Principles of Management

Module 1

Objectives

- Understanding management concepts
- Characteristics of management
- Functions of management

MANAGEMENT

- Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, staffing, directing (or leading) and controlling organizational resources.
- Organizational resources include men (human beings), money, machines and materials.

Definitions

- Louis E Boone & David L Kurtz- The use of people and other resources to accomplish objectives.
- Mary Parker Follet- the act of getting things done through people.
- Frederick Taylor defines Management as the art of knowing what you want to do in the best and cheapest way.

Characteristics

- Management is a distinct process.
- Management is an organized activity
- Management aims at the accomplishment of predetermined objectives.
- Management is both a science and an art.
- Management is a group activity
- Management principles are universal in nature
- Management integrates human and other resources.

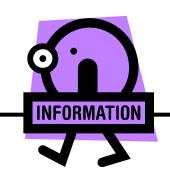
Managerial roles and functions

Mintzberg's Managerial Roles

- Henry Mintzberg studied CEOs at work and created a scheme to define what managers do on the job. These are commonly referred to as Mintzberg's managerial roles.
- These can be grouped into three primary headings: interpersonal, informational and decisional

INTERPERSONAL

Role	Description	Identifiable Activity
Figurehead	Manager serves as an official representative of the organization or unit	Greeting visitors; signing legal documents
Leader	Manager guides and motivates staff and acts as a positive influence in the workplace	Staffing, training
Liaison	Manager interacts with peers and with people outside the organization to gain information	Acknowledging mail/email; serving on boards; performing activities that involve outsiders



INFORMATIONAL 7

Role	Description	Identifiable Activity
Monitor	Manager receives and collects information	Reading magazines and reports; maintaining personal contacts
Communication (Disseminator)	Manager distributes information within the organization	Holding meetings; making phone calls to relay information; email/memos
Spokesperson	Manager distributes information outside the organization	Holding board meetings; giving information to the media

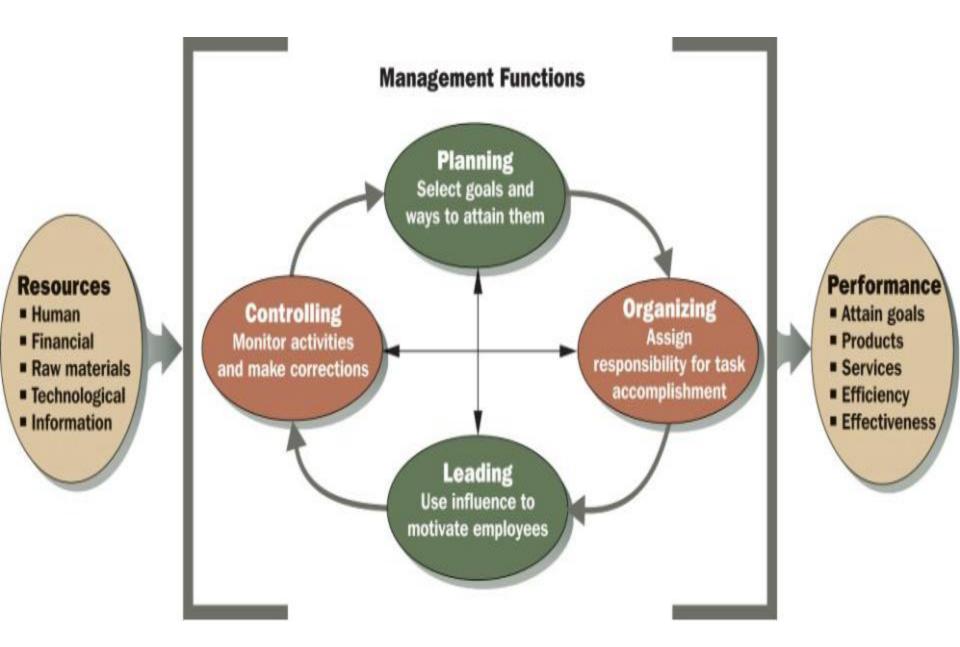
DECISIONAL

Role	Description	Identifiable Activity
Entrepreneur	Manager initiates change	Organizing sessions to develop new programs; supervises design of projects
Disturbance Handler	Manager decides how conflicts between subordinates should be resolved	Steps in when an employee suddenly leaves or an important customer is lost
Resource Allocator	Manager decides how the organization will use its resources	Scheduling; requesting authorization; budgeting
Negotiator	Manager decides to negotiate major contracts with other organizations or individuals	Participating in union contract negotiations or in those with suppliers

