

WHAT IS MANAGEMENT AND HISTORY?

Lesson 1

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Management is a vast subject. It is the heart of the business. Major objective of treating "Principles of Management" in a concise, interesting, and understandable manner will be to present management history and theory with an emphasis on the future. Most students will be applying the concepts learned here over a period of next many years. Another objective shall be to identify several areas where management concepts are applicable to the personal and professional goal setting and also to apply the management skills to the challenge of managing the most difficult peer or subordinate - the one that may confront you in the mirror each morning in your professional career.

In any treatment of a basic subject like this, there is little that the resource/anchor person can claim to be uniquely his own except his/her tacit knowledge and the presentation style. The write-ups from chapters of recommended text books for this course have also been included and are highly acknowledged.

The Intellectual Heritage of Management Organized endeavors directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years. The Egyptian pyramids and the Great Wall of China, for instance, are tangible evidence that projects of tremendous scope, employing tens of thousands of people, were undertaken well before modern times. The pyramids are a particularly interesting example. The construction of a single pyramid employed more than 1 00,000 workers for 20 years. Who told each worker what to do? Who ensured that there would be enough stones at the site to keep workers busy? The answer to such questions is managers. Regardless of what managers were called at the time, someone had to plan what was to be done, how to organize people and materials to do it, lead and direct the workers, and impose some controls to ensure that everything was done as planned.

It is not very difficult for us to imagine modern management techniques in the days of the pharaohs. True, we can get a laugh or two thinking of profit sharing and other twentieth-century terms appearing in the ancient land of the Nile, but the generic relationships of people managing people must have borne a great many similarities. In fact, many ancient documents have been translated to reveal that, through the ages, wherever people have worked together to accomplish their goals, many of the same phenomena have prevailed.

Most scholars suggest that management, in its most basic format, has existed since one person persuaded another - whether with club or carrot - to do something. Frequently, management is defined as the challenge of creating an environment where people can work together to achieve a mutual objective. While this is true for managers in business, government, and other organizations, I hope that each management student will recognize the opportunities for applying management concepts to personal challenges. For that purpose, management can be defined as the concepts, techniques, and processes that enable goals to be achieved efficiently and effectively.

The Egyptian Pyramid:

Approximately four thousand years B.C., the Egyptians were building a civilization edge on the rest of the world. Very few of us can comprehend the extent to which this culture zoomed ahead of its times. If it were possible to make a reliable comparison, we would probably find that no nation in our time is as far ahead of its contemporaries as the land of the Pharaohs was between 4000 B.C. and 525 B.C.

The most obvious demonstration of Egyptian power is the construction projects that remain even today. Without the service of cranes, bulldozers, or tea/ coffee breaks, the Egyptians constructed mammoth structures of admirable precision. The great pyramid of Cheops, for example, covers thirteen acres and contains 2,300,000 stone blocks. The blocks weigh about two and a half tons each and were cut to size many miles away. The stones were transported and set in place by slave labor and precision planning. The men who built the enduring structures of ancient Egypt not only knew how to use human resources efficiently but also knew how to manage 1 00,000 workers in a twenty-year project. In their business and governmental affairs, the Egyptians kept documents to show exactly how much material was received and from whom, when it came in, and exactly how it was used. The military, social, religious, and governmental aspects of Egyptian life were highly organized. There was much inefficiency, © Copyright Prof.Dr.Gopal Paudyal Principles of Management - but the final task was accomplished. Three commodities, which virtually rule modern efforts, seem to have been only minor considerations along the Nile: time, money, and the satisfaction of the worker.

Great China Wall: The Great China Wall was built in the time period of 956 years (688 BC - 1 644 AD). It is 6000 km long. Its base is 20 feet wide and top 1 1 feet wide. The height of the China Wall is from 7 to 37 feet. The whole China wall is made by hand. Working as united for 956 years, there should be some purposes due to which people worked for a long time. According to history, the purpose of china wall was:

- To mark territories
- To defend the area

- To protect silk road

These examples from the past demonstrate that organizations have been around for thousands of years and that management has been practiced for an equivalent period. The Wealth of Nations one of the classic books on economic philosophy was written by Adam Smith, an eighteenth-century professor at Glasgow, Scotland. In 1776, Adam Smith published a classical economics doctrine, The Wealth of Nations, in which he argued the economic advantages that organizations and society would gain from the division of labor, the breakdown of jobs into narrow and repetitive tasks. Using the pin manufacturing industry as an example, Smith claimed that 10 individuals, each doing a specialized task, could produce about 48,000 pins a day among them. However, if each person worked separately and had to perform each task, it would be quite an accomplishment to produce even 10 pins a day! Smith concluded that division of labor increases productivity by increasing each worker's skill and dexterity, by saving time lost in changing tasks, and by creating labor saving inventions and machinery. The continued popularity of job specialization for example, specific tasks performed by members of a hospital surgery team, specific meal preparation tasks done by workers in restaurant kitchens, or specific positions played by players on a football or cricket team-is undoubtedly due to the economic advantages cited by Adam Smith.

