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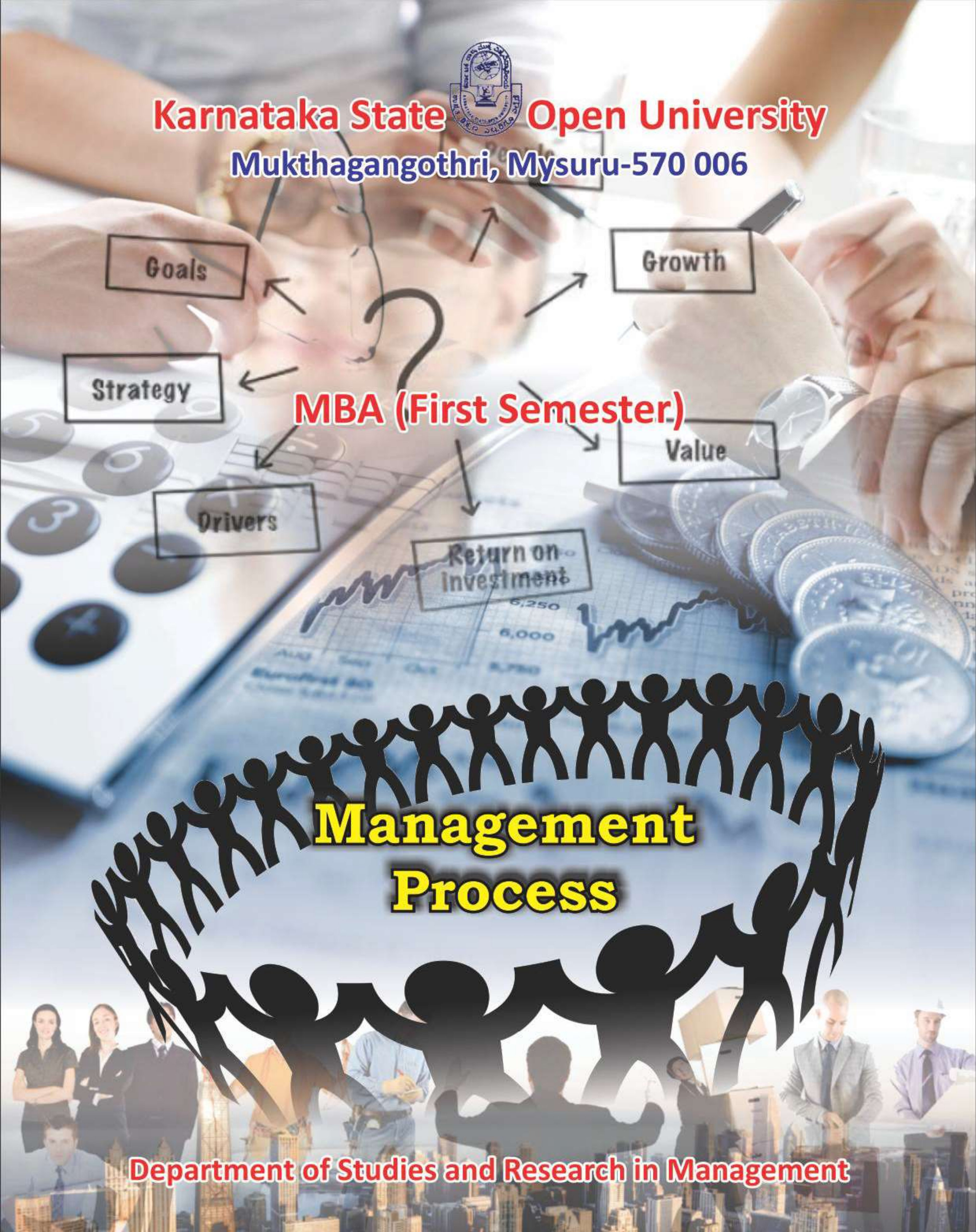

MBA (First Semester)

Management Process

Department of Studies and Research in Management

Course-1

Block-1

KARNATAKA STATE OPEN UNIVERSITY
MUKTHAGANGOTHRI, MYSURU- 570 006.

DEPARTMENT OF STUDIES AND RESEARCH IN MANAGEMENT

M.B.A I Semester

COURSE - 1

MANAGEMENT PROCESS

BLOCK

1

MANAGEMENT CONCEPTS

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BLOCK -1 : MANAGEMENT CONCEPTS

The theory of management has grown over the past one- hundred years evolving from the time and motion studies of engineers to contribution from social scientific, the hawthorn studies and a behavioral approach to more quantitative approached that looks for the optimally functioning of an organization. The development of principles and concepts of management encouraged the formalization of school of business during the twentieth century. Today we see management process plays the key role in the success of any organizations, hence a budding manager must have strong theoretical knowledge to succeed in the process of management.

The block- 1 is concerned management process. This block deals with evolution of management, management theories, principles of scientific management. Further this block also sheds light upon general administration theories and various approaches to management.

Quality is the mantra of modern organizations. In the competitive world 'if no quality, no life for any business', and organizations needs to be dynamic. Unit- 2 deals with total quality management and learning organization.

The unit- 3 deals with trends in management, contributes of management Peter Drucker, Michael Porter, C.K. Prahalad, Shiv Khera, A Chaudary, Gary Hamel, Michael Hammer, Jack Tront, AI Ries and Tom Peters.

Unit- 4 discusses whether management is an art, science or profession. Further this unit also discusses levels of management, functions of managers, management skills, role managers play and Mintz Berg's role of present managers.

UNIT-1 : PROCESS OF MANAGEMENT, EVOLUTION OF MANAGEMENT - SCHOOL OF THOUGHTS

Structure

1.0 OBJECTIVES

After studying this unit you will be in a position

- To define management.
- State the elements of management process.
- Define work agenda
- Mention the different theories of management.

1.1 INTRODUCTION

Management in simple terms, can be defined as the attainment of organisational goals in an effective and efficient manner through: Planning, Organizing, Leading , Controlling and Staffing. Management makes human efforts more productive and brings better technology, products and services to the society. Management is a function of getting things done through and with people in formally organised groups. And directing the efforts of individuals towards a common objective. Managers guide and coordinate the efforts of other towards certain specified goals. The skills which are required to get things done through people consist of conceptual skills, technical skills, and administrative skills, and social skills. Without proper management the resources of production ie., men machine and materials cannot be converted into production. Thus management is a vital function concerned with all aspects of the working of an organisation. It is the art of creating the environment in which people can perform as individuals and yet cooperate towards attainment of groups goals and removing hindrances to high performance, a way of optimizing efficiency to reach goals.

Management is a vital aspect of the economic life of man, which is an organized group activity. It is a activity consisting of a distinct process which is primarily concerned with the important task of goal achievement.

1.2 PROCESS OF MANAGEMENT

Definition: **Management Process** is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead and control. A manager manages the work activities and are usually done in a continuous manner hence it is referred to as a process.

The process of management involves the determination of objective and putting them into action. Management as a process is considered as a continuing activity made up of basic management functions. The process is on going. It assumes a cyclical character: Planning, Organising, Direction and controlling. A manager performs various functions. When management is reviewed as a process, planning is the first function performed by the manager. The work of manager begins by setting the objectives. Next is organising i.e., Bringing together personnel, capital machinery , materials to execute the plans. Staffing involves filling positions needed in the organisation which includes manpower planning , training, motivation and performance appraisal. Managing workers through proper leadership effective communication is important part of the process of directing and finally measuring actual results with standard performance to find out for deviations and taking corrective actions as and when necessary.

A process is a sequence of activities that is intended to achieve some result. It is a unique combination of elements, conditions or causes that collectively produces a given outcome or set of results. There are various ways of looking at the management Process. Some of which are:

1. The traditional view point of management focuses on what the managers do. It is generally accepted that they perform four functions ie., Planning ,organising, Leading and Controlling. Planning involves defining organizational goals and proposing ways to reach them. Organising is the process of creating a structure of relationships within the organisation that enables employees to interact with one another, to interact with mangers and to carry out management's plans and meet its goals. Leading involves communicating with and motivating others to perform the tasks necessary to achieve the organisation's goals. And lastly controlling is the process by which a person consciously monitors performance and takes corrective action. In controlling mangers set standards of performance, measure current performance against those standards, and take action to correct any deviation and adjust the standards if necessary.

2. Behavioural view point of management focuses on the role which mangers play while performing the four basic managerial functions. In the figurehead role, the manger represents the organisation at ceremonial and symbolic functions. The leader role of the manager involves responsibility for directing and co-ordinating the activities of employees in order to accomplish organisational goals. As a liaison role manager deals with people outside the organization. Such people include clients, government officials, customers and suppliers. He seeks support from people who can affect the organization's success, such as the Chamber of Commerce.

3. Systems and Contingency viewpoint of Management recognises that an organisation is an association of interrelated and interdependent parts or sub-systems. The organisation has to interact with various external ‘systems’ such as supplier, customers , shareholders, and government agencies. A manager with a systems view of management will only make decision after identifying and analyzing how other mangers , department, or customers might be affected by the decisions. The underlying principle of Contingency viewpoint of management is that different situations require different practices. It recommends using the other three management viewpoints, namely the traditional, Behavioural and systems viewpoints, independently or in combination , as necessary and appropriate to deal with various situations. Managers are required to determine which of these three approaches is likely to be more effective than others in a given situation.

Management is what mangers do. Management is the process of coordinating work activities so that they are completed efficiently and effectively with and through other people. The process represents the ongoing functions or primary activities engaged in by managers. Efficiency refers to getting the most output from the least amount of inputs. Effectiveness is often described as “doing the right things”. Management is the process of planning, organising , staffing, directing and controlling the efforts of organisation members in utilizing all resources to achieve organizational goals, objectives and mission. ***Management is a process as it operates the activities systematically***.

1.3 ELEMENTS OF MANAGEMENT PROCESS

Steven J Carroll and Dennis J Gillen have identified the following elements of the management process. :

- Work Agenda
- Work methods and managerial roles
- Management functions
- Knowledge base and key management skills
- Performance (goal achievement)

1.3.1 Work Agenda

Kotter – Managers contribute towards organizational output through work agenda. A work agenda is a loosely connected set of tentative goals and tasks that a manager is attempting to accomplish. It is the broad outline within which the managers have to guide their actions and those of others. These agendas are prepared for both short-run and long-run job responsibilities. Managers are required to perform various managerial roles ie., **Interpersonal , Informational, Decisional Roles** – for putting these work agendas into practice , for example, managers have to act as monitors , spokespersons, negotiators and figurehead so that they can work actively according to work agendas.

Interpersonal roles:

Manager as the figure head

Managers as the leader

Manager as the liaison

Informational roles:

Managers as monitors

Managers as disseminators

Managers as spokespersons

Decisional roles:

Managers as entrepreneurs

Managers as disturbance handlers

Managers as resource allocators

Managers as negotiators

1.3.1 Factors affecting work agendas

Three factors that affect work agenda are Job demands, Job constraints and Job choices

Job demands are the demands that a manager must fulfill. The various requirements or demands of the job require different skills to be possessed by managers like conceptual, Human and Technical skills in varying degrees and are normally related to the overall goals and plans of the organization.

Job constraints are the factors that limit the managers' capacity to work on the job as defined under job demands. While working on a job, managers are constrained by factors which are both internal and external to the organization. The various internal constraints are the managers' abilities, availability of resources, industrial relations etc and the external constraints are the legal, political, technological, economic and social factors which can delimit the capacity of managers to work within work agendas.

Job Choices :The work agendas are also reflected by the **job choices** that the mangers wish or do not wish to undertake. Within the framework of job demands and job constraints, the managers often exercise their discretion to carry out certain jobs on their own and delegate the rest to their sub-ordinates. They may even take up additional responsibilities with respect to the jobs that they are entrusted with and delete some of the activities related to their present jobs.

1.3.2 Work Methods and Managerial roles

On the basis of the study conducted by Henry Mintzberg to find out what managers actually did on the job, the following conclusions are drawn

Work Methods - Work methods relate to the way the managers work. The commonly held notion is that managers spend a considerable time in planning and organizing the organizational activities and solving the organizational problems which actually is not the case. The following observations have been made by Mintzberg regarding the work methods adopted by the managers.

- Unrelenting pace
- Brevity, variety and fragmentation
- Verbal contacts and networks

Unrelenting Pace :It was observed that managers do not spend as much time on planning as is normally expected of them. Rather, they are, most of the times, working at such a fast pace, either attending meetings/conferences or addressing subordinates that they do not even have time to enjoy a proper lunch break.

Brevity, Variety and Fragmentation : The managers have to perform such a wide variety of tasks –from receiving a routine telephone call to deciding about various multinational corporate issues- that they tend to be brief over each of their varied activities. They are often interrupted by other issues before thy can solve the prior ones. Planning of various organizational matters was, therefore, left to be taken care of after the normal working hours of the office.

