Generic Elective – University Level

107 – Management Fundamentals

Unit 1
Basic Concepts

Manager:- A **manager** is a person who is responsible for a part of a company, i.e., they '**manage**' the company. Managers may be in charge of a department and the people who work in it. In some cases, the manager is in charge of the whole business. For example, a 'restaurant manager' is in charge of the whole restaurant. A manager is a person who exercises managerial functions primarily. They should have the power to hire, fire, discipline, do performance appraisals, and monitor attendance.

Managing: - Managing is when a person overlooks all the workings of the department/s and has an overall bigger control over it. Managing is the skill or art of achieving a specific objective or goal. You can manage a football team, an organisation,a temple, a wedding and so on. Managing means having executive control on something or to manage to succeed to accomplish a specific goal.

Workplace: - Workplace means the place or places where the employees of an employer work. A workplace or place of employment is a location where people perform tasks, jobs and projects for their employer. Example: - Office, Home Office, Factory,Store etc.

Organisation:- An organization can be defined as an entity or a social unit that comprises several people who work together to achieve a common goal. It is a structured unit where the role, responsibilities, and authorities of each member are clearly defined, and relationships between all the members of the organisation are established.

Management Functions:-

Planning-Defines the goal & establishing strategy.

Organizing-It includes determining what task has to be done, who is to do them.

Staffing-Includes recruitment of people and training them towards the project.

Directing-Includes the motivating the employees and directing the activities

Controlling-It is the process of monitoring the performance.

Mintzberg's Managerial Roles: -

1) **Interpersonal Category 2) Informational 3) Decisional**

Interpersonal Category: -

The managerial roles in this category involve **providing** information and ideas.

Figurehead – As a manager, you have social, ceremonial(official) and legal responsibilities. You're expected to be a source of inspiration. People look up to you as a person with authority, and as a figurehead.

Leader – This is where you provide leadership for your team, your department or perhaps your entire organization; and it's where you manage the performance and responsibilities of everyone in the group.

Liaison – Managers must communicate with internal and external contacts. You need to be able to network effectively on behalf of your organization. (connection)

Informational Category

The managerial roles in this category involve processing information.
Monitor – In this role, you regularly seek out information related to your organization and industry, looking for relevant changes in the environment. You also monitor your team, in terms of both their productivity, and their well-being.

Disseminator – This is where you communicate potentially useful information to your colleagues and your team. (someone who spreads gossip or news to others)

Spokesperson – Managers represent and speak for their organization. In this role, you're responsible for transmitting information about your organization and its goals to the people outside it.

Decisional Category

The managerial roles in this category involve using information.
Entrepreneur – As a manager, you create and control change within the organization. This means solving problems, generating new ideas, and implementing them.

Disturbance Handler – When an organization or team hits an unexpected roadblock, it's the manager who must take charge. You also need to help mediate disputes within it.

Resource Allocator – You'll also need to determine where organizational resources are best applied. This involves allocating funding, as well as assigning staff and other organizational resources.

Negotiator – You may be needed to take part in, and direct, important negotiations within your team, department, or organization.

The Universality of Management

The principle of universality serves as the basis of a general theory of management -a set of common principles.
Some experts support the universality of management on the group that whatever the situation and whatever the level of management, the management function are common.

Approaches to Management - Early Management

The early management approaches attempted to streamline the industrial revolution. They include scientific management, classical approach, behavioral approach and lean management concepts.

Industrial Revolution

The Industrial Revolution was a period from the 18th to the 19th century where major changes in agriculture, transportation and technology had a deep effect on socio economic and cultural conditions of the Britain.

Classical Approaches

Based on management principles such as unity of command, a balance between authority and responsibility, division of labor and delegation to establish relationships between managers and subordinates.

Behavioral Approach

A management approach that emphasizes people and how the structure of an organization affects their behavior and performance.

Two approaches:-

1) Human Relations approach
2) Behavioral Science Approach

1) Human Relations approach

The manner in which managers interact with subordinates.
Believes that management should recognize employees need for recognition and social acceptance.

2) Behavioral Science Approach

Mary Parker Follet (1868- 1933) – A managers job was to harmonize and coordinate group efforts. She felt, managers needed to act more from their knowledge of human behavior than from the or formal authority.

