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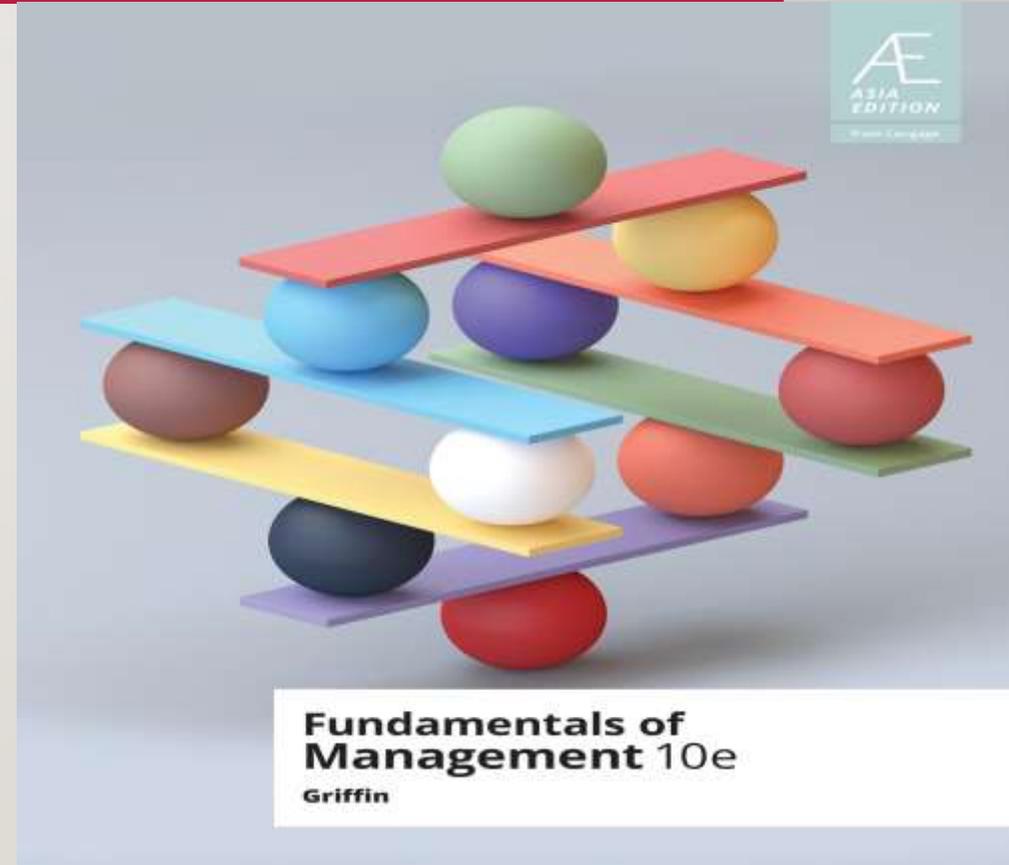
MANAGEMENT CONCEPTS AND ORGANISATIONAL BEHAVIOUR (KMBN-101)

Faculty Name: Dr. Sharmila Singh

Semester: 1st

Session-:2024-25

Fundamentals of Management 10e
Griffin

COURSE OBJECTIVES

- To provide basic understandings of management processes

- To help the students understand the concepts of organizational behaviour

- To apply the concepts of management and organizational behaviors in real world situations

- Familiarizing the students with the contemporary issues in management.

- Developing managerial and leadership skills among students

UNIT-1

- Fundamentals of Management: Management practices from past to present, Different levels of Management,

- Managerial skills and Managerial Functions , Case Studies

- Planning- Objective of planning, Planning process, Types of planning, Types of plans, Management by Objective,

- Decision-making- types, process & techniques,. Case Studies

Organizations

- Organization
  - A systematic arrangement of people brought together to accomplish some specific purpose; applies to all organizations—for-profit as well as not-for-profit organizations.
  - Where managers work (manage)
- Common characteristics
  - Goals
  - Structure
  - People

Common Characteristics of Organizations
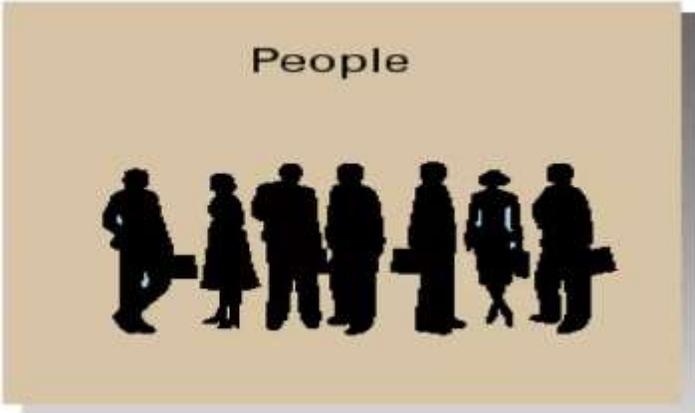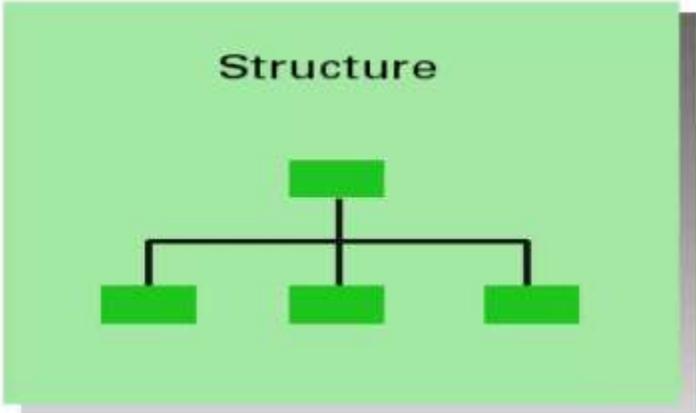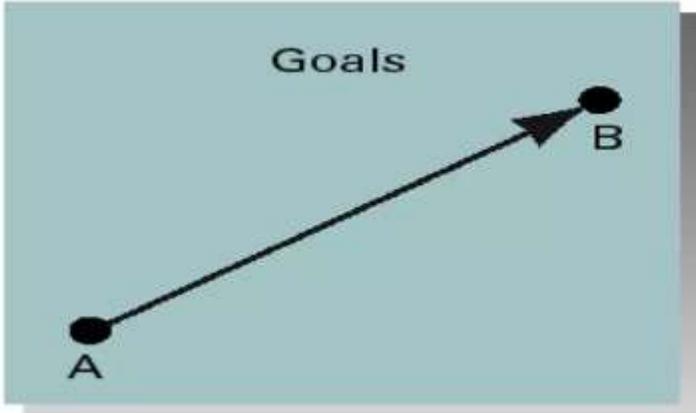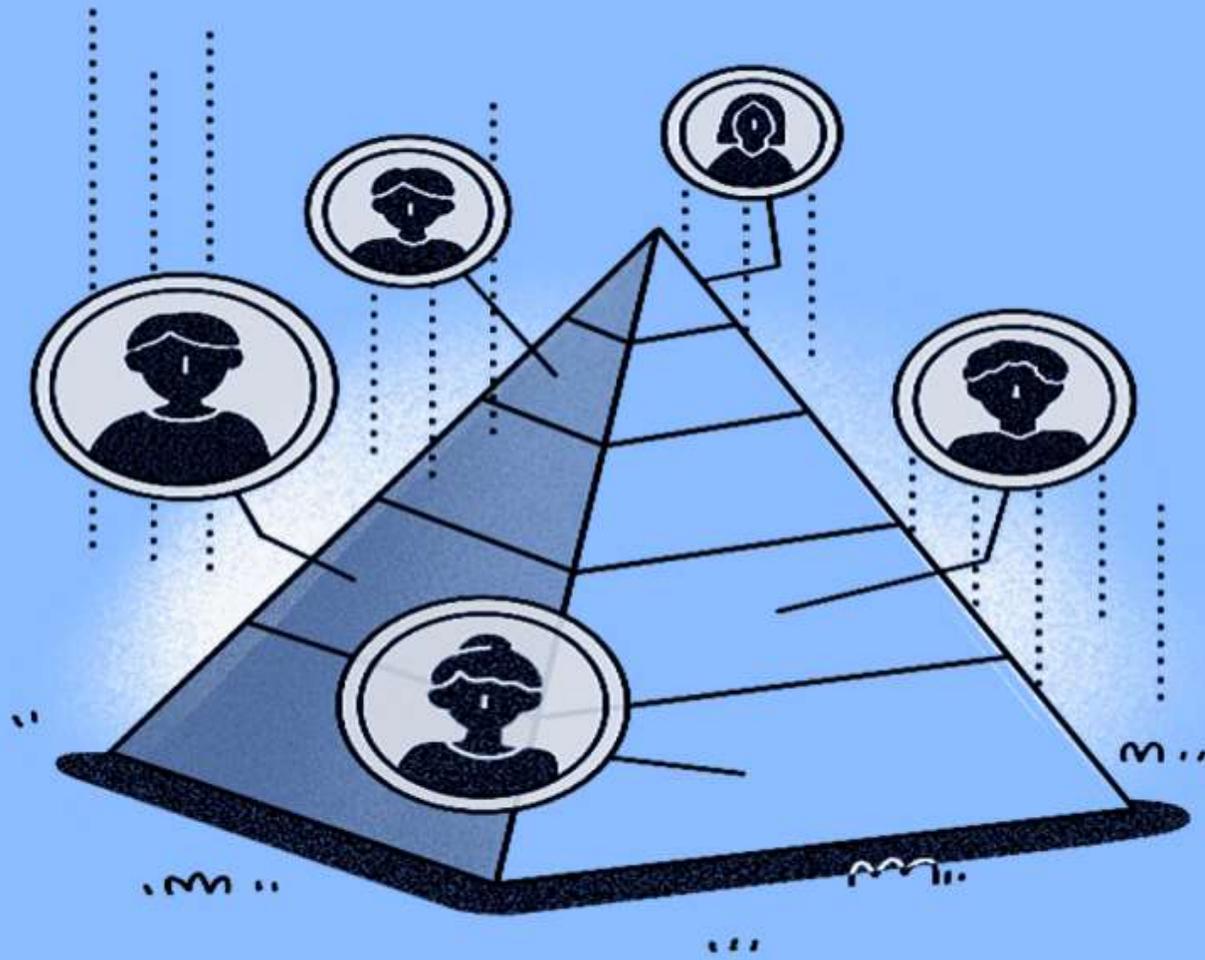
Goals