Smith's emphasis on the principle of specialization showed him to be ahead of his time. He believed that increasing specialization was the key to productivity. Productivity would produce more income, higher wages, larger families, increased demand, and further division of labor and . . . the cycle would never stop. Smith's contribution to the literature of economics is only exceeded by his optimism about the predictability of man.

The Pleasures of Productivity .As we look briefly at the development of the intellectual heritage of management through the ages, we can see a consistent correlation of productive periods with times of capitalism and individual competition. The concepts are for managers and prospective managers in both nonprofit and for-profit organizations.

Is it degrading to the profession of management to suggest that effective management practice is primarily common sense and was utilized by primitive people? It is no insult . . . because common sense is such an uncommon quality in most generations. In fact, some of the most disappointed students ever to emerge from learning institutions are those who think that, by taking a degree in management, they will receive inside knowledge of the secret words and formulas for manipulating people. The truth is that even the best management education curriculum can only hope to sharpen the skills and understanding that students already have.

Management in Twentieth Century:

The major contribution of the Industrial Revolution was the substitution of machine power for human power, which, in turn, made it more economical to manufacture goods in factories rather than at home. These large, efficient factories using power-driven equipment required managerial skills. Why? Managers were needed to forecast demand, ensure that enough material was on hand to make products, assign tasks UCS Principles of Management to people, direct daily activities, coordinate the various tasks, ensure that the machines were kept in good working condition and work standards were maintained, find markets for the finished products, and so forth. Planning, organizing, leading, and controlling became necessary, and the development of large corporations would require formal management practices. The need for a formal theory to guide managers in running these organizations had arrived. However, it wasn't until the early 1900s that the first major step toward developing such a theory was taken. The development of management theories has been characterized by differing beliefs about what managers do and how they should do it. In the next sections we present the contributions of four approaches. Scientific management looked at management from the perspective of improving the productivity and efficiency of manual workers. General administrative theorists were concerned with the overall organization and how to make it more effective. Then a group of theorists focused on developing and applying quantitative models to management practices. Finally, a group of researchers emphasized human behavior in organizations, or the "people" side of management.

Professional Managerial Era .In our present age of market driven capitalism and futuristic knowledge driven economic markets, the decisions are made and the trends are set by the professional managers. Unlike their predecessors, the captains of today's business do not own their own companies. They must know the whole business but have control over only one small part. They must be product oriented, process conscious, financially responsible and public spirited. They must know all things, yet still function as only one cog in the wheel. If the history of management tells us anything, it is that, no matter .What happens; peace or war, prosperity or famine, this world will always be in need of good managers . . . the kind who can get society from "where it is" to "where it wants to be." Can you be one?

Sydney Opera House:

Sydney Opera Hall is the milestone of the modern age situated in Sydney, Australia which was completed in a time period of 33 years (1940 - 1973). Sydney Opera hall consists of following: 1 000 rooms, 5 theaters Hall for 2679 persons, Sydney Opera Hall is 183 meter tall and 120 meter wide and its roof carries 1,056,000 tiles which were imported from Sweden and it cost \$ 102 million. What is the purpose of building such a unique hall? They used people and technology to achieve that purpose. The main purpose is to provide entertainment to the public.

Flying Colors on PC:

The most commonly used operating system on PC is also a great example to explain the topic of organized effort done

by a modern IT organization. In making one new version of an operating system, dozens of engineers are deployed. When the first operating system was launched by the company, it took several years to launch, and today you get an operating system worth millions on one CD. So, there are the engineers who made the operating system by some processes to give the services to the PC users /customers. The IT organization stands behind its products/services. What is an Organization?

"It is an entity where two or more persons work together to achieve a goal or a common purpose." There are so many organizations around us. Daily we visit and see many organizations hospitals, colleges, factories, farms and government offices. Temple/Mosque/Church is also an example of an organization. People go there and say prayers. Activities of praying are to achieve a certain goal. Similarly, any unit in which two or more persons are working together for some purpose is called an organization.