Functions of Managers

- Managers just don't go out and perform their responsibilities.
- Good managers discover how to master five basic functions:
- 1.Planning
- 2. Organizing
- 3. Staffing
- 4. Leading (or Directing)
- 5. Controlling.

The Process of Management



Planning

- Steps to map out exactly how to achieve a particular goal.
- For example, improve company margin.
- The manager first needs to decide which steps are necessary to accomplish that goal.
- These steps may include increasing advertising, inventory, and sales staff.
- These necessary steps are developed into a plan.
 When the plan is in place, the manager can follow it to accomplish the goal of improving company sales.

Organizing

- After a plan is in place, a manager needs to organize his team and materials according to his plan.
- Assigning work and granting authority are two important elements of organizing.

Staffing

- Once a manager discerns his area's needs, he may decide to beef up his staffing by recruiting, selecting, training, and developing employees.
- A manager in a large organization often works with the company's human resources department to accomplish this goal.

Leading

- A manager needs to do more than just plan, organize, and staff his team to achieve a goal.
- He must also lead.
- Leading involves motivating, communicating, guiding, and encouraging.
- It requires the manager to coach, assist, and solve problem with employees.

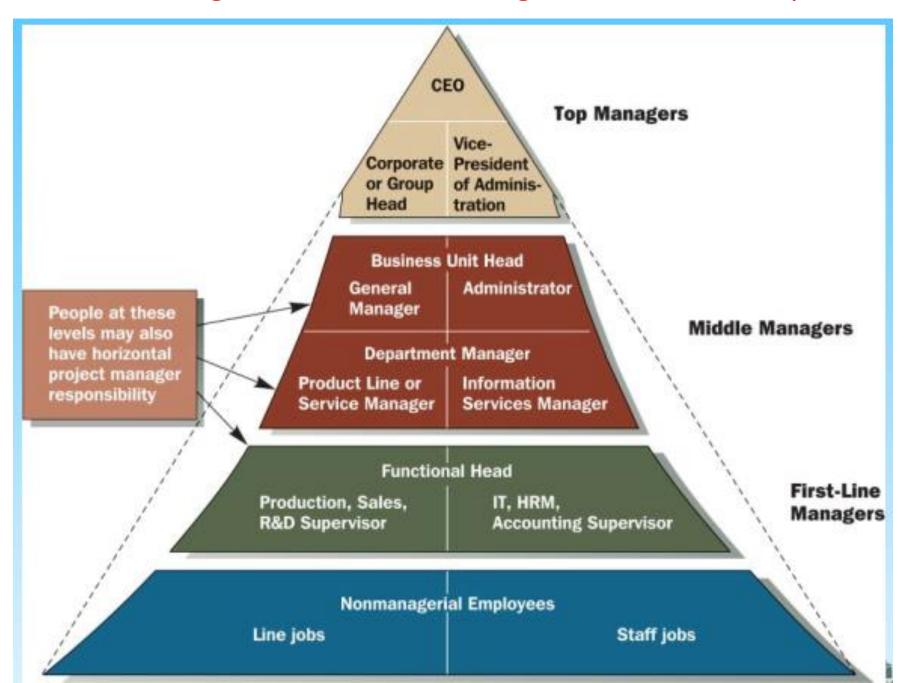
Controlling

- After the other elements are in place, a manager's job is not finished.
- He needs to continuously check results against goals and take any corrective actions necessary to make sure that his area's plans remain on track.