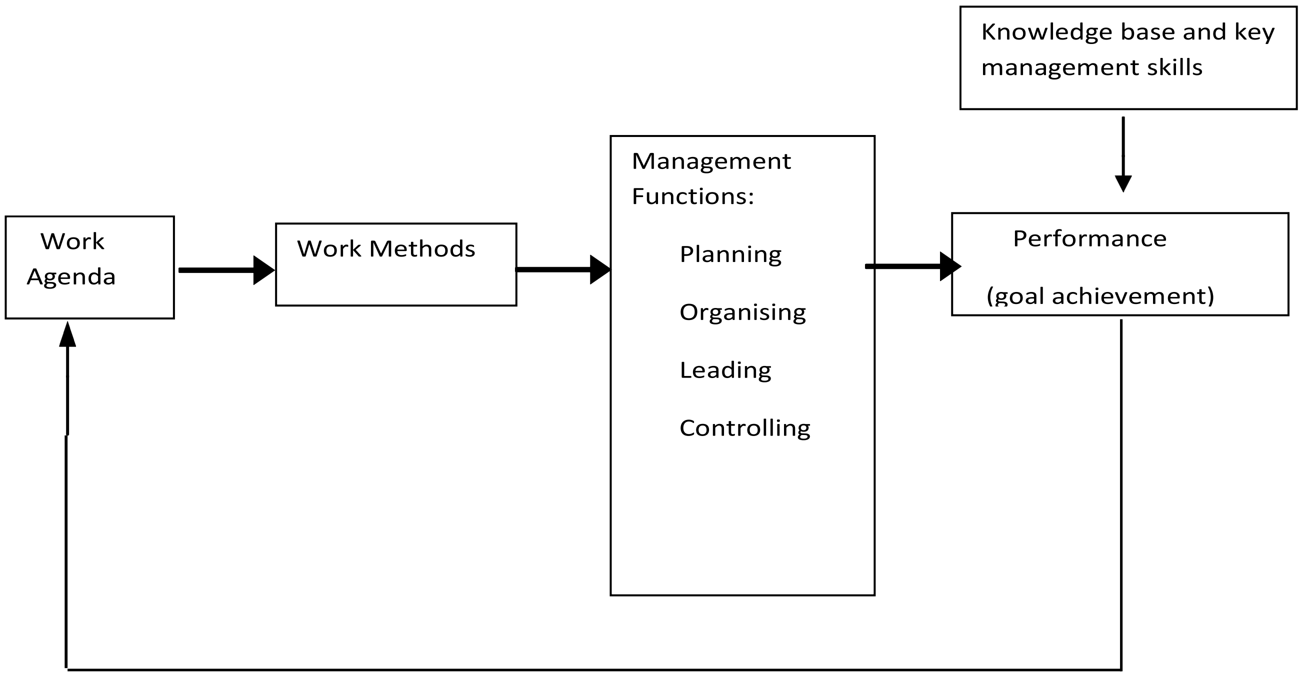
Verbal Contacts and Networks: Managers are assumed to have preference for verbal communication with their superiors, peers and subordinates rather than written communication. This communication is facilitated through networks. A network has been defined as a set of co-operative relationships with individuals whose help is needed in order for a manager to function effectively. The individuals helping the managers can be who are internal and external to the organization like the superiors, peers, subordinates, customers, suppliers, and consultants.

Managerial Roles : Managers perform multiple roles which have been broadly classified into three main categories:

- Interpersonal Roles
- Informational Roles
- Decisional Roles

In the beginning of the 21st century Henri Fayol , an French Industrialist proposed that all managers perform five management functions: planning, organizing, commanding, coordinating and controlling. As organisations exist to achieve some particular purpose, it is very important to clearly define that purpose and the means for it achievement. The reality of managing is not quite simplistic. There are no simple , cut-and-dried beginning or ending points as mangers plan, organize, lead and control.

1.4 MANAGEMENT PROCESS



THE MANAGEMENT PROCESS

Planning

Company mission is the basis for planning .Planning is deciding in advance what should be done. Managers think logically to achieve goals.

Organising

Organising is the process of linking and arranging activities in a sequence . It includes allocating work, authority and resources

Staffing

Staffing is acquiring, developing , utilizing and compensating human resources necessarily to achieve organisational goals. Human resources help the process of converting inputs into output and achieving customer satisfaction.

Directing

Directing involves leading, influencing and motivating the people to perform organizational tasks and to convert input into output. It includes:

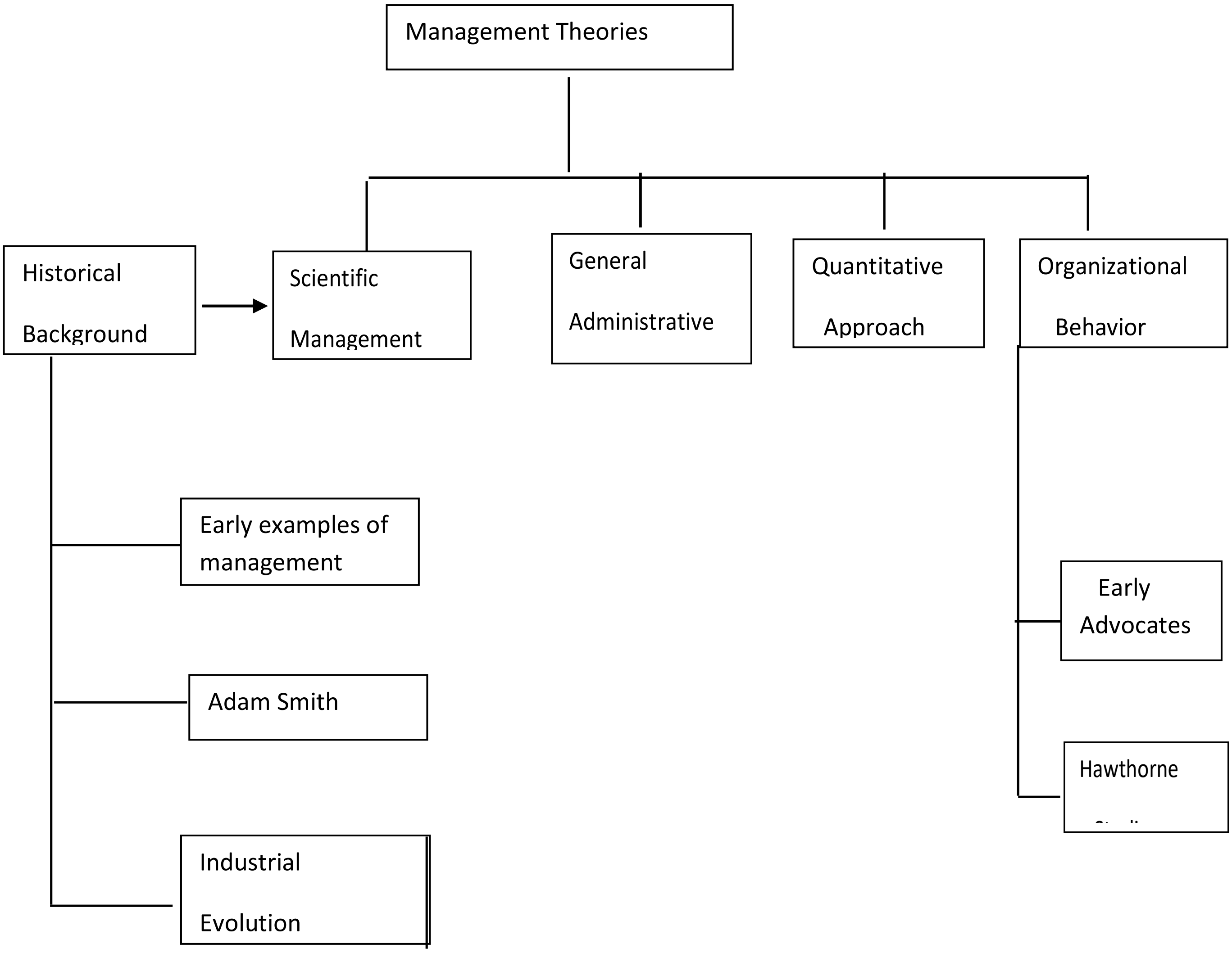
- Motivation
- Leadership
- Communication

Controlling

Controlling is to make sure that the organization is moving towards its mission and objectives

Evolution of Management - School of thoughts

1.5 EVOLUTION OF MANAGEMENT THOUGHT FROM EARLY POINEERS TO MODERN MANAGEMENT THINKERS



1.6 MANAGEMENT THEORIES

Principles of management are evolved and different approaches to management are designed. The first among the management theories is scientific management.

Scientific Management:

The practice of management has existed since the earliest time. Western civilization has been dramatically affected by the Catholic and Protestant churches, which have developed worldwide organizational structures using managerial concepts.

Management practice in business, government, and the church remained quite stable through the centuries until the mid-18th century with the birth of the Industrial Revolution in England. With the Industrial Revolution, began the early scientific inquiries into the practice of management. The forerunners of Scientific Management theory are Robert Owen, Charles Babbage and F.W Taylor.

Robert Owen: was the first person to pay attention to labor welfare. He suggested a change in the attitude of industrialists towards workers. He worked up to his maximum possible extent for the amelioration of working conditions of workers and thereby tried to win over their confidence. He stated that men should not be treated as secondary and inferior to machines.

Charles Babbage: sometimes referred to as the patron saint of operations research invented a predecessor to the modern day computers, an invention he called the "difference machine" that actually performed mathematical calculations and computed statistical probabilities. Two pioneering works of Babbage are 'The Differential Engine and On Economy of Machinery and Manufacturer'. He stated that the methods of science and mathematics could be applied to the solution of the factory's problems.

Frederick Winslow Taylor: known popularly as the father of scientific management and a classicist in management theory, was the first person whom insisted on the introduction of scientific methods in management. He made for the first time a systematic study of management and evolved an orderly set of principles to replace the trial and error methods then in vogue. He observed that workers were not enthusiastic and were doing as little as possible, just adequate to maintain their job. Taylor's contribution is based on his observation of the working conditions and the behavior of the workers/ employees in the organization.

1.7 PRINCIPLES OF SCIENTIFICE MANAGEMENT

The contributions to scientific management evolved into principles. These principles are called principles of scientific management. They include:

- Time and Motion Study
- Science, but not rule of the thumb
- Differential payment
- Group harmony
- Co-operation between workers and management

- Methods study
- Scientific selection and training
- Standardization
- Separation of planning from execution

1.8 GENERAL ADMINISTRATIVE THEORISTS

Another group of writers looked at the subject of management but focused on the entire organization. They are referred to as the general administrative theorists. They developed more general theories of what managers do and what constituted good management practice. The important contributions given by Henry Fayol and Max Weber are:

Henry Fayol : Fayol's attention was directed at the activities of all managers. He described the practice of management as something distinct from accounting, finance, production, distribution and typical functions. He argued that management was an activity common to all human endeavors in business and government. He then proceeded to state 14 principles of management. *Division of work*, *Authority, Discipline*, *Unity of Command*, *Unity of Direction, Subordination of individual interest to the general interest, Remuneration, Centralization, Scalar Chain, Order, Equity, Stability of tenure of personnel, Initiative, Esprit de corps*.

Max Weber: Max Weber developed a theory of bureaucratic management, which emphasizes on a strictly defined hierarchy governed by clearly defined regulations and lines of authority. For Weber the ideal organization was a bureaucracy. Weber sought to improve the performance of socially significant organizations by making their operations productive. Weber recognized that ideal bureaucracy did not exist in reality. Instead he intended it as the basis for theorizing about work and how work could be done in large groups. His theory became the model structural design for many of today's large organizations.

1.9 QUANTITATIVE APPROACH TO MANAGEMENT

The quantitative approach involves the use of quantitative techniques to improve decision-making. This approach has also been labeled as Operations Research or Management Science. This approach to management involves applications of statistics, optimization model, information model and computer simulation to management activities. The quantitative approach has contributed directly to management decision-making in the areas of planning ad control.

1.10 BEHAVIOURAL APPROACH / HUMAN RELATIONS APPROACH

The human element was recognized even in the scientific management school. The human relations approach is the outcome of reactions of classical theorists like Mary Parker and Chester I Bernard. Elton Mayo and his associates pointed out that the techniques of scientific management are not adequate and they do not contribute to individual and organizational goals. The essence of human relations approach is that workers should be treated as human beings but not as mere factors of production. Workers needs, feeling, attitudes, values and desires are extremely important. The theme of human relations approach is that organizational situation should be viewed in social terms as well as in economic and technical terms and the social process of group behavior can be understood in terms of the clinical method analogous. An intensive and systematic analysis of human factor was made in the form of Hawthorne Experiments. The series of experiments conducted under the Hawthorne study include the following:

- Illumination Experiment
- Relay Assembly Test Group
- Interviewing Program
- Bank Wiring Observation Room Experiment

The human relations approach pertains to motivating people in organizations in order to develop teamwork, which effectively fulfils their needs and leads to achieving organizations goals. Thus human relations strive to created a positive and conducive work environment, focuses on people, has the ultimate goal of increase in productivity, and seeks to build human cooperation towards achievement of organizational goals.