A → B

Structure

People

People Differences

- Operatives
  - ➢ People who work directly on a job or task and have no responsibility for overseeing the work of others
- Managers
  - ➢ Individuals in an organization who direct the activities of others

Organizational Levels

Top Managers

Middle Managers

First-Line Managers

Operatives

Identifying Managers

- ## First-line managers
  - Supervisors responsible for directing the day-to-day activities of operative employees

- ## Middle managers
  - Individuals at levels of management between the first-line manager and top management

- ## Top managers
  - Individuals who are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members
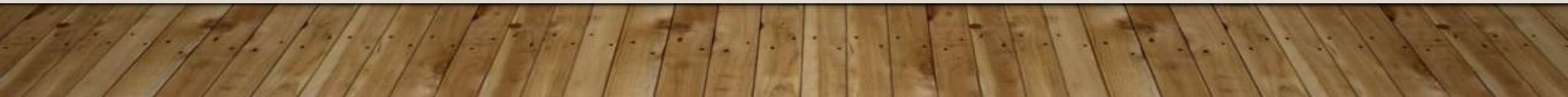
Management Defined

- Management
  - The process of getting things done, *effectively and efficiently*, through and with other people
  - **Efficiency**
    - Means doing the thing correctly; refers to the relationship between inputs and outputs; seeks to minimize resource costs
  - **Effectiveness**
    - Means doing the right things; goal attainment

1–9

Management is the use of human resources and other resources through planning, organizing, Directing, and controlling to accomplish organizational objectives in an effective and efficient manner.

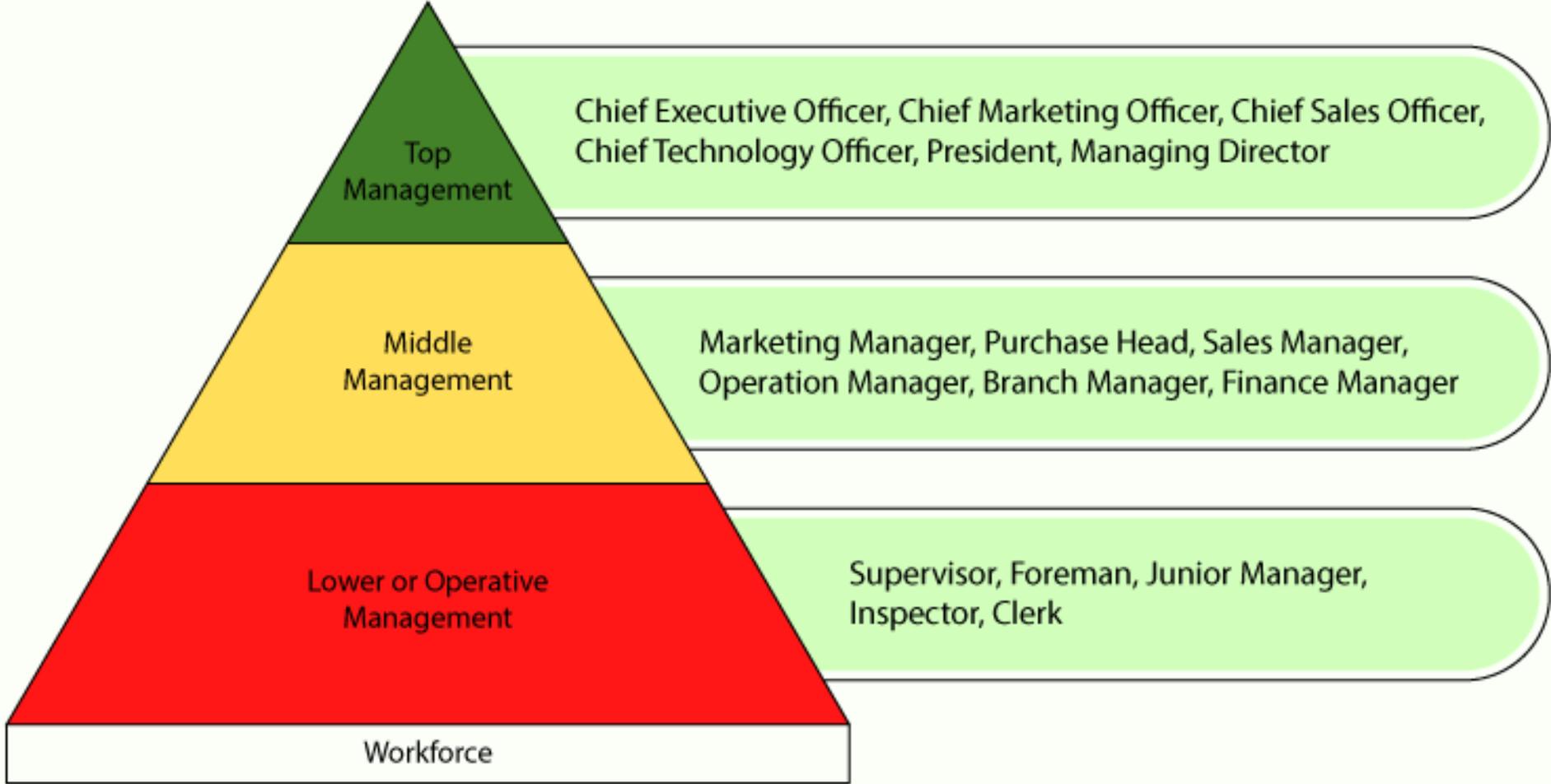**F.W. Taylor** - *"Art of knowing what you want to do and then seeing that it is done the best and cheepest way".*