Traditional vs. Entrepreneurial Manager

Traditional Manager	Entrepreneurial Manager
 Tries to avoid mistakes Postpones recognizing failure Agrees with those in power Wants to please top management Likes the system and sees it as nurturing and protective Works out problems by working within the system Utilizes the hierarchy as a basic power differentiation between levels 	 Is wiling to make mistakes in order to learn Admits mistakes and moves on Gets those in power to be committed to what should be done Wants to please sponsors, customers and staff Dislikes the system and learns how to manipulate it Works out problems by learning how to bypass the system Uses the hierarchy as only a tool for getting things done more efficiently

Management Levels in the Organizational Hierarchy



Levels of Managers

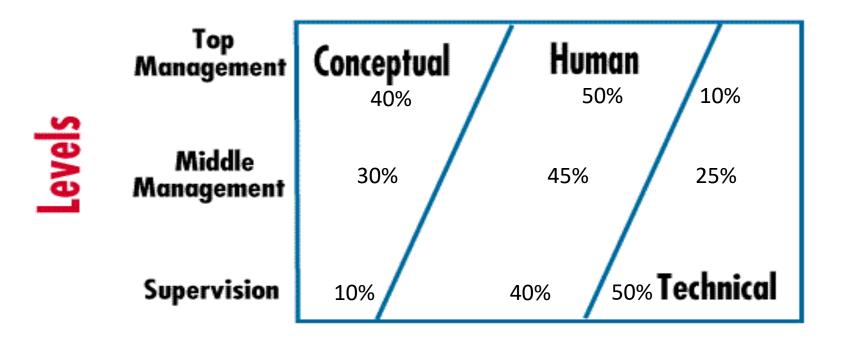
- First-line managers
 - Responsible for day-to-day operations. Supervise people performing activities required to make the good or service.
- Middle managers
 - Supervise first-line managers. Are responsible to find the best way to use departmental resources to achieve goals.
- Top managers
 - Responsible for the performance of all departments and have cross-departmental responsibility. Establish organizational goals and monitor middle managers.

Areas of Involvement

In order to manage people, a manager has to be involved in the following areas:

- Activity what people do.
- Performance how well people do.
- Career planning of career development.
- Life non-work issues (personal).

Management Skills Skills



Skill Distribution at Various Management Levels

Managing and leading endeavors

Managers

- Handle things
- Maintain stability
- Emphasises process
- Define procedures
- Solve today's problems
- Use their heads
- Get people to do things
- Count beans
- Asks how and when
- Directs
- Surrender to context

Leaders

Inspire people

Force change

Emphasises people

Create vision

Seek tomorrow's opportunities

Listen to their hearts

Get people to want to do things

Win wars

Asks what and why

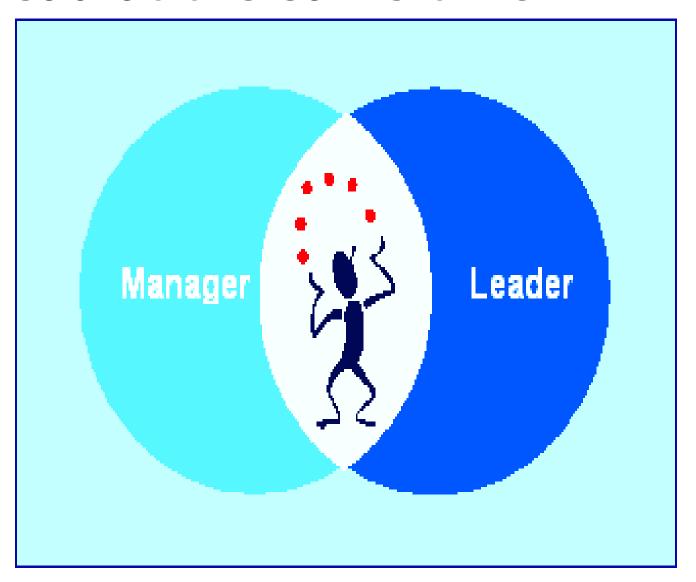
Motivates

Conquer context

'Managers do things right.

Leaders do the right things."- Warren Bennis

A Manager must be able to manage and lead at the same time.



