING:** As it has been pointed out, organizing involves creating job positions with assigned duties and responsibilities. Staffing involves filling and keeping filled the positions in the organization structure. It is concerned with locating prospective employees to fill the jobs created by the organizing process. It basically deals with inventorying the people available, announcing vacancies, accepting, identifying the potential candidates for the job, recruiting, selecting, placing, orienting, training and promoting both candidates and existing employees. Staffing is concerned with human resource of the organization.
- **DIRECTING/LEADING:** has been termed as motivating, influencing, guiding, stimulating, actuating or directing. It is aimed at getting the members of an organization move in the direction that will achieve its objectives. Leading/leadership is the heart and soul of management. It involves influencing others to engage in the work behavior necessary to reach organizational goals; i.e., it is

influencing people so that they will contribute to organization and group goals; it has to do predominantly with the human/interpersonal aspect of management.

Leading is the most complex managerial function because it deals with complex human behavior; and because most problems in organizations arise from people, their desire and behavior. It includes communicating with others, helping to outline a vision of what can be accomplished, providing direction, and motivating organization members to put forth the substantial effort required.

- **CONTROLLING:** is the measuring and correcting of activities of subordinates to ensure that events conform to plans. It deals with establishing standards, measuring performances against established standards and dealing with deviations from established standards.
 - Controlling is the process through which managers assure that actual activities conform to planned activities.
 - It is checking current performances against predetermined standards contained in the plan. Control activities generally relate to the measurement of achievement.

III. Significance Of Management

Why do we study management?

There are different reasons to study management. These are:

- It is important for personal life.
- Management is universal: managers work in all types of organizations, at all levels, and in all functional areas. These managers are responsible for the success or failure of the organizations.
 - Societies depend on organizations for the provision of goods and services. These institutions are guided by the decision of few individuals designated as Managers.
- It affects the accomplishment of social, economic, political and organizational goals. Management is the force that determines whether business organizations and social institutions will serve us or waste our talents and resources.
 - Ever since people began forming groups to accomplish aims they could not achieve as individuals, managing has been essential to ensure the coordination of individual efforts.
- People currently not trained by management get themselves in managerial positions and earn their livelihood, and the

most common path to become successful manager involves a combination of education and experience.

- Management is needed to coordinate and direct the efforts of individuals, groups and the entire organization to achieve desired objectives. Management is responsible for the success or failure of an organization. That is, when an organization fails it is because of poor management, and when an organization succeeds it is because of good management. Whenever and wherever there is a group work having stated objectives, management is needed to direct and coordinate their efforts. Without management effort will be wasted.

IV. Levels Of Management

Is management the same throughout an organization? Yes and No

Yes: because all managers perform the five managerial functions.

No: because despite the fact that they perform all managerial functions, they perform it with different emphasis and scope.

Managers all perform the same management functions but with different emphases because of their position in the organization. Although all managers may perform the same basic duties and play similar roles, the nature and scope of their activities differ. These differences are the base for the classification of managers.

Managers can be divided based on two criteria. These are:

A. Levels of management (vertical difference)

B. Scope of responsibilities (horizontal difference)

A. Types of Managers based on levels of management

An important determinant of a manager's job is hierarchical level. **Levels** refer to hierarchical arrangement of managerial positions or persons in an organization. The number of managerial levels in an organization depends on the size of the organization. In most organizations, however, there are three distinct levels. How these levels are distinguished? What functions are performed at each level? And the reporting relationships are some of the issues to be addressed.

Based on levels of management or hierarchy we do have three types of managers. A manager's assigned duties and the authority needed to fulfill those duties are what determine management level.

- **Top Level Managers:** Top-level managers are managers who are at the top of the organizational hierarchy and are responsible

for the entire organization. They are usually few in number and include the organization's most important managers - the CEO or the president and her immediate subordinates usually called vice-presidents. But the actual title may vary from organization to organization. They are few in number because of the nature of the work they perform and economic problem. They deal with the big picture, not with the nitty-gritty. They are responsible for the overall management of the organization. They establish companywide objectives or goals and organizational policies. Furthermore, top management:

