

Roles of Manager



- Figurehead
- Leader
- Liaison

- Monitor
- Disseminator
- Spokesperson

- Entrepreneur
- Disturbance Handler
- Resource Allocator
- Negotiator

Mint berg Managerial roles



Interpersonal Category

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

Figurehead

Leader

Liaison

- **Informational Category**
- The managerial roles in this category involve **processing** information.
- **Monitor**
- **Disseminator**
- **Spokesperson**

- **Decisional Category**
- The managerial roles in this category involve **using** information.
- **Entrepreneur**
- **Disturbance Handler**
- **Resource Allocator**
- **Negotiator**

Classical Approaches to Management



- 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.

- Scientific Management by F.W.Taylor
- Principles:
 - 1) Replacing rule of thumb with science
 - 2) Harmony in group action/co-operation
 - 3) Division of Work and responsibility
 - 4) Maximum Output
 - 5) Scientifically train and develop the workers

Elements of Scientific Management



- 1. Separation of Planning and Doing
- 2. Functional Foremanship
- 3. Job Analysis
- 4. Standardization
- 5. Scientific Selection and Training of workers
- 6. Financial Incentives
- 7. Economy
- 8. Mental Revolution

Max Weber's Theory

| 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. |

Fayol's Principles of Management



- **DIVISION OF WORK:**
- **AUTHORITY.**
- **DISCIPLINE**
- **UNITY OF COMMAND:**
- **UNITY OF DIRECTION**
- **SUBORDINATION OF INDIVIDUAL INTERESTS TO THE GENERAL INTERESTS:**
- **REMUNERATION**
- **CENTRALIZATION**
- **SCALAR CHAIN**
- **ORDER:**
- **EQUITY:**
- **STABILITY OF TENURE OF PERSONNEL.**
- **INITIATIVE:**
- **ESPIRIT DE CORPS:**
-

The 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.

The Hawthorne Studies – Elton Mayo



- 1. Illumination Experiments
- 2. Relay Assembly Test Room Experiments
- 3. Mass Interviewing Programme
- 4. Bank Wiring Observation Room Experiment.
- 1. Experiments to determine the effects of changes in illumination on productivity, illumination experiments, 1924-27.
- 2. Experiments to determine the effects of changes in hours and other working conditions on productivity, relay assembly test room experiments, 1927-28;

- 3. Conducting plant-wide interviews to determine worker attitudes and sentiments, mass interviewing programme, 1928-30; and
- 4. Determination and analysis of social organization at work, bank wiring observation room experiments, 1931-32.



Quantitative Approach to Management



- Quantitative approach in management:
- This approach emphasizes 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. This generally involves the following four steps:
 - These operational research techniques are extensively used in many fields. Some of these are:
 - (i) Capital budgeting,
 - (ii) Production scheduling
 - (iii) Planning for manpower development programmes
 - (iv) Inventory control

- **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.”



- **Nature of Planning :**

- 1. Planning is Goal Oriented**
- 2. Planning is Primary function...basic / Main**
- 3. Planning is Pervasive...Involving all departments /Inclusive**
- 4. Planning is Flexible**
- 5. Planning is Continues**
- 6. Planning is Futuristic**
- 7. Planning involves Flexibility**
- 8. Planning is Mental Exercise**

Reduce Uncertainty

Saves Time

Increase Efficiency

3. Bring Coordination

4. Economy Operation ...Price reduction

5. Anticipate Future Contingency

6. Achieving Pre determines Goals

7. Reduce Competition : The existence of competition enables the enterprise

8. Continues

9. Futuristic. Goal oriented

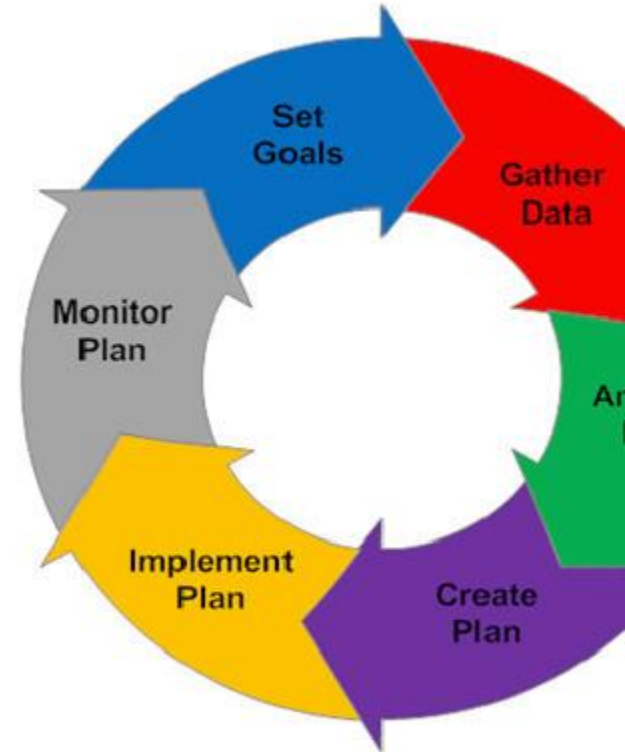
10. Selection of best alternatives.