Chester L. Karrass The Seven Amendments

- 1. You Have a Right Not to Understand.
- 2. You Have a Right to Be Wrong.
- 3. You Have a Right to Be Indecisive.
- 4. You Have a Right to Be a Broken Record.
- 5. You Have a Right Not to Answer Questions and You Have a Right Not to Know the Answer.
- 6. You Have a Right to See Things Through Your Own Eyes and to Be Somewhat Illogical or Emotional.
- 7. You Have a Right Not to Be Liked.

Henri Fayol's - 14 Principles of Management

Centralization **Division of work Scalar Chain Authority** Order Discipline **Equity Unity of Command Stability of Tenure Personnel Unity of Direction Initiative** Subordination of individual interest to **Espirit De' Corps** general interest Remuneration

Science or Art perspectives

- Management is considered as art & science.
- The art of managing begins where Science of managing stops to make management complete

How Management is an Art

- Elements of Art in Management
 - Practical Knowledge
 - Personal Skill
 - Creativity
 - Perfection through practice
 - Goal-Oriented

How Management is a Science

- Elements of Science in Managing
 - Concepts
 - Methods and principles
 - Theories
 - Organized knowledge
 - Practice

Management is a Science as well as Art

- Science teaches us to know while art teaches us to do.
- In order to be successful, managers have to know and do things effectively and efficiently. This requires a unique combination of both science and art of managing in them.
- Thus, it may be said that managing in practice is definitely an art but the body of knowledge, methods, principles, etc. underlying the practice is science.

External & Global Environment

Definition of an External Environment

 An external environment is composed of all the outside factors or influences that impact the operation of business.

 The business must act or react to keep up its flow of operations.

Types

- Types of External Environments
- The micro environment consists of the factors that directly impact the operation of a company.
- The macro environment consists of general factors that a business typically has no control over. The success of the company depends on its ability to adapt.

The Micro Environment

Five factors that affect the micro environment:

- Suppliers,
- Customers,
- Marketing intermediaries,
- Financiers, and
- Public perceptions.

The Macro Environment

Five Factors that affect the macro environment,

- Economic
- Socio cultural
- Political
- Legal
- Technical

Innovative Management

Innovative Management

- Managers must focus on innovation to stay competitive
- In a hypercompetitive, global environment, organizations must innovate more
- Innovations may include:
 - New products, services, technologies
 - Controlling costs
 - Investing in the future
 - Corporate values

Entrepreneur Vs Manager

Parameter	Entrepreneur	Manager		
Primary Motive	Independence, Creative opportunity & economic Profit			
Activity	Direct involvement in all areas of management & business	Delegates & Supervises rather gets directly involved. Does not consider aspects of the business or management that are outside his job definition		
Attitude towards Failure and Mistakes	Takes full responsibility and tries to correct mistakes and overcome failures	Tries to avoid mistakes and failures. May be cautious to the point of inaction if the risk is too high		
Risk Taking Character	Moderate to high risk taker. More risk More profit.	Low risk taker.		

Continued...

Parameter	Entrepreneur	Manager		
Decision making capabilities	Takes all decision to follow his dream	Agrees with company's policies and those above in the corporate hierarchy		
Family Background	Comes from a with a history of entrepreneurs or small business May even come from farming background.	whose members generally work for large corporations		
Relationship with others	Basis of relationship with others is transactions and deal making; To define his own hierarchy.	Relates to others within the existing hierarchy.		
Relationship with each other	Must have managerial skills. Management is a subset of entrepreneurship	Manager cannot be an entrepreneur		
Age	In males it is generally 25 to 35 and among females it is between 35 to 45.	•		

Importance of Entrepreneurship

- It helps in overcoming the problems of population, unemployment, underemployment and hidden unemployment.
- It is the key to economic development.
- It helps in harnessing youth vigour.
- It provides greater and varied employment opportunities.
- Entrepreneur is a business leader who plays a pivotal role in fostering economic growth and development.
- The paves the way for industrial development.
- Entrepreneurship helps in solving the problems of monopoly and balanced regional development.
- It helps in increasing the per capita income and hence the life style.
- It helps in higher individual savings and hence more purchasing power.
- It provides more revenue for the government in the form of income tax, sales tax, export duties, import duties etc.
- It guides the direction for national economics, industries and markets.
- It introduces quantum leaps in technology and more productive use of resources.
- It guides innovations, creativity and wealth creation.