- o Develop overall structure of the organization.
 - o Direct the organization in accordance with the environment.
 - o Develop policy in areas of Equal Employment Opportunity and employee development.
 - o Represent the organization in community affairs, business deals, and government negotiations.
 - o Spent much of their time in planning and dealing with middle level managers and other subordinates.
 - o Work long hours and spend much of their time in meetings and on telephone.
 - o Are persons who are responsible for making decisions and formulating policies that affect all aspects of the firm's operations.
 - o Provide overall leadership of the organization towards accomplishment of its objectives.
 - o They are responsible for the organization because objectives are established and policies are formulated at the top.
 - o Top-level managers take the credit or blame for organizational success and failures respectively.
- **Middle Level Managers:** Middle level managers occupy a position in an organization that is above first-line management and below top management. They interpret and implement top management directives and forward messages to and from first-line management.
 - o Regardless of their title, their subordinates are managers.
 - o Often coordinate and supervise the activities of lower level managers.
 - o Receive broad/overall strategies from top managers and translate it into specific objectives and plans for First-Line Managers/operating managers.
 - o Are responsible for the proper implementation of policies and strategies defined by top level managers. They

interpret and implement top management directives and forward messages to and from first-line management.

- o Their principal responsibility is to direct the activity that implement the policies of the organization.
E.g. Academic deans, Division Head, Plant managers, Army captain

- **First Level Supervisory Level managers**

- o Are those at the operating level or at the last level of management.
- o Their subordinates are non managers.
- o They are responsible for overseeing and coordinating the work of operating employees.
- o Assign operating employees to specific tasks.
- o Are managers on which management depends for the execution of its plan since their job is to deal with employees who actually produce the organization's goods and services to fulfill the plan.
- o Are directly responsible for the production of goods and services.
- o Motivate subordinates to change or improve their performance.
- o Serve as a bridge between managers and non-managers.
- o Spent much of their time in leading and little in planning.
- o Are in charge of carrying out the day to day activities within the various departments to ensure that short term goals are met.
- o E.g. Department Heads, supervisory personnel, Sales managers, Loan officers, Foreman.
- o Are often neither fish nor fowl - neither management nor labor because they feel great deal of empathy for their subordinates (which stems from close personal contact and the fact that most supervisors have come up from the ranks of labor) and they are there to reflect the company's point of view to their subordinates. And that is why First-Line Managers are called "People in the Middle".

All managers carry out managerial functions. However, the time spent for each function varies according to their managerial hierarchy. Top-level managers spend more time on planning and organizing than lower-level managers. Leading, on the other hand, takes a great deal of time for first-line managers. The difference in time spent on staffing and controlling varies only slightly for managers at various levels.

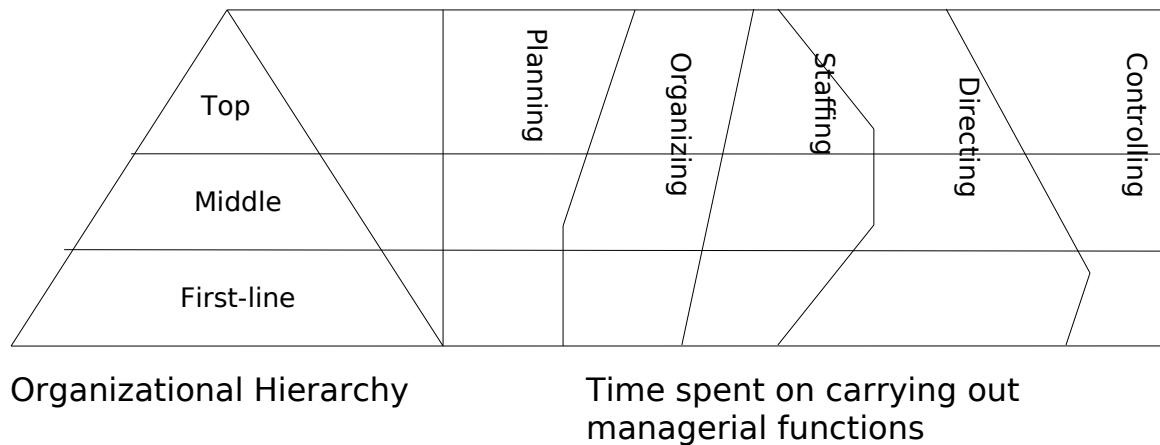


Fig. 1.1 The relative importance of the managerial functions at different levels

B. Types of Managers based on scope of responsibility

Based on the scope of responsibility/activities they manage, managers are divided into two:

- **Functional Managers:** Functional managers are managers who are responsible for a department that performs a single functional task and has employees with similar training and skills. Supervise employees (managers + workers) with specialized skills in specific areas of operations such as accounting, payroll, finance, marketing, production, or sales etc. They are responsible for only one organizational activity; i.e. their responsibility is limited to their specialization/specification.
- **General Managers:** General Managers are managers who are responsible for several departments that perform different functions. They are responsible for the entire operations of the organization without being specific. Oversee a complex unit, such as a company, a subsidiary, or an independent operating division. She will be responsible for all activities of that unit, such as its production, marketing, sales and finance. A small company may have only one general manager – its president or executive vice president – but a large organization may have several, each at the head of a relatively independent division.