1.11 SYSTMES APPROACH TO MANAGEMENT

Systems approach to management views the organization as a unified, purposeful system composed of inter-related parts. Hence, managers have to deal with the organization as a whole rather than dealing separately with various segments of the organization. This approach also gives the managers to see the organization as a whole and as a part of the larger external environment. The essence of the systems approach is that each manager cannot function in isolation within his organizational boundary of authority and responsibility of the traditional organizational chart. Key concepts of systems approach are:

- Sub-system
- Synergy
- Open system
- Closed system
- System boundary
- Flows
- Feedback

1.12 CONTINGENCY APPROACH TO MANAGEMENT

This approach is also called situational approach. Managers, consultants and researchers who tried to apply the concepts of the major schools to real life situation developed this approach. They sought to know the causes for the success of methods in one situation and failure in another situation. This approach emphasizes that managers have to identify the techniques, which will best contribute to the attainment of the management's goals in a particular situation, under particular circumstance and at a particular time. Classical theorists suggest work implication for increase in productivity whereas Behavioral Scientists suggest job enrichment, but the manager under contingency approach should find out which method will work better in that particular situation. This approach is builds upon systems approach. The composition of a particular situation or system will help to know the techniques best suited to that particular situation or system.

1.13 HUMAN RESOURCE MANAGEMENT APPROACH

Human resource is a principle and a sub-system and resource of an organization. Both the human resource system and the entire organization operate under the same environmental factors. Human resource management approach is developmental. It is concerned with the growth and development of people towards higher levels of competency, creativity and fulfillment. The human resource management approach is supportive. It helps employees to develop through training and development and other techniques of human development, it also develops more responsible and committed persons through the creation of conducive organizational climate, strong culture, attractive rewards system, free and challenging work environment, team spirit and the like. This approach assumes that increased capabilities and expanded opportunities for people will lead directly to the improvement of the organizational effectiveness and efficiency, employee job satisfaction will be a direct result when employees make use of their resources to the fullest extent. Thus, the human resource management approach reveals that sound management of human resource through proper training and development, proper salary administration, creating conducive work environment, providing challenging job and maintaining sound industrial relations result in the employee contribution for achievement of organizational goals.

1.14 SUMMARY

Thus the basic role of managing is to achieve certain objectives and goals. A precise and complete statement in this regard would make the objectives clear and understood by all concerned who have to direct their activities towards its attainment. In order to accomplish satisfactorily anything of importance, it is necessary to plan in advance of doing. What should be done, how it should be done, who will be responsible for doing it, where action is to be taken an why it is to be done. Management process becomes a cycle and indicates the unending nature of managers' job.

1.15 SELF ASSESSMENT QUESTIONS

1. What is process of management?
2. Describe the process of management and explain how it can be used to accomplish result in any organisation?
3. What are the principles of management?
4. Briefly explain a few management schools of thought.
5. State the Principles of Scientific Management.

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1.17 CASE

Rohith is an engineer in a large design engineering office. Rohith hails from a rural background , and his family had a low income and stern rules. In order to earn his college degree, he had to work, and he paid most of his own expenses. Rohith is an intelligent and capable engineer. His main fault is that he does not want to take risks. He hesitates to take decisions himself, often bringing petty and routine problems to his supervisor or to other engineer colleagues of his for a decision. Whenever he does a design job he brings it in rough draft to his chief engineer for approval before he finalizes it. Since Rohith is a capable person, his chief engineer wants to motivate him to be independent in his work. The chief engineer believes that this approach will improve Rohith' s performance, relieve the chief engineer from extra routine and give Rohith more self confident. However the chief engineer is not sure how to go about motivating Rohith to improve his performance.

Poser: In the role of chief engineer, explain how you would motivate Rohith. .

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UNIT -2 : TOTAL QUALITY MANAGEMENT, LEARNING ORGANISATIONS

Structure

2.0 OBJECTIVES

After studying this unit you will be in a position

- To define quality.
- State the factors affecting quality.
- Understand the different dimensions of quality
- State the benefits of Learning organisations.

2.1 INTRODUCTION

During the advent of industrial revolution, manufacturers / craftsmen made products and checked their quality themselves. No outside agencies or quality control methods were employed to inspect and control the quality of the goods produced. During the World War 1 , the need for manufacturing weapons in large quantities arose and with that arose the need for imposing an effective control system over of goods/ weapons produced. As a result of globalisation today, firms who wish to retain their share in the world markets in terms of quality and reliability of their products must maintain quality of their goods and services. The term 'quality' has thus, taken a form of quality revolution which each firm today striving to aim at an if not should aim at. Today every individual is living in a quality age and wish to possess quality products , be it a hoe or a car or furniture or even consumables. The word 'quality' is qualitative in nature and has different meaning for different people. Quality implies a person's state of mind and is associated with the following perceptions:

- A good product
- Sturdy
- Durable
- Easy to operate
- Good in appearance.

Quality means "Products that are manufactured exactly to specifications." ISO 9000 defines quality as the totality of features and characteristics of a product and service that bears on its ability to meet stated or implied needs.

Organisations everywhere are growing increasingly conscious of the competitive potential of quality. Quality has become an issue because standards are now contractually defined. Competition focuses not only on price but quality also. The challenge for business today is to produce quality products efficiently. Quality is one of the four key objectives in operations management along with cost, flexibility and delivery of goods and services.

Quality is not a new concept in modern business. "the first job we have is to turn out quality merchandise that consumers will buy and keep on buying. If we produce it efficiently and economically, we will earn a profit, in which you will share" William Cooper Procter. Customers are becoming increasingly intolerant of poor service, late deliveries, unreliable goods ,shoddy workmanship and the like. The importance of quality can be stated in the following sentences**-" No quality , no sales. No sales, no profit. No profit, no jobs."**

QUALITY - What it stands for?

Q: Quest for Excellence

U: Understanding customers needs

A: Action to achieve customer's appreciation

L: Leadership – determination to be the leader

I: Involving people

T: Team spirit to work for a common goal and

Y: Yardstick to measure progress.

2.2 QUALITY - DEFINATION

Quality is defined as the "ability of a product or service to meet customers needs"

"The integrity in delivering what a customer has a legitimate right to expect in view of what was promised at the time of the agreement or purchase" . Quality is the single most important force leading to organisational success and company growth in national and international markets. Quality can be described as doing the right thing, doing it the right way, doing it on time, doing it right the first time and doing it right every time. Quality means meeting customer's requirements , formal and informal, at the lowest cost, first time and every time.

Quality is perfection, consistency eliminating waste, speed of delivery, compliance with policies and procedures, providing a good, usable product, doing it right the first time, delighting or pleasing customers, and total customer service and satisfaction.

W.Edward Deming, a leading quality guru called quality as “Continuous improvement.” According to Joseph M Juran, quality is “Fit for Use”

2.3 SEVEN FACES OF QUALITY

- Performance
- Features
- Reliability
- Conformance
- Durability
- Serviceability
- Aesthetics

Producing superior quality products or providing a quality service is vital to the continued growth and success of a firm. There are number of benefits a firm derives by offering quality products. Some of which are: It gives a positive company image; It improves competitive ability both nationally and internationally; It increases market share, which translates into improved profits; Overall , it reduces costs, which translates into improved profits; It reduces atmosphere for high employee morale, which improves productivity.

2.4 FACTORS AFFECTING QUALITY

Some of the factors that affect a company’s ability to produce quality products are as follows:

Markets: Markets in terms of consumer demands are expanding today and consumers demand qualitative products to satisfy their need.

Money: With increase in competition, firm’s profit margins are reducing and therefore, they have to concentrate on minimising the quality costs.

Men: With increasing size, complexities and specialisation of business operations, there is need to appoint workers with specialised knowledge who can produce quality goods for the firms to be able to compete in competitive environment.

Materials: To cope up with high cost of production, business organisations have to search for alternate materials which will keep the overall cost of materials low inconsonance with high quality of goods.

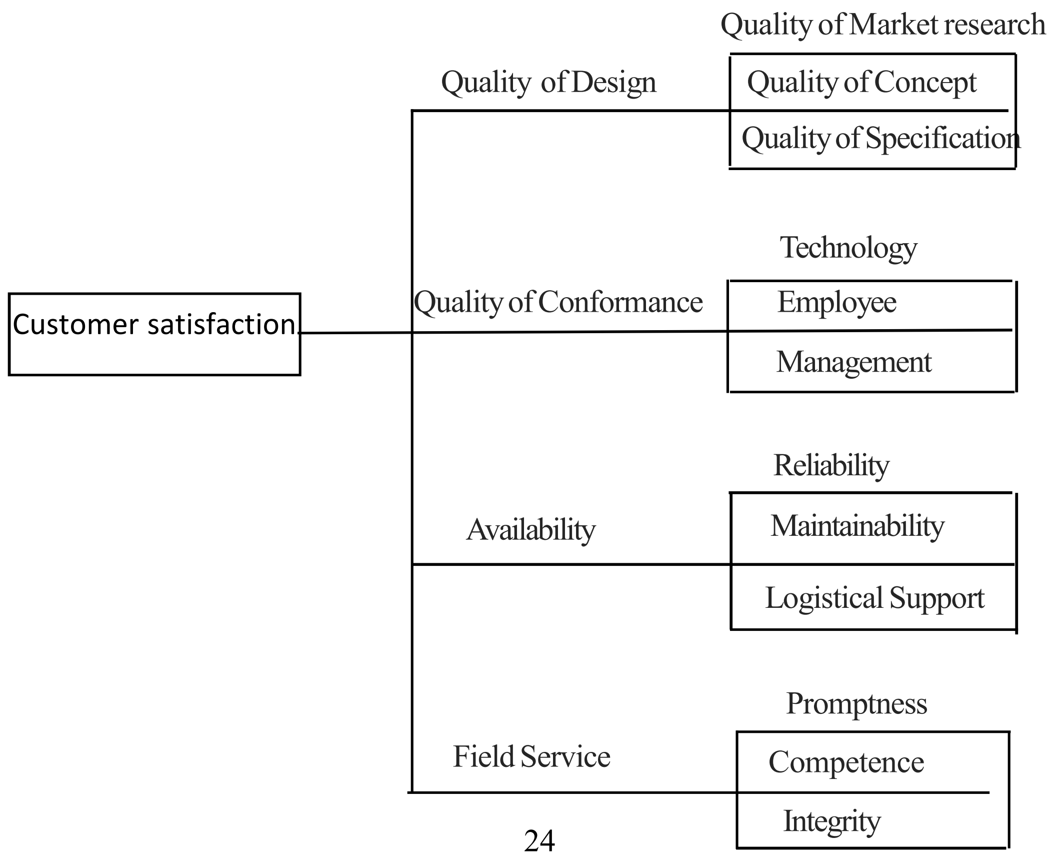
Machines : Maintaining existing machines and looking for newer machines which will help manufacturers reduce their cost of production can also add to the quality of products.

Management: Quality should not confine itself to the product. Designing the product transformation process that will produce the final product, marketing of the product, providing for after sales service are all essential features of quality management which require active support of top management in allocating responsibility to those concerned so that product quality can be maintained.

Motivation: The greatest force that can contribute to quality of the product is the workforce. Workers should, therefore, be motivated, through education and incentives to contribute their best to the product quality.

Management Information Systems: The information systems through application of computer –oriented tools and techniques also contribute to the quality of the products by making right information accessible at the right time and the right place.

2.5 DIFFERENT DIMENSIONS OF QULAITY



Source: Roger G. Schroeder, Operations Management, Irvin McGraw Hill

2.6 TOTAL QUALITY (TQ)

Total Quality is a people focussed management system that aims at continued increase in customer satisfaction at continually lower real cost. T is a total system approach and an integral part of high –level strategy, it works horizontally across functions and department, involves all employees , top to bottom and extends backward and forward to include the supply chain and the customer chain. It includes systems , methods and tools. The concise definition of TQ used by Procter and Gamble is : “Total quality is the unyielding and continually improving effort by everyone in an organisation to understand , meet and exceed the expectations of customers.”

The term total quality management (TQM) has been commonly used to denote the system of managing for total quality. TQM is a total, company wide effort trough full involvement of the entire workforce and a focus on continuous improvement that companies use to achieve customer satisfaction. TM is both a comprehensive managerial philosophy and a collection of tools and approach for its implementation. The concept of TQM has been around for some time, A.V Feigenbaum recognised the importance of comprehensive approach to quality in the 1950s and coined the term total quality control. Feigenbaum observed that the quality of products and services is directly influenced by what he terms the **9M**s : “ Markets, Money, Men, and women, Motivation, Materials, Machines and mechanisation, Modern information methods and Mounting product requirements”.

2.7 PRINCIPLES OF TOTAL QUALITY

The core principles of total quality are

- A focus on the customer
- Participation and team work
- Employee involvement and empowerment
- Continuous improvement and learning

The modern definition of quality centres on meeting or exceeding customer expectations. Thus, the customer is the principal judge of quality . Perception of value and satisfaction are influenced by many factors throughout the customer’s overall purchase , ownership and service experiences. Companies must focus on all product and serve attributes that contribute to perceived value to the customer and lead to customer satisfaction. To accomplish this task, a company's efforts need to extend well beyond merely meeting specifications, reducing defects and errors on eliminating complaints. They ;must include both designing new products that truly delight the customers and responding rapidly to changing consumer and market demands.

Japanese mangers made full use of the knowledge and creativity of the entire workforce for their rapid quality achievements . In any organisation , the person who performs a job is the person who best understands the job and how to improve both the product and the process. By training employees to think creatively and rewarding good suggestions, mangers can develop employee loyalty and trust. Managers must formulate systems and procedures and put them in places to ensure that participation becomes a part of the work culture. Participation of employee can be encouraged by implementing suggestion systems or schemes that act quickly , provide feedback and reward good suggestions.