Advantages / Benefits of an Entrepreneur

- Your own boss and boss to others.
- Your decision will guide the success or failure of the enterprise
- You will have the chance to put your ideas into practice.
- You will make money for yourself rather than for somebody else
- You have to participate in every aspect of the enterprise thus to learn and gain practical experience in varied business discipline
- You will work in the area of your choice and thus enjoy your job
- You will get personal satisfaction of running a business and to develop self confidence.
- You will contribute in providing job for others.
- You develop your own action plan for execution.
- You will work directly with your customers and do projections.

Disadvantages / Risk of an Entrepreneur

- Alone performer
- Solitary decision maker
- All may be a loser at the end.
- Work may not be satisfying.
- Not able to change job frequently.
- Long working hours.
- Lack of success will hamper enthusiasm.
- To remain in business will be difficult.
- May disturb family and social life.
- Risk of career, finance and more uncertainty.

Entrepreneurs Vs Intrapreneurs

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Intrapreneurs

Owner / Operator	An Employee
Takes extreme risks	Calculated risk
Needs to encourage intrapreneur	Way to improve company performance
Profit goes to the entrepreneur	Profit for the organization
Implements own or other's ideas	Shares own ideas, seeks approval
Inclined more towards consumer sales	More inclined towards B 2 B products
Education and experience less concern	More concern or a must
Generally at age between 30 – 40	Most often after 40
Full responsible of failure / success	Tries not to take failure
Correct mistakes and tries to overcome	Avoids risky projects as much possible
Generally from entrepreneur or business family or background	Mostly salaried and rarely entrepreneur
Involvement in all business areas	Major areas and the delegated areas
Generally defines his own hierarchy	Depends on the existing hierarchy
Expects always financial profits	Remuneration / Recognition / Reward

"Competitive advantage is the favorable position an organization seeks in order to be more profitable than its competitors."

Fundamental success drivers

- 1. Cost Competitiveness
- 2. Quality
- 3. Speed
- 4. Innovation

Cost Competitiveness

Cost competitiveness is all about by keeping the price low by realizing the profit.

- Dell computers are one of the best companies of the world dealing in computers they provide computers in affordable prices and deal online in the Internet.
- Chinese products dominating the Asian market by keeping the price low of products.
- Major company like Intel establish manufacturing plants to cheap labor countries like china, Pakistan, India and Bangladesh by managing labor, manufacturing and minimize taxes result in low cost of the product.

Quality

- "Quality is the excellence of a product, including such thing as attractiveness, lack of defects, reliability, and long term dependability."
- Dell computer maintain quality as well as they are cheaper than others.
- Intel Corporation deals in many computer products like processors and motherboard and satisfies people by the performance, reliability of their products that's why they capture computer hardware market.

Speed

"Fast and timely execution of the response"

- Dell computer get specification of the computer from the user and deliver the same, within 36 hours, because of they have good coordination with their supplier to get the parts in 10 hours.
- Pizza hut deliver each order in 15 minutes people don't have to wait too much, that is why they are dominating..

INNOVATION

"Creation of new devices, objects, ideas, or procedures useful in accomplishing human objectives"

- P & G producing thousands of products each year because they are innovative they share they share the view of customers and introduce products what they want.
- Samsung leading cell phone company dominating because they implement new ideas in their products and deliver continuously new products in the market for every class of customer

12 Criteria for Effective Leadership

(Hall, 2002 in Weightman, 2009)

- Self management organizing oneself to perform
- Role modelling setting an example of required behaviours
- 3. Coaching & mentoring supporting others to improve
- Formal support giving people resources they need to get things done
- Internal exposure being seen around & championing the team
- Expressing a vision aims & goals expressed and based in reality

12 Criteria for Effective Leadership

(Hall, 2002 in Weightman, 2009)

- 7. Communicating clearly and regularly
- 8. Trusting people assuming they will do it right
- 9. Giving praise formally and informally
- 10. Spotting talent and stretching it developing the next leaders and excellent performers
- 11. Taking responsibility when things go right and when they go wrong
- 12. Walking the talk doing it not just talking it