Quantitative Approach:-

This approach emphases the use of mathematical models in solving many complex management problems. The quantitative tools and methodologies, known as Operations Research Techniques are designed to aid in decision making relating to operations and production.

Contemporary Approaches:-

TWO CONTEMPORARY MANAGEMENT PERSPECTIVE

1. System theory
2. Contingency approach

System Approach -A set of interrelated and interdependent parts arranged in a manner that produces a unified whole.

CONTINGENCY APPROACH - A management approach which says that organizations are different, face different situations and require different ways of managing.

Managerial Competencies:-

Communication: - Ability to effectively transfer and exchange information that leads to understanding between yourself and others

Informal Communication:-
Used to build social networks and good interpersonal relations.
Formal Communication:-
Used to announce major events/decisions/ activities and keep individuals up to date.
Negotiation:-

Used to settle disputes, obtain resources, and exercise influence.

Team Work:-

Accomplishing tasks through small groups of people who are collectively responsible and whose job requires coordination
Managing team dynamics involves settling conflicts, sharing team success, and assign tasks that use team members' strengths.

Planning and Administrative Competency
Deciding what tasks need to be done, determining how they can be done, allocating resources to enable them to be done, and then monitoring progress to ensure that they are done.
Information gathering, analysis, and problem solving from employees and customers.
Planning and organizing projects with agreed upon completion dates.
Time management.
Budgeting and financial management

Managerial Skills:-
How is the Manager's Job Changing?
In today's world, managers are dealing with changing workplaces, changing technology, security threats, ethical issues, global economic competitiveness, and political uncertanities.

Importance Of Customers to the Manager's Job:-

The manager must make it his job to make sure that the customer is always satisfied. Is there a relationship between employee job performance and customer satisfaction? YES there is a relation between employee job performance and customer satisfaction. Because if job performance for employee is very high that is mean he is acting well in his organization, then he could deals perfectly with customers and their requirements.
•They can measure their customer satisfaction, employee satisfaction, how much money they are earning, and how productive they are.

Importance Of Innovation to the Manager's Job:-

Innovation means doing things differently, exploring new territory, and taking risks, innovative efforts can be found in all types of organizations.• Management is needed in all types of organizations (profit and nonprofit all size of organization (small to large), in all organization levels (bottom to top), in all work areas, and in where org. located.

UNIT 2 Planning

Planning: Concept, need, nature

Planning… Planning is the process of thinking regarding the activities required to achieve a desired goal.

The process of making plans for something. Thinking before the action takes place.

Henry Fayol ..“Planning is deciding the best alternatives among others to perform different managerial operation in order to achieve the predetermined goals.”

James Lundy: “Planning means the determination of what is to be done, how it is to be done, who is to do it, and how results are evaluated.”

MBO:-

MBO …Meaning & Definition

Management By Objectives, also known as Management by Planning, was first popularized by Peter Drucker in his 1954.

Management By Objectives …is the establishment of a Management Information System (MIS) to compare actual performance and achievements to the defined objectives.

Management By Objectives (MBO)… is a strategic management model that aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees. (Game Plan)

MBO… is a Process where the goals of the organization are defined and conveyed by the management to the members of the organization with the intention to achieve each objective.

MBO… is the process of Setting Objectives in the organization to give a sense of direction to the employees.

MBO… is a Systematic and Organized approach that aims to increase organizational performance.

MBO…is a process of agreeing upon objectives within an organization so that management and employees agree to the objectives and understand what they are in the organization.

Process:-

- Management by Objectives Process / Phases / Steps…

1. Define organization goals / To determine or revise organizational objectives for the entire company.
2. Define employee objectives / To translate the organizational objectives to employees.
3. Continuous monitoring performance and progress / Stimulating the participation of employees in setting individual objectives.
4. Performance evaluation / Monitoring the progress of employees.
5. Providing feedback / To evaluate and reward employee progress. / Performance Appraisal

Benefits:-

Ensures effective communication amongst the employees.

Leads to satisfied employees.

Helps the employees to understand their duties at the workplace.

Employees are clear as to what is expected out of them.

MBO helps employees appreciate their on-the-job roles and responsibilities.

Goals and Plans:-

Goals and Plans, Types of Goals, Types of Plans, Setting Goals and Developing Plans

Goal …aim, objective, object, end, and target.

Goal…the object of a person's ambition or effort, an aim or desired result.

Goal…A desired future state that the organization attempts to realize.