Planning Process



- **Planning Process:**
 1. Perception of Opportunities
 2. Establishing Objectives
 3. Planning Premises
 4. Identification of Alternatives
 5. Evaluate Alternatives
 6. Choice of Best Alternatives
 7. Formulation of Supporting Plan
 8. Establishing Sequences of Plans





■ 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.

▪ 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 / Advantages / Importance/ Need / Scope of Management by Objectives (MBO)**
- **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, Types of Goals, Types of Plans, Setting Goals and Developing Plans**
- **Goal ...aim, objective, object, end, 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 ay to achieve your goal.**

■ 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.
- a. **Lifetime Goals** ...Lifetime goals are the goals that will take anywhere from a year to an entire lifetime to achieve.
- b. **Long-Term Goals**...Typically 5 or 10-year goals.
- c. **Short Term Goals**... 1 month, six months or a year.
- d. **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.

Types of Plans

- 1) Strategic Plans
- 2) Tactical Plans
- 3) Operational Plans

- Organization

f. Haimann “ Organization is a process of defining and grouping the activities of the enterprise and establishing the authority relationship among them.”

lester Bernard “ A system of co-operative activities of two or more persons is called organization.”

Organizing in management refers to the relationship between people, work and resources used to achieve the common objectives (goals).

Organizational Structure

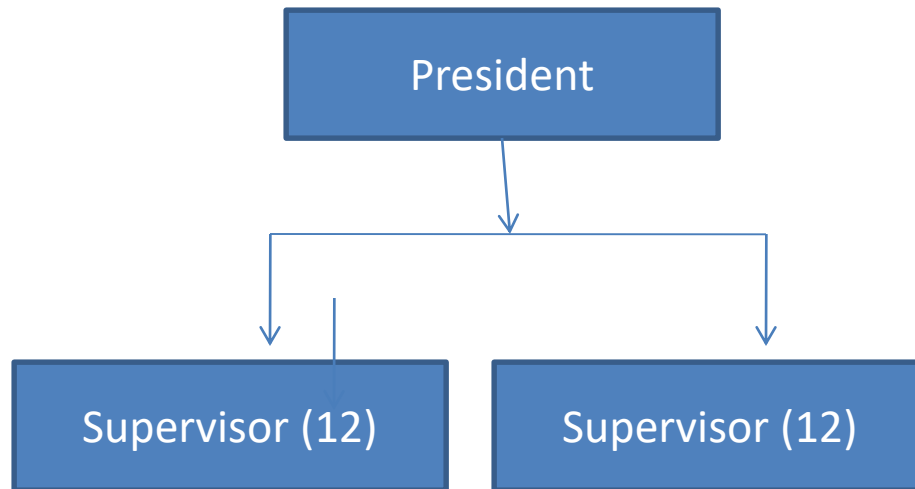
- It is the framework of jobs and departments or divisions that directs the behavior of individuals and groups toward achieving the organizations goals and objectives.
- **Work specialization**, also called a **division of labor**, allows a manager to take complex tasks and break them down into smaller 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

- It represents the numerical limit of subordinates to be supervised and controlled by a manager.



- President

```
graph TD; President["• President"] --> DH1["Department Head"]; President --> DH2["Department Head"]; DH1 --> S1["Supervisors (3)"]; DH2 --> S2["Supervisors (3)"];
```

The diagram is an organizational chart. At the top is a box labeled "• President". A vertical arrow points down from this box to a horizontal line. From the left end of this horizontal line, a vertical arrow points down to a box labeled "Department Head". From the right end of the horizontal line, another vertical arrow points down to another box labeled "Department Head". Below the left "Department Head" box, a vertical arrow points down to a box labeled "Supervisors (3)". Similarly, below the right "Department Head" box, a vertical arrow points down to a box labeled "Supervisors (3)".

Department Head

Supervisors (3)

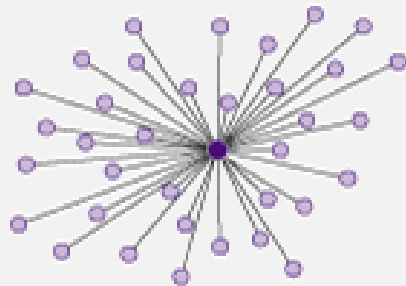
Department Head

Supervisors (3)

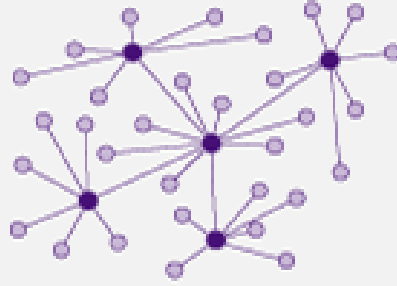
Centralization

- Centralization refers to the hierarchical level within an organization that has authority to make decisions.
- When decision making is kept at the top level, the organization is centralized; when it is delegated to lower organizational levels, it is decentralized
- It describes the location of decision making authority in the organizations hierarchy, refers to the delegation of authority among the organizations jobs.
- Decentralization means reservation of some authority at the top level and delegation of authority to make decisions at points as near as possible to where action takes place.

