What is management

It is a process of organizing, planning, leading and controlling resources within an entity with the overall aim of achieving its objectives. The organizational management of a business needs to be able to make decisions and resolve issues in order to be both effective and beneficial.

Management and Organizational Design

Management can be described as the people who design an organization's structure and determine how different aspects of the organization will interact. When designing an organization, managers must consider characteristics such as simplicity, flexibility, reliability, economy, and acceptability. Different levels of management will participate in different components of this design process, with upper management creating the initial organizational architecture and structure.

Organizational design is largely a function based on systems thinking. Systems thinking involves identifying the moving parts within an organization that add value and ensuring that these parts function together as an effective and efficient whole. Perspective is essential in systems thinking: a manager's role in organizational design is to refrain from thinking of departments, individuals, processes. and problems as separate from the system and instead think of them as indivisible components of the broader organizational process.

Management Processes

Organizations can be viewed as systems in which management creates the architecture for the system of production. Managers' role in organizational design is central but must be understood in the context of their overall responsibilities within the organization

LEVELS OF MANAGEMNTS

All levels of management perform these functions. However, the amount of time a manager spends on each function depends on the level of management and the needs of the organization

- *Top-level managers* include the board of directors, president, vice-president, CEO, and other similar positions. They are responsible for planning and directing the entire organization.
- *Middle-level managers* include general managers, branch managers, and department managers, all of whom are accountable to the top-level management for the functions of their departments. They devote more time to organizing and directing.
- *First-level managers* include supervisors, section leads, foremen, and similar positions. They focus on controlling and directing.

As a result of this hierarchy, upper management will view the organizational design from a macro-level and consider all moving parts of the organization. Middle-management will generally focus on operations within functional or geographic areas. Lower-level managers will look at specific processes within functions or regions. From an organizational-design perspective, the higher managers are in the organization, the broader the view they will take and the greater number of moving parts they will consider.

Roles of manager

1) **Sets objectives.** The manager sets goals for the group, and decides what work needs to be done to meet those goals.

2) **Organizes.** The manager divides the work into manageable activities, and selects people to accomplish the tasks that need to be done.

3) **Motivates and communicates.** The manager creates a team out of his people, through decisions on pay, placement, promotion, and through his communications with the team

4) **Measures.** The manager establishes appropriate targets and yardsticks, and analyzes, appraises and interprets performance.

5) **Develops people.** With the rise of the knowledge worker, this task has taken on added importance. In a knowledge economy, people are the company's

ORGANIZATIONAL STRUCTURE

An **organizational structure** defines how activities such as task allocation, coordination and supervision are directed toward the achievement of organizational aims Organizations need to be efficient, flexible, innovative and caring in order to achieve a sustainable competitive advantage. Organizational structure can also be considered as the viewing glass or perspective through which individuals see their organization and its environment

An organization can be structured in many different ways, depending on its objectives. The structure of an organization will determine the modes in which it operates and performs.

Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual.

Organizational structure affects organizational action in

1. it provides the foundation on which standard operating procedures and routines rest.
2. it determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions.
3. Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function and where it reports to within the organization. This structure is developed to establish how an organization operates and assists an organization in obtaining its goals to allow for future growth. The structure is illustrated using an organizational chart.

Types

Several types of organizational structures are each defined to meet the needs of organizations that operate differently. Types of organizational structure include divisional, functional, geographical and matrix. A divisional structure is suitable for organizations with distinct business units, while a geographical structure provides a hierarchy for organizations that operate at several locations nationally or internationally. A functional organizational structure is based on each job's duties. A matrix structure, which has two or several supervisors for each job to report to, is the most complicated but may be necessary for large organizations with many locations and functional areas.

Centralization

Although there are many types of organizational structures developed to meet each organization's needs, all of them provide a hierarchy that reports to a centralized location and group of executives. The highest ranking member of an organizational chart is one or several top executives referred to as the president, chief executive officer or chief operating officer.

Job Descriptions

When an organizational structure is designed, job descriptions can be developed to not only meet an organizations goals, but allow for organizational and employee growth. Internal equity and employee retention are a key to successful operations. Recruitment is also one of the highest investments for organizations, so ensuring employees have promotional opportunities and job security can assist in reducing recruitment costs.

Salary

Organizational structure is also a fundamental core to create salary structures for an organization. Once the structure is established, salary ranges can be created for each job in the organization. In most cases, each job is aligned to a salary grade, and each grade has a specified salary range. This allows an organization to meet its financial goals and ensures salaries are distributed fairly within financial budgets.

