

Principle of Management MGM111

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Lecture 1



Chapter
1

Learning Outcome

- ☐ Explain the meaning of management
- ☐ Understand organization and its performance
- ☐ Explain the Managers and their types
- ☐ Summarize the essential roles of managers
- ☐ Describe the essential skills for managers



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What is Management?

- **Management is the process of working with people and resources to accomplish organizational goals.**

- **Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling organizational resources. (Daft,2012)**

- **Organizational resources include men(human beings), money, machines and materials.**

What is Management? Cont...

- Management is the art of getting things done through other people.

Mary Parker Follet (1868-1933)

- Management is the art of getting things done through and with people in formally organized group. (Koontz)

- Management is the process of planning, organizing, commanding, coordinating and controlling. (Fayol, 1930)

- Management is the process of planning, organizing, leading and controlling, the efforts of organization members and of using all other organizational resources to achieve organizational goals.

The Nature of Management

- **Management is concerned with using the resources of the organization to reach the organization's objectives.**
- **Management's purpose is to use these resources effectively and efficiently so that the objectives of the organization are achieved with a minimum of cost.**
- **Management activities share some common characteristics:**
 - **All activities occur within the context of an organization.**
 - **Managers are in charge of the organization's resources—people, equipment, finances, data—and of using these resources to help the organization reach its objectives.**

Characteristics of Management

- ☐ 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.

Why Study Management?

1. To maximize the utilization of scarce resources
2. To face the increasing competition for inputs and outputs
3. To enhance the quality of the products and services
4. To adopt/plan for the changes in the business environment
5. Helps people deal with their bosses and coworkers
6. Opens a path to a well-paying job and a satisfying career
7. Management offers challenging, exciting and creative opportunities for meaningful and fulfilling work.



What is an Organization?

- ❑ A group of people who work together in a structured way for a shared purpose (Cambridge Advanced Learners Dictionary)
- ❑ An organization is a deliberate arrangement of people to accomplish some specific purpose.
(Robbins and Coulter, 2007)
- ❑ An organization is a two or more people who work together in a structured way to achieve a specific goal or set of goals. (Stoner and Freeman, 2009)

What is an Organization? Cont.

- **An Organization is – An arrangement of people and resources to accomplish some specific purpose**
- **An organization can be any structured body such as department, business, company in private or public sector or nonprofit association.**
- **Common Characteristics of Organizations**
 - ❖ – **Have a distinct purpose (goal)**
 - ❖ – **Composed of people**
 - ❖ – **Have a deliberate structure**

What is an Organization?



Organizational Performance

- A measure of how efficiently and effectively managers use available resources to satisfy customers and achieve organizational goals
- ✓ **Efficiency** – A measure of how well or how productively resources are used to achieve a goal
- ✓ **Effectiveness** – A measure of the appropriateness of the goals an organization is pursuing and the degree to which they are achieved

Efficiency and Effectiveness

Efficiency (Means)

Resource
Usage

Low Waste



Effectiveness (Ends)

Goal
Attainment

High Attainment



Management Strives for:
Low Resource Waste (high efficiency)
High Goal Attainment (high effectiveness)

EFFECTIVENESS

EFFICIENCY

		LOW	HIGH
EFFECTIVENESS	HIGH	Low efficiency/ High effectiveness Manager chooses the right goals to pursue, but does a poor job of using resources to achieve these goals. Result: A product that customers want, but that is too expensive for them to buy.	High efficiency/ High effectiveness Manager chooses the right goals to pursue and makes good use of resources to achieve these goals. Result: A product that customers want at a quality and price that they can afford.
	LOW	Low efficiency/ Low effectiveness Manager chooses wrong goals to pursue and makes poor use of resources. Result: A low-quality product that customers do not want.	High efficiency/ Low effectiveness Manager chooses inappropriate goals, but makes good use of resources to pursue these goals. Result: A high-quality product that customers do not want.