People

Principles of Management

Purpose

Process POLCA

If there is an organization, then there must be some people. They work as a whole for a common purpose, so there must be a defined purpose. If an organization doesn't have any purpose, it will not survive for long run. To achieve the purposes by using people, the processes are needed. Without any process, you cannot achieve any type of purpose or goal. If we see in our daily life, we have some goals. For achieving these goals, we use some processes. So that process is also obvious and important for an organization. The last important thing for any organization is that it requires main pillars of management i.e. POI-CA:

Planning, Organizing, Leading, Controlling, Assurance;

A manager must perform all these management functions with Assurance! Know the dimensions of the planning organizing-leading-controlling (P-O-L-C-A) framework.

- Know the general inputs into each P-OLC-A dimension.

A manager's primary challenge is to solve problems creatively. While drawing from a variety of academic disciplines, and to help managers respond to the challenge of creative problem solving, principles of management have long been categorized into the four major functions of planning, organizing, leading, and controlling (the PO-L-C-A framework). The four functions, summarized in the P-O-L-C-A figure, are actually highly integrated when carried out in the day-to-day realities of running an organization. Therefore, you should not get caught up in trying to analyze and understand a complete, clear rationale for categorizing skills and practices that.

Planning

Planning is the function of management that involves setting objectives and determining a course of action for achieving those objectives. Planning requires that managers be aware of environmental conditions facing their organization and forecast future conditions. It also requires that managers be good decision makers.

Planning is a process consisting of several steps. The process begins with environmental scanning which simply means that planners must be aware of the critical contingencies facing their organization in terms of economic conditions, their competitors, and their customers. Planners must then attempt to forecast future conditions. These forecasts form the basis for planning.

Planners must establish objectives, which are statements of what needs to be achieved and when. Planners must then identify alternative courses of action for achieving objectives. After evaluating the various alternatives, planners must make decisions about the best courses of action for achieving objectives. They must then formulate necessary steps and ensure effective implementation of plans. Finally, planners must constantly evaluate the success of their plans and take corrective.

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- action when necessary.

There are many different types of plans and planning.

Strategic planning involves analyzing competitive opportunities and threats, as well as the strengths and weaknesses of the organization, and then determining how to position the organization to compete effectively in their environment. Strategic planning has a long time frame, often three years or more. Strategic planning generally includes the entire organization and includes formulation of objectives. Strategic planning is often based on the organization's mission, which is its fundamental reason for existence. An organization's top management most often conducts strategic planning. Tactical planning is intermediate-range (one to three years) planning that is designed to develop relatively concrete and specific means to implement the strategic plan. Middle-level managers often engage in tactical planning. Operational planning generally assumes the existence of organization-wide or subunit goals and objectives and specifies ways to achieve them. Operational planning is short-range (less than a year) planning that is designed to develop specific action steps that support the strategic and tactical plans.

Organizing;

Organizing is the function of management that involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives. The structure of the organization is the framework within which effort is coordinated. The structure is usually represented by an organization chart, which provides a graphic representation of the chain of command within an organization. Decisions made about the structure of an organization are generally referred to as organizational design decisions.

Organizing also involves the design of individual jobs within the organization. Decisions must be made about the duties and responsibilities of individual jobs, as well as the manner in which the duties should be carried out. Decisions made about the nature of jobs within the organization are generally called "job design" decisions.

Organizing at the level of the organization involves deciding how best to departmentalize, or cluster, jobs into departments to coordinate effort effectively. There are many different ways to departmentalize, including organizing by function, product, geography, or customer. Many larger organizations use multiple methods of departmentalization.

Organizing at the level of a particular job involves how best to design individual jobs to most effectively use human resources. Traditionally, job design was based on principles of division of labor and specialization, which assumed that the more narrow the job content, the more proficient the individual performing the job could become. However, experience has shown that it is possible for jobs to become too narrow and specialized. For example, how would you like to screw lids on jars one day after another, as you might have done many decades ago if you worked in a company that made and sold jellies and jams? When this happens, negative outcomes result, including decreased job satisfaction and organizational commitment, increased absenteeism, and turnover.

Recently, many organizations have attempted to strike a balance between the need for worker specialization and the need for workers to have jobs that entail variety and autonomy. Many jobs are now designed based on such principles as empowerment, job enrichment and teamwork. For example, HUI Manufacturing, a custom sheet metal fabricator, has done away with traditional "departments" to focus on listening and responding to customer needs.