Expansion

If an organization expands, the organizational structure allows room for growth. This can include adding additional layers of management, new divisions, expanding one or several functional areas or appointing additional top executives. When the structure is reorganized for expansion, it provides the foundation to edit salaries and job descriptions quickly and efficiently with minimal disruption to an organization's operations.

A *Human Resource* is a single person or employee within your organization. *Human Resources* is also the organizational function that deals with the people and issues related to people such as compensation, hiring, performance management, and training.

HUMAN RESOURSE MANAGEMENT

The process of hiring and developing employees so that they become more valuable to the organization.

Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels. Examples of core qualities of HR management are extensive knowledge of the industry, leadership, and effective negotiation skills. Formerly called personnel management.

Importance of human resources in an organization

A good HR department is critical to an employee-oriented, productive workplace in which employees are energized and engaged. Here are the reasons why.

- **HR monitors the culture.** Some organizations say that HR owns the culture, but as in all other employee relations matters, I recommend that the ownership is spread across all employees.
- **HR owns the overall talent management processes.** In conjunction with other managers, HR leads the way in management development, performance management, succession planning, career paths, and other aspects of talent management. HR can't do it alone and relies heavily on managers and executive staff to help plan and execute the strategies. However, HR has to bring new ideas and effective practices into the organization.

- **HR is responsible for the over all recruiting of a superior workforce.** Once again, HR cannot do it alone, but must provide support to hiring managers who are also responsible for recruiting a superior workforce. HR must provide leadership, training, scheduling assistance, a systematic hiring process, recruitment planning processes, interview expertise, selection monitoring, and more.

- **HR recommends market-based salaries and develops an overall strategic compensation plan.** HR provides guidance to managers as they determine the salary ranges within their organizations.
- **HR researches, recommends, and implements employee benefits programs that attract and retain your best employees.** HR is also responsible for controlling costs and considering various options before recommending adoption.
- **HR is responsible for recommending and instituting strategies for people and the organization that further the attainment of the organization's strategic goals.** If your organization is changing direction, developing new products, changing mission, vision, or goals, HR must lead the way with employee programs and processes.
- **HR makes sure that workplace activities, events, celebrations, ceremonies, field trips, and team building opportunities are occurring.** Other employees plan and

implement the activities with or without HR's help, but the HR leader is generally responsible for monitoring the budget and providing committee oversight.

- **HR advocates for employees who have issues or conflict with management and coaches managers and executives who seek a more effective approach to working with particular employees.** Not everyone loves each other but they need to develop effective working relationships for contributions and productivity. HR can help by knowing the players and taking on the necessary role of advocate, coach and/or mediator.

MOTIVATION

Motivation in management describes ways in which managers promote productivity in their employees. Learn about this topic, several theories of management, and ways in which this applies to the workplace. Use quiz questions to test your knowledge.

Importance's of motivation

Lead to profitable operation
Motivation is an important tool that leads the organization in profitable operations. Motivated workers perform their duties with full responsibility. The development of self responsibility among the workers contributes for the best utilization of available resources like materials, money, machines and others.

High level of productivity
Motivation contributes to develop working efficiency of employees. When employees are actually motivated they improve their working efficiency. The development of working efficiency among workers leads to maximize production and productivity. Management can expand its business activities in large areas for organizational profitability and growth.

Best remedy for resistance to change
The change in the management system and organizational structure is essential to adjust an organization and its business activities according to changing environment. In some situation workers, specially, their unions may create resistance to change. They think about their job security and stability. The motivated workers have knowledge about the outcome of changes. They even better appreciate the management view points to the introduction of chances in the organization.

Effective use of human resources
Manpower is the main active factor of production and is responsible for the best utilization of organizational resources. Motivation is the main instrument which creates the willingness among workers to do their work in the best possible way. In other words, motivated employees make the best utilization of their skills, knowledge, capabilities etc. in the existing environment.

Satisfaction of employees

The satisfaction of employees is essential for organizational effectiveness. Motivation helps satisfy employees and develop morality among them. Employees with high morale become dedicated to the organization. They also perform their jobs in the best manner. Generally, employees are motivated through facilities both financial and non financial. Financial facilities are essential to fulfill basic and other physiological needs. In a similar manner, promotion on the basis of efficiency and experience is essential to fulfill social needs.

Minimize disputes and strikes

Motivation is an important tool, which helps to maintain coordination and develop a feeling of harmony among workers and management. It minimizes misunderstanding and disputes between the management and workers. The development of transparency about the internal matters stimulates the workers to perform their work efficiently. When workers get knowledge about their responsibility and return, they perform their work efficiently.