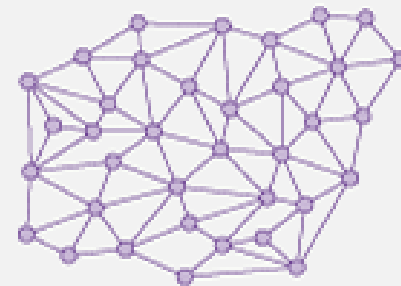
CENTRALISED/DECENTRALISED PROCUREMENT



CENTRALISED



DECENTRALISED



DISTRIBUTED

Formalization

It's the degree to which an organization's expectations of work are specified and written.

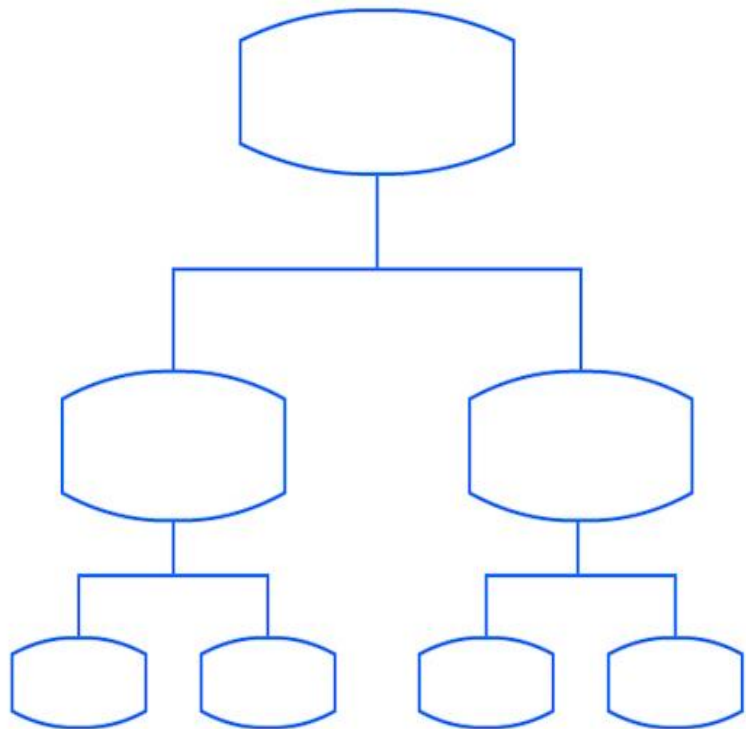
Mechanistic Organization Structure

An organization design in which there is differentiation of job task, rigid rules and a reliance on top –management objectives.

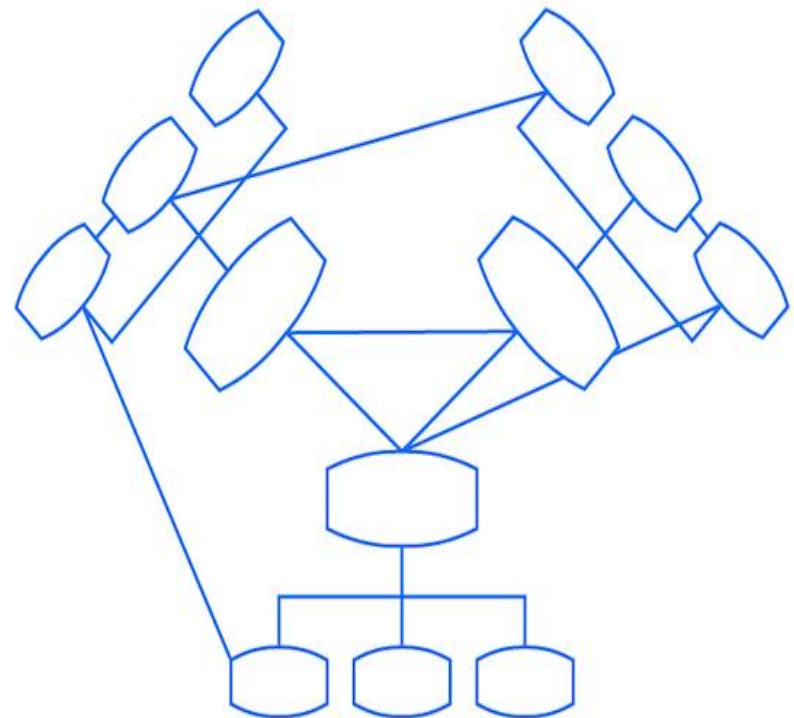
Organic structure

An organization with a behavioral orientation, participation from all employees and communication flowing in all directions.