Managing people and organizations in the context of New Era

<u>Hiring</u>

- ✓ Determine the position of need
 - Permanent or Temporary
 - long term or short term
 - Area of focus (Model maker, wood, upholstery, sheet metal, machining...)
 - Look at your long term and short term needs
- ✓ Define your criteria (prioritize)
 - Work standard
 - Education
 - Experience level
 - Skill set
 - Organization/team environment fit

<u>Hiring</u>

- ✓ Have a consistent interview outline and set of questions
 - Define your question based on your criteria
 - Involve a team member to help interview

- ✓ What to look for
 - Do they have the skills that you are looking for
 - Would they fit into your organization

What are your experiences or challenges with hiring?

<u>Internships</u>

<u>Usages</u>

- General support for Model Makers (assign a mentor)
- Smaller independent project
- research project
- shop improvement project that they have design input.

Advantage

- Added resources for projects
- Coverage for summer vacations
- New and fresh ideas
- Potential permanent employee
- Provides a great opportunity for inspiring Model Makers

<u>Internships</u>

Challenges:

- Finding Students that are willing to leave home /college town
- Finding a meaningful projects (ownership)

Making Internships attractive

- Offer competitive wages
- Offer weekly housing stipend
- For larger companies have intern events

What are your experience using interns? Good/Bad

Temporary Staffing Support

Long Term and Short Term

- Temp agency <u>vs</u>. local model shop
 - i.e. Manpower manages our long term temp staff
 - We use a couple local shop for short term

Benefits

- Support for spikes in your work loads
- Help to meet your project dates
- Minimize layoff of permanent staff
- Provides opportunity to evaluate for permanent employment
- Reduce stress by have the addition resources

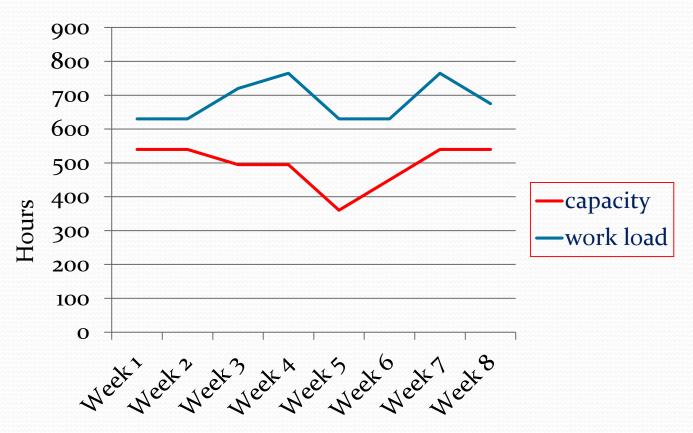
Who uses temporary staff?
How has it worked out for you?

Outsourcing

Outsourcing is another good way to help balance your work.

- Usages and Benefits
 - Support spikes in your work loads
 - Reduce stress
 - Helps ensure target dates are met
 - Minimize layoff of permanent staff
 - Builds relationship that you can trust when needed
- What to consider (know your business)
 - The type of work you need to control versus the work that you can more easily send out.
 - i.e. Machining, modeling, molding, casting...
 - Cost of outsourcing, where is the best gain for the cost.
 - Your time (where is it best spent)
 - The project due date.

Work loads vs. Capacity



Example shows shop capacity and work load (in hours) per week. You can use number of people, per day, per month. You can use to project your work loads and track history that may help you determine hiring needs.

Overtime Management

What is the Purpose?

- High work loads
- Meeting due dates

How to Control OT Costs?

- Balance work across your team based on due dates
- Improve work flow or processes
- Improve work planning/scheduling
- Use resources wisely, leverage their strengths
- Add resources temps and interns
- Outsource work that is less costly outside than inside or at least a wash. i.e.. Machining, casting...

Anyone have additional experiences on using and controlling OT?