Leading;

Leading involves the social and informal sources of influence that you use to inspire action taken by others. If managers are effective leaders, their subordinates will be enthusiastic about exerting effort to attain organizational objectives. The behavioral sciences have made many contributions to understanding this function of management. Personality research and studies of job attitudes provide important information as to how managers can most effectively lead subordinates. For example, this research tells us that to become effective at leading, managers must first understand their subordinates' personalities, values, attitudes, and emotions.

Studies of motivation and motivation theory provide important information about the ways in which workers can be energized to put forth productive effort. Studies of communication provide direction as to how managers can effectively and persuasively communicate. Studies of leadership and leadership style provide information regarding questions, such as, "What makes a manager a good leader?" and "In what situations are certain leadership styles most appropriate and effective?"

Controlling;

Controlling involves ensuring that performance does not deviate from standards. Controlling consists of three steps, which include (1) establishing performance standards, (2) comparing actual performance against standards, and (3) taking corrective action when necessary. Performance standards are often stated in monetary terms such as revenue, costs, or profits but may also be stated in other terms, such as units produced, number of defective products, or levels of quality or customer service. The measurement of performance can be done in several ways, depending on the performance standards, including financial statements, sales reports, production results, customer satisfaction, and formal performance appraisals. Managers at all levels engage in the managerial function of controlling to some degree. The managerial function of controlling should not be confused with control in the behavioral or manipulative sense. This function does not imply that managers should attempt to control or to manipulate the personalities, values, attitudes, or emotions of their subordinates. Instead, this function of management concerns the manager's role in taking necessary actions to ensure that the work-related activities of subordinates are consistent with and contributing toward the accomplishment of organizational and departmental objectives.

Effective controlling requires the existence of plans, since planning provides the necessary performance standards or objectives. Controlling also requires a clear understanding of where responsibility for deviations from standards lies. Two traditional control techniques are budget and performance audits. An audit involves an examination and verification of records and supporting documents. A budget audit provides information about where the organization is with respect to what was planned or budgeted for, whereas a performance audit might try to determine whether the figures reported are a reflection of actual performance. Although controlling is often thought of in terms of financial criteria, managers must also control production and operations processes, procedures for delivery of services, compliance with company policies, and many other activities within the organization.

The management functions of planning, organizing, leading, and controlling are widely considered to be the best means of describing the manager's job, as well as the best way to classify accumulated knowledge about the study of

management. Although there have been tremendous changes in the environment faced by managers and the tools used by managers to perform their roles, managers still perform these essential functions.

KEY TAKEAWAY;

The principles of management can be distilled down to four critical functions.

These functions are planning, organizing, leading, and controlling. This P-O-L-C-A framework provides useful guidance into what the ideal job of a manager should look like.

EXERCISES;

- What are the management functions that comprise the P-O-L-C-A framework?
- Are there any criticisms of this framework?
- What function does planning serve?
- What function does organizing serve?
- What function does leading serve?
- What function does controlling serve?
- compose the whole of the P-O-L-C-A framework.

It is important to note that this framework is not without criticism. Specifically, these criticisms stem from the observation that the P-O-L-C-A functions might be ideal but that they do not accurately depict the day to-day actions of actual managers. H. Mintzberg, *The Nature of Managerial*

Work (New York: Harper & Row, 1973); D.

Lamond, "A Matter of Style: Reconciling

Henri and Henry," *Management Decision* 42, no. 2 (2004): 330-56. The typical day in the life of a manager at any level can be fragmented and hectic, with the constant threat of having priorities dictated by the law of the trivial many and important few (i.e., the 80/20 rule). However, the general conclusion seems to be that the P-O-L-C-A functions of management still provide a very useful way of classifying the activities managers engage in as they attempt to achieve organizational goals. D. Lamond,

"A Matter of Style: Reconciling Henri and Henry," *Management Decision* 42, no. 2, Figure 1.7 The P-O-L-C-A Framework

What is Management

Lesson 2

MANAGEMENT AND MANAGERS

Managerial concept is a branch of management involving the application of management methods in the managerial decision-making process. The management can not be success without a manager and the manager also cannot succeed without good management. The concepts of organizations, managers, and management are explored in this session. Every organization, regardless of size, type, or location, needs managers who have a variety of characteristics. Managers may come from any nationality or be of either gender. Four questions are addressed:

1. Who are managers?
2. What do managers do?
3. What is management?
4. Why study management?

I. Who are Managers?

"A manager is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals."