Basis of coordination

Motivation is the basis of coordination among all members of the organization. Motivated employees develop a better understanding among themselves. They appreciate their mutual problems and resolve differences through mutual consent. The main reason for the differences in approach among the workers is the lack of coordination. However, motivation helps to maintain coordination among the workers. The maintenance of coordination helps to develop the attitude of team spirit and group effort for common goals.

Stability of workforce

It is known that a motivated and stable workforce is potential of the organization. Motivation directly or indirectly facilitates the stability of the workforce. Generally, frustrated and dissatisfied employees may think of leaving the organization for better opportunity. Motivated employees do no want to leave the organization and want to work for the organization with the best possible way. Therefore, the management needs to provide facilities to workers on the basis of their efficiency and experience.

Minimizes supervision cost

Motivated employees perform their work themselves. In other words, the concept of sell responsibility is developed among them and they perform work smoothly. For such employees, only guidance and timely suggestion is sufficient. Therefore, regular and close supervision is not required to such employees. Motivation indirectly contributes to minimizing supervision cost.

Achievement of organization goals

Every organization is established to achieve definite objectives. Similarly, the main responsibility of the management is to focus on organizational objectives. Motivated workers put their effort toward the attainment of organization objectives. The best utilization of human effort contributes for the proper utilization of other resources. This is helpful to minimize cost of output or service and maximize profitability.

Organizational leadership is a dual focused management approach that works towards what is best for individuals and what is best for a group as a whole simultaneously. It is also an attitude and a work ethic that empowers an individual in any role to lead from the top, middle, or bottom of an **organization**.

What is Leadership?

Leadership is the action of leading people in an organization towards achieving goals. Leaders do this by influencing employee behaviors in several ways. A leader sets a clear vision for the organization, motivates employees, guides employees through the work process and builds morale.

Significances of Leadership in Organizations

Setting a clear vision means influencing employees to understand and accept the future state of the organization.

Motivating employees means to find out enough about the needs and wants of employees, giving them what they need and providing praise for a job well done A good leader knows this and will communicate with his unit to learn more about their needs and wants

When **guiding employees**, it is important to define their role in the work process and provide them with tools needed to perform and participate in their efforts along the way.

Building morale involves pulling everyone together to work towards a common goal. Let's face it - fighting in a war is stressful.

What is Managerial Communication ?

Managerial communication is a function which helps managers communicate with each other as well as with employees within the organization.

Communication helps in the transfer of information from one party also called the sender to the other party called the receiver.

Managerial Communication helps in the smooth flow of information among managers working towards a common goal. The message has to be clear and well understood in effective communication.

The team members should know what their manager or team leader intends to communicate.

Effective managerial communication enables the information to flow in its desired form among managers, team leaders and their respective teams.

Managerial communication is of the following two types:

- **Interpersonal Communication** - Interpersonal communication generally takes place between two or more individuals at the workplace.
- **Organizational Communication** - Communication taking place at all levels in the organization refers to organizational communication.

Ways of Managerial Communication

A successful manager is one who communicates effectively with his subordinates. It is really essential for managers to express their views clearly for the team members to understand what exactly is expected out of them.

Usually there are two ways managers communicate amongst themselves and with their subordinates:

i. **Verbal Communication**

Communication done with the help of words is called as verbal communication. No written records are available in verbal communication.

In verbal communication individuals need to be very careful about their speech. What they speak and how they speak matter a lot. Managers must choose the right words to address their team members. Make sure you do not confuse your team members.

One has to be loud and clear while interacting with employees at the workplace. Be very clear and precise.

ii. **Written Communication**

Communication is also done through emails, letters, manuals, notices and so on. Such mode of communication where written records are available is often called written communication.

Managers must inculcate a practice of communicating through emails with their juniors as it is the one of the most reliable modes of communication. It is essential for the managers to master the art of writing emails. Avoid using capitals, bright colors, designer font styles in official mails. Make sure your signatures are correct.

Body Language

Managers must also take special care of their body language, facial expressions, gestures for effective communication.

A manager who always has a frown on his face is generally not liked and respected by people. Being a Boss does not mean you need to shout at people. Be warm and friendly with your team members

Direction of Communication Flow

i. **Upward Communication**

Flow of information from employees to managers is called upward communication. Upward communication takes place when employees share their views with their managers on their nature of work, job responsibilities and how they feel about the organization on the whole.

ii. **Downward Communication**

Downward communication takes place when information flows from managers to the subordinates.

Managers often give orders and directions to their subordinates as to what to do and

What is operations management involve?