Mechanistic



Organic

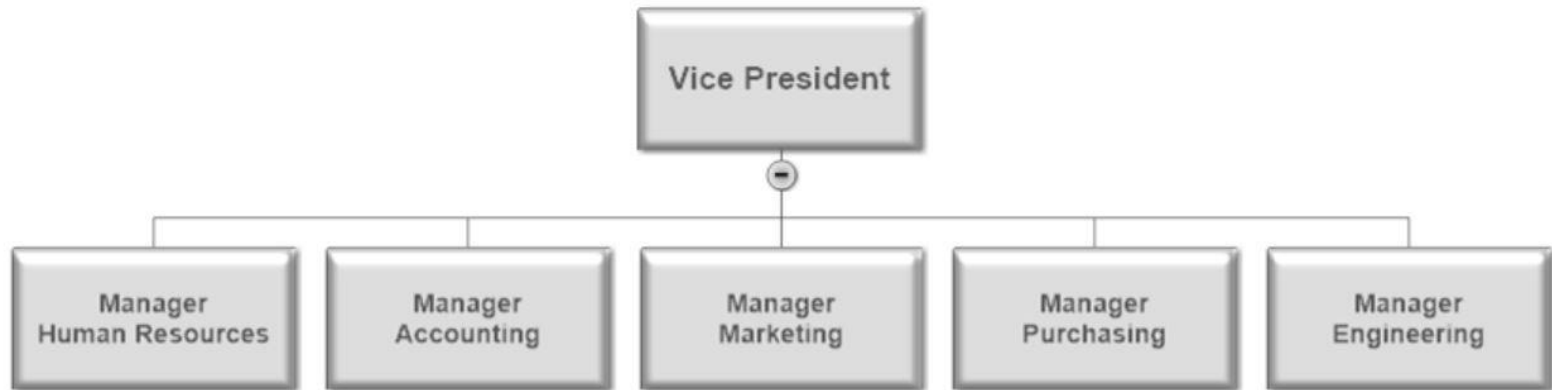


Simple organization Structure



Example: Simple Organizational Structure. The top manager controls the work of the employees not grouped into specific functions.