Manager/s

☐ **The people responsible for supervising the use of an organization's resources to meet its goals.**

(Stoner, Freeman and Gilbert, 2008)

☐ **Someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.**

(Robbins and Coulter, 2012)

☐ **Someone whose primary responsibility is to carry out the management process.**

(Griffin, 2012) 12/26/14 16Contemporary Management

Management Skills

- **General skills:**

- Interpersonal skills
- Technical skills
- Conceptual skills

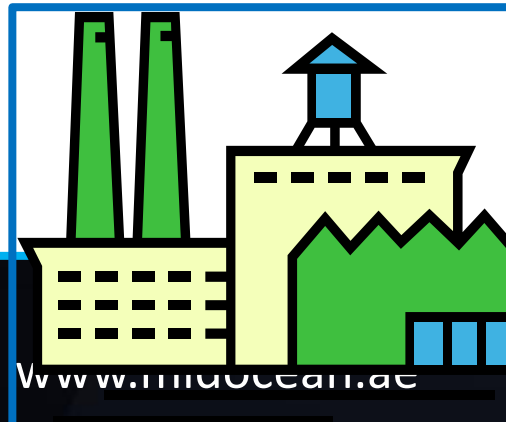
- **Specific skills:**

- Job knowledge
- Oral communication
- Problem analysis
- Cooperativeness
- Negotiation
- Initiative



What Resources does a Manager use?

- ☐ **Human Resources**-the people. Your most valuable resource!
- ☐ **Financial Resources**-the money, the budget
- ☐ **Physical Resources**-the buildings, the equipment, supplies
- ☐ **Information**-computers, reports



Types of Managers

■ The Level of Authority (Levels of Managers)