Goal ...without a plan is just a wish.

Goals …is your aim, desire, want to reach somewhere at the end.

Goal… is a specific objective to be achieved within a specific time frame.

Plan …is a Detailed Proposal for achieving the object of your ambition or effort; an aim or desired result.

Plan… is a detailed proposal for how you will achieve your goals.

Plan… A blueprint specifying the resource allocations, schedules, and other actions necessary for attaining goals.

Plan …is a way to achieve your goal.

Types Of Goals: - Types of Goals

1. Time based goals…related to time or duration based goals.

There are Four type of Time-based goals and the seven different categories of goals.

Lifetime Goals …Lifetime goals are the goals that will take anywhere from a year to an entire lifetime to achieve.

Long-Term Goals…Typically 5 or 10-year goals.

Short Term Goals… 1 month, six months or a year.

Stepping Stone Goals…These are transactional goals / Temporary for switch

2. Strategic Goals – Official goals, broad statements about the organization. Related to the performance

3. Tactical Goals - Help execute major strategic plans. Specific part of the company's strategy.

4. Operational Goals – Results expected from departments, work groups, and individuals.

Planning is determining your goal, how you want to get there, and the milestones along the way.

Performance is a measure of how well you are executing the plan.

Developing Plans:-

If you have a clear idea of where you are and where you want to go, business-wise, you can develop a realistic, achievable plan to get there. The management planning process helps your company through the steps of defining a desired outcome and developing a strategy to achieve it.

Assess Your Situation

To know where you want to go, you must first understand where you are. Gather data about your company's present situation, including sales figures and customer feedback. Identify the company's strengths and weaknesses, soliciting both the internal voices of your staff and the external voices of your clients.

Determine Desired Values and Outcomes

Determine the values and outcomes you want your company to achieve, and state them clearly. Craft a vision statement by articulating the central ideas and values that keep your business on track, such as stellar customer service or a commitment to protecting the environment. Work with your management team to clarify this vision, and make sure there is consensus around adopting it as a guiding principle for your company.

Set Measurable Goals

Use the vision you have crafted to create measurable goals. For example, if you value customer service, you may work toward the goal of responding to every piece of customer feedback; if you're committed to environmental values, you may set the goal of having a carbon-neutral workplace in three years. Be as clear and specific as possible when creating your goals, using numbers to measure progress and success, and charting timelines for achieving your objectives.

Create Accountability Systems

Develop systems for evaluating progress as you work toward achieving the goals you have set. Put different managers and staff members in charge of domains, such as tracking sales figures or carbon emissions. Create a chain of accountability showing who is ultimately responsible for different outcomes. Have backup plans so you can shift gears and dedicate additional resources if the process isn't going according to plan.

Evaluate and Review

Create formal protocols for assessing your progress. Bring as many voices as possible into this evaluation process, and encourage honesty and objectivity. Assess how well you are progressing toward your goals, but also be open to reassessing the goals themselves, as long as you do so in ways that are still consistent with your long-term vision.

Technologies and circumstances may change, making your goals less achievable or relevant. But if you do revisit your goals, do so with your vision in mind so you can find other ways of expressing it in your work.

Approaches to Planning:-

1. Different Approaches to Planning ¬Top down approach,Bottom up approach ,Composite approach ,Team approach
2. Top down approach - Authority and responsibility is centralized at the top. The top management defines the mission and lays down strategies and plan of action required to achieve stated goals. The blueprint of the plan is passed on to the people working at lower levels who do not participate in the planning process. The success of this approach depends upon the qualification, experience and capabilities of top management.
3. Bottom up approach Lower level managers are responsible for preparation and implementation of plans (make functional plans which are approved by top management)

4. Composite approach - In such a approach the lower and middle management is responsible of drafting out plans in accordance with guidelines and boundaries stated by the top management. Every plan is up for a discussion and debate and a middle path is chosen to facilitate smooth implementation of plans.

5. Team approach - In such a approach a team of managers having relevant experience and skills in various functional areas are assigned the job of planning. The plans are then approved by the top management.

Planning Effectively in Dynamic Environments:-

Nowadays, if you want to become a good manager, you must try hard in dynamic environment, and of course, we should know that managers may face to two contemporary planning issues.

Those are: Looking at planning effectively in dynamic environments and how managers can use environments scanning, especially competitive intelligence. Then, we should find out about what dynamic environments are.