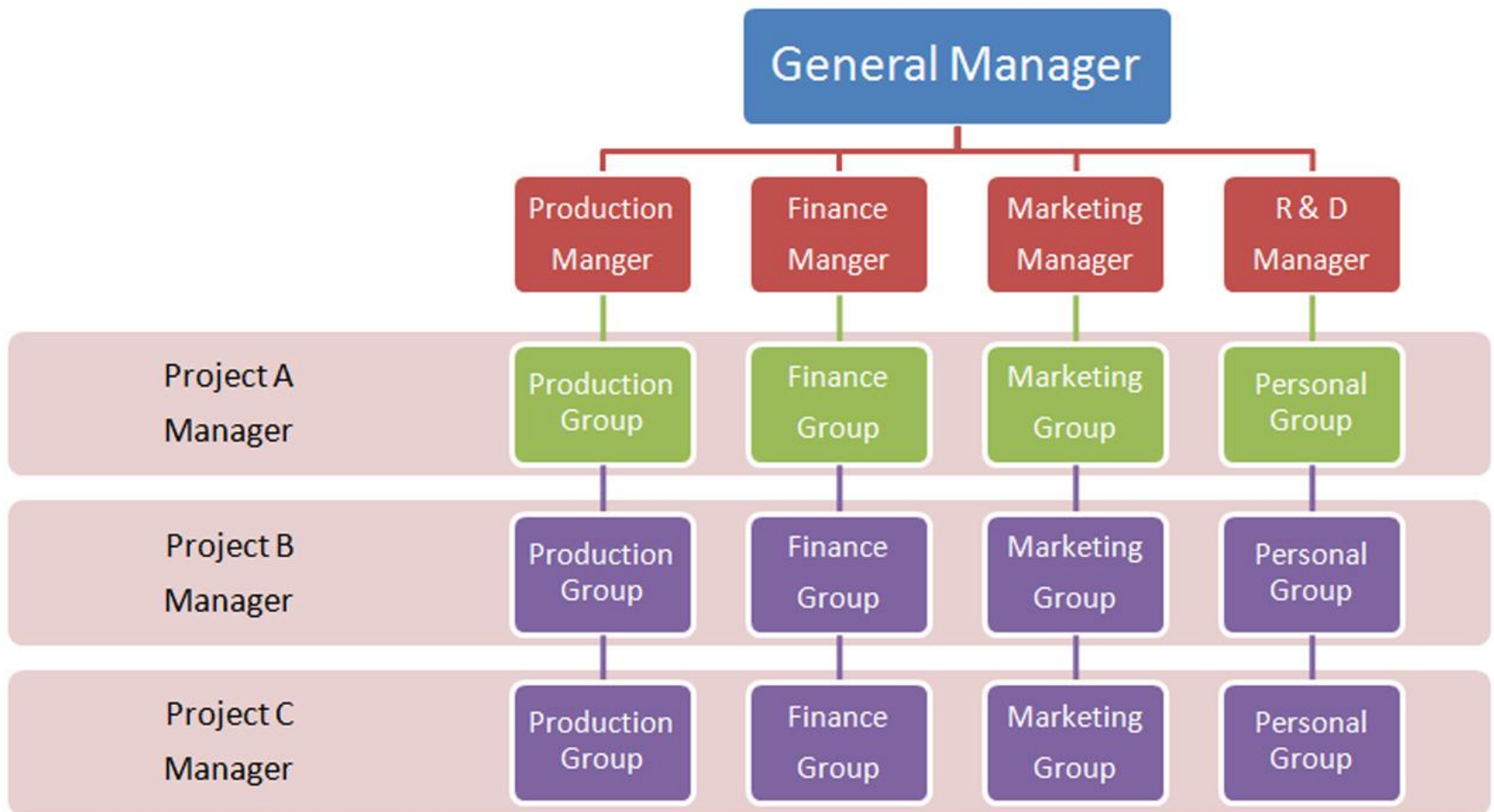
Functional Organizational Chart



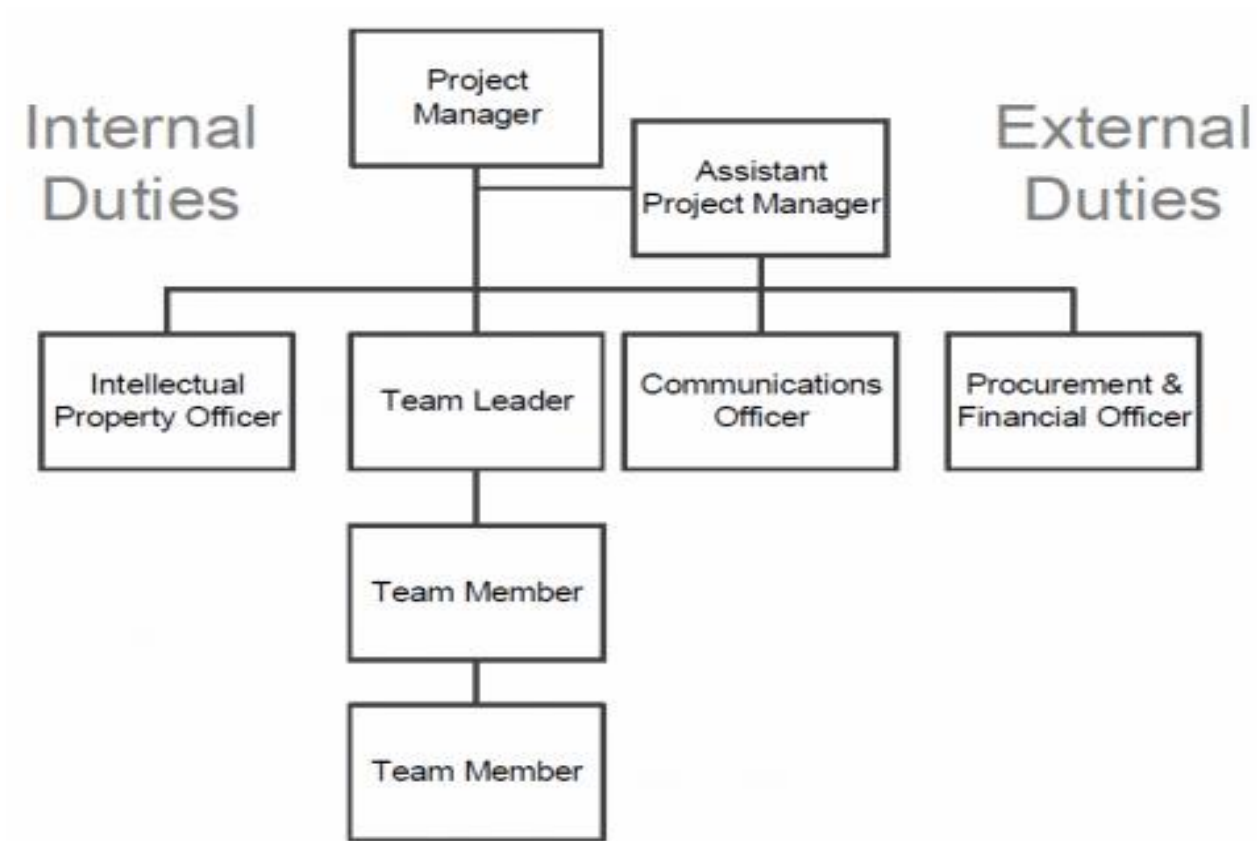
Divisional Organization Structure



Matrix Organizational Structure

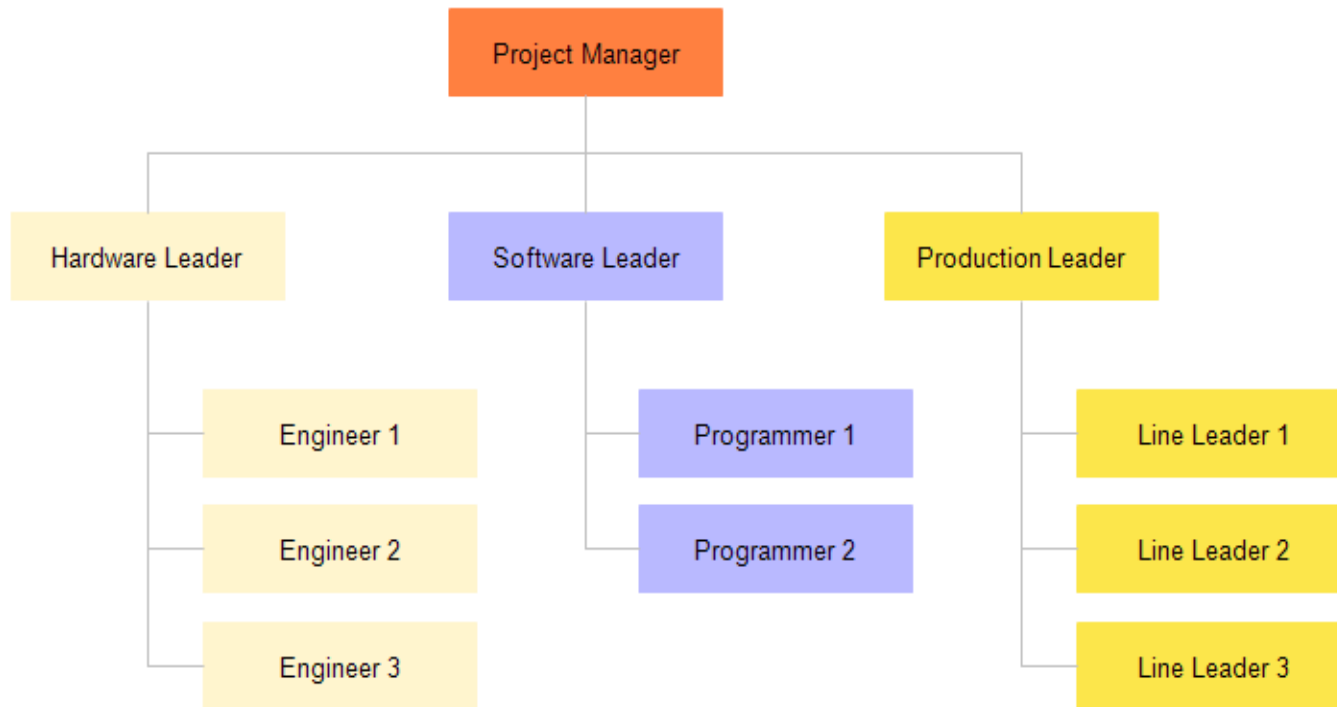


Team Structure



Project Structure

Project Organization Chart



Adaptive Organizations

- Boundary less Organization – It eliminates the chain of command, have limitless spans of control and replace departments with empowered teams.
- Virtual Organizations – It's a small, core organization that sources out major business functions. It is a highly centralized organisation, with little or no departmentation.
- “Learning organization is the one that has developed the capacity to continuously learn, adapt, and change”. — B. P. Robbins and M. Coulter
- Global Organizations :-
An international alliance involving many different countries

Unit 4-Rational Decision Making

- It's a process of problem solving in a scientific, systematic, objective and reasoned manner.
- **Bounded rationality model.**
- Noted psychologist Herbert Simon created the **bounded rationality model**.
- **There are four assumptions to his model:**
- Managers select the first alternative that is satisfactory.
- Managers recognize that their conception of the world is simple.
- Managers are comfortable making decisions without determining all the alternatives.
- Managers make decisions by rules of thumb.

- The first assumption of the bounded rationality model deals with the term **satisfice** (which is the words 'satisfy' and 'suffice' combined). It means that managers select the first alternative that is good enough due to the fact that costs in time and effort to look further are too great.

Heuristics

- It involves using biases or shortcuts in making a quick decision to conserve mental activity.
- **The role of Intuition :-**