Henry Fayol – *"To Manage is to forecast, to plan, to organise, to command, to co-ordinate and to control".*

Peter F.Drucker *–"Management is work and as such it has its own skills, its own tools and its own techniques"."Management is the art of getting things done through and with people".*

AUTHORITY

RESPONSIBILITY

Top Management — Chief Executive Officer, Chief Marketing Officer, Chief Sales Officer, Chief Technology Officer, President, Managing Director

Middle Management — Marketing Manager, Purchase Head, Sales Manager, Operation Manager, Branch Manager, Finance Manager

Lower or Operative Management — Supervisor, Foreman, Junior Manager, Inspector, Clerk

Workforce

LEVELS OF MANAGEMENT

Management practices from past to present

Management practices have evolved significantly over time as organizations and their environments have changed. Here is an overview of the fundamentals of management and how they have evolved from the past to the present:
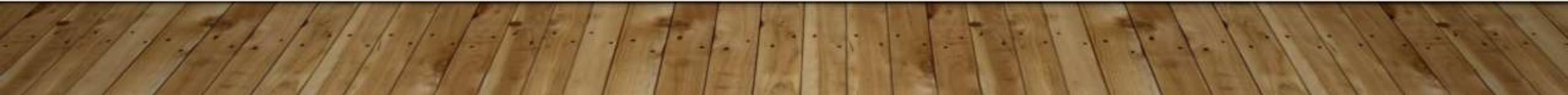
Management Practices From Past To Present

Early Management Practices (Ancient Times to 18th Century)

Classical Management Theories (Late 19th to Early 20th Century)

Behavioral Management Theories (Mid-20th Century)

Modern Management Practices (Late 20th to Early 21st Century)

Contemporary Trends (21st Century)

The Evolution of Management Thought

- Classical management theories (around the turn of the 20th century)
- Behavioral management theories (before and after World War II)
- Management science theory (from WWII onward)
- Management environment theories (from the middle to the late 20th century)

1. Early Management Practices(Ancient Time To 18th Century):

Management in Ancient Time

As mentioned before, management in some form or the other has been practiced in many parts of the world since man started living in group. History reveals that the concept of organisation and administration existed in

Egypt,   Greece, Athens,   China, &

2. Classical Management (Late 19th to early 20th century):

1. **Scientific Management: Developed by Frederick Taylor**, it emphasized the use of scientific methods to improve efficiency and productivity in the workplace. Taylor focused on time and motion studies and advocated for task specialization.

2. **Administrative Management:** Proposed by **Henri Fayol**, it focused on the overall organization and coordination of activities within an organization. Fayol identified functions of management, including planning, organizing, commanding, coordinating, and controlling

The Evolution of Management Thought

Fourteen principles

1. Division of work
2. Authority
3. Discipline
4. Unity of Command
5. Unity of Direction
6. Predominance of the general interest
7. Remuneration

8. Centralization
9. Scalar Chain
10. Order
11. Equity
12. Stability and Tenure of personnel
13. Initiative
14. Esprit de corps

- Fayol's 14 Principles of Management
- Fayol's principles are listed below:
- **Division of Work** – When employees are specialized, output can increase because they become increasingly skilled and efficient.
- **Authority** – Managers must have the authority to give orders, but they must also keep in mind that with authority comes responsibility.
- **Discipline** – Discipline must be upheld in organizations, but methods for doing so can vary.
- **Unity of Command** – Employees should have only one direct supervisor.
- **Unity of Direction** – Teams with the same objective should be working under the direction of one manager, using one plan. This will ensure that action is properly coordinated.
- **Subordination of Individual Interests to the General Interest** – The interests of one employee should not be allowed to become more important than those of the group. This includes managers.
- **Remuneration** – Employee satisfaction depends on fair remuneration for everyone. This includes financial and non-financial compensation.
- **Centralization** – This principle refers to how close employees are to the decision-making process. It is important to aim for an appropriate balance.
- **Scalar Chain** – Employees should be aware of where they stand in the organization's hierarchy, or chain of command.

10. Order
This principle states that there should be an orderly placement of resources (manpower, money, materials, etc.) in the right place at the right time. **Example**: Employees should be given a designated space and the right tools or equipment to complete their work efficiently.

11.Equity
Equity is a combination of kindness and justice. This creates loyalty and devotion among the employees towards the organization they work for.

Example: All employees, irrespective of gender, religion, race, and sexuality, must feel safe, seen, and heard and be given equal opportunities to grow and flourish in their careers within the organization.

12. Stability of Tenure of Personnel
This principle states that an organization should work to minimize staff turnover and maximize efficiency.There should also be a clear and effective method to handle vacancies when they arise because it takes time and expense to train new ones.

Example: Every new employee must be given a proper induction of both the technical aspect of the company as well as the work culture and office environment for them to mingle well. Old employees should be given alum awards for completing certain tenures to boost morale.

13. Initiative
This principle states that all employees should be encouraged to show initiative. When employees have a say as to how best they can do their job, they feel motivated and respected..

Example: Taking suggestions from employees regarding their specific department can make them feel seen in an authoritative position and can give them a sense of achieving something for the team.

14. Esprit de Corps
Esprit de Corps means "Team Spirit". This henry Fayol principle of management states that the management should strive to create unity, morale, and co-operation among the employees. Example: While discussing the new plan of action for achieving the next month's targets, using the word 'We' instead of 'I' brings a teamwork spirit to the group.
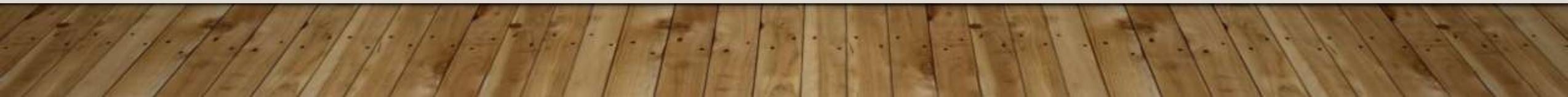
3. Behavioral Management (Late 19th to early 20th century): Started in the early 20th century and addresses the organization's human and social elements. Behavioral management theory places the person rather than the process at the heart of business operations. It examines the business as a social system as well as a formal organization. Therefore, productivity depends on proper motivation, group dynamics, personal psychology, and efficient processes.

4. Modern Management Practices(late 20th To Early 21st Century)

Modern management theory adopts an approach to management that balances scientific methodology with humanistic psychology. It uses emerging technologies and statistical analysis to make decisions, streamline operations and quantify performance. At the same time, it values individual job satisfaction and a healthy corporate culture.

5. Contemporary Approaches (Present):
1. **Agile Management:** With the rise of technology and rapidly changing markets, agile management has gained popularity. It emphasizes flexibility, adaptability, and collaboration, allowing organizations to quickly respond to customer needs and market dynamics.
2. **Ethical and Sustainable Management:** In recent years, there has been growing awareness and emphasis on ethical and sustainable practices in management. Organizations are expected to consider social and environmental impacts and incorporate responsible practices into their operations.
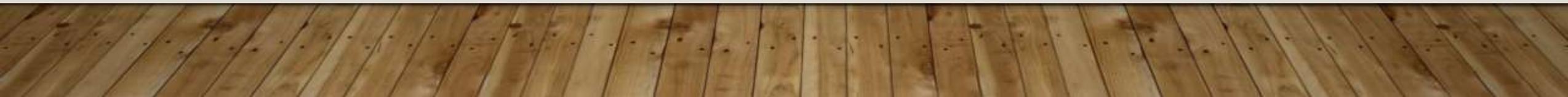
MAJOR CLASSIFICATION OF MANAGEMENT APPROACHES