Dynamic environments are agent systems which allow agents to enter, leave and change at runtime.How can managers plan effectively:

1. (Managers) should develop plan (specific but flexible)
2. (Managers) need to recognize that planning is an ongoing process
3. Need to stay alert to environmental changes (that may impact implementation and respond as needed).
4. Making the organizational hierarchy flatter to effectively plan in dynamic environment.

Unit 3 Organizing

Organizing is the process of arranging and allocating work, authority, and resources among an organization's members so that they can achieve organizational goal.

Purposes of Organizing

Divides work to be done into specific jobs and departments.

Assigns tasks and responsibilities associated with individual jobs.

Coordinates diverse organizational tasks.

Clusters jobs into units.

Establishes relationships among individuals, groups, and departments.

Establishes formal lines of authority.

Allocates and deploys organizational resources.

Organizational Structure:-

The formal arrangement of jobs within an organization.

- **Work specialization**, also called a **division of labor**, allows a manager to take complex tasks and break them down into smaller more precise tasks that individual workers can complete.

Departmentalization

The process of grouping jobs together on the basis of some common characteristics.

Chain of Command :- In an organizational structure, "chain of command" refers to a company's hierarchy of reporting relationships – from the bottom to the top of an organization, who must answer to whom.

The chain of command not only establishes accountability, it lays out a company's lines of authority and decision-making power.

A proper chain of command ensures that every task, job position and department has one person assuming responsibility for performance.

Span of Control

The number of employees who can be effectively and efficiently supervised by a manager.

Width of span is affected by: - Skills and abilities of the manager

Employee characteristics

Characteristics of the work being done

Similarity of tasks

Complexity of tasks

Physical proximity of subordinates

Standardization of tasks

Centralization

The degree to which decision-making is concentrated at a single point in the organizations.

Organizations in which top managers make all the decisions and lower-level employees simply carry out those orders.

Decentralization

Organizations in which decision-making is pushed down to the managers who are closest to the action.

Formalization

The degree to which jobs within the organization are standardized and the extent to which employee behavior is guided by rules and procedures.

Highly formalized jobs offer little discretion over what is to be done.

Low formalization means fewer constraints on how employees do their work.

Mechanistic versus Organic Organization

High specialization

Rigid departmentalization

Clear chain of command

Narrow spans of control

Centralization

High formalization

Organic Organization

Cross-functional teams

Cross-hierarchical teams

Free flow of information

Wide spans of control

Decentralization

Low formalization

Structural decisions are influenced by:

Overall strategy of the organization

Organizational structure follows strategy.

Size of the organization

Firms change from organic to mechanistic organizations as they grow in size.

Technology use by the organization

Firms adapt their structure to the technology they use.

Degree of environmental uncertainty

Dynamic environments require organic structures; mechanistic structures need stable environments.

Traditional Designs

Simple structure

Low departmentalization, wide spans of control, centralized authority, and little formalization

Functional structure

Departmentalization by function Operations, finance, human resources, and product research and development

Divisional structure

Composed of separate business units or divisions with limited autonomy under the coordination and control the parent corporation.

MATRIX STRUCTURE: - Advantages: Enhances organizational flexibility.

Team members have the opportunity to learn new skills.

Provides an efficient way for the organization to use its human resources.

Team members serve as bridges to their departments for the team.

Disadvantages:-

Employees are uncertain about reporting relationships.

The dynamics of group behavior may lead to slower decision making, one-person domination, compromise decisions, or a loss of focus.

More time may be required for coordinating task- related activities.

Team Structure- Larry Page and Sergey Brin, cofounders of Google, have created a corporate structure that "tackles most big projects in small, tightly focused teams." In a team structure, the entire organization is made up of work groups or teams that perform the organization's work. Employee empowerment is crucial in a team structure, because there is no line of managerial authority from top to bottom.

Rather, employee teams are free to design work in the way they think is best. However, the teams are also held responsible for all work and performance results in their respective areas. Let us look at some examples of organizations that are organized around teams.