V. Managerial Roles

- Role is an organized set of behaviors that is associated with a particular office or position.

- It is a pattern of behavior expected by others from a person occupying a certain position in an organizational hierarchy.
- A role is any one of several behaviors a manager displays as she functions in the organization

When a manager tries to carryout the management functions, she must behave in a certain way – to fill certain role. Managerial roles represent specific tasks that managers undertake to ultimately accomplish the five managerial functions. Factors which affect managerial roles are: manager’s formal job description, and the values and expectations of other managers, subordinates and peers.

Henry Mintzberg identified 10 managerial roles which are in turn grouped into three categories: Interpersonal, Informational and Decisional Roles.

1. Interpersonal Roles: involve developing and maintaining positive relationships with significant others in the organization. It is communication oriented. It includes:

1.1. Figurehead Role: managers perform symbolic duties of a legal or social nature. The manager is the head of his work unit, be it division, section or department. Because of the “lead person” position the manager represents his work unit at ceremonial or symbolic functions.

The top level managers represent the company legally and socially to those outside of the organization. The superior represents the work group to higher management and higher management to the work group.

E.g. Signing documents, presiding at a ceremonial event, greeting visitors, attending a subordinate’s wedding, taking a customer to lunch, university president hands out a diploma for graduates – in all these cases the manager is representing his organization.

1.2. Leadership Role: The manager is the environment creator – she makes the environment conducive for work by improving working conditions, reducing conflicts, providing feedback for performance and encouraging growth. (Virtually all managerial operations involving subordinates are examples for a leadership role). The leader builds relationship and communicates with employees, motivates and coaches them. As a leader, the manager is responsible for hiring, training, motivating and encouraging employees/subordinates. The leadership role is evident in the interpersonal relationship between manager and her subordinates.

1.3. Liaison Role: The liaison maintains a network of contacts outside the work unit to obtain information. The manager serves as a link between the organization and the informants who provide favors and information. She fulfills her role through community service, conferences, social events, etc; participation in meetings with representatives of other divisions. Refers to dealing with the member of the organization superiors, subordinates, peer level managers in other departments, staff specialists and outside contacts such as clients. The top management uses their role to gain favors and information, while the superiors use it to maintain the routine flow of work.

2. Informational Roles focuses on the transmission of important information to and from internal and external sources. It involves the following activities

2.1. Monitor role: is also called information gathering role. This role refers to seeking, receiving, screening and getting information. The manager is constantly monitoring the environment to determine what is going on. The monitor seeks internal and external information about issues that can affect the organization. She seeks and receives wide variety of special information to develop through understanding of the organization and the environment. Information is gathered from news reports, trade publications, magazines, clients, associates, and a host of similar sources, attending seminars and exhibitions.

2.2. Disseminator Role: what does the manager do with the information collected? As the disseminator, the manager passes on to subordinates some of the information that would not ordinarily be accessible to them. After the information has been gathered (by monitor role), it has to be disseminated to superiors, subordinates, peers and other concerned clients. The types of information to be forwarded to members could be facts, opinions, interpretations, and influences.

2.3. Spokesperson/representative Role: the spokesperson transmits information about the organization to outsiders. The manager is the person who speaks for his/her work unit to people outside the work unit. One aspect of their role is to keep *superiors* well informed and a second aspect is to communicate outside the organization like press, government agencies, customers and labor unions. Although the roles of spokesperson and figurehead are similar, there is one basic difference between them. When a manager acts as a figurehead, the manager's presence is as a symbol of the organization, whereas, in the spokesman role, the manager carries information and communicates it to others in a formal sense.

Thus, the manager seeks information in the monitor role, communicates it internally in the disseminator role and transmits it externally in the spokesperson role. The three informational roles, then, combine to provide important information required in the decisional roles.

3. Decisional Roles: involve making significant decisions that affect the organization.

3.1. Entrepreneur Role: (initiator of change) the manager acting as an entrepreneur recognizes problems and opportunities and initiates actions that will move the organization in the desired direction. In the role of entrepreneur, the manager tries to improve the unit. Often he/she creates new projects, change organizational structure, and institutes other important programs for improving the company's performance. The entrepreneur acts as an initiator, designer, and encourager of change and innovation.

