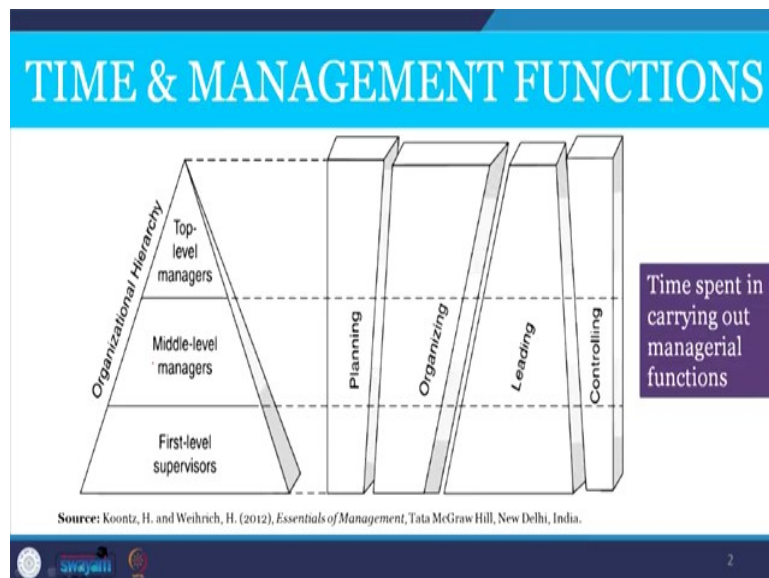


**Principles of Management**  
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**Lecture – 02**  
**Introduction to Management – II**

As we discussed earlier in the Principles of Management Part 1 about what is management and management functions: planning, organizing, directing and controlling. So, taking this discussion forward, we will discuss about the time and management functions.

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Time spent in carrying out managerial functions; earlier we discussed about the top level managers, middle level managers, and the first level managers as per the organizational hierarchy.

Now, the question comes, do these managers carry out all these functions: planning, organizing, directing, and controlling? So, what is the amount of time spend on planning, organizing, directing, and controlling? Do the top managers spend maximum time on planning or organizing? So, we will learn in this particular lecture.

The top managers, as we have already seen, are those people who are highly experienced; they are mostly decision makers. Middle managers are the people who have technical expertise and who are acting as a liaison between the top managers and the first level

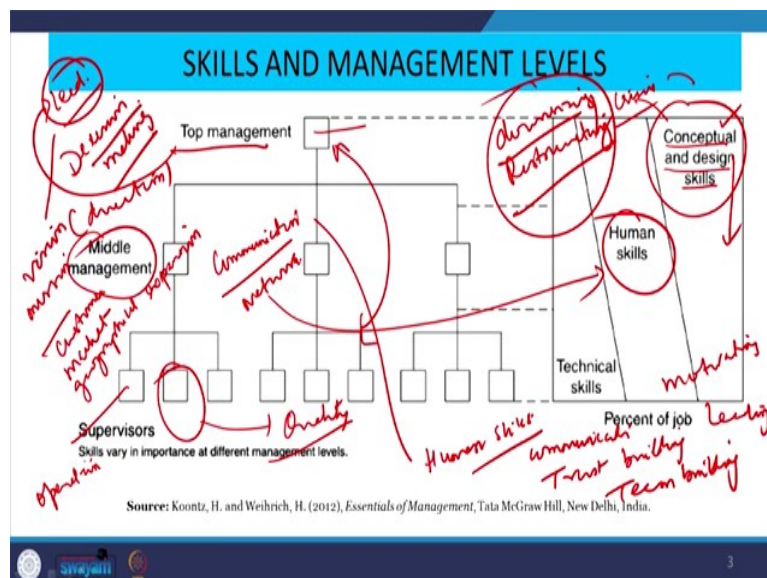
managers. They also interact with customers or clients, suppliers and several other people in the marketplace.

First level managers are those who exhibit operational functions and they have technical proficiency. So, each of them, of course, do exhibit planning, organizing, leading and controlling mechanism or functions; but their focus is different at each managerial level.

First line managers have their own plans to accomplish their goals; organizing is basically which increases the importance of top managers in organizing function. Middle managers organize the tasks, and the top managers are involved in leading functions; middle managers spend more time in leading as compared to the top managers.

And the first line managers deal with a large number of subordinates. So, they invest more time in leading function. And controlling is equally exercised by all of these; however the top managers exhibit more on controlling function.