1. First line managers
2. Middle managers
3. Top managers

■ Scope of the Activities

1. Functional managers
2. General managers

■ Responsibility of the Activities

1. Line managers
2. Staff managers

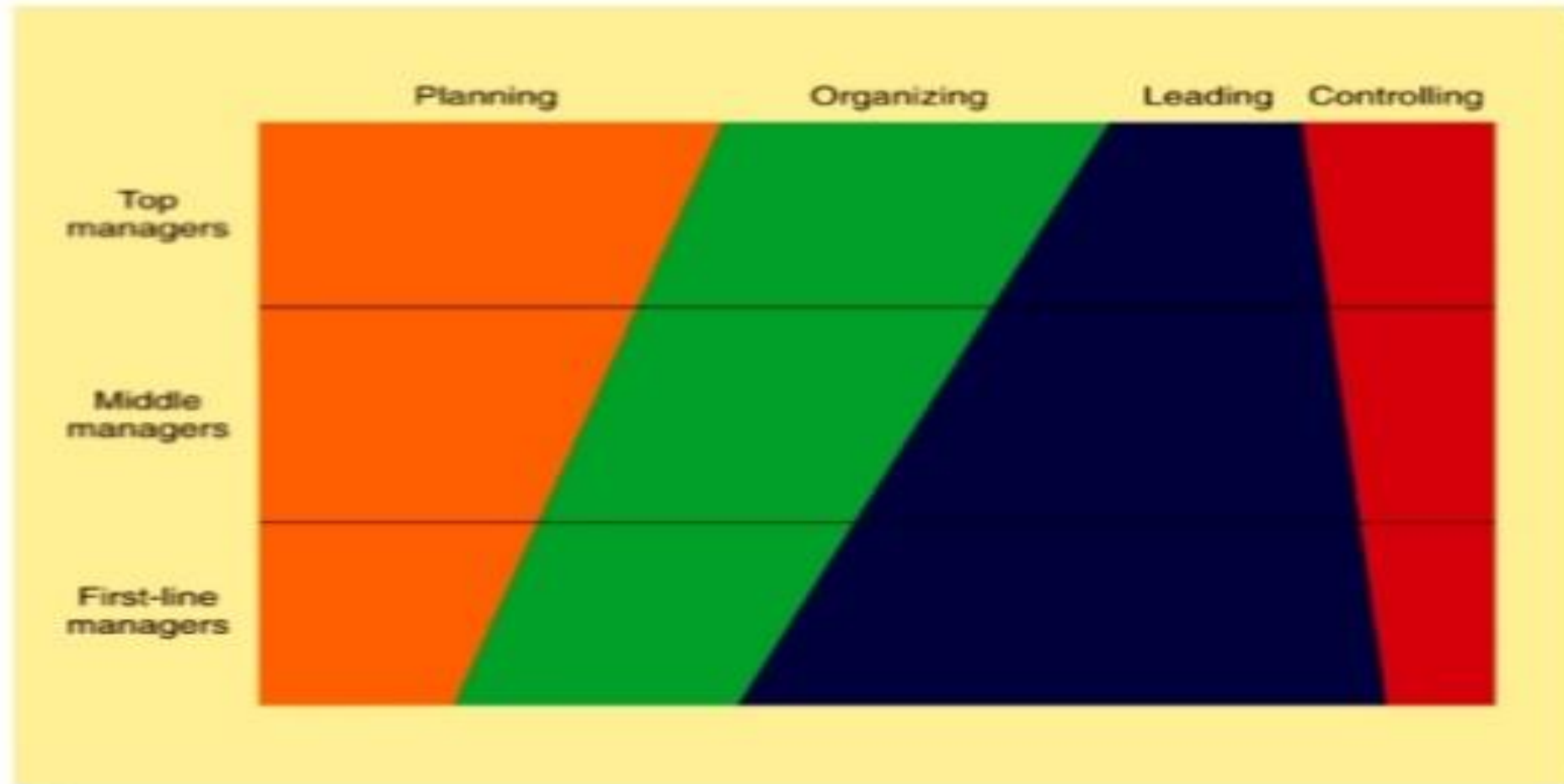




Level of Managers



Time that Managers Spend on the Managerial Functions



- **The Three Levels of Management**
 - **Top managers**
 - CEO, president, or vice president
 - **Middle managers**
 - Production manager, marketing manager, HR manager or financial manager
 - **First-line managers**
 - Crew leader, supervisor, head nurse, or office manager
 - **Non-management operative employees**
 - Workers in the organization who are supervised by first-line managers

Levels of Management

Top Management

- Executives-CEO, CFO, COO, Presidents, Vice Presidents
- Manage the entire organization or major parts
- Develop the purpose, the goals, strategies, long-term plans
- Report to board of directors or other executives
- Supervise middle managers



Levels of Management

Middle Managers

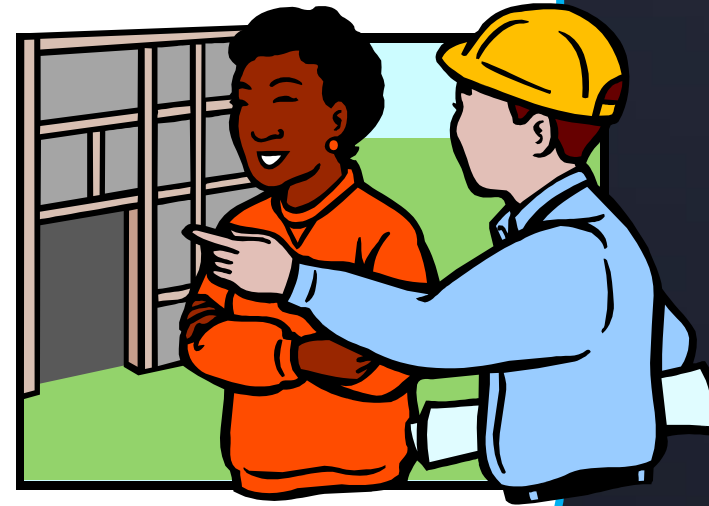
- Managers and department heads
- Implement top manager's strategies by developing short-term plans
- Report to executives
- Supervise first-line managers



Levels of Management

First-Line Managers

- ☐ Supervisors, crew leaders, office managers
- ☐ Implement middle manager's plans
- ☐ Report to middle managers
- ☐ Supervise operative employees



Manager's Roles

**1. Interpersonal
role**

**2. Informational
role**

**3. Decisional
role**

Management Roles

- **Henry Mintzberg described ten specific management roles that can be placed into three broad categories:**
 - **Interpersonal roles involve interaction with others who are external or internal to the organization, at the same level as the manager, or at higher or lower levels.**
 - **Informational roles focus on obtaining data that are important for the decisions the manager makes.**
 - **Decisional roles deal primarily with the allocation of resources to reach organizational objectives.**

Ten Roles Managers Play

Interpersonal Roles

Figurehead
Leader
Liaison

Informational Roles

Monitor
Disseminator
Spokesperson

Decisional Roles

Entrepreneur
Disturbance Handler
Resource Allocator
Negotiator

Interpersonal role

- ☐ **Roles that managers assume to provide direction and supervision to both employees and the organization as a whole**
 - I. Figurehead—symbolizing the organization’s mission and what it is seeking to achieve.**
 - II. Leader—training, counseling, and mentoring high employee performance.**
 - III. Liaison—linking and coordinating the activities of people and groups both inside and outside the organization.**

Informational role

- ❑ Roles associated with the tasks needed to obtain and transmit information in the process of managing the organization.
- I. Monitor—analyzing information from both the internal and external environment.
- II. Disseminator—transmitting information to influence the attitudes and behavior of employees.
- III. Spokesperson—using information to positively influence the way people in and out of the organization respond to it.