3.2. Disturbance Handler Role: solution seeking role. In the role of disturbance handler, the manager responds to situations over which he/she has little control, i.e. that are beyond his/her control and expectation such as conflict between people or among groups, strikes, breach of contract or unexpected events outside the organization that may affect the firm's performance. The disturbance handler is responsible for taking corrective action when the organization faces important, unexpected difficulties.

3.3. Resource Allocator Role: deciding on the allocation of the organization's physical, financial and human resources. As a resource allocator, the manager is responsible for deciding how and to whom the resources of the organization and the manager's own time will be allocated. This involves assigning work to subordinates, scheduling meetings, approving budgets, deciding on pay increases, making purchasing decisions and other matters related to the firm's human, financial, and material resources. The resource allocator distributes resources of all types, including time, funding (finance), equipment and human resources.

3.4. The Negotiator Role: representing the organization in all important/major negotiations. Managers spend a great deal of their time as negotiators, because only they have the information and authority that negotiators require. Examples include negotiations to buy firms, to get credit, with government, with suppliers, etc.

Summary of the ten managerial roles

Category	Role	Activity
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Interpersonal	Figurehead	Perform ceremonial and symbolic duties such as greeting visitors, signing legal documents
	Leader	Direct and motivate subordinates; training, counseling, and communicating with subordinates.
	Liaison	Maintain information links both inside and outside organization; use mail, phone calls, meetings.
Informational	Monitor	Seek and receive information, scan periodicals and reports, maintain personal contacts.
	Disseminator	Forward information to other organization members; send memos and reports, make phone calls.
	Spokesperson	Transmit information to outsiders through speeches, reports, memos.
Decisional	Entrepreneur	Initiate improvement projects; identify new ideas, delegate ideas, delegate responsibility to others.
	Disturbance handler	Take corrective action during disputes or crises; resolve conflicts among subordinates; adapt to environmental crises.
	Resource allocator	Decide who gets resources; scheduling, budgeting, setting priorities
	Negotiator	Represent department during negotiation of union contracts, sales, purchases, budgets; represent departmental interests.

VI. Managerial Skills And Their Relative Importance

A manager's job is diverse and complex and it requires a range of skills. Skills are specific abilities that result from knowledge, information, practice, and aptitude.

- Effective managers are essential to the performance of all organizations, whether they have the ability to plan, organize, staff, lead and control business operations effectively can determine a firm's ultimate success or failure.
- Management success depends both on: a fundamental understanding of the principles of management and the application of technical, human and conceptual skills.
- Modern businesses are dynamic and complex, and competition in the market place is fierce. Consequently, managers must be

highly skilled to succeed. The skills managers need can be classified as technical skill, human Relations skill, and conceptual skill

I. Technical Skills - involve process or technique, knowledge and proficiency. It is the ability to use the tools, procedures, or techniques of a specialized field. It includes mastery of the methods, techniques, and equipment involved in specific functions, such as engineering, manufacturing, or finance. Technical skill also includes specialized knowledge, analytical ability, and the competent use of tools and techniques to solve problems in that specific discipline.

- Is specialized knowledge and ability that can be applied to specific tasks.
- Is a skill that reflects both an understanding of and a proficiency in a specialized field.
- Technical skills are most important at the lower levels of management. It becomes less important as we move up the chain of command because when they supervise the others (workers), they have to show how to do the work.

E.g. A surgeon, an engineer, a musician, a quality controller or an accountant all have technical skill in their respective areas.

II. Human Relations or Interpersonal Skill - the ability to interact effectively with people. It is the ability to work with, understand and motivate other people, either as individuals or as groups. Managers need enough of human relationships skill to be able to participate effectively and lead groups. These skills are demonstrated in the way a manager relates to other people, including the way she motivates, facilitates, coordinates, leads, communicates, and resolves conflicts. A manager with human skills allows subordinates to express themselves without fear of ridicule and encourages participation. A manager with human skills likes other people and is liked by them. This skill is a reflection of the manager's leadership ability.

Managers who lack human skills often are abrupt, critical, and unsympathetic toward others. The results are often abrupt, critical, and unsympathetic response from workers to management. Because all work is done when people work together, human relation skills are equally important at all levels of management.

III. Conceptual skills - involve the formulation of ideas. It refers to the ability to see the big picture - to view the organization

from a broad perspective and to see the interrelations among its components. It includes recognizing how the various jobs in an organization depend on one another and how a change in any one part affects all the others. It also involves the manager's ability to understand how a change in any given part can affect the whole organization, ability to understand abstract relationships, solve problems creatively, and develop ideas.