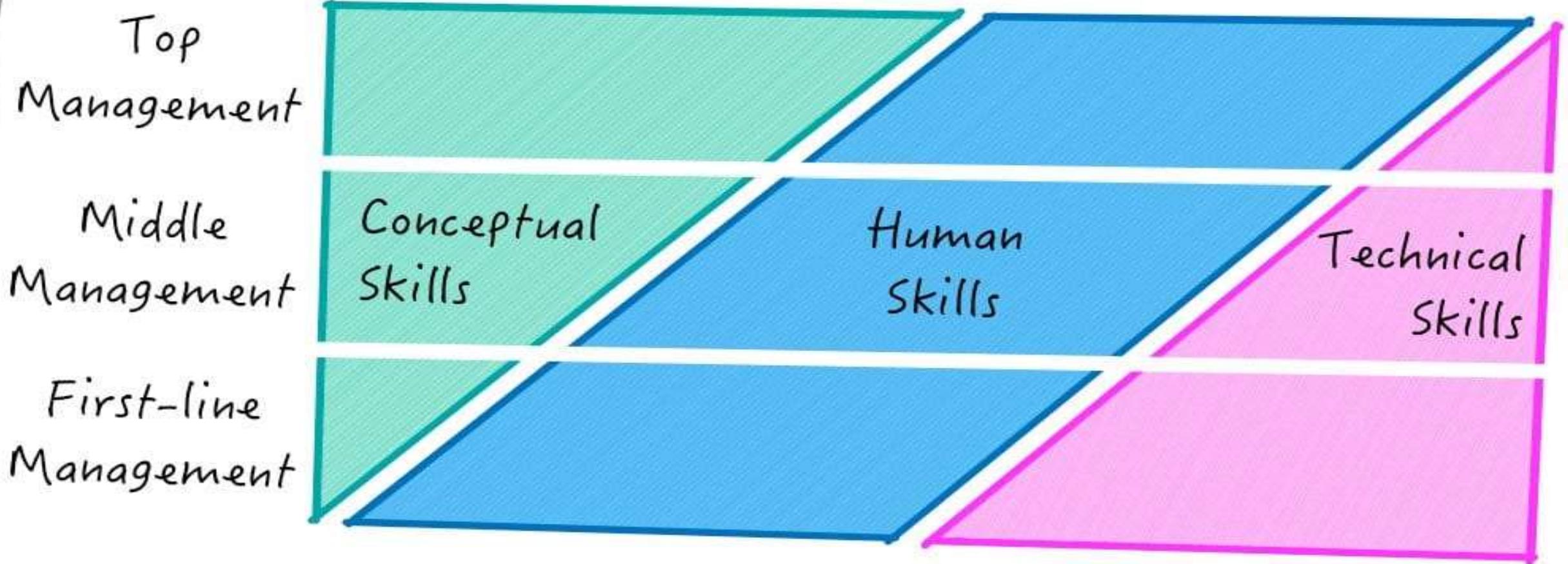| CLASSICAL APPROACH	SCIENTIFIC MANAGEMENT	BUREAUCRATIC MANAGEMENT	ADMINISTRATIVE MANAGEMENT
BEHAVIORAL APPROACH	HAWTHORNE STUDIES	MASLOW'S NEED HIERARCHY	THEORY X AND THEORY Y
QUANTITATIVE APPROACH	MANAGEMENT SCIENCE	OPERATIONS MANAGEMENT	MANAGEMENT INFORMATION SYSTEM
MODERN APPROACH	THE SYSTEMS THEORY	CONTINGENCY THEORY	EMERGING APPROACHES

Features of Management

1. Continuous and Never Ending Process.
2. Art of Getting Work Done from People.
3. Is Result-Oriented.
4. Multidisciplinary in Nature.
5. Group and Not an Individual Activity.
6. Follows Established Principles or Rules.
7. Aided but Not Replaced by Computers.
8. Situational in Nature.
9. Separate from Ownership.
10. Both an Art as well as a Science.
11. Is All Pervasive.
12. Intangible but its Impact is Felt.
13. Uses a Professional Approach in Work.
14. Dynamic in Nature.

Benefits of Effective Management

01 Increased Productivity Level

Better Decison-Making

02

03 Improved employee engagement

Stronger company culture

04

05 Increased profitability

Improved customer satisfaction

06

07 Better risk management

Higher employee retention

08

09 Increased innovation

Managerial Skills according to Robert Katz

Top Management

Middle Management

First-line Management

Conceptual Skills

Human Skills

Technical Skills

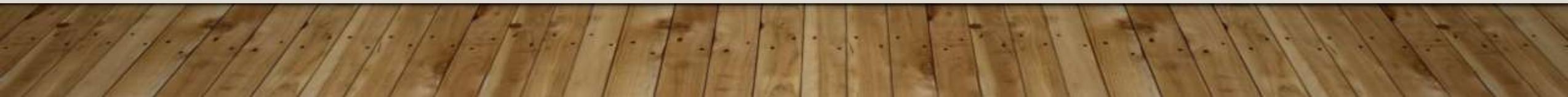entrepreneurship in a box

Technical skills:

- Technical skills refer to the ability and knowledge in using the equipment, techniques and procedure involved in performing specific tasks.
- These skills require specialized knowledge and proficiency in the mechanics of a particular.
- Technical skills lose relative importance at higher levels of the management hierarchy, but most top executives started out as technical experts.
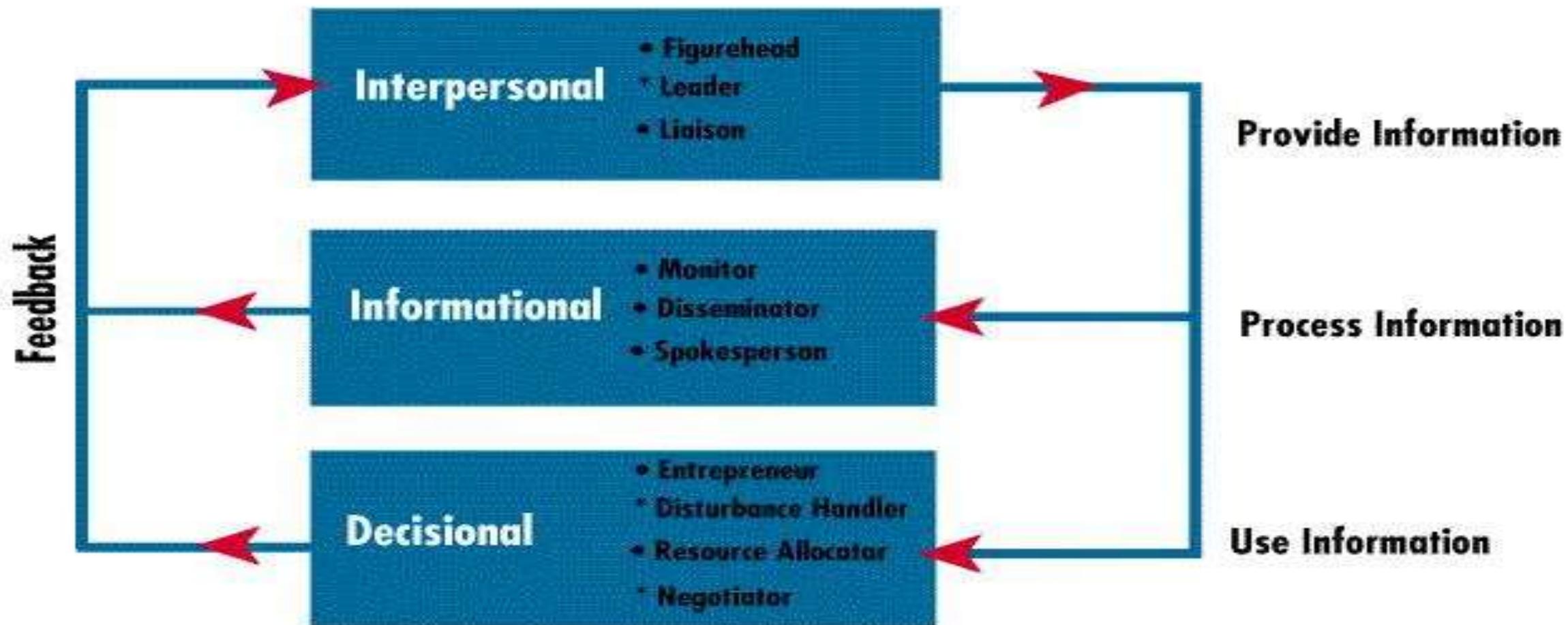
Human skills:

- Human skills refer to the ability of a manager to work effectively with other people both as individual and as members of a group.
- Human skills are concerned with understanding of people.
- These are required to win cooperation of others and to build effective work teams.