Boundary less Organizations:- Boundary less Organizations Another approach to contemporary organizational design is the boundary less organization, an organization whose design is not determined by a preened structure. Instead the organization seeks to eliminate the chain of command, places no limits on spans of control, and replaces departments with empowered teams.27 The term boundary less organization was coined by Jack Welch, former chair of General Electric (GE), who wanted to eliminate vertical and horizontal boundaries within GE and break down external barriers between the company and its customers and suppliers. This idea may sound odd, but many successful organizations are finding that they can operate more effectively in today's environment by remaining flexible and unstructured: The ideal structure for them is not having a rigid, preened structure. Instead, the boundary less organization seeks to eliminate the chain of command, to have limitless spans of control, and to replace departments with empowered team.

Virtual Organizations: - A virtual organization has elements of a traditional organization, but also relies on recent developments in information technology to get work done. Thus, the organization could consist of a small core of full-time employees plus outside specialists hired on a temporary basis to work on opportunities that arise. The virtual organization could also be composed of employees who work from their own home offices connected by technology but perhaps occasionally getting together face to face. An example of a virtual organization is Strawberry Frog, an international advertising agency based in Amsterdam. The small administrative staff accesses a network of more than 100 people around the globe to complete advertising projects. By relying on this global web of freelancers, the company enjoys a network of talent without the overhead and structural complexity of a more traditional organization

Learning Organization: - Doing business in an intensely competitive global environment, managers at British retailer Tesco realize how important it is for stores to operate smoothly behind the scenes. At Tesco, they do so through the use of a proven tool—a set of software applications called Tesco in a Box, which promotes consistency in operations and acts as a way to share innovations. Tesco is an example of a learning organization, an organization that has developed the capacity to constantly learn, adapt, and change.

Flexi Work: - Flexible work culture is nothing but a form of organization culture where the team members connect with each other, regardless of when, where, and how they work. The work transcends physical workspaces, stationary desktop computers or the typical log-in and log-out time structure.

Tele work: - It is okay to be wary of telework, especially if it is new or you've had a bad experience with it in the past. Use your doubts to make it better, ask hard questions and work out details; your experience and your team's experience will be better for it.

Unit 4 Decision Making

Making Decisions :-

Rationality:- 1. RATIONAL
- We assume that the manager's decision making will be rational…
- It means that manager will make logical and consistent choices to maximize value. After all Managers have all sorts of tools and techniques to help them be rational decision makers.
- The rational assumptions are as follows:
- A rational decision maker would be fully objective and logical.
- Problem faced would be clear, unambiguous (clear)
- Decision maker would have a clear and specific goal to be achieved
- Know all possible alternatives and consequences
- Final choice are made in the best interests of the organization.

2. BOUNDED RATIONALITY
- Managers make rational decisions but are bounded (imitated) by their ability to process Information.
- Managers satisfice in which decision makers accept solutions that are good enough.

3. INTUITIVE DECISION MAKING
- Making decisions based on experience, feelings and accumulated judgment.

DECISION MAKING STYLES

1. Directive style
- A person has this style if they have a low tolerance for ambiguity and are efficient, rational, and logical in their way of thinking.
- They focus on the short term and are quick to make decisions, usually resulting in a decision that has been made with minimal information and not carefully analyzing other alternatives.
- Dislike ambiguity and prefer rationality.

2. Analytic style
- A person with an analytic decision-making style has greater tolerance to ambiguity.
- They are careful decision makers that like to be well informed and thoroughly assess their options.
- They usually have the ability to adapt or cope with unique and challenging situations
- Those using the analytic style confront ambiguity by demanding more alternatives.
- Prefer full information before making a decision.

3. Conceptual Style
- Generally very broad in their approach and consider all available alternatives.
- They are long-term oriented and are usually capable of formulating creative solutions to problems.
- Individuals who tend to be very broad in outlook, to look at many alternatives, and to focus on the long run and often look for creative solutions.
4. Behavioral styles
- Work well with others, are open to suggestions, and are concerned about the achievements of their team.
- They generally try to avoid conflict and place importance on their acceptance by others.
- Work well with others and are receptive to suggestions. (Willing to consider new ideas)

UNIT 5 Controlling

Financial control aims at planning, evaluation, and coordination of financial activities in order to achieve the objective of the firm.
Financial control also provides a set of rules and regulations with regard to the financial management systems followed in an organization.
Information Controls - The right to have control over your personal information.

Benchmarking is the continuous process of comparing one's business processes and performance metrics to industry bests and/or best practices from other industries. Dimensions typically measured are quality, time, and cost. Improvements from learning mean doing things better, faster, and cheaper.