Team work is another important element of total quality attention on customer –supplier relationships among the employees and encourages the involvement of the total work force in attacking systematic problems, particularly those that cross functional boundaries. Success of team work needs managers' acceptance of workers' suggestions.

The primary role of management is to lead an organisation in its day-to –day operations as well as maintain it as a viable entity into the future. Quality has become an important factor to success.

In the late 1980s providing customer satisfaction in customer terms became a specific goal of business organisation. Providing high quality was recognised as a key element for success. At the end the 12^{th} C, business organisations were involved in what has become a quality revolution. It began in Japan and has spread to other parts of the world. It involves an entirely new way of thinking about and dealing with quality that encompasses the entire organisation. This new approach has been given a variety of name viz., "**Six Sigma**" at Motorola, "**Leadership through Quality**" at Xerox, "**Perfect design Quality**" at Intel and **Total Quality Control**" at Hewlett- Packard, but more often referred to as "**Total Quality Management"**.

According to ISO, Quality management is defined as "that aspect of the overall management function that determines and implements quality policy and as such is the responsibility of top management. " It is a managerial responsibility and relates to control of all activities within the organisation for future success of the organisation. Once an organisation decides to concentrate on quality of its products, it implements this decision by applying managerial efforts to change the entire approach to business and make quality a guiding factor in everything that an organisation does. The fact that managerial attention is focused on every organisational activity, however small it may be is the core of the concept of Total Quality Management.

"Total Quality Management" (TQM) is a philosophy that involves every one in an organisation in a continual effort to improve quality and achieve customer satisfaction."There are two key philosophies in TQM . One is a never ending push to improve(Continuous improvement) or Kaizen in Japanese and the other is a goal of customer satisfaction which involves meeting or exceeding customer expectations.

The concept of TQM can be understood by understanding the meaning of three terms that make up the concept. These are:

- Total – Everyone associated with company is involved in continuous improvement including customers and suppliers
- Quality-Customers' stated and implied requirements are fully met.
- Management- Executives are fully committed.

TQM is viewed as collection of systems that aims continuous improvement of the production processes to satisfy the present and potential requirements of internal and external customers, through management commitment, teamwork, participation, involvement, education and training , recognition and reward and application of quality tools and techniques.

2.8 PDCA CYCLE

Dr. W.E Deming (Plan -Do -Check - Act).The steps in the PDCA are implemented as follows:

Plan- It refers to product development .The team must lay down the objectives ,policies, and procedures of TQM , determine customer requirements, adopt appropriate tools and techniques and educate and train personnel to produce products that meet customer requirements. If a problem is detected in any area of product development, the team must find the causes of the problem by collecting the necessary data and information which must be based on facts and not mere judgment or thinking.

Do: It refers to working according to the plan. It amounts to manufacturing according to product development plans. The process of TQM must be implemented by introducing machines, material and men to the production processes. If any problem is detected in the planning phase, the team will take necessary steps to solve that problem in the Do phase.

Check- Once the production process has started , Check refers to finding deviations if any, in outputs . It refers to finding the causes of deviations and analysing their impact on the final product and the market relationships. It amounts to checking the impact of company's sales on customer satisfaction. In the event of any problem having been detected in the plan the solution to which was implemented in the do stage, the check phase aims to find out whether or not the improvement process was successful.

Action- If steps taken are proved to be successful , better quality level should be accepted and if steps have not proved to be successful, the PDCA cycle should be repeated. It, therefore, deals with market research and aims to prevent problems rather than correct them.

Total Quality demand new styles of managing and entirely new set of skills. TQM is an approach to doing business that attempts to maximise the competitiveness of an organisation through the continual improvement of the quality of its product, services, people, processes and environments. Total quality organisations have a comprehensive strategic plan that contains the following elements :

- Vision
- Mission
- Broad Objectives and
- Activities

An increasing number of firms find that commitment to their customers through total quality is essential for their survival in the current global competitive environment. This commitment to quality starts with managerial leaders. Strong leadership is a characteristic common to a number of total quality organisation. Leadership is the most important ingredient for launching and sustaining a quality improvement process.

2.9 SALIENT FEATURES OF TQM

1. Find out what the customers want. Customers include both internal as well as the external customer.
2. Design a product or service what will meet or exceed what customers want.
3. Design a production process that facilitates doing the job right the first time.

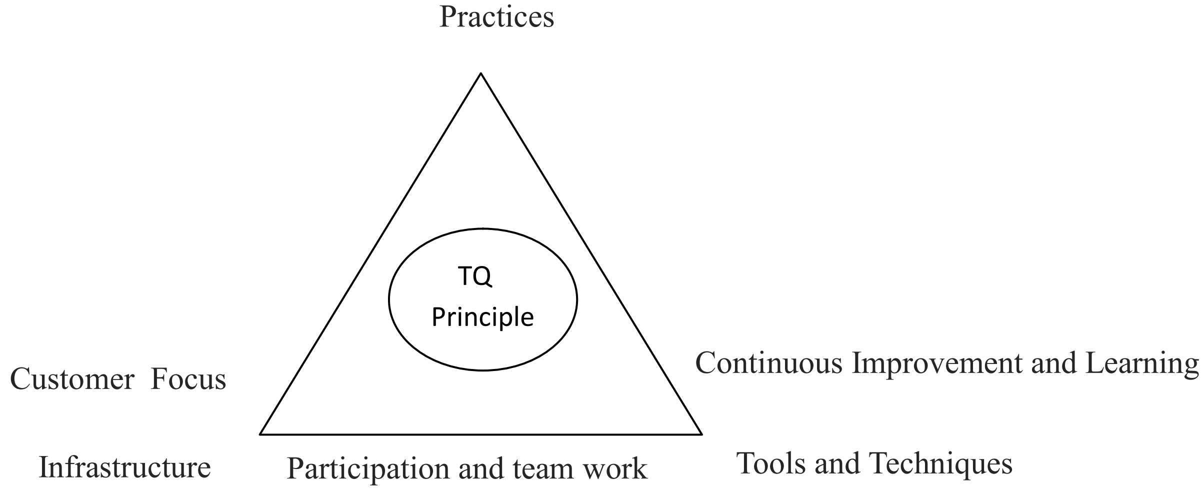
4. Keep track of the result and use those to guide improvement in the system. Never stop trying to improve.
5. Extend these concepts to suppliers and to distribution.

2.10 PRINCIPLES OF TOTAL QUALITY MANAGEMENT

- Customer Satisfaction
- Employee involvement
- Continuous improvements in quality.
- Primary responsibility for product quality rests with top management.
- Quality should be customer –focused and evaluated using customer –based standards
- The production process and work methods must be designed consciously to achieve quality of conformance.
- Quality cannot be inspected into a product. So make it right the first time.
- Quality must be monitored to identify problems quickly and correct quality problems immediately.
- Companies must work with and extend TQM programs till their suppliers to ensure quality inputs.

TQM adds value to the services offered to the customers. All personnel are involved, which improves motivation and commitment. TQM provides assurance that performance and processes are well understood and TQM is economic in the long-term to both the company and its customers.

Scope of Total Quality Management



All the principles of TQM must work together and support each other. The elements of an infrastructure that support the core principles of total quality are leadership, strategic planning, human resource management, process management and data and information management. Tools include various graphical and statistical methods to plan work activities, collect data , analyse results, monitor progress and solve problems.

TQM can be put to practice by adopting suitable TQM methods. Adoption of the right method is important for mangers as the degree of success of TQM largely depends upon the knowledge and selection of the method, its suitability for quality management problems and its effective implementation by effective leaders.

2.11 TQM METHODS ARE:

1.Management methods

Benchmarking

Deming Wheel

ISO 9000

Just-In-Time

Quality Circles

2.Analytical methods

Critical Path Method

Failure mode & Effect Analysis

Force –Field Analysis

3.Idea generation

Brain storming

Nominal Group Technique

Suggestion schemes

4.Data Collection , Analysis & Display

C-Charts

Histograms

P-Charts

Pie Charts

Tally Charts

2.12 BENEFITS OF TQM

- It helps to satisfy customer demand justifies the existence of a business organisation.
- It helps firms face competition in the market and strength its competitive position.
- It enables the firm to optimally utilise its scarce resource ie., optimum allocation of resources.
- It helps in maintaining quality cost relationships .

- It improves quality of the products by preventing and correcting defects and reducing wastes.
- It increases organisational productivity .
- It improves the organisational environment in which quantity and quality are positively correlated and overall social and financial position of the firm is strengthened.
- It leads to development of committed personnel who work for the achievement of individual and organisational goals.
- It adds to the competence of all personnel with respect to their jobs.
- It enhances both horizontal and vertical communication amongst managers and employees.
- It leads to continuous improvement in the operational activities of the firm.
- It helps an organisation to towards dedication, ethics, integrity and technology.

As TQM is a necessity for any business organisation and its effective implementation cannot be overlooked as a journey to reach the destination of successful achievement of organisational goals through customer satisfaction.

2.13 OBSTACLES TO TQM

The various obstacle to TQM are:

- Insufficient management commitment
- Difficulty in changing the organisational culture
- Poor planning
- Lack of continuous education and training
- Incompatibility between organisational structure and individuals.
- Ineffective measurement techniques and poor accessibility to data and results.
- Lack of attention to internal and external customers.
- Insufficient use of empowerment and teamwork
- Failure to achieve continuous improvement.

LEANING ORGANISATION

2.14 INTRODUCTION

A **learning organization** is the term given to a company that facilitates the learning of its members and continuously transforms itself. Learning organizations develop as a result of the pressures facing modern organizations and enables them to remain competitive in the business environment. A learning organization has five main features; systems thinking, personal mastery, mental models, shared vision and team learning. The **Learning organization** concept was coined through the work and research of Peter Senge and his colleagues . It encourages organizations to shift to a more interconnected way of thinking. Organizations should become more like communities that employees can feel a commitment to. They will work harder for an organization they are committed to. In a competitive environment of the present millennium, only a learning organisation will survive.

The Learning Organisation is a concept that is becoming an increasingly widespread philosophy in modern companies, from the largest multinationals to the smallest ventures. What is achieved by this philosophy depends considerably on one's interpretation of it and commitment to it. The quote below gives a simple definition that we felt was the true ideology behind the Learning Organisation.

"A Learning Organisation is one in which people at all levels, individuals and collectively, are continually increasing their capacity to produce results they really care about." An organisation that learns and encourages learning among its people. It promotes exchange of information between employees hence creating a more knowledgable workforce. This produces a very flexible organisation where people will accept and adapt to new ideas and changes through a shared vision.

The importance of learning was first put forward by a Chinese Philosopher Confucius (551 - 479 BC). He believed that everyone should benefit from learning. *"Without learning, the wise become foolish; by learning, the foolish become wise."* *"Learn as if you could never have enough of learning, as if you might miss something."*

The underlying cause for recent emphasis on organisational learning is because of the increased pace of change. Learning was something divorced from work and innovation was seen as the necessary but disruptive way to change. The corporation which is able to quickly learn and then innovate their work will be able to change their work practices to perform better in the constantly changing environment. Change is now measured in terms of months not years as it was in the past. Business re-engineering used to concentrate on eliminating waste and on working smarter and learning.

Different definitions of a learning organization are given. According to Peter Senge, a learning organization exhibits five main characteristics: systems thinking, personal mastery, mental models, a shared vision, and team learning.

2.15 CHARACTERISTICS OF LEARNING ORGANISATIONS

Systems thinking. The idea of the learning organization developed from a body of work called systems thinking. This is a conceptual framework that allows people to study businesses as bounded objects. Learning organizations use this method of thinking when assessing their company and have information systems that measure the performance of the organization as a whole and of its various components. Systems thinking states that all the characteristics must be apparent at once in an organization for it to be a learning organization. If some of these characteristics are missing then the organization will fall short of its goal. However O'Keeffe believes that the characteristics of a learning organization are factors that are gradually acquired, rather than developed simultaneously.

Personal mastery. The commitment by an individual to the process of learning is known as personal mastery. There is a competitive advantage for an organization whose workforce can learn more quickly than the workforce of other organizations. Individual learning is acquired through staff training, development and continuous self-improvement,[1] however learning cannot be forced upon an individual who is not receptive to learning. Research shows that most learning in the workplace is incidental, rather than the product of formal training, therefore it is important to develop a culture where personal mastery is practiced in daily life. A learning organization has been described as the sum of individual learning, but there must be mechanisms for individual learning to be transferred into organizational learning.

Mental models. The assumptions held by individuals and organizations are called mental models. To become a learning organization, these models must be challenged. Individuals tend to espouse theories, which are what they intend to follow, and theories-in-use, which are what they actually do. Similarly, organizations tend to have 'memories' which preserve certain behaviours, norms and values. In creating a learning environment it is important to replace confrontational attitudes with an open culture that promotes inquiry and trust. To achieve this, the learning organization needs mechanisms for locating and assessing organizational theories of action. Unwanted values need to be discarded in a process called 'unlearning'. Wang and Ahmed refer to this as 'triple loop learning.'