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Skills and management levels: if you look at the hierarchy, in the top management, the skills vary in importance at different managerial levels. The top managers invest more on conceptual and design skills; middle managers invest more on human skills, and the first line managers invest more on technical skills.

What are conceptual and design skills? As the complexity of top manager's task increases; so they need to take decisions. Conceptual skills are decision making skills regarding how and where to lead organization as a whole.

So, this is about giving vision to an organization. Vision is otherwise defined as where the organization would be after a certain period of time. Deciding about the mission, like what would be the purpose of organization, who are the customers, what segment of customers the products would be targeted, which market to invest, and which geographical area or the territory the company should expand.

So, all these decisions are taken by the top managers. They also take decisions in a crisis like situation. As discussed earlier, a crisis may be a sudden situation in the business environment which may lead organization to lose its reputation and identity. So, in such situations, whether to invest, whether to divest, whether to go for restructuring or downsizing; such decisions are being taken by the top managers.

So, top managers' job is on conceptual skills. Their job is more of hypothetical or conceptual design skills; innovation in marketing or innovation in human resources or innovations in operations. So, the organization can bail out from the crisis like situation. So, such decisions are being taken by top managers. So, they require more of conceptual and design skills.

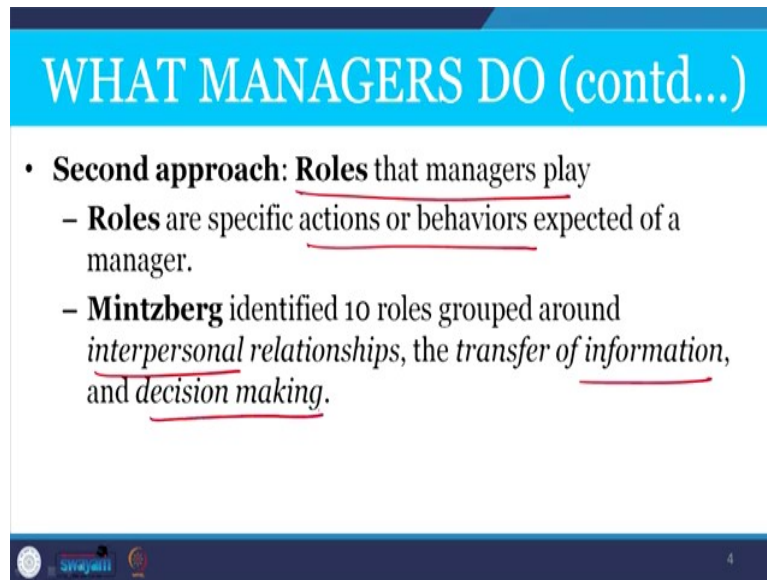
Middle managers, as we have discussed, are a kind of bridge between the top and the lower level or the first line managers. So, they are most mostly interacting or spending on communicating between two different levels. So, their job is more on interpersonal relationships, trust, empathy, and developing a kind of bridging ties between top and the first line managers.

So, they require more of human skills. Human skills are communication, motivation, trust building, team building, resolving conflict, and negotiating between people. So, these are human skills: leading a group of individuals and motivating subordinates for higher performance. So, they require more of human skills; middle managers are more proficient in human skills.

No organization can sustain and survive if the products are of inferior quality and if the performance of the product in terms of its attributes and features fail. Therefore, technical proficiency is equally important. People in operational roles are technically proficient.

Operational roles require technical skills. They can find out the flaws in the product and the product efficiency. So, their emphasis is on efficiency and effectiveness of the product. So, they require more of technical skills.

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**WHAT MANAGERS DO (contd...)**

- **Second approach: Roles that managers play**
  - **Roles** are specific actions or behaviors expected of a manager.
  - **Mintzberg** identified 10 roles grouped around interpersonal relationships, the transfer of information, and decision making.

What managers do? The first approach discussed about the planning functions like planning, organizing, directing and controlling. The second approach discusses about the roles that manager's play.

What roles do the managers play? Roles are specific actions and behavior expected of a manager. They exhibit different roles. As per Henry Mintzberg, the roles are interpersonal, informational and decisional roles. They are again identified in 10 different categories.

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## GOALS OF MANAGERS

- The aim of all managers is to create surplus by creating an environment in which people can accomplish group goals with least amount of time, money, materials, and personal dissatisfaction.
- Managing during crisis, global financial crisis, bribery and corruption etc.
- Vision for change, communication, listening, conflict resolution, strategic planning, learning orientation, creativity and innovation

The diagram shows a flow of information and decision-making. It includes circles labeled 'US', 'GM', 'Ford', 'Chrysler', and 'Fiat' with arrows indicating relationships. There are also handwritten notes like '2008' and 'Fiat'.