The changing nature of organizations and work has blurred the clear lines of distinction between managers and nonmanagerial employees. Many workers' jobs now include managerial activities. Definitions used in the past may no longer work. Hence, an organizational member who works with and through other people by coordinating their work activities in order to accomplish organizational goals may be called a manager. However, keep in mind that managers may have other roles and work duties not related to integrating the work of others. You should be aware that managers may have a variety of titles and roles. They perform various jobs and duties and are responsible for higher profits and for great performance. Managers work in various departments and are employed by many types of organizations. You will be meeting different managers in this session and note what jobs, roles and work they perform in their organizations, may it be national or multi-national or entrepreneurial organizations.

II. What do managers do?

No two managers' jobs are alike. But management writers and researchers have developed some specific categorization schemes to describe what managers do. We can focus on following five categorization schemes while making mind what do managers do:

- Management functions and management process as detailed below:

Traditionally, a manager's job has been classified according to the following four functions

Planning: determining organizational goals and the means for achieving them

Organizing: deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom

Leading: inspiring and motivating workers to work hard to achieve organizational goals

Controlling: monitoring progress towards goal achievement and taking corrective action when needed

1. Good managers are those who assure themselves to perform these functions well.

2. New-style or 21st century managers are changing the way they perform these functions, thinking of themselves more like mentors, coaches, team leaders, or internal consultants. They work with anyone who can help them accomplish their goals rather than only following the chain of command. They ask others to participate in making decisions and share information with others.

3. New-style managers perform four functions that have evolved out of the traditional functions:

making things happen; meeting the competition; organizing people, projects, and processes; and leading.

a. Making Things Happen: To make things happen you must determine what you want to accomplish, plan how to achieve these goals, gather and manage the information needed to make a good decision, and control performance, so that you can take corrective action if performance falls short.

b. Meeting the Competition: Free trade agreements, shorter product development cycles, and fewer barriers to entering industries have created increased competition. Companies must consider how to deal with international competitors, have a well-thought-out competitive strategy, be able to embrace change and foster new product and service ideas, and structure their organizations to quickly adapt to changing customers and competitors.

c. Organizing People, Projects, and Processes: Changes in how a company is organized must consider both people issues and work processes (how the work gets done) D. Leading: Motivating and inspiring workers.

Management process is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead, and control;

1. Managers perform various roles in organizations.

2. While performing, variety of management skills are needed and employed by managers.

3. Regardless of the level the manager is on, he or she must ensure that the work activities in the part of the organizational system he or she is responsible for are coordinated and integrated.

4. Managers must "read" and attempt to interpret the situational contingencies facing them before deciding the best way to work with and through others as they coordinate work activities. What is Management?

Simply speaking, management is what managers do. However, this simple statement doesn't tell us much. We define management as the process of coordinating and integrating work activities so that they are completed efficiently and effectively with and through other people. Let's look at some specific parts of this definition.

The process represents the ongoing functions of primary activities engaged in by managers. These functions are typically labeled planning, organizing, leading, and controlling. Let us remember it by POI-CA. Why Study Management?

Management is important for our society, industry and government organizations. The importance of studying management can be explained by looking at the way we interact with organizations every day in our lives. Every product we use, every service we receive, and every action we take is provided or affected by organizations. These organizations require managers. Modern management ensures to create competitive advantage through People:

a. Top-performing companies recognize the importance of the way they treat their work forces.

b. These companies use ideas such as employee satisfaction, selective recruiting performance based high wages, reduction of status differences, sharing information, self-managed teams, and training and skill development.

c. Investing in people will create long lasting competitive advantages that are difficult for other companies to duplicate.

d. Sound management practices can produce substantial advantages in sales, revenues, and customer satisfaction.

e. Poorly performing companies that adopted management techniques as simple as setting expectations, coaching, and rewarding were able to substantially improve return on investment. F. Good management can increase customer satisfaction because employees tend to treat customers the same way that their managers treat them. By studying management, students will be able to recognize good management and encourage it, as well as to recognize poor management and work to get it corrected. After graduation, you will either manage or be managed. A course in management provides insights into the way your boss or peer behave and shall help you to be familiar with the internal working of organizations

Management interview questions

- What's your management style? • How do you see a manager's role on a team?
- How do you motivate a team?
- Tell me about a time you dealt with a difficult employee.
- How would your colleagues describe you?
- Describe how you delegate tasks to team members.
- Other frequently asked interview questions