Operations management is chiefly concerned with planning, organizing and supervising in the contexts of production, manufacturing or the provision of services. As such, it is delivery-focused, ensuring that an organization successfully turns inputs to outputs in an efficient manner. The inputs themselves could represent anything from materials, equipment and technology to human resources such as staff or workers.

Examples of the types of duties or specialist positions this encompasses are procurement (acquiring goods or services from external sources), managing relations with those involved in processes, and improving a company's sustainability with regard to its use of resources.

Two key terms for operations management

There are two big terms that can help answer the question of what is operations management more precisely: **supply chain management** and **logistics**. Operations management has firm foundations in both areas. For example, understanding global trends in supply chain management in order to meet client demand is often critical. With logistics, the careful and considered use of resources, as well as cost-effectiveness, has become increasingly important in an era in which resources can often be in short supply and customer expectations have skyrocketed.

Skills required of an operations manager

There are strong parallels between the skills required for effective operations management and those needed in both logistics and supply chain management. Consummate organizational ability is crucial in successfully enhancing efficiency and driving productivity as an operations manager.

One must be able to understand the series of processes within a company in order to get them to flow seamlessly, and in this sense the role is directly related to supply chain management. Meanwhile, the coordination involved in setting up these processes in practice represents logistics; the combination of understanding and coordinating the work of a company are therefore central to being a successful operations manager.

MANAGERIAL CONTROL METHODS OR TECHINICS

Techniques of Managerial Control: Traditional and Modern Techniques!

1. Traditional Techniques:

Tràditional techniques refer to the techniques that have been used by business organisation for longer period of time and are still in use.

a.Personal Observation

b. Statistical Reports.

c. Breakeven Analysis.

d. Budgetary Control.

a)observation

This is the most traditional technique of control. It helps a manager to collect first hand information about the performance of the employees. It also creates psychological pressure on the employees to improve their performance as they are aware that they are being observed personally by the manager. However, this technique is not to be effectively used in all kinds of jobs as it is very time consuming.

(b) Statistical Reports:

Statistical analysis in the form of percentages, ratios, averages etc. in different areas provides useful information regarding performance of an organization to its managers. When such information is presented in the form of tables, graphs, charts etc., it facilitates comparison of performance with the standards laid and with previous years` performance.

(c) Breakeven Analysis:

The technique used by managers to study the relationship between sales volume, costs and profit is known as Breakeven Analysis. This technique helps the managers in estimating profits at different levels of activities.

Through breakeven analysis, a firm can keep a check on its variable cost and can also determine the level of activity at which it can earn its profit target.

(d) Budgetary Control:

Under this technique, different budgets are prepared for different operations in an organization in advance. These budgets act as standards for comparing them with actual performance and taking necessary actions for attaining organizational goals.

Modern Techniques:

Modem techniques are those techniques which are very new in management world. These techniques provide various new aspects for controlling the activities of an organisation.

These techniques are as follows:

(a) Return on Investment.

(b) Ratio Analysis.

(c) Responsibility Accounting.

(d) Management Audit.

(e) PERT and CPM.

(f) Management Information System.

(a) Return on Investment:

Return on investment is very useful technique for determining whether the capital invested in the business has been effectively used or not for generating reasonable amount of return.

It acts as an effective control device in measuring and comparing the performance of different departments. It also helps departmental managers to find out the problems which adversely affect ROI.

(b) Ratio Analysis:

Ratio Analysis is a technique of analyzing the financial statements of a business firm by computing different ratios.

(c) Responsibility Accounting:

Under this system of accounting, various sections, departments or divisions of an organisation are set up as ' Responsibility Centers'. Each centre has a head who is responsible for attaining the target of his centre.

(d)Management Audit:

Management Audit is a process of judging the overall performance of the management of an organization. It aims at reviewing the efficiency and effectiveness of management and improving its future performance. Its basic purpose is to identify the deficiencies in the performance of management functions. It also ensures updating of existing managerial policies.

Management Information System (MIS):

Management Information System (MIS) is a computer based information system which provides accurate, timely and up-to-date information to the managers for taking various managerial decisions. Thus, it is an important communication tool as well as an important control technique. It provides timely information to the managers so that they can take appropriate corrective measures in case of deviations from standards.

Advantages of management information system are as follows:

(a) It provides only relevant information to the managers thus saving them him from information overload.

(b) It facilitates collection and management of information at different levels and departments of the organization.

(c) It helps in planning, controlling and decision making at all levels of an organisation.

(d) It helps in improving the quality of information.

(e) It ensures cost effectiveness by providing all important information to the management in time.