So, the aim of all managers is to create a surplus by creating an environment in which people can accomplish group goals with least amount of time, money, material and personal dissatisfaction.

We can otherwise say that, managers create a conducive environment. They create a conducive environment for performance of all managers working with them by optimally utilizing the resources like land, capital, machinery and all the other material resources.

And their emphasis is on creating or providing a conducive environment for personal satisfaction. There should be a highest level of satisfaction among employees who are working with them. Managing crisis when the organization encounters due to internal or external factors.

One of these are global financial crisis. At that time, many organizations encountered problems. Let us take an example of automobile industry. At that time, US automobile industry had three major players: one was GM (General Motors). The other two were Ford and Chrysler. So, these three were doing very well; General Motors could not sustain and survive the global financial crisis. However, Ford has overcome the financial crisis. Chrysler was taken over by Fiat of Italy.

So, the reason is that every organization encounters crisis like situation. Crisis may emanate because of product defects or due to external factors like technological obsolescence or issues like bribery, corruption and so on. So, it is important how a manager exhibits different roles, different skills efficiently and effectively to overcome the crisis like situation.

So, most of the managers exhibit their roles; but some bailout of these issues, some are able to tackle efficiently and effectively and as a result they are able to contribute towards the organizations performance. Vision for change, communication, listening, conflict resolution, strategic planning, learning orientation, creativity and innovation are the goals of a manager.

How to change during different phases? When the organization change; like it could be due to anticipation of the shift in demand. So, for example, Xerox has been doing very well in the market for quite a long time and Xerox was also synonymous to most successful organization.

So, Xerox did very well, but sudden emergence of crisis in the business environment due to the existing or due to advent of new technology; for example, the advent of smartphones have created the crisis like situation, there is an obsolescence or no demand for the product for photocopy in the marketplace.

So, how did managers tackle this situation? So, there was a vision for change; there is a shift in focus of the organization, they are now looking for new business. Communicating their goals and strategies to people within the organization, listening effectively to the subordinates, sensing the market needs is also the role of a manager. Resolving conflict within the organization, resolving conflict with suppliers, and stakeholders, is also the role of a manager.

No organization can sustain and survive if there is no focus on continuous learning and innovation. Training staff as well as imbibing learning, acquiring knowledge of competitors, knowledge of market and developing overall organization. So, emphasis on creativity, innovation through learning and development are also the goals of a manager.

As discussed earlier, Henry Mintzberg gave three important roles: informational, interpersonal and decisional roles. And these roles have been again divided into 10 sub goals or sub roles. (Refer Slide Time: 14:22)

MINTZBERG'S MANAGERIAL ROLES		
Category	Role	Activity
Informational	Monitor	Seek and receive information, scan periodicals and reports; <u>maintain personal contacts</u> .
	Disseminator	Forward information to other organization members; <u>send memos and reports, make phone calls</u> .
	Spokesperson	Transmit information to outsiders through speeches, reports (memos) <i>mt-fctn / announcements</i>
Interpersonal	Figurehead	Perform ceremonial and symbolic duties such as greeting visitors, signing legal documents.
	Leader	Direct and motivate subordinates; train, counsel, and communicate with subordinates.
	Liaison	Maintain information links both inside and outside organization; use e-mail, phone calls, meetings.
Decisional	Entrepreneur	Initiate improvement projects; identify <u>new ideas</u> ; delegate idea responsibility to others.
	Disturbance handler	Take corrective action during disputes or crises; <u>resolve conflicts</u> among subordinates; adapt to environmental crises.
	Resource allocator	Decide who gets resources; schedule, budget; set priorities.
	Negotiator	Represent department during negotiation of union contracts, sales, purchases, budgets; represent departmental interests.

Source: Daft, R. L. (2008), *Management* (8<sup>th</sup> edition), Thomson South-Western, Mason, USA.

Adapted from Mintzberg, H. (1973), *The Nature of Managerial Work*, Harper & Row, New York.

*out of the box think Risk taking*

So, informational roles is how a manager can have control over information. As we know, business organizations come across a large number of information: information from the market, from customers, from competitors, from suppliers as well as from the top management.

If the information is not controlled, there would be chaos. To avoid the chaotic situation