Conceptual skills:

- Conceptual skills involve the ability to see the whole organization and the interrelationships between its parts.
- These skills refer to the ability to visualize the entire picture or to consider a situation in its totality.
- These skills help the managers to analyze the environment and to identify the opportunities.
- Conceptual skills are especially important for top-level managers, who must develop long-range plans for the future direction of their organization.

The Managerial Roles

Interpersonal	• Figurehead * Leader • Liaison	**Provide Information**
Informational	• Monitor • Disseminator • Spokesperson	**Process Information**
Decisional	• Entrepreneur * Disturbance Handler • Resource Allocator * Negotiator	**Use Information**

Feedback

* Indicates significant role for the supervisor

1. Interpersonal Roles

The interpersonal roles link all managerial work together. The three interpersonal roles are primarily concerned with interpersonal relationships.

2. Figurehead Role: The manager represents the organization in all matters of formality. The top level manager represents the company legally and socially to those outside of the organization. The supervisor represents the work group to higher management and higher management to the work group.

3. Liaison Role: The manger interacts with peers and people outside the organization. The top level manager uses the liaison role to gain favors and information, while the supervisor uses it to maintain the routine flow of work.

The leader Role: It defines the relationships between the manger and employees.
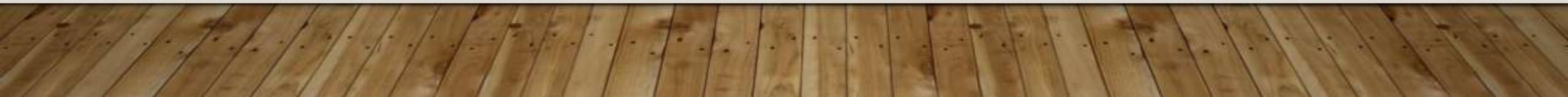
2. Informational Roles

The informational roles ensure that information is provided. The three informational roles are primarily concerned with the information aspects of managerial work.

- **Monitor Role**: The manager receives and collects information about the operation of an enterprise.
- **Disseminator Role**: The manager transmits special information into the organization. The top level manager receives and transmits more information from people outside the organization than the supervisor.
- **Spokesperson Role**: The manager disseminates the organization's information into its environment. Thus, the top level manager is seen as an industry expert, while the supervisor is seen as a unit or departmental expert.
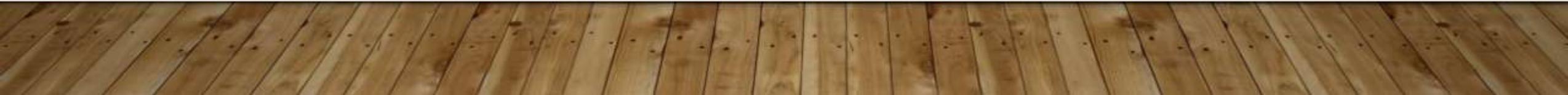
3. **Decisional Roles**

The decisional roles make significant use of the information and there are four decisional roles.

- **Entrepreneur Role**: The manager initiates change, new projects; identify new ideas, delegate idea responsibility to others.
- **Disturbance Handler Role**: The manager deals with threats to the organization. The manager takes corrective action during disputes or crises; resolve conflicts among subordinates; adapt to environmental crisis.
- **Resource Allocator Role**: The manager decides who gets resources; schedule, budget set priorities and chooses where the organization will apply its efforts.
- **Negotiator Role:** The manager negotiates on behalf of the organization. The top level manager makes the decisions about the organization as a whole, while the supervisor makes decisions about his or her particular work unit.
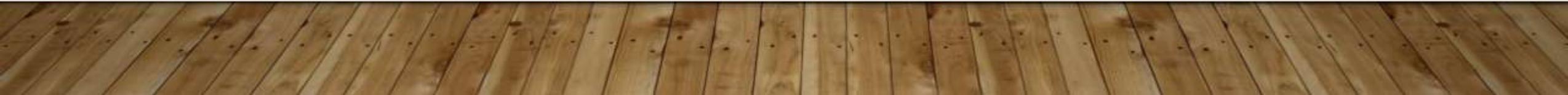
Planning

A plan is a future series of actions decided beforehand. It specifies the objective to be achieved in the future and the steps required to achieve them. Planning is the most essential function of management. It is concerned with thinking in advance about what to do and who is going to do it. It is concerned with the certain determination of a future course of action to achieve the desired result.

Organising

Organizing is the management function of **allotting duties, grouping various activities, establishing authority, and allocating resources necessary to attain the specific plan**. Once the plans are formulated, the organizing function reviews the activities and resources needed to be applied to the plan. It resolves the activities and resources needed.
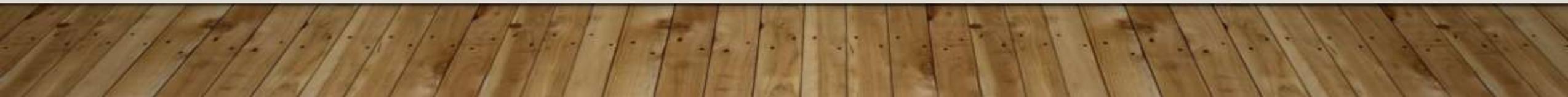
Staffing

Staffing refers to the **process of hiring and developing the required personnel to fill in various positions in the organization**. It is that part of the management process, which is concerned with recruitment, selection, placement, allocation, conservation, and development of human resources. It is a very important aspect of management as it **ensures that the organization has the right number and right kind of people, with the right qualification at the right places, at the right times and that they are performing the right thing**. It is also known as the **human resource function**.

Directing

Directing is that component of the management process which **ensures that the members of an organization work efficiently and effectively for achieving the desired objective**. It involves **leading, influencing, instructing, guiding, and inspiring employees to perform and achieve the predetermined objectives.**

Controlling

When the plans are put into operation from directing, it becomes essential to judge regularly whether the actual results are consistent with the planned results. It **monitors the organizational performance towards the fulfilment of organizational goals**. It enables the manager to **detect errors and defects in the course of work and to take corrective actions whenever needed**.
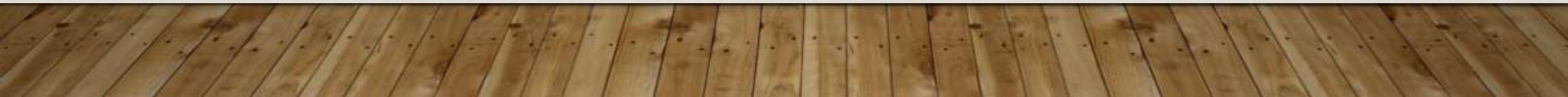
Planning

- Planning is deciding in advance what to do, how to do it, when to do it and who is to do it.

- More formally, planning includes all the activities that lead to the definition of objectives and to the determination of appropriate courses of action to achieve those objectives

Planning

i. Planning is a predetermined course of action. This term is defined in two ways:

ii. **Based on Futurity:** Planning is informed anticipation of future where deciding in advance what is to be done in future.

iii. **As a thinking function:** Planning is a thinking process, an organized foresight, a vision based on facts and experiences that are required for intelligent action.