- Intuitive decision-making ability is also known as 'sixth sense' and involves being able to gather information that other individuals may miss. It is the opposite of **rational decision making**, which is when individuals use analytics, facts, and a step-by-step process to come to a decision.

Evidence Based Management

- Evidence-based management is the practice of making managerial and people-related decisions with the use of **critical thinking** and the **best available evidence**.
- **Quantitative Approach of Management –**
- The **quantitative approach** is to make an optimal decision by using mathematical and statistical models in a situation when the probability of all outcomes is uncertain.

Types of Decisions

- 1. Routine and Basic Decision Making
- Routine decision making means such decisions, which are taken in respect of the day to day activities of the organization and which require less thinking and advise. These are of a repetitive nature.
- **Basic decision making** means such decisions which are essential for the existence of the organization and for which complete study, analysis, power, and critical thinking are essential.
- 2. Personal and Organisational Decision Making
- The decisions which are taken by any person in his personal capacity, and not as a member of the organization are known as a personal decision, for example, decisions for leave, dress, resigning the organization and accepting or rejecting promotions, etc.
- The **organizational or institutional decisions** are which are taken by the executives or officers in their formal capacity and which may be delegated to other persons.
- 3. Individual and Group Decision Making
- When the size of the business unit is small and the decisions to be taken do not require high, specific and technical knowledge, then the decisions for various problems are normally taken by the managers himself.
- Such decisions are known as individual decision-making technique.
- **Group decision making techniques** mean such decisions which are not taken by a single individual, but by a group.
-