Shared vision. The development of a shared vision is important in motivating the staff to learn, as it creates a common identity that provides focus and energy for learning. The most successful visions build on the individual visions of the employees at all levels of the organization, thus the creation of a shared vision can be hindered by traditional structures where the company vision is imposed from above. Therefore, learning organizations tend to have flat, decentralized organizational structures. The shared vision is often to succeed against a competitor, however Senge states that these are transitory goals and suggests that there should also be long term goals that are intrinsic within the company.

Team learning. The accumulation of individual learning constitutes Team learning. The benefit of team or shared learning is that staff grow more quickly and the problem solving capacity of the organization is improved through better access to knowledge and expertise. Learning organizations have structures that facilitate team learning with features such as boundary crossing and openness. Team learning requires individuals to engage in dialogue and discussion; therefore team members must develop open communication, shared meaning, and shared understanding. Learning organizations typically have excellent knowledge management structures, allowing creation, acquisition, dissemination, and implementation of this knowledge in the organization.

2.16 WHY A LEARNING ORGANISATION

A company that performs badly is easily recognisable. The reasons why a leaning organisations is needed is because employees seem **unmotivated** or **uninterested** in their work; workforce **lack the skill** and **knowledge** to adjust to new jobs, **only few** to come up with all the ideas, **workforce** simply **follow orders,** teams **argue** constantly and **lack real productivity, lack of communication** between each other, when "head/ guru" is off do things get **put on hold,** always the last to hear about **problem**s, worst still the first to hear about customer **complaints , and** the **same problems** occur over and over.

Before a Learning Organisations can be implemented , a solid foundation can be made by taking into account the following :

- Awareness
- Environment

- Leadership
- Empowerment
- Learning

Awareness : Organisations must be aware that learning is necessary before they can develop into a Learning Organisation. This may seem to be a strange statement but this learning must take place at all levels; not just the Management level. Once the company has excepted the need for change, it is then responsible for creating the appropriate environment for this change to occur in.

Environment : Centralised, mechanistic structures do not create a good environment. Individuals do not have a comprehensive picture of the whole organisation and its goals. This causes political and parochial systems to be set up which stifle the learning process. Therefore a more flexible, organic structure must be formed. By organic, we mean a flatter structure which encourages innovations. The flatter structure also promotes passing of information between workers and so creating a more informed work force.

It is necessary for management to take on a new philosophy; to encourage openness, reflectivity and accept error and uncertainty. Members need to be able to question decisions without the fear of reprimand. This questioning can often highlight problems at an early stage and reduce time consuming errors. One way of over-coming this fear is to introduce anonymity so that questions can be asked or suggestions made but the source is not necessarily known.

Leadership : Leaders should foster the Systems Thinking concept and encourage learning to help both the individual and organisation in learning. It is the leader's responsibility to help restructure the individual views of team members. For example, they need to help the teams understand that competition is a form of learning; not a hostile act.

Management must provide commitment for long-term learning in the form of resources. The amount of resources available (money, personnel and time) determines the quantity and quality of learning. This means that the organisation must be prepared to support.

Empowerment : The locus of control shifts from managers to workers. This is where the term Empowerment is introduced. The workers become responsible for their actions; but the managers do not lose their involvement. They still need to encourage, enthuse and co-ordinate the workers. Equal participation must be allowed at all levels so that members can learn from each other simultaneously. This is unlike traditionally learning that involves a top-down structure (classroom-type example) which is time consuming.

Learning : Companies can learn to achieve these aims in Learning Labs. These are small-scale models of real-life settings where management teams learn how to learn together through simulation games. They need to find out what failure is like so that they can learn from their mistakes in the future. These managers are then responsible for setting up an open, flexible atmosphere in their organisations to encourage their workers to follow their learning example.

Anonymity has already been mentioned and can be achieved through electronic conferencing. This type of conferencing can also encourage different sites to communicate and share knowledge, thus making a company truly a Learning Organisation.

Five Keys to Building a Learning Organization.

1. Remember that corporate learning is "informal" and HR doesn't own it.
2. Promote and reward expertise.
3. Unleash the power of experts.
4. Demonstrate the value of formal training.
5. Allow people to make mistakes.

2.17 BENEFITS OF LEARNING ORGANISATIONS ARE :

- Maintaining levels of innovation and remaining competitive
- Being better placed to respond to external pressures
- Having the knowledge to better link resources to customer needs
- Improving quality of outputs at all levels
- Improving Corporate image by becoming more people oriented
- Increasing the pace of change within the organisation.

2.18 BARRIERS

Even within or without learning organization, problems can stall the process of learning or cause it to regress. Most of them arise from an organization not fully embracing all the necessary facets. Once these problems can be identified, work can begin on improving them. Some organizations find it hard to embrace personal mastery because as a concept it is intangible and the benefits cannot be quantified;, personal mastery can even be seen as a threat to the organization. This threat can be real, as Senge [1]points out, that "to empower people in an unaligned organization can be counterproductive". In other words, if individuals do not engage with a shared vision, personal mastery could be used to advance their own personal visions. In some organizations a lack of a learning culture can be a barrier to learning. An environment must be created where individuals can share learning without it being devalued and ignored, so more people can benefit from their knowledge and the individuals becomes empowered. A learning organization needs to fully accept the removal of traditional hierarchical structures.

In addition, organizational size may become the barrier to internal knowledge sharing. When the number of employees exceeds 150, internal knowledge sharing dramatically decreases because of higher complexity in the formal organizational structure, weaker inter-employee relationships, lower trust, reduced connective efficacy, and less effective communication. As such, as the size of an organizational unit increases, the effectiveness of internal knowledge flows dramatically diminishes and the degree of intra-organizational knowledge sharing decreases.

2.19 SUMMARY

The perfect Learning Organisation is not an attainable goal, it is merely a desirable concept: there is no correct implementation of the Learning Organisation. Every company can continuously adapt and adjust and some will be better Learning Organisations than others, but every one of them has something new to learn. Finally it should be mentioned that the Learning Organisation is just a means to a business goal, created to improve productivity and most importantly profit. Quite how long this philosophy will remain fashionable is unknown. What is certain is that for any company in today's global marketplace continuous change and adaptation is the only way to survive.

2.20 REVIEW QUESTIONS

1. Define learning Organisations.
2. What are the benefit of learning organisations?
3. Mention the different barriers to learning organisstions.
4. What is Total Quality Management?

5. Explain the concept of TQM.
6. State the different techniques of quality control..
7. What are the benefits of TQM?

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2.22 CASE

TQM is a philosophy mainly dominated by large companies. Small businesses are lagging behind larger ones when it comes to introducing and adopting new managerial philosophies and advanced technology. Many small companies have stopped at quality system certification, such as ISO 9000, in their quality journey rather than pursuing further continuous improvement efforts through TQM. Small businesses must understand the need to go beyond the quality system stage and work towards a total approach for quality. Only through this total approach will their quality effort be a success.

1. Discusses the various issues confronting small businesses when embarking on TQM.

UNIT -3 : TRENDS IN MANAGEMENT, CONTRIBUTIONS OF MANAGEMENT GURUS - PETER DRUCKER, MICHAEL PORTER, C.K. PRAHALAD, SHI KHERA, A CHAUDARY, GARY HAMEL, MICHAELHAMMER, JACK TROUT, AI RIES AND TOM PETERS -

Structure

3.0 OBJECTIVE

After studying this unit you will be in a position to know:

- The major trends in management.
- The contribution of various management gurus to the field of management.

3.1 INTRODUCTION : TRENDS IN MANAGEMENT

Wave of globalization has been the driving force behind most far-reaching and powerful changes in business, then information technology has indisputably been the facilitator. In the changing management scenario current trends include managers that manage the work and not the people. Work is more predictable than people. Rather than trying to manage people so strictly, managers are living in the light and kindness with employees as they are real people; their own neighbors. Emerging Trends in Management - 2012 by Dr. Harry CD include , Contemporary Management styles,. Micro and Macro management ,. Virtual and Open source management, Globally distributed management, Global and International Management , Business ecosystems –Networked Management,. Green Management,. Smart Management, Sustainability management. Green management measures such as certified environmental management International and Global Management is systems (EMS) or tools like life cycle concerned with the techniques and assessment activities are considered to improve corporate environmental practices that are involved in directing and performance directly by mandating controlling international organisations. Companies are trying to introduce environmental goals and management structures as well as programs to achieve them.

Dr. Harry CD 2012 focus on: S.M.A.R.T. Management includes (specific, measurable, achievable, realistic, and time-based.) methods of implementation Sustainable management takes the concepts from sustainability and synthesizes them with the concepts of management. Sustainability has three branches: the environment, the needs of present and future generations, and the economy Emerging Trends in Management

Organizations are required to accomplish, a given task according to schedule and pre-determined programme. People are made to work. They don not themselves work. Management, therefore, has come to stay as an activity process in this complex industrial and commercial world. Management is the body of people which performs certain managerial functions for the accomplishment of pre-determined goals. The concept of management is very old. Therefore, different view has been expressed about its nature by different authorities. Management is a social science the subject matter of which is a human being. Management generalisations and principles cannot hold good in all the cultures and at the stages of economic development. Thus management has evolved and changed considerably over a period of time and various management experts and gurus have contributed to the development of management concepts and principles.

3. 2 PETER DRUCKER

Peter Drucker popularly known as the 'Father of Modern Management' is still remembered for his contribution in the field of management. He stressed on the fact that the needs of society could be fulfilled only through business institutions and, therefore, it was necessary that these institutions performed well. Drucker laid emphasis on managers and management for the effective functioning of the business institutions. His contributions to management is as follows:

- Each society is a society of institution which people look forward to a as a source of employment and also the fulfillment of their varied needs. It is the management of these institutions which affects their performance and survival. The managers, he asserts , are different from the owners and possess specialized skills to perform the managerial tasks. He, thus, considers management as a profession.
- Amongst the various institutions, the focus of attention of management is on the business institutions as the efficacy of management can be judged through the economic results that it produced, and the most prevalent economic institutions is the business institution. Besides, management is also liked at as a form to reform Government and Society and also to further the traditional values, customs, and belief's of the society.
- Drucker originated the concept of Management by Objective (MBO) . It stresses on the need of participative management whereby managers at all levels participate in the goal setting process so that the individual performance synthesizes with the organizational performance. According to him, MBO, if effectively organized can help in overcoming four major organizational problems: the specialized work of most managers; the hierarchical structure of management; the differences in vision and work, and the compensation structure of the management group.

- Drucker advocated the skills managers must possess so as to make management an effective task.
  a. Skills to make effective decisions
  b. Skills to communicate in an outside the organisation
  c. Skills to make proper use of controls and measurements, and
  d. Skills to make proper use of analytical tool – management science.
- Rather than focusing on task-oriented or person-oriented approach to management, Drucker focused his attention on an organization structure that needs to be both task-focused and person-focused. He, therefore, advocated both Scientific Management and the Human Relations Doctrine.
- Every institution is a part of society in which it functions and, therefore, it cannot remain oblivious of the impact of societal functions on business institutions and vice versa. The systems approach to management, thus , is also considered by Drucker while he advocated the need for management in the functioning of the institutions.

Drucker's work on management has been highly appreciated by subsequent management thinkers. The work of Drucker is recognized even today and will continue to guide managers , academicians, management thinkers. His work on management has and will continue to provide a basic foundation for management thinkers.

3.3 C.K. PRAHALAD

He is known not only for his prolific works also for his management perceptions and strategies C K Prahalad is a professor, researcher, speaker, author and prominent consultant . Prahalad specializes in corporate strategy and the role of top management in large, diversified, multinational corporations.

In 1994 he co-authored the bestseller, *Competing for the Future,* with Gary Hamel. Translated into 14 languages, it was named the Best Selling Business Book of the Year in 1994. Prahalad is particularly well known for the work he has conducted with fellow strategy expert Gary Hamel. This includes the articles The Core Competence of the Corporation (Harvard Business Review, May-June, 1990), Competing in the New Economy: Managing Out of Bounds (Strategic Management Journal, Vol. 17, No. 3, March, 1996) as well as the bestselling book Competing for the Future: Breakthrough Strategies for Seizing Control of Your Industry and Creating the Markets of Tomorrow (1994).

Professor Prahalad's books include: The Multinational Mission: Balancing Local Demands and Global Vision (1987) with Yves. Many of the articles he has co-authored have appeared in the Harvard Business Review, including Do You Really Have a Global Strategy? (1985); Collaborate With Your Competitors - and Win (1989) Strategic Intent (1989); The Core Competence of the Corporation (1990); Corporate Imagination and Expeditionary Marketing (1991); Strategy as Stretch and Leverage (1993); Competing for the Future (1994); and The End of Corporate Imperialism (1998).

Strategic Intent, The Core Competence of the Corporation and The End of Corporate Imperialism won McKinsey Prizes in 1989, 1990 and 1998 respectively. The Dominant Logic: A New Linkage Between Diversity and Performance (1986), co-authored with Richard Bettis, was chosen as the best article published in Strategic Management Journal for the Period 1980-88.

Professor Prahalad' s contributions to strategic thinking are widely acknowledged. In 1992 Business Week described him as a "Brilliant teacher at the University of Michigan, Prahalad may well be the most influential thinker on corporate strategy today". He was named in Business Week as one of the top ten business professors in the country, based on a nation-wide poll of MBA alumni. The Indo-American Society presented Professor Prahalad with their 1994 Annual Award for his outstanding contribution toward promotion of Indo-American goodwill, understanding and friendship. In 1995 he received the American Society for Competitiveness Award for his outstanding academic contribution to competitiveness.