Features of Planning

- Planning has number of characteristics.

i. **Planning is Goal-oriented:** Planning has no meaning unless it contributes in some positive manner to the achievement of predetermined goals.

ii. **Planning is a primary function:** Without planning there is nothing to organize, no one to motivate and no need to control.

iii. **Planning is all pervasive:** Planning is a function of all managers and all functions.

iv. **Planning is a mental exercise:** Planning is a mental process involving foresight and sound judgment in a logical and systematic manner.

Features of Planning

v. **Planning is a continuous process**

vi. **Planning involves choice:** It essentially involves choice among various alternative courses of action.

vii. **Planning is flexible:** Effective planning requires continual checking on events and forecasts and the redrawing of plans to maintain a course towards a designed goal.

viii. **Planning includes efficiency and effectiveness dimensions:** Plans aim at deploying resources economically and efficiently.

Benefits of Planning

- Four major benefits of planning-
1. Planning forces managers to think ahead
2. It leads to the development of performance standards that enables more effective management control
3. Having to formulate plans forces management to articulate clear objectives
4. Planning enables an organization to be better prepared for sudden development

Importance / purposes of planning

1- To identify the goals alternatives.

2- To provide coordinate effort within organization.

3- To discover the end for change.

4- To focus attention on objectives.

5- To facilitate control.

6- To make economical operation possible by effective utilizing available personnel and facilities.
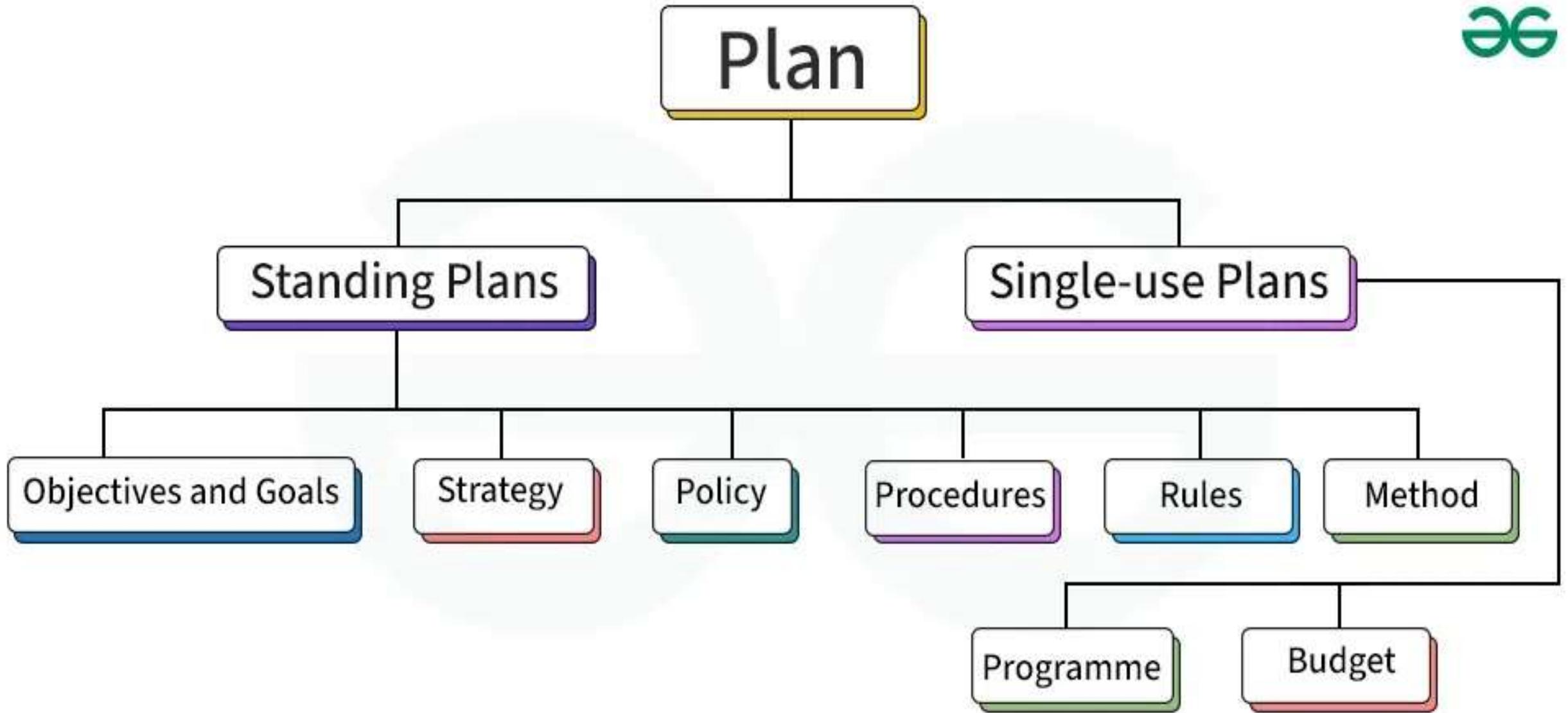
Planning Process

Establishment of objectives

Developing premises

Evaluating and selection of alternatives

Formulating derivative plans

Securing cooperation and participation

Review and follow up

**(1) Establishment of objectives**
It involves identification of goals and objectives of the organization by carefully examining the internal and external environment affecting the business.

(2) Developing premises
Premises are assumptions about the environment in which plans are made and implemented. Thus assumptions about market demand, cost of raw material, technology to be used, population growth, government policy etc. are to be made while formulating a plan.

(3) Evaluating and selection of alternatives
Changes in the external environment pose different alternatives for organizations to carry out a particular task. Different alternatives are evaluated against factors like costs, risks and benefits involved in following a specific course of action and the best alternative is chosen.
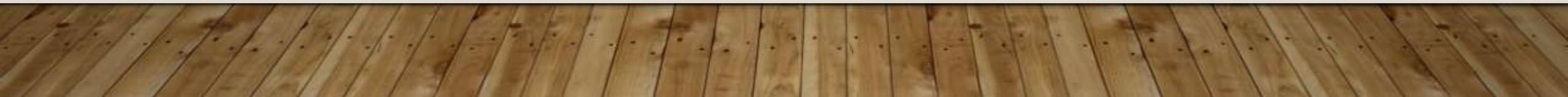
(4) Formulating derivative plans
Derivative plans are secondary plans formulated to support the basic plan. E.g. Detailed plans formulated for various departments, units, activities etc. Derivative plans indicate the time schedule and sequence of performing various tasks.

(5) Securing cooperation and participation
Manager must involve people from various departments and take their suggestions and criticisms to rectify the defects in the plan if any. Participation of employees in formulation of plans motivates them to carry out the plan with best of their abilities.

(6) Providing for follow up
Plans are constantly reviewed to ensure their relevance and effectiveness with the changing dynamics in the business environment. It helps to develop sound plans for the future and avoiding mistakes that surface after or while implementing a plan.
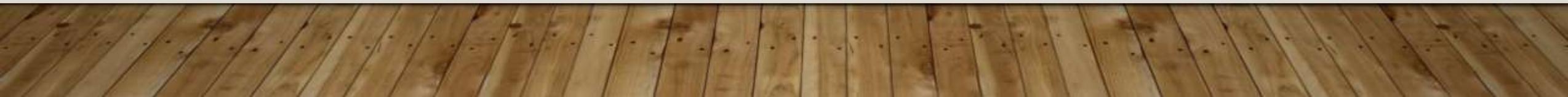
Strategic Planning: The setting of broad, long-range goals by top managers.

Tactical Planning: The identification of specific, short-range objectives by lower-level managers

Contingency Planning: Backup plans in case primary plans fail

Operational Planning: The setting of work standards and schedules

Management by Objectives

A goal-setting method in which managers and employees collaborate to establish clear, measurable goals that align with the organization's objectives.

Management by Objectives

Management by Objective is a process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals. It is a rational and systematic approach to management wherein measurable goals are set up in consultation with subordinate managers and the contribution of each individual is judged in terms of such goals.