Decisional role

- ☐ **Roles associated with methods managers use in planning strategy and utilizing resources**
 - I. Entrepreneur—deciding which new projects or programs to initiate and to invest resources in.**
 - II. Disturbance handler—managing an unexpected event or crisis**
 - III. Resource allocator—assigning resources between functions and divisions, setting the budgets of lower managers.**
 - IV. Negotiator—reaching agreements between other managers, unions, customers, or shareholders.**

Managerial Skills

Technical skills

Human skills

Conceptual skills

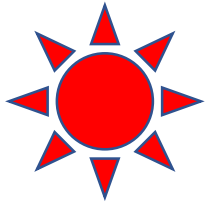
Interpersonal Skills

Decision-making Skills



Technical skills

Technical skills



A persons' knowledge and ability to make effective use of any process or technique constitutes his technical skills.

Example: Engineer, Accountant, Data entry operator, Lawyer, Doctor etc.



Technical skills

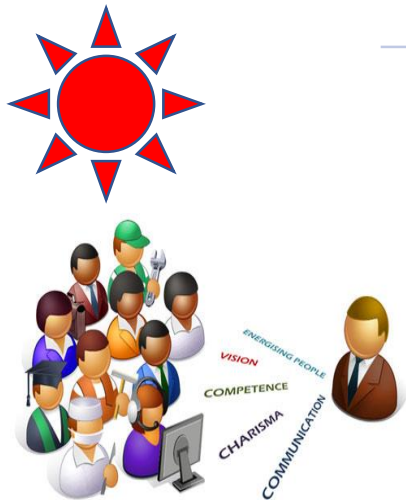
- ☐ “Business skills”
- ☐ Using methods and techniques to perform a task
- ☐ Keeping up with the latest technology in your job



Human skills

Human skills

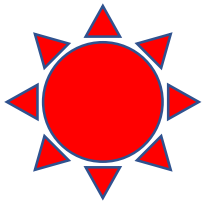
- An individuals' ability to cooperate with other members of the organization and work effectively in teams.



Example: Interpersonal relationships, solving people's problem and acceptance of other employees.

Conceptual skills

Conceptual skills



“Ability of an individual to analyze complex situations and to rationally process and interpret available information”

Example: Idea generation and analytical process of information.