One of the names most commonly cited in boardrooms across corporate America is C K Prahalad. The pioneer of the 'core competence' management concept. In surveying the corporate scene worldwide, one of the questions that has most intrigued management guru C K Prahalad is how dark horses can beat the established favourites at their own game, and on their turf.. What all that tells you, Dr Prahalad points out, is that being small need not be a minus and being big need not be a plus, because the small have not only survived, they have become winners. Madras-born Dr Prahalad, who has taught at Harvard, the Indian Institute of Management in Ahmedabad and INSEAD in France, was Harvey Freuhauf Professor of Business at the University of Michigan. His list of awards and citations alone is as long as an arm.

His contribution to management theory and practice is reputedly path-breaking. He pioneered the concept of "core competence" of a corporation — more on that later — and together with his collaborator, Gary Hamel, has turned much of the conventional wisdom on corporate strategy upside down. According to that wisdom, resources were critical: resources equalled size and size equalled market share. Also, with big resources, companies could innovate more because they could buy both brains and technology. The old wisdom also focused on “maximising within constraints” — the idea that a company’s ambitions should be in line with what it can afford. Furthermore, corporate strategy was seen as something that was top-down: bosses came up with ideas and employees put them into effect.

At first, Dr Prahalad tried to use the old paradigm to explain what was going on in corporations. But it couldn’t do the job, no matter how much he twisted and stretched it. “So what we ended up doing,” he says, “was to throw out all the old ideas and say: there must be a totally different explanation, a different way of conceptualizing the process of corporate strategy.” After much research, he narrowed down to four or five central themes.

The first was that most companies are “imagination-constrained”, not resource-constrained. “Imagination, passion, excitement — these have to be as much part of a senior management’s tasks as resource allocation,” he says. And no, resources don’t buy imagination; more often, they limit imagination. “The rich companies are typically not the ones that are the most creative, because they have a lot of money to throw at problems. It’s the poor who have come up with the most imaginative ideas. Look at Apple, Microsoft, Oracle or Silicon Graphics. None of them started with big resources. They started with a big idea, an aspiration to change the world. To them, strategy was about discovery.”

Dr Prahalad’s second central idea blew the concept of “maximising within constraints” to bits. “If you’re top management, you need to deliberately create a misfit between aspirations and resources,” he suggests. “If your aspirations are not outside the realm of your current resources, you’re unlikely to create new ideas. If you look at all entrepreneurs, they instinctively follow this model.”

“The big question,” he says “is how do you create responsible entrepreneurship in a large company which has 150,000 people working in 65 countries? If there are eight people in a room, it’s no big deal. It happens spontaneously; there is no need for a process. But in a large company, there is. Creating a misfit between aspirations and resources is part of that process.”

Another part, according to Dr Prahalad, consists of tapping employees for entrepreneurial ideas. He sees the elitist approach, where the top bosses are also the top ideas people, as a recipe for mediocrity. “Smart strategy always involves a large number of people," he points out. "Because knowledge about customers, about competitors, about new technologies — all this resides lower down in the organisation. So any top management needs to capture the imagination of the people there."

Another key element of strategy, according to Dr Prahalad, lies in the leveraging of resources. "If you want to be innovative, you must leverage everything you can — your suppliers, your partners, your employees, and even your competitors," he points out. "That's how you get the most bang for your buck."

But the scarcest and most important thing a company can leverage is talent and skills, and the past products of these, he says. "A company must redeploy and recycle what it has invested in." "If you have a big investment over a long time in, say, optical technology like Philips or Sony, you need to continuously redeploy it in new businesses. It doesn't have to be in businesses that you're already in: it can be in businesses that you're not in. For example, the compact disc was invented as an audio device. But every PC comes with a CD-ROM. The CD today is also an integral part of video, graphics and games. That's not what it was invented for. "The ability to leverage it across multiple users is the basic idea behind core competence. It means re-using, redeploying, sharing, furthering and nurturing the skill base of the company. If you have a core technology, you must also have the capacity to share it across boundaries."

"In other words," says Dr Prahalad "you ought to look at a corporation not only as a portfolio of businesses but as a portfolio of competencies that cut across multiple businesses. Sometimes you have to create new businesses, you have to make new space. That's what discovery is all about."

3.4 A. CHAUDARY

Speaking of contemporary business thinkers, another fine entrepreneur, educator, author and enterprising personality is Arindham Chaudhuri. His contribution to the field of management studies in India can be found in the iconoclastic "***Theory ' i ' Management***" which he has developed for India Inc. "Theory 'i' Management" is about India centric management ideas. For the last few years he has been conducting workshops on Leadership and Strategic Vision exclusively for CEOs, MDs, Directors and Presidents from the corporate sector. From the Managing Director of Hero Motors to the President of Tata Chemicals, from the Executive President of A.V. Birla Group to the CEO of Ernst & Young… have all taken leadership training workshops from him. As a celebrated speaker he is regularly invited to speak at various annual conferences and national conventions. He also happens to be highest paid speaker in the country.

An economist by passion and education, during Bill Clinton's historic visit to India he launched his Great Indian Dream -: India can beat America, a series of seminars for every Indian. Held in all the metros of India, these seminars had thousands of people pouring in from all walks of life. In these seminar's he not only highlights the inherent strengths of the Indian culture but also talks about an alternative resource mobilization and allocation package for an Indian turnaround. To facilitate social activities based on this he has started the Great Indian Dream Foundation in memory of his brother Aurobindo Chaudhuri. He was recently rated as one of the 50 leading thinkers in South Asia by Wilton Park (an organisation supported by the European Commission and British foreign office).

Further, he was awarded the Academic Gold Medal while completing the Post Graduate Diploma in Planning and Management from IIPM. Prof. Chaudhuri was awarded "Management Guru 2000 Award" by Chennai based Om Venkatesa Society which annually honours management experts.

3.5 SHIV KHERA

In this dog-eat-dog business world, if you are not self motivated, self confident and unique, you will be trampled over. At such times look into the works of the distinguished management guru and motivator, Shiv Khera. His gospel:- "Winners don't do different things, they do things differently" Shiv Khera is the founder of Qualified Learning Systems Inc. An educator, business consultant, a much sought after speaker and a successful entrepreneur. He has taken his dynamic personal message around the world. Shiv has been recognized as a "Louis Marchesi Fellow" by the Round Table Foundation. His client list includes the who's who of the corporate world.

He has authored three bestsellers, amongst other books. His first book "You Can Win", which came out in 1998, has sold over a million copies worldwide. His second book "Living With Honour" hit the stands in August 2003, becoming an instant bestseller. Then within a span of six months in February 2004, his third book "Freedom Is Not Free" was released, also to become a bestseller.

His first two books are on an individualistic level, where he defines the winning edge as achieving excellence rather than perfection, as excellence paves the way for progress. He also conveys that it is better to be honourable than to be honoured. His work offers direction for living with pride in a cluttered environment. His latest book concentrates on society. Here he firmly believes that a progressive society is the basis for individual progress of its people.

Transforming his years of experience as a motivator into a practical tool, he has developed a core program/workshop known as the Blueprint for Success (BPS). This program motivates people to recognize their true potential and gain success - personally and professionally.

3.6 MICHAEL HAMMER

An engineer by training, Hammer was the proponent of a process-oriented view of business management.

Michael Hammer is one of those celebrated big thinkers of the business world. Reengineering the Corporation, his 1993 best-seller co-authored with James Champy, prompted managers to overhaul their business structures in pursuit of dramatic improvements. Some succeeded, but by the end of the decade, the term had also become synonymous with layoffs and plant closures. Meanwhile, Hammer seemed bogged down by his very success.

Dr. Hammer's groundbreaking research and visionary thought leadership over the years has galvanized the business world—beginning with his leadership of the reengineering movement and continuing with his brilliant formulation of the process-centered organization. Hammer's ideas have become integrated into the DNA of businesses and organizations worldwide and continue to retain their relevancy in today's challenging economic environment.

Michael Hammer five important contributions towards Business Process Management. : **'Reengineering and the Corporation'** emphasis on Concept of 'Management Process Design', '**Coined the end of Adam Smith Era'**, defended the undoing of the Industrial Revolution and stated that a new organization had to re-emerge under the supervision of a strong leader with vision , who, using information technologies , consulting closely with the suppliers to reduce inventories, and empowering employees , would build a more efficient organization. **'Started Shaping the modern Business Process** ', Michael Hammer defended that corporation ought to simplify and reorganize business departments by having workers do their work which could contribute for greater efficiency and productivity. '**Empowered the information worker'**, Michael defended saying that in new organizations and managers should switch from supervisory roles to facilitators. They ought to become enablers and mentors of those who they manage , empowering them to perform value –adding processes themselves, making sure their contribution would be recognized by the top management. **'Powerful ideas gone bad'** this misinterpretation let to firing of workers, hence

Michael emphasized that the term re-engineering was misappropriated and misunderstood and stated that re-engineering should be taken to promote greater production and create more jobs.

3.7 MICHAEL PORTER

Professor Porter is a leading authority on competitive strategy and the competitiveness and economic development of nations, states, and regions.

Professor Porter's ideas on strategy have now become the foundation for one of the required courses at the Harvard Business School. Professor Porter speaks widely on competitive strategy and international competitiveness to business and government audiences throughout the world. In 2001, Harvard Business School and Harvard University jointly created the Institute for Strategy and Competitiveness, led by Professor Porter, to further his work. Professor Porter is the author of 16 books and over 85 articles. His book, Competitive Strategy: Techniques for Analyzing Industries and Competitors, is in its 58th printing and has been translated into seventeen languages. His second major strategy book, Competitive Advantage: Creating and Sustaining Superior Performance, is in its 34th printing. His Harvard Business Review article 'What is Strategy?' is the foundation for a new strategy book it also well known. His article 'Strategy and the Internet' (2001) won for Professor Porter an unprecedented third first-place McKinsey Award as the best Harvard Business Review article of the year.

3.8 GARY HAMEL

In the new economy, the companies that create **new wealth** are truly revolutionaries: they upend long-held industry conventions, they fearlessly challenge the old guard, and they amaze their customers with products and services that could scarcely have been imagined a few years earlier. In doing so, they render existing business models obsolete. In this environment, the most fearsome threat to continued success is not inefficiency but **irrelevancy**. Any company that is not an industry revolutionary is already on the road to insignificance.

Industry revolution is the product of **strategy innovation**. In an increasingly non-linear world, only non-linear strategies will create new wealth. As companies move beyond the incremental, strategy innovation—the capacity to reconceive product and service concepts, redraw market boundaries, and radically alter deep-down industry economics—will become the next critical competitive advantage. Strategy innovation is the only way for a company to renew its lease on success.

Yet most companies are built for continuous improvement, rather than for discontinuous innovation. They know how to get better, but they don't know how to get different. In a world where incumbency is worth next to nothing, a company must be capable of reinventing its deepest **sense of self** and its **core business concept** not once a decade, in the midst of a crisis, when it trades out one CEO for another, but continuously, year after year. Twenty years ago the challenge was quality. Ten years ago the challenge was re-engineering. Now the challenge is strategy innovation.

In Leading the Revolution, Professor Gary Hamel, the world's most profound business thinker, lays out a clear **plan of action** for any company intent on becoming—and staying—an industry revolutionary. *Leading the Revolution* is not a book for dilettantes. It is not a book for corner-office types who would rather protect their prerogatives than overthrow industry orthodoxy. It is not a book for those who need reassurance that they're already doing "the right thing." *Leading the Revolution* is a book for those who want to make a difference-in their world and in their organization. It is a book for those who are tired of playing it safe. It is a book for people who care so much about their customers, their colleagues and their own legacy that they can't imagine not **Leading the Revolution**.

3.9 AL RIES

Positioning, a concept developed by the authors, has changed the way people advertise. The reason? It's the first concept to deal with the problems of communicating in an over communicated society. With this approach, a company creates a 'position' in the prospect's mind, one that reflects the company's own strengths and weaknesses as well as those of its competitors. Witty and fast-paced, this book spells out how to position a leader so that it gets into the mind and stays there, position a follower in a way that finds a 'hole' not occupied by the leader, and avoid the pitfalls of letting a second product ride on the coattails of an established one. Revised to reflect significant developments in the five years since its original publication, Positioning reveals the fascinating case histories and anecdotes behind the campaigns of many stunning successes and failures in the world of advertising.

While he doesn't go so far as to say that small is beautiful, Ries (Positioning) levels a commonsense critique at the compulsion for growth that drives corporate America. Growth for its own sake, particularly when it involves diversification into products unrelated to a company's original business, Ries says, causes many companies to become unfocused, confuses customers and loses money. The frenzy for acquisitions that spread many a well-known brand name over a diversity of products has proved untenable, with the result that companies that grew fat are regaining their original focus by slimming down. itself of all but its original retail chain.

Al Ries defines corporate focus as an organization's "necessary" and relentless pursuit to specialize within its industry. For example, one of Ries' examples, PepsiCo, should've focused on its core competency (the Pepsi cola brand), and spun off all other divisions such as its food chains division (KFC, Pizza Hut, Del Taco) and its snack foods division (Frito Lay). PepsiCo, he claims, will lose the war with Coca-Cola unless it focuses on just one enemy (Coke) rather than several. Interestingly enough, Ries's prophecy towards future focus within organizations happens to have become the biggest hit on Wall Street in 1997, and in the case of PepsiCo, came true.