- **To aid employees in realizing their responsibilities at work.**
- **To make employees feel valuable in the organization.**
- **To guarantee the effectiveness among employees**
- **To produce clearly specified hierarchies**
- **To set a benchmark for every employee**
- **To serve as a device** for organizational control and integration.
- **To serve as a basis for judgements about salary and promotions.**

Advantages and Disadvantages of Management by Objectives (MBO)

Advantages	Disadvantages
• More Clarity towards Objectives	• Goal-Setting Problem
• Better Management	• Time-Consuming
• Enhanced Individual Commitment	• More focus on Short-term Objectives
• Establishing Controls	• Incapable to provide Guidelines to Goal Setters
• Improved Communication	• Inflexibility
• Motivation and Morale	• Increased Paperwork

# Decision-making- types, process & techniques

Decision making is simply the process of making a choice. But decision making often isn't easy and can be particularly complex in an organizational context.

"Decision-making is the selection based on some criteria from two or more possible alternatives." **– George R. Terry**

"A decision is an act of choice, wherein an executive form a conclusion about what must be done in a given situation. A decision represents a course of behaviour chosen from several possible alternatives." **– D.E. Mc. Farland**
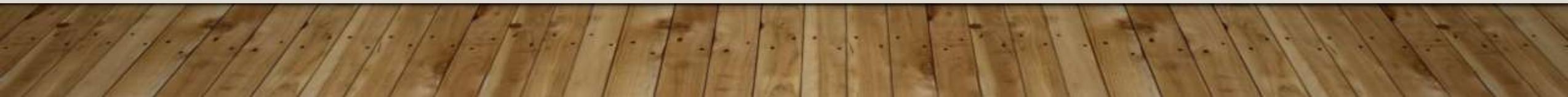
Features or Characteristics of Decision-Making:

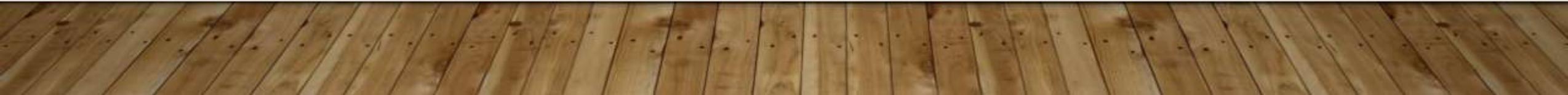From definitions and elements we can draw the following important features of managerial decisions:

1. **Rational Thinking**: It is invariably based on rational thinking. Since the human brain with its ability to learn, remember and relate many complex factors, makes the rationality possible.

2. **Process**: It is the process followed by deliberations and reasoning.
3. **Selective**: It is selective, i.e. it is the choice of the best course among alternatives. In other words, decision involves selection of the best course from among the available alternative courses that are identified by the decision-maker.

4. **Purposive**: It is usually purposive i.e. it relates to the end. The solution to a problem provides an effective means to the desired goal or end.

5.   **Positive**: Although every decision is usually positive sometimes certain decisions may be negative and may just be a decision not to decide.
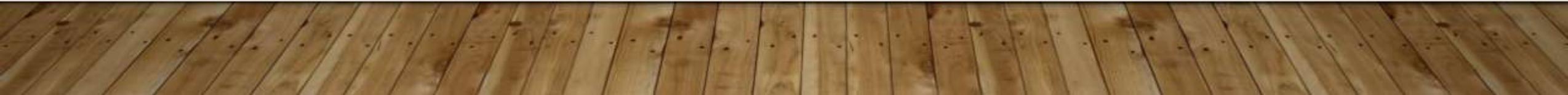
6. **Commitment**: Every decision is based on the concept of commitment. In other words, the Management is committed to every decision it takes for two reasons- viz., (/) it promotes the stability of the concern and (ii) every decision taken becomes a part of the expectations of the people involved in the organization.
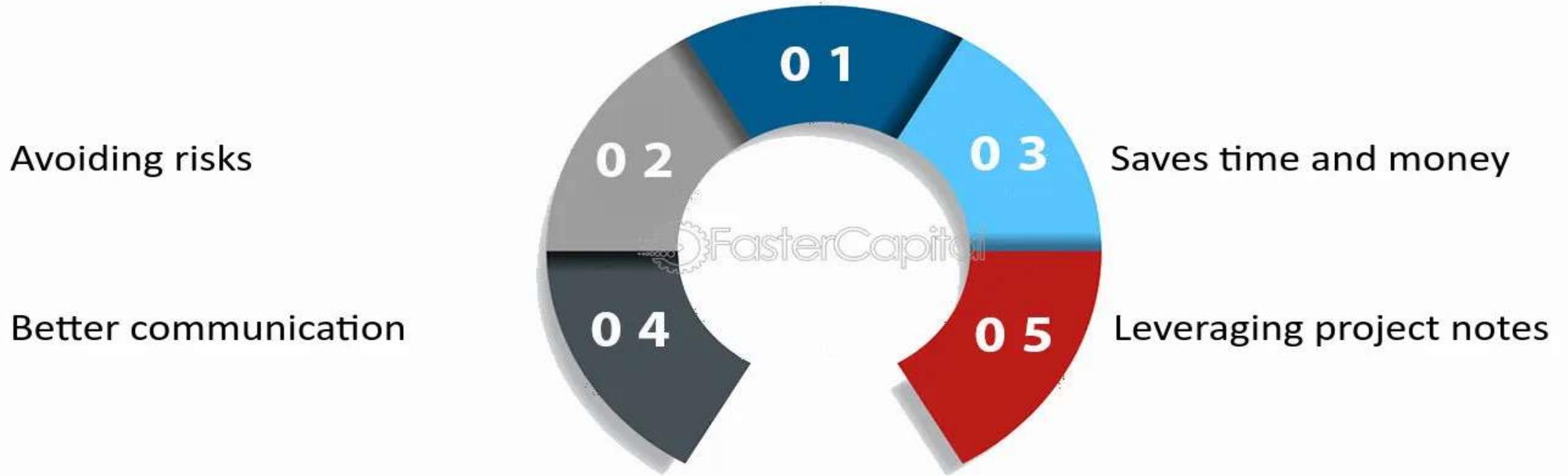
7. **Evaluation**: Decision-making involves evaluation of alternatives. Environment of Decision Making It is said that every manager's primary responsibility is decision-making.

Managers follow a sequential set of steps to make good decisions that are in the interest of the firm. This process is known as decision making process. However, the decision making environment is also an important factor in the process. Let us learn some important aspects of the Decision making environment.

Importance of Making Informed Decisions

Better outcomes

Avoiding risks

Better communication

Saves time and money

Leveraging project notes

Types of Decision-making

Programmed and Non-programmed Decisions — 01

Routine and Strategic Decisions — 02

Organisational and Personal Decisions — 03

04 — **Individual and Group Decisions**

05 — **Tactical and Operational Decisions**

06 — **Major and Minor Decisions**

1. Programmed and Non-programmed Decisions

According to Herbert Simon, **programmed decisions are related to routine and repetitive problems**. Information about these problems is readily available and can be processed using pre-established methods. These decisions have a **short-term impact and are relatively simple, typically made at lower <u>management levels</u>**.

# 2. Routine and Strategic Decisions

There are **two types of decisions in an organization: routine (or operating) decisions and strategic (or policy) decisions**. Routine Decisions are repetitive in nature and have a **short-term impact, mainly concerning day-to-day operations**.

3. Organizational and Personal Decisions

Organizational Decisions are **made by officials in their capacity as <u>resource allocators</u> for the organization**. These decisions rely on sound judgment and experience and can be delegated to other individuals within the organization. Organizational decisions have a **direct impact on the <u>functioning of the organisation</u>** and its outcomes.