- 4. Policy and Operating Decision Making
- Policy decisions are those which relate to the basic policies of the organization and these are taken by the top management or board of directors. Such decisions are also known as management decisions or basic decisions.
- **Operating decision making** is in respect of decisions relating to the general affairs of the institution or enterprise and is of mechanical nature.
- 5. Programmed and Non-Programmed Decision Making
- Programmed decision making is of repetitive and routine nature and which is taken through some well decided and well-organized system, so that when the problem arises, it may be solved by using that method.
- **Non Programmed decision making** is not a routine or repetitive nature. These are unique and new and they have a long-lasting effect on the organization.
- . Planned and Unplanned Decision Making
- Decisions for which Advance preparation is done, an are based on the collection of facts, analysis and scientific methods are known as planned decision making.
- **Unplanned decision making technique** means Such decisions for which no plan is made, But are necessary, according to the circumstances, problems and opportunities prevailed.
-

Decision Making Approaches

- **Quantitative Approach**
- The **quantitative approach** is to make an optimal decision by using mathematical and statistical models in a situation when the probability of all outcomes is uncertain.
- **Environmental Decision Making-**
- Decisions taken under the preference of environment.
- A **system approach** aids the **decision maker** to determine where the **decision** to be taken fits in and what impact it will have on the **system**. A **system approach to decision making** process was designed, incorporating the strengths of the **decision making** process and **system approach** methodologies researched.

- **Ethical Decision Making:-** Based on the standards of equity, fairness and impartiality.
- Actions are ethical when they promote the individuals best interest.
- **Intuitive Approach :-** It is also known as 'sixth sense' and involves being able to gather information that other individuals may miss. It is the opposite of rational **decision making**, which is when individuals use analytics, facts, and a step-by-step process to come to a **decision**.
- **Case Study Approach :-** Given specific **cases**, organization analyse how **decisions** are derived and are encouraged to look at the processes used rather than only on the product generated. ... The **case study method** draws on the managers' experiential, intuitive, and knowledge bases through sharing and discussion, thereby enhancing comprehensive learning.

- Linear–Nonlinear Thinking Style Profile
- **Linear thinking** as a preference for attending to and making **decisions** from external data, information, and facts; and **nonlinear thinking** as a preference for attending to and making **decisions** from internal feelings.

Controlling

“Control is checking current performance against predetermined standards constrained in the plans, with a view to ensuring adequate progress and satisfactory performance.”