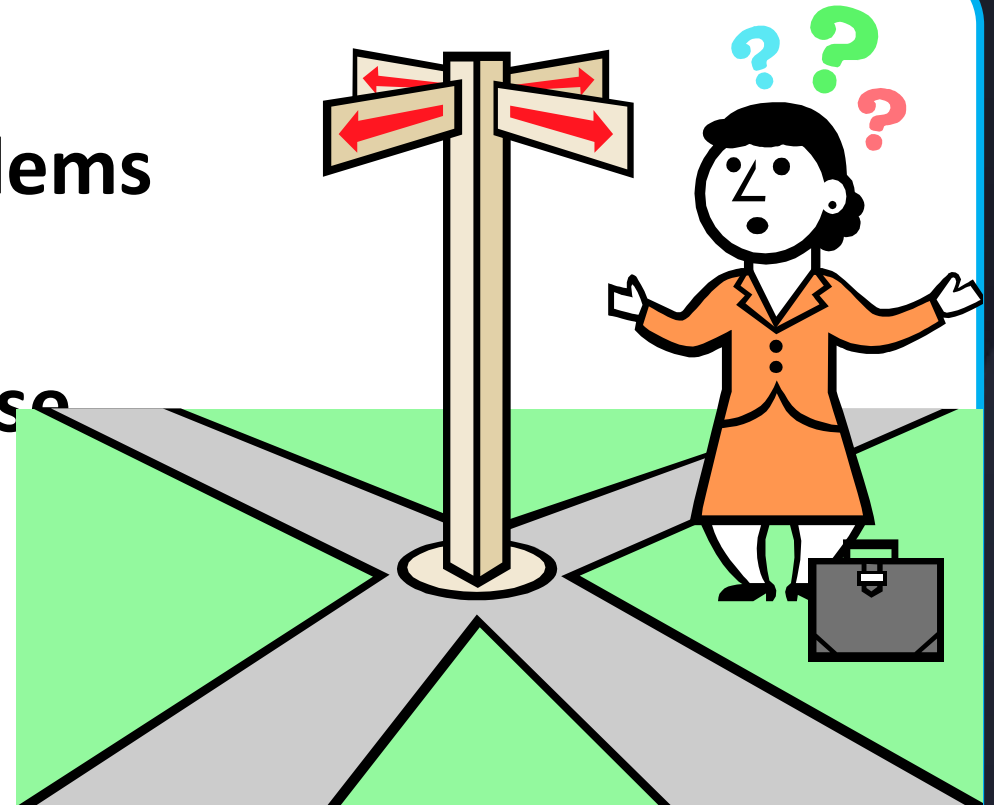
Interpersonal Skills

- “People skills”
- Your relationships with *all* individuals and groups
- Understanding
- Communicating
- Motivating
- Resolving conflict
- Working as a team member
- Ethics

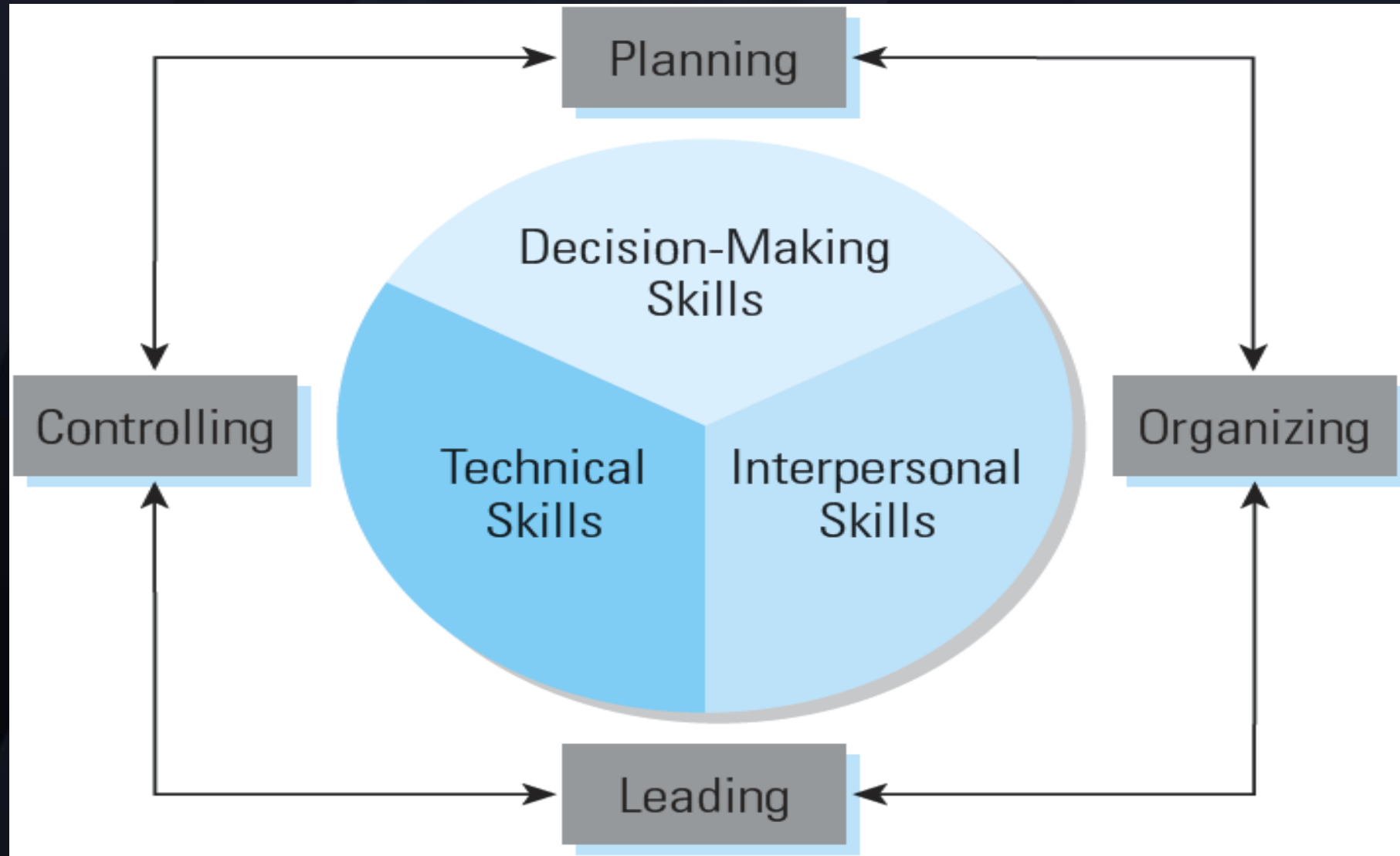


Decision-making Skills

- ☐ Select alternatives to solve problems
- ☐ Take advantage of opportunities
- ☐ Be able to conceptualize, diagnose and analyze
- ☐ Use math skills
- ☐ Manage time