4. Individual and Group Decisions

Individual Decisions are made by an individual based on the information available to them. These decisions may involve analyzing various variables, but they are often straightforward. However, in certain situations, significant decisions may be made collectively by a group.
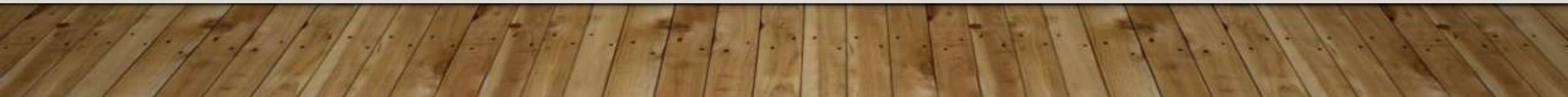
5. Tactical and Operational Decisions
Tactical Decisions **focus on how things will be done to achieve strategic goals**. They are **short-term** and usually involve specific actions that help meet the broader objectives set by higher <u>management</u>.
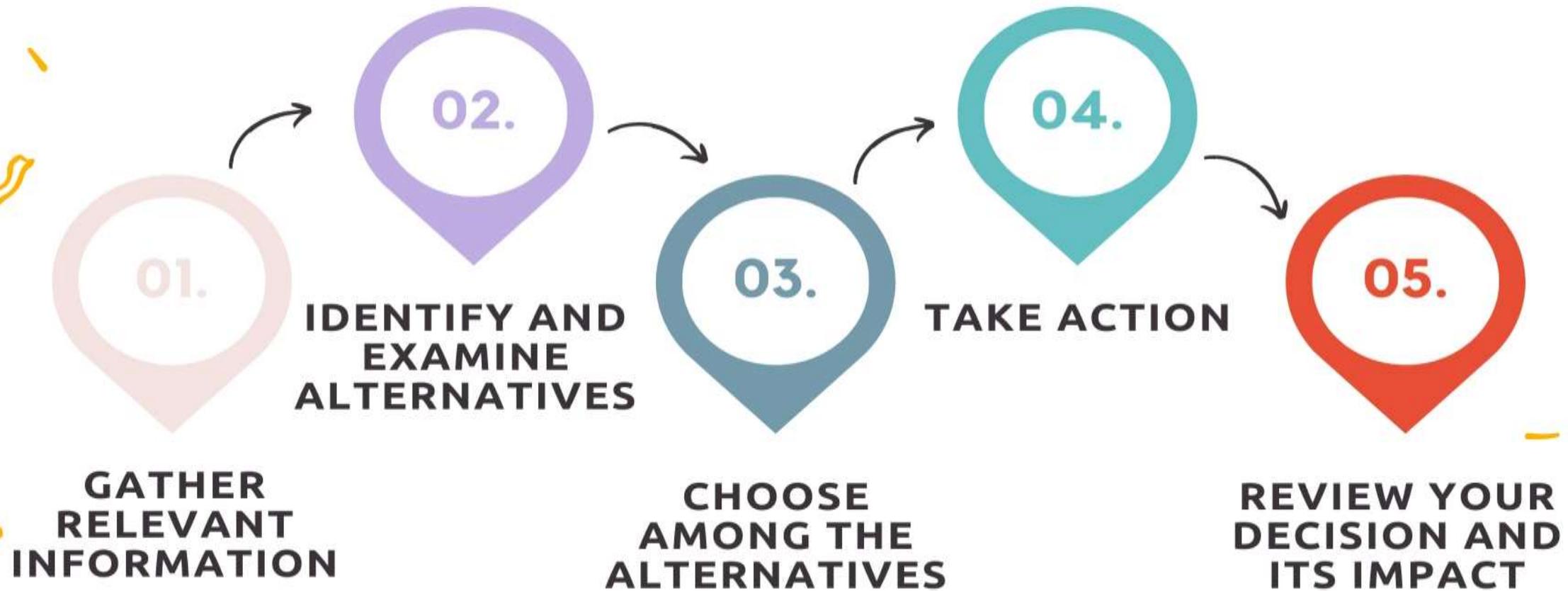
6. Major and Minor Decisions:
Major Decisions are significant choices that can have a **long-lasting impact on our lives**. **For example,** deciding on a career path, choosing a life partner, or buying a house are major decisions.
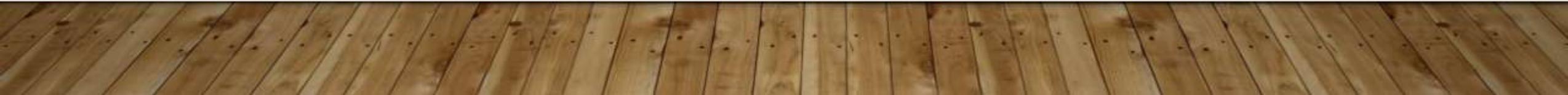
Decision-Making Process

Risely

01.

GATHER RELEVANT INFORMATION

02.

IDENTIFY AND EXAMINE ALTERNATIVES

03.

CHOOSE AMONG THE ALTERNATIVES

04.

TAKE ACTION

05.

REVIEW YOUR DECISION AND ITS IMPACT

Step 1: Gather Relevant information

The decision-making process begins with collecting facts and data, which is essential to understand the situation clearly, get an idea of the desired result, and make further analysis. This decision-making step is crucial for <u>ensuring the decision is well-informed</u> and based on accurate and relevant information.

Step 2: Identify and Examine Alternatives

Building on the first step, the second step calls for a list of possible ways ahead. For instance, you want to visit a new eatery near your place. You can take the bus, the subway, or use your own car.

Step 3: Choose Among the Alternatives

Now comes the crucial part of the decision-making process for managers: choosing the most suitable option based on evaluating the alternatives. In this step, managers' understanding of the team's goals and priorities and the ability to weigh each option's potential benefits and drawbacks play a significant role.
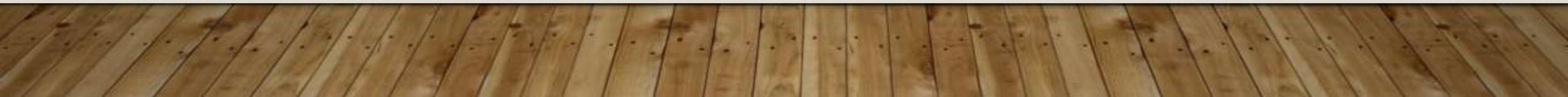
Step 4: Take Action
This decision-making step involves putting the chosen course of action into effect. This step requires a clear plan for implementation and the allocation of resources, as well as effective communication and coordination among the team members and manager.

Step 5: Review your Decision and its Impact
This final step involves assessing the outcome of the decision and determining whether it has achieved the desired results. This step requires ongoing monitoring and evaluation of the results and the ability to adapt and make changes as necessary. The goal is to continuously improve decision-making and ensure that the team achieves its goals and objectives.
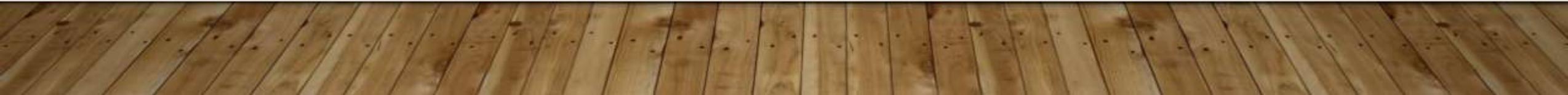
Techniques for Effective Decision Making

Various techniques for decision-making in management can facilitate informed choices:

1) **SWOT analysis**: Conducting a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis helps assess the internal and external factors that can influence decision-making. This technique provides valuable insights into an organization's current and potential scenarios.

2) **Cost-benefit analysis**: When faced with multiple alternatives, conducting a cost-benefit analysis allows you to weigh the costs against the potential benefits of each option. This helps in identifying the most viable and advantageous choice.

3) **Decision trees**: These visual representations help map out potential outcomes and probabilities associated with different decisions. This technique assists in understanding the potential risks and rewards of each alternative.

4) **Delphi technique**: The Delphi technique involves gathering input from a panel of experts to reach a consensus on a decision. You can make more informed choices by considering multiple perspectives and expert opinions.

5) **Brainstorming**: Brainstorming is a group technique that encourages creative thinking and generates many ideas. You can explore innovative solutions to problems or opportunities by leveraging diverse perspectives.