Stress

The impact of stress in the workplace:

- ☐ Increased or excessive absenteeism
- ☐ High or increased accident rates or claims
- ☐ Reduced morale
- ☐ Poor interpersonal relations in the workplace
- ☐ Poor or reduced work output and performance
- ☐ Increased staff turnover

"The APA survey found three quarters of people have experienced physical symptoms as a result of stress, such as headache, fatigue and an upset stomach in combination with feelings of irritability, anger, nervousness and lack of motivation."

APA – American Psychological Association

Stress

Stress comes, in part, from:

- <u>The pressures of today's connected world</u>. Because of email, cell phones and the Internet, Americans are finding it increasingly difficult to switch off from the stresses of the workplace and concentrate on their personal priorities over half of respondents said that job demands interfered with family or home responsibilities.
- <u>Technology</u>: "While technology undoubtedly improves our lives, information overload can add to the stress levels of an already overworked nation and lead to using unhealthy behaviors to cope with that stress," says psychologist David Ballard, PsyD, MBA, of APA. "What is important is to learn how to effectively manage your stress, so you can perform at your best both at home and at work."
- <u>Project time line</u>: In today world consumers' expect new products faster and less expensive, so the race to the market with new products have increase the need to prototype quicker (shorter turn around).

Managing Employee Stress

How to manage stress?

- Understand that it stress is real
- Understand Employee Stress levels
- Talk about stress as a team
- Create a "to do" list
- Help prioritize our employee's work
- Focus at the task at hand
 - gives a sense of accomplishment
- Offer or encourage exercising
- Have a team lunch (pizza), group outing
- Offer support; Listen to your employee, allow they to release their frustration
- Offer professional help if needed

Open discussion:

What are other ways that you recognize stress and reduce stress?

Employee Development

- Encourage continuous development
- On the job training (cross training)
- Formal classes (Tech. schools, C.C.)
- Webinars
- Conferences
- Trade shows

^{*} These all energize your employee, increase their knowledge and will add value to your team.

Model Maker Titles/Position

- Provide various levels (gives employees motivation to continue to grow).
 - Examples (Steelcase):
 - Associate Model Maker
 - Model Maker
 - Senior Model Maker
 - Team leader
 - Principle Model Maker

Model Maker Titles/Position

Position Description	Steelcase	
PositionTitle	Position Code	Date
Model Maker	MDMKR	Nov 2011
Department Name/Number or Functional Area	JobFamily	Location
Model Shop	Tech/Professional	Grand Rapids
Title of Immediate Supervisor	EmployeeGroup	EmployeeSubgroup
Manager, Model Shop	1 - Employee	U2 - Non Exempt

General Description (Summary description of the primary duties and objectives of the position.)

Builds prototype models in support of small to mid-size product development projects with minimal guidance. Uses a variety of processes and materials to demonstrate new ideas and prove feasibility. May interact with designers and engineers in collaborative hands on environment by providing suggestions and recommendations for improvement/refinement of products. Design and create own tools, dies, fixtures, set-ups, and molds as necessary. Use technical knowledge of processes and materials to fabricate an aesthetically acceptable, structurally sound and cost effective product. Practice good housekeeping.

Additionally, employees are expected to abide by all internal control & compliance practices to:

- Safeguard assets from theft and misuse.

- Ensure segregation of duties to minimize fraud.

- Comply with business ethics, applicable laws and regulations.

- Maintain confidentiality of proprietary information.

- Periodically reconcile physical assets to accounting records.

Requirements Profile (Competencies, skills, abilities, experience, education necessary.)

Skills/Abilities

- Requires knowledge of product lines.
- Requires knowledge of construction techniques as to the materials, machinery and tooling involved. Ability to work with hands to create sculptured effects and finely tailored models to represent function, appearance and design.
- Expertise in operating a variety of equipment relative to applied area of modeling (mills, lathes, brake presses, punch press, shear, laser, welding, upholstery equipment, wood equipment, etc.).
- Must be able to read prints, and must have analytical skill to determine the needs of requestor.
- Frequent contact with designers, engineers and other model makers regarding development of prototypes. Ability to communicate detailed technical information to all audiences.
- Requires use of problem solving techniques and decision-making methods.
- Knowledge of CNC and basic CAD software.
- Computer skills.