Conceptual skills are more important in strategic (long range) planning; therefore, they are more important to top-executives than middle managers and supervisors.

Although all three of these skills are essential to effective management, their relative importance to specific manager depends on her rank in the organization. Technical skill is of greatest importance at supervisory level; it becomes less important as we move up the chain of command. Even though human skill is equally important at every level of the organization, it is probably most important at the lower level, where the greatest number of management-subordinate interactions is likely to take place.

On the Other hand, the importance of conceptual skill increases as we rise in the rank of management. The higher the manager is in the hierarchy, the more she will be involved in the broad, long term decisions that affect large parts of the organization. For top management, which is responsible for the entire organization, conceptual skill is probably the most important skill of all.

Important: Technical skill deals with things, human skill concerns people and conceptual skill has to do with ideas.

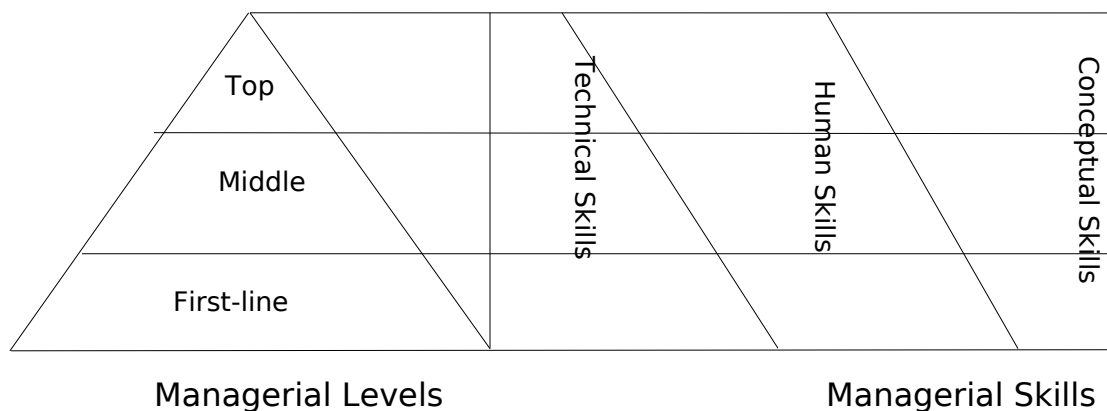


Fig. 1.2 Variation of skills necessary at different management levels

VII. Management: Science or Art?

Science is characterized by making conclusions based on actual facts and verifies knowledge through cause-effect relationship. It can be generally learnt, thought, and researched to know the universal truth. Managers can work better by using the organized knowledge about management, and it is this knowledge that constitutes a science.

Art is characterized by using common sense, personal feeling, beliefs, impulses, etc. Management/Managing, like all other practices-music composition, engineering, accountancy or baseball- is an art. It is know-how, skill or how to accomplish the desired objectives with insufficient data and information or when there is limited use of secondary sources of information. It is doing things in the light of realities of a situation. **Thus, management as a practice is an art;** the organized knowledge underlying the practice may be referred to as a science. In this sense/context science and art are not mutually exclusive but are complementary.

Therefore, management in actual sense is neither an art nor science, but it requires both to be successful, i.e., it is not pure art because it uses scientific methods e.g. computer and it is not pure science because it uses intuition, judgment, and creativity. Management is one of the most creative arts as it requires a vast knowledge and the innovative skills to apply. Managers should develop new ideas, techniques and strategies and be able to communicate them effectively in the work environment. They should be able to make decisions even when there is shortage of data. This leads us to the conclusion that **‘the art of management begins where the science of management stops’**. This underlines the importance of making managerial decisions in the absence of sufficient data and information by using the decision maker’s common sense.

VIII. Universality Of Management

Regardless of title, position, or management level, all managers do the same job. They execute the five managerial functions and work

through and with others to set and achieve organizational goals. Managers are the same whether the organization is private or public, profit making or non-profit making, manufacturing or service giving, and industrial or small firms. Hence, management is universal for the following reasons.

- All managers perform the five managerial functions even if with different emphasis.
- It is applicable for all human efforts; be it business, non-business, governmental, private. It is useful from individual to institutional efforts.
- Management utilizes scientifically derived operational principles.
- All managers operate in organizations with specific objectives.
- Management, in all organizations, helps to achieve organizational objectives.

In sum, management theories and principles have universal application in all kinds of organized and purposeful activity and at all levels of management.