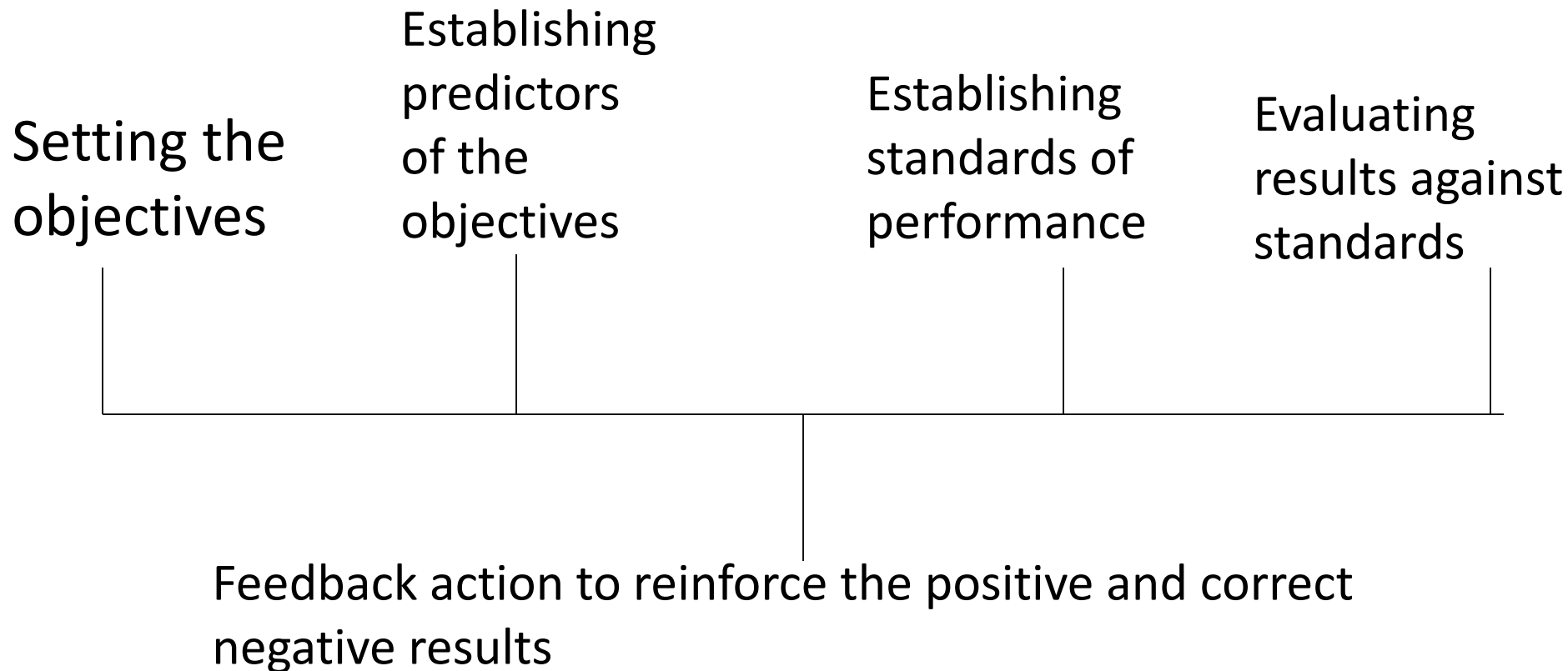
-F.F.L. Breach

Importance of controlling

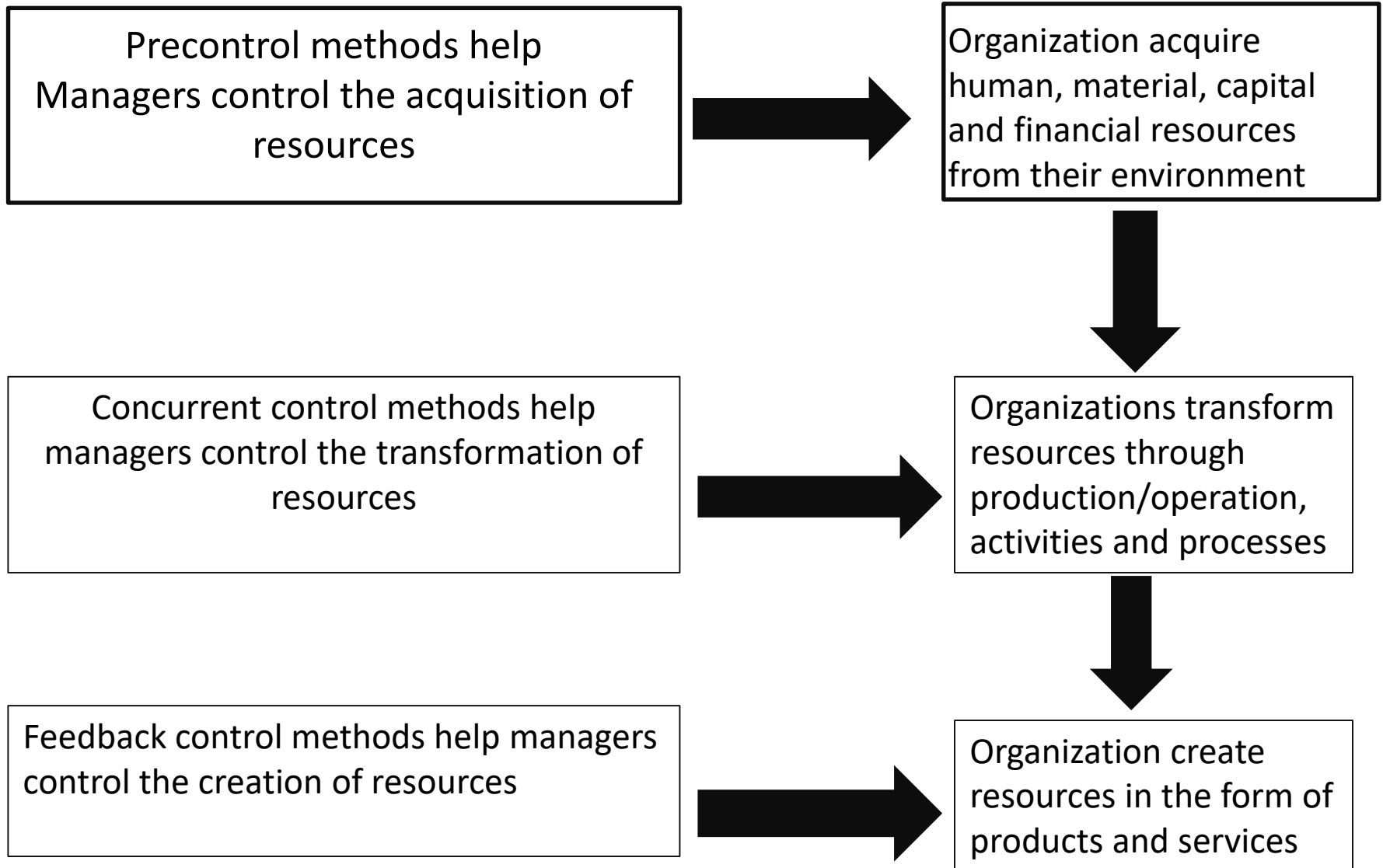
- 1) Helps in taking corrective action to meet the standard.
- 2) It dissolves the deviation and takes the corrective measures.
- 3) It reduces the chances of mistakes being repeated in the future by providing preventive steps.
- 4) Helps in achieving organizational goals.
- 5) Improving employee motivation
- 6) Making efficient use of resources.
- 7) Ensuring order and discipline
- 8) Facilitate co-ordination

Control Process

Control is an on going process which may be defined in terms of its sub-parts, as shown below –



Types of controls



Financial Control

- 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.