3.10 TOM PETERS

"In no small part, what American corporations have become is what Peters has encouraged them to be" New York. "Peters is ... the father of the post-modern corporation." —Los Angeles Times

"We live in a Tom Peters world." —Fortune

Tom Peters the Uber-guru of management, and compares him to Ralph Waldo Emerson, Henry David Thoreau, Walt Whitman, and H.L. Mencken. The Economist tagged him the Uber-guru; and Business Week's take on his "unconventional views" led them to label him "business's best friend and worst nightmare." In 2004 the Bloomsbury. Press book Movers and Shakers reviewed the contributions of 125 business and management thinkers and practitioners, from Machiavelli and JP Morgan to Tom and Jack Welch.

"Tom Peters has probably done more than anyone else to shift the debate on management from the confines of boardrooms, academia, and consultancies to a broader, worldwide audience, where it has become the staple diet of the media and managers alike. Peter Drucker has written more and his ideas have withstood a longer test of time, but it is Peters—as consultant, writer, columnist, seminar lecturer, and stage performer—whose energy, style, influence, and ideas have shaped new management thinking."

Two Tom Peters biographies have been published: **Corporate Man to Corporate Skunk: The Tom Peters Phenomenon** and **Tom Peters: The Bestselling Prophet of the Management Revolution** In an in-depth analytic study released by Accenture's Institute for Strategic Change in 2002, Peters scored 2nd among the top 50 "Business Intellectuals," behind Michael Porter and ahead of Peter Drucker.

Leadership guru Warren Bennis, the only person who knows both Peter Drucker and Tom personally, told a reporter, "If Peter Drucker invented modern management, Tom Peters verified it." In fact, as even Tom's book titles indicate, his passion is passion: Destruction & Disruption & Re-imaginings ... Talent Liberation for a Brand You/WOW Projects World ... Creativity, Game-changing Innovation & Sustained Entrepreneurship. Tom's newest passions are for Women-as-Leaders; the Supreme Role of Design in product and service differentiation; the Creation of Customer Experiences that rival a Cirque du Soleil performance; capturing the enormous, underserved market represented by Women and Boomers-Geezers; Re-imagining Education for a Creative Age; and reorienting healthcare from "fix-it-after-the-fact" to Wellness-Prevention. And pursuing Excellence Variety2005 ... Tom's first "return to excellence" in 22 years**.**

3.11 JACK TROUT

Instrumental in developing the vital approach to marketing known as "positioning," he is responsible for some of the freshest ideas to be introduced into marketing thinking in the last decade. Jack Trout started his business career in the advertising department of General Electric. In 1985 he and Al Ries wrote a second best-selling book entitled Marketing Warfare. Positioning and Marketing Warfare are now published in 14 languages. In 1988 Bottom-Up-Marketing was published. It became very popular as the "process" book as it completed what has become known as the "Trilogy" of marketing books. In 1993 their book, The 22 Immutable Laws of Marketing quickly became the marketing bible. It outlined the basic reasons why marketing programs succeed or fail in the competitive nineties. Jack Trout closed the circle with the sequel to Positioning in 1995. Entitled The New Positioning it takes the world's No. 1 business strategy to a new level. This was followed by The Power of Simplicity - A Management Guide To Cutting Through the Nonsense and Doing Things Right. It is a candid, unvarnished look at the foibles and complexities of business that get in the way of good decisions. This was followed by Differentiate or Die - Survival in Our Era of Killer Competition. It presents the keys to survival in a killer global economy. Differentiate or Die.- presents how you can and cannot differentiate yourself in the age of killer competition. A very popular book and lecture, it demonstrates that every product and service can be differentiated if you are willing to focus and sacrifice.

3.12 SUMMARY

The field of management has always been responsive to environmental changes. The modern society is experiencing more changes than were ever experienced in the past and the modern managers must keep pace with these changes. In the light of the recent developments in the economy, not only should management be responsive to changes, it must, in fact, promote changes and create progress. Traditionally , management was viewed as a field of study relevant to solve the technical problems related to production of goods. The focus was, thus, on the industrial sector. Gradually, a shift was observed from industrial sector to almost every field of the society. The focus changed from technical aspect to non- technical types of organizational problems. No, wonder , management has come to be called as a generic and a universal concept. Managers have to face ;bring about a change in the corporate governance. Thus the contributions from various managements experts have a great deal in dealing with the human element in the organization.

3.13 SELF ASSESSMENT QUESTIONS

1. Explain briefly the recent trends in management.
2. Discuss the contribution of Peter Drucker to the field of management.
3. In what way is Shiv Khera's contribution different from A Chaudary contribution to management ?.
4. In what way is Shiv Khera's contribution benefiting the managers?

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UNIT –4 : MANAGEMENT AS ARTS / SCIENCE AND PROFESSION. MANAGEMENT LEVELS AND SKILLS, MANAGERIAL ROLES, MINTZ BERG'S ROLES OF PRESENT MANAGERS

Structure

4.0 OBJECSTIVES

After studying this unit you will be in a position

- To define management.
- Able to understand why management is an art.
- Understand the concept of management as a science.

4.1 INTRODUCTION

Arts and Science of Management: A question often arises whether management is a science or an art. " Management is the oldest of arts and the youngest of sciences". To have an exact answer to this question, it is necessary to know the meanings of the terms" Science " and "Arts".

4.2 MANAGEMENT AS SCIENCE

Science has been defined as a body of systematized knowledge which establishes a relationship between cause and effect. Such systematized knowledge contains concepts, hypotheses, theories, experimentation and principles. Science of Management assumes that problems can be approached using rational, logical, objective and systematic ways. Requires technical, diagnostic and decision-making skills and techniques to solve problems. Now management has been given the shape of an organized body of knowledge . Its study helps in gaining a rational approach to the development of means for accomplishing certain goals. Management is a developing science. However, management cannot be equated with exact sciences like physics and chemistry. Most of the managerial activities like decision-making, planning, organizing and directing cannot be an exact science. In management , it is not possible to define , analyze and measure phenomena be repeating the same conditions over and over again to obtain results. The observation puts a limitation on management as a science. Management like other social sciences can be called as "inexact science".

4.3 MANAGEMENT AS ART

Art understands how a particular activity can be done. Art can be acquired be conscious effort and practice. Management is getting things done through other people. They have to continuously analyse the environment and formulate the plans and strategies. They have to modify the strategies based on the environmental changes. The principles of management and theories of management cannot be implemented as learnt, in the real world. They are to be applied after making necessary modifications based on the real life situations. Art may be defined as ‘the technique of applying the principles to actual practice so as to achieve the desired results with efficiency.’ It is concerned with the application of knowledge and skills, If science is learnt the art is practised. Decisions are made and problems are solved using a blend of intuition, experience , instinct and personal insights. Conceptual , communication,, interpersonal and time-management skills are required to accomplish the tasks associated with managerial activities. The principles and techniques of management, when applied in the organization to achieve its objectives, becomes an ‘art’. In this manner management is an art.

Management is both a Science as well as an Art. The science of management provides certain general principles , which can guide the managers in their professional efforts. The art of management consists in tackling every situation in an effective manner. As a matter of fact the science and the art of management go together and are both mutually interdependent and complimentary. Management is thus a science as well as an art. The art of management is as old as human history, but the science of management is an event of the recent past. Although management has been recognized as a science , it is not the biological or physical sciences. It falls in the area of ‘Social Sciences’ as it is a social process and deals with complex human beings. The theories and principles of management are situation bound. It may produce different results in different situations. That is why Ernest Dale has called management a ‘Soft Science’.

It is clear that management is both a science and an art. It is considered a science because it has an organized body of knowledge. It is considered an art because managing requires certain skills. Science teaches hoe ‘to know’ and an art ‘to do’, hence science and art are complimentary. A manager is a scientist as well as an artist. As a scientist ,he relies heavily on the existing knowledge and develops new knowledge and principles. As an artist , he sometimes wholly depends on his institution, guesswork and judgement. Thus a manager uses his knowledge to solve the problems in managing men, materials, methods and money.

4.4 MANAGEMENT AS A PROFESSION

Over a large few decades, factors such as growing size of business unit, separation of ownership from management, growing competition etc have led to an increased demand for professionally qualified managers. The task of manager has been quite specialized. As a result of these developments the management has reached a stage where everything is to be managed professionally.

A profession may be defined as an occupation that requires specialized knowledge and intensive academic preparations to which entry is regulated by a representative body. The essentials of a profession are:

1. Specialized Knowledge - A profession must have a systematic body of knowledge that can be used for development of professionals. Every professional must make deliberate efforts to acquire expertise in the principles and techniques. Similarly a manager must have devotion and involvement to acquire expertise in the science of management.

2. Formal Education & Training - There are no. of institutes and universities to impart education & training for a profession. No one can practice a profession without going through a prescribed course. Many institutes of management have been set up for imparting education and training. For example, a CA cannot audit the A/C's unless he has acquired a degree or diploma for the same but no minimum qualifications and a course of study has been prescribed for managers by law. For example, MBA may be preferred but not necessary.

3. Social Obligations - Profession is a source of livelihood but professionals are primarily motivated by the desire to serve the society. Their actions are influenced by social norms and values. Similarly a manager is responsible not only to its owners but also to the society and therefore he is expected to provide quality goods at reasonable prices to the society.

4. Code of Conduct - Members of a profession have to abide by a code of conduct which contains certain rules and regulations, norms of honesty, integrity and special ethics. A code of conduct is enforced by a representative association to ensure self discipline among its members. Any member violating the code of conduct can be punished and his membership can be withdrawn. The AIMA has prescribed a code of conduct for managers but it has no right to take legal action against any manager who violates it.

5. Representative Association - For the regulation of profession, existance of a representative body is a must. For example, an institute of Charted Accountants of India establishes and administers standards of competence for the auditors but the AIMA however does not have any statuary powers to regulate the activities of managers.

6. Specialised Educational Qualifications: There should be specialised educational qualifications for employment for professional jobs. Specialised educational institutions are established to impart specialized education. Indian Institutes of

Management and Department of Management in the Universities are established to provide specialises management education leading to Post-Graduate Diploma in Management and Master of Business Administration degree.

Management satisfies al the characteristics of a profession. Therefore, management is a profession . From above discussion, it is quite clear that management fulfills several essentials of a profession, even then it is not a full fledged profession because: -

- It does not restrict the entry in managerial jobs for account of one standard or other.
- No minimum qualifications have been prescribed for managers.
- No management association has the authority to grant a certificate of practice to various managers.
- All managers are supposed to abide by the code formulated by AIMA,
- Competent education and training facilities do not exist.
- Managers are responsible to many groups such as shareholders, employees and society. A regulatory code may curtail their freedom.
- Managers are known by their performance and not mere degrees.
- The ultimate goal of business is to maximize profit and not social welfare. That is why Haynes has rightly remarked, "The slogan for management is becoming
- 'He who serves best, also profits most'."

Management Levels and Skills:

The Industrial Revolution which began in the eighteenth century transformed the job of manager from owner-manager to professional, salaried manager. The inventions, machines, and processes of the Industrial Revolution transformed business and management (such as, the use of fossil fuels as sources of energy, the railroad, the improvement of steel and aluminium metallurgical processes, the development of electricity, and the discovery of the internal-combustion engine.) With the industrial innovations in factory-produced goods, transportation, and distribution, big business came into being. New ideas and techniques were required for managing these large-scale corporate enterprises.

Today, business and management continue to be transformed by high technology. In order to keep pace with the increased speed and complexity of business, new means of calculating, sorting and processing information were invented. An interesting description of the modern era is the Information Age that describes the general use of technology to transmit information.

Managers realized that they could profit from immediate knowledge of relevant information. Communication and processing technologies are an essential tool in almost every field of business. Thus, the Information Age implies a time for a revolution in the information environment for business and management. The changes that are taking place may be more significant to management than the Industrial Revolution.

4.5 MANAGEMENT LEVELS

Managers basically formulate Mission , Objectives , Strategies and Tactics. Management is essential to achieve the MOST. The organizational mission is the basic reason for its existence. Mission provides a statement of what the company stands for i.e., it purpose of its existence. Managers formulate objectives based on the mission . Objectives are the ends towards which the activity is aimed. The goal is precise and is expressed in clear and specific terms. For example the objective of the firm is to earn profits whereas the goal is to earn certain percentage of profit on the capital employed. Manager is the one who performs the managerial functions of planning, organizing, staffing, directing, and controlling the human and non-human resources for the successful achievement of the organizational goals.

Managers affect the establishment and accomplishment of many social , economic, and political goals. Making a better economic life possible , improving social standards, and establishing and achieving more efficient and effective government are challenges to modern managerial ability . There is no good substitute for good management. " good management is merely the exercise of common sense and the Golden Rule".

Management include all the managers of a company. Management is classified as managers at different levels that is top level mangers, middle level managers, and lower level managers

4.5.1 Top Level Managers

Top level managers are the senior level executives of the company including the Managing Director or President, Vice-President, General Manager, Chief Managers of the company. Top management particularly the Managing Director or President of the company is responsible for the overall management and performance of the company. The formulate objectives , policies, and corporate level strategies of the company. Top level managers lead and motivate the middle level managers . They coordinate the activities of middle level managers. These managers work at the highest level of the organizational hierarch. The number of manager in this group is the smallest.