Education/Experience

- Model Maker journeyman card or equivalent work experience. BS/BA degree preferred
- Minimum 5 year experience in model making.

Competencies: For the list of competencies, login to http://learning.steelcase.com/Under "Reports" select

Product Development Model Maker Assessment Guide

Rating	and professional contribution on assignmentslevel of innovation	2. Traceable high impact performance through improved B usiness Results. Goals: M eaningful results such as meeting project timing, provided meaningful input on design improvements, cost reductions, scrap reduction, process improvements, etc. No measureable evidence	3. Recognized as a leader and authority on technical projects	4. Recognized & used as Tech/Prof knowledge resource"who would you call?" Corporate = SCNA Industry = SC Intern'I; partnerships; APMM, etc. Mult Ind = automotive, aeronautical, appliance, etc. Is an apprentice in the discipline	A bility to create an environment for Technical / Professional excellence No mentoring, training	6. Written & oral communication ability
0	discipline, uses routine techniques and exercises limited judgment	NO measureable evidence	requires guidance on technical issues	із ап арргенное ін те цізоріне	activities, or technical leadership	menective
2		Minimal evidence (limited individual project team contributor)	ls an individual contributor on project teams	Limited knowledge within the discipline	By specific direction will do some training, technical leadership	M arginal results, not too influential
4	Devises new approaches, through use of so und technical judgment and creative investigation	Repeated contributor in multiple area	Limited leadership ability on minor projects	Used as a division/unit consultant	Actively involved in training & technical leadership	Limited ability, needs guidance with some levels both up/downward in organization
6	Independently applies advanced techniques, & demonstrates diverse abilities	Consistent measureable improvements	Is a M S leader on minor projects	Used as a corporate consultant	Demonstrated ability to motivate other employees	Has effective expression, relates to all levels of the organization
8	Independently applies advanced theories & concepts	Consistent exceptional improvements	Is a M S leader on multiple minor or major project	Used as an industry consultant	History of motivating other employees and offering counsel	Above normal ability level with all audiences
10	Independently creates "break through" technology	Consistent exceptional improvements across multiple functional groups.	ls a MS leader on multiple major projects or a program	Used as a consultant across multiple industries	History of motivating other employees and has successful protégés	Clearly unique ability and has sustained mastery wit all audiences
Weight	5	4	4	4	3	2

Gender/Minority Issues

- Equal Pay/Pay Rates/Scale Range
- Set Criteria (defined job description at each level)
 - Experience
 - Education Level
 - Accomplishments
 - Successes
 - Projects (scale and scope)
- Policy Driven / ownership
 - Equal employment opportunity policy

Open discussion:

Global Discussion

- Time Zones
- Language Barriers
- Outsourcing
- Traveling
- Forms of communication
 - Teleconferencing
 - a conference with participants in different locations linked by telecommunications devices.
 - Video conferencing
 - Videoconferencing is the conduct of a videoconference by a set of telecommunication technologies which allow two or more locations to communicate by simultaneous two-way video and audio transmissions. It has also been called 'visual collaboration' and is a type of groupware. ...

Challenges of Management



Failure To Set Clear Goals And Expectations



Lack of clarity on the job causes confusion between employees and their manager, leading to disappointment on both sides.

Poor Time Management



In addition to managing your own tasks, you have to manage an entire team, putting out fires and dealing with their problems.



Unclear Or Inconsistent Communication



Employees need to know that they can trust what you're saying to be true.



Pressure To Perform



You were just given an incredible opportunity and now you want to show that you were worth it.

Shifting From Coworker To Boss



Picture this – you're close with your coworkers and suddenly you're promoted to being their manager, you're no longer "one of them."







Firing is a tough thing to do for anyone. It's a very sensitive issue that takes a lot of emotion.

Solving Other People's Problems



You're part manager, part psychologist. Inevitably, you'll start receiving complaints from employees and start having to deal with their problems.

9

Getting The Team To Be Productive



Everyone is different, requires different levels of attention, and works in different ways.

10

Not Asking For Help

Many first-time managers will want to prove that they don't need any help – big mistake.

Thank U