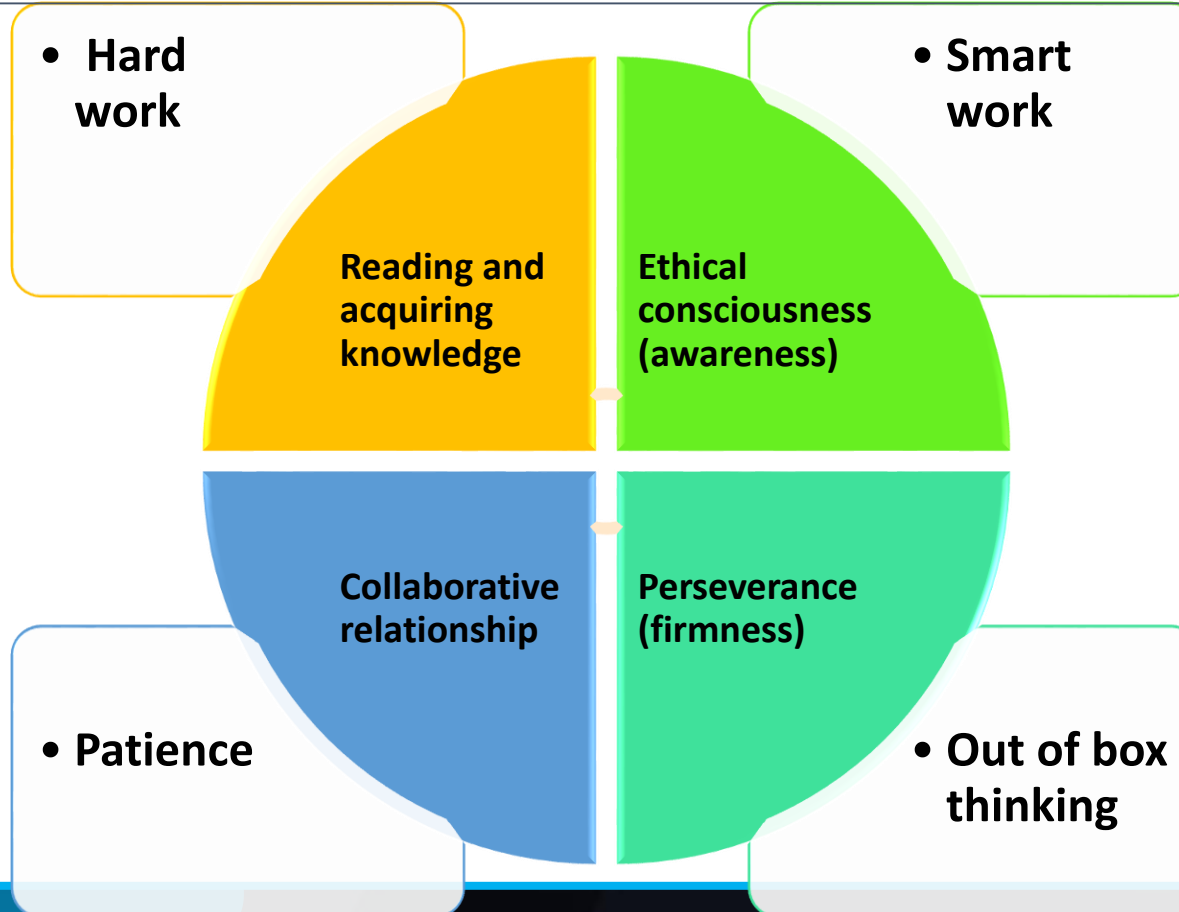
Management Skills and Functions



Mistakes Managers Make

1. **Insensitive to others**
2. **Arrogant (over confidence)**
3. **Betrayal (disloyalty) of trust**
4. **Overly (excessively) ambitions**
5. **Specific performance problems with the business**
6. **Over managing: unable to delegate or build a team**
7. **Unable to staff effectively**
8. **Unable to think strategically**
9. **Unable to adapt to boss with different style**
10. **Over dependent on advocate or mentor**

What make managers successful?





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