4.5.2 Middle Level Managers

Middle level managers are responsible for coordination of the activities of various department. Middle level manager include managers of various departments like Production , Marketing, Finance, Human Resource and Research and Development department. These managers are responsible for the success or failure of their departments. Middle level managers formulate the objectives, goals and strategies of their departments based on those of the organization. In addition, middle level managers lead, motivate, and coordinate the activities of the lower-level managers. They act as a link between the top level and the lower level managers. They direct the activities of their subordinates according to their capacities for the achievement of the overall organizational goals. These managers spend most of their time in managing the company's day to day operations and have very little interaction with the outside parties. A large organization has a fairly large number of middle level managers though the number is less than the lower level managers.

4.5.3 Lower Level Managers

Lower level Managers are responsible for the work of the operating staff working with them. Lower level managers are also called First-line or First-Level or Junior Managers. They direct, lead, motivate, and coordinate the activities of the operating employees. These managers, mostly supervise the operating employees while they perform their work. The lower level managers are also called supervisors. Largest number of managers belong to this level of management.

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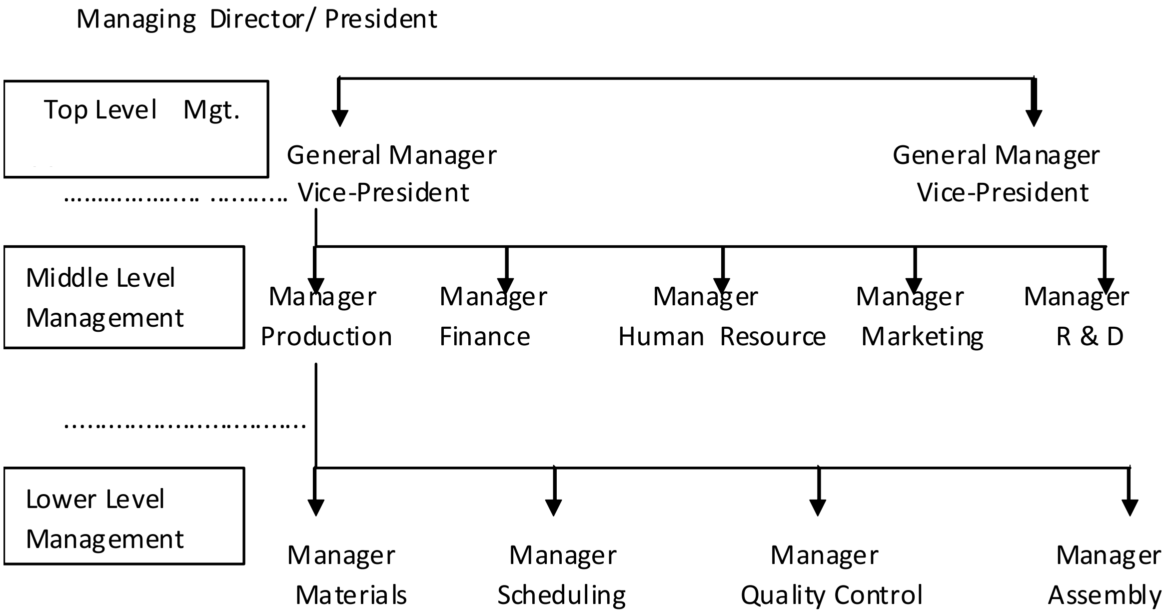
Different Management Levels



Based on the scope of **activities** performed there are two type of mangers. They are

Functional Managers

General Managers

4.6 FUNCTIONAL MANAGERS

These managers perform only one type of activity may it be finance, marketing or human resource management. People working under finance manager would be engaged in activities related to finance only, employees working under marketing manager would be looking after marketing activities and so on.

4.7 GENERAL MANAGERS

These managers look after an entire unit or an independent division of an organization, such as a subsidiary of a company. All the functional activities, like production, finance, marketing, personnel etc. of that unit are looked after by the General Managers.

Based on the ***performance*** there are Line Managers and Staff Managers

4.8 LINE MANAGERS

The managers who are directly responsible for carrying out the various organizational activities necessary for the production and sale of goods and services are called the line managers. The chief executive, general managers and departmental managers are all line managers. These managers are in line with the organizational hierarchy.

4.9 STAFF MANAGERS

The staff managers are those who assist the line managers inefficiently conducting the main business line of the firms. Managers heading the accounting, R & D, and legal consultancy departments are staff managers.

4.10 MANAGEMENT SKILLS

In order to perform the functions of management and to assume multiple roles, managers must be skilled Robert Katz identified three managerial skills that are essential to successful management: technical, human, and conceptual.

4.10.1 Technical skill

Involves process or technique knowledge and proficiency. Managers use the processes, techniques and tools of a specific area skill. Technical skills deals with things. Technical skills are the proficiency in working with machines, tools and techniques in human resource management. Managers at all levels should possess technical skills. Those at the lower level should possess more of technical skills whereas managers at the top level possess less technical skills compared to those at middle and lower levels.

4.10.2 Human skill

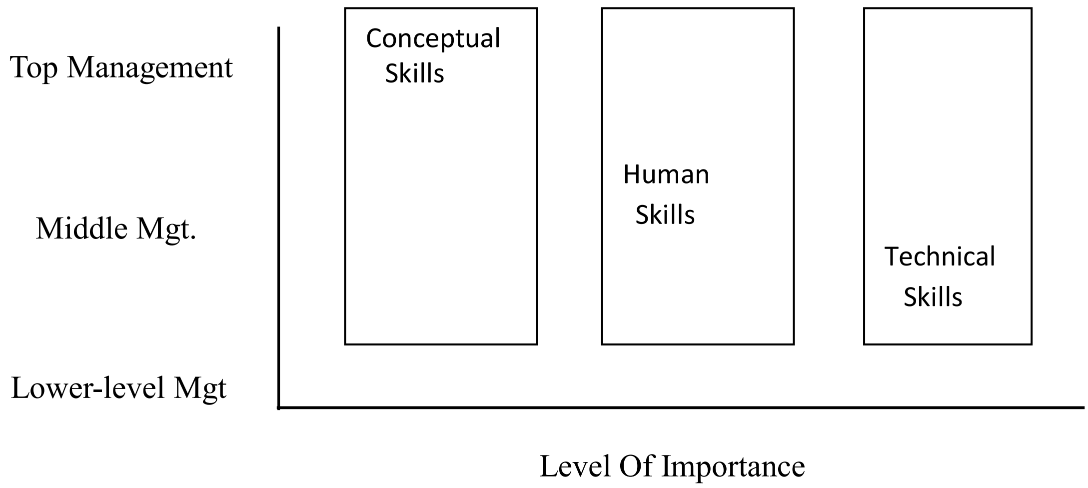
Involves the ability to interact effectively with people. Managers interact and cooperate with employees. Human skills include the ability to work with people tactfully, interpersonal proficiency, ability to build, maintain and work in teams and create an open environment. Managers at all levels should possess these skills.

4.10.3 Conceptual skill

Involves the formulation of ideas. Managers understand abstract relationships, develop ideas, and solve problems creatively. Thus, technical skill deals with things, human skill concerns people, and conceptual skill has to do with ideas.

A manager's level in the organization determines the relative importance of possessing technical, human, and conceptual skills. Top level managers need conceptual skills in order to view the organization as a whole. Conceptual skills are used in planning and dealing with ideas and abstractions. Supervisors need technical skills to manage their area of specialty. All levels of management need human skills in order to interact and communicate with other people successfully.

Managerial Skills at Different levels



As the pace of change accelerates and diverse technologies converge, new global industries are being created (for example, telecommunications). Technological change alters the fundamental structure of firms and calls for new organizational approaches and management skills.

4.11 ROLES MANAGERS PLAY

To meet the many demands of performing their functions, managers assume multiple roles. A role is an organized set of behaviors. Henry Mintzberg has identified ten roles common to the work of all managers. The ten roles are divided into three groups: interpersonal, informational, and decisional. The *informational roles* link all managerial work together. The *interpersonal roles* ensure that information is provided. The *decisional roles* make significant use of the information. The performance of managerial roles and the requirements of these roles can be played at different times by the same manager and to different degrees depending on the level and function of management. The ten roles are described individually, but they form an integrated whole.

The three interpersonal roles are primarily concerned with interpersonal relationships. In the 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. In the 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 defines the relationships between the manger and employees.

The direct relationships with people in the interpersonal roles place the manager in a unique position to get information. Thus, the three informational roles are primarily concerned with the information aspects of managerial work. In the monitor role, the manager receives and collects information. In the role of disseminator, 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. In the role of spokesperson, 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.

The unique access to information places the manager at the center of organizational decision making. There are four decisional roles. In the entrepreneur role, the manager initiates change. In the disturbance handler role, the manger deals with threats to the organization. In the resource allocator role, the manager chooses where the organization will expend its efforts. In the 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.

The supervisor performs these managerial roles but with different emphasis than higher managers. Supervisory management is more focused and short-term in outlook. Thus, the figurehead role becomes less significant and the disturbance handler and negotiator roles increase in importance for the supervisor. Since leadership permeates all activities, the leader role is among the most important of all roles at all levels of management.

Roles of Managers

Formal Authority and Status

Interpersonal Roles

- Figurehead
- Leader
- Liaison

Informational Roles

- Monitor
- Disseminator
- Spokesman

Decisional Roles

- Entrepreneur
- Disturbance Handler
- Resource Allocator
- Negotiator

4.12 MINTZ GERG'S ROLES OF PRESENT MANAGERS

Henry Mintzberg has identified ten roles common to the work of all mangers. The ten roles are divided into three groups :

- Interpersonal
- Informational
- Decisional

Interpersonal roles ensures that information is provided. Informational roles link all managerial work together. The decisional roles make significant use of the information. The activities of the mangers may be categorized under the following heads:

i. Interpersonal Activities: Managers deal with the subordinates to get things done with their help. For this , they interact and maintain good relations with them.

ii. Informational Activities : It is very important for managers to communicate effectively in order to get things done. They continuously receive information from various sources and transmit only the desired information. They exchange information with their superiors , subordinates and peers.

iii. Decisional Activities: Decision making inherent to the job of a manager. The managers have to take a large number of decisions daily to run the organisation. They are expected to come up with solutions to difficult problems and to follow through with their decisions, even when doing so may be unpleasant.

Roles of Manager	Roles
Roles of Manager as part of the **Interpersonal Activities** he has to perform	Figurehead Leader Liaison
Roles a Manager takes up while engaged in **Informational Activities**	Monitor Disseminator Spokesperson
Roles of Manager plays in **relationship** with other individual both inside and outside the firm.	Entrepreneur Disturbance handler Resource Allocator Negotiator

Managerial activities involve variety , fragmentation, brevity and a large volume of work to be performed quickly. The three interpersonal roles are primarily concerned with interpersonal relationships. In the figurehead role, the manager represents the organisation in all matters of formality. The top level manager represents the company legally and socially to those outside of the organisation. The supervisor represents the work group to higher management and higher management to the work group. In the liaison role, the manger interacts with peers and people outside the organisation. The top level manager uses the liaison role to gain favours and information, while the supervisor uses it to maintain the routine flow of work. The leader ole defines the relationship between the manger and employees.

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The unique access to information places the manager at the centre of organisational decision making. There are four decisional roles. In the entrepreneur role, the manager initiates change. In the disturbance handler role, manager deals with threats to the organisation. In the resource allocator role, the manager chooses where the organization will expend its efforts. In the negotiator role, the manager negotiate on behalf of the organization. The top level manger makes the decisions about the organisation as whole, while the supervisor makes decisions about this or her particular work unit.

The supervisor performs these managerial roles but with different emphasis than higher managers. Supervisory management is more focused and short –term in outlook. Thus, the figurehead role becomes less significant and the disturbance handler and negotiator roles increase in importance for the supervisor. Since, leadership permeates all activities, the leader role is among the most important of all roles at all levels of management.

4.13 SUMMARY

Managers perform different roles . Formal authority gives rise to inter-personal and informational roles. The manager in- charge of the organization or the department coordinates the work of others and leads his subordinates. Formal authority provides potential power to exercise and get the things done. As the leader of the organization, the manager has to perform the functions of motivation, communication, encouraging team spirit . Further, he has to coordinate the activities of all his subordinates which involves the activity of liaison. According to Peter Drucker : " the manager has the task of creating a true whole that is larger than the sum of its parts, a productive entity that turns out more than the sum of the resources put into it". Though the different roles of a manager are stated separately for convenience, they are not separable. The manager has to perform these roles simultaneously, by integrating one with the other. Thus, the role of the manager is integrating all the roles while playing the managerial role or performing his tasks. The manager cannot play one role isolating the other roles. As a strategist, the manager has to integrate all the roles in decision-making and performing his tasks.

4.14 SELF ASSESSMENT QUESTIONS

1. Why is management called as an art?
2. Why management is called as Science?
3. Is management a profession ? Comment
4. Explain the different skills of management.
5. What are Mintz Berg's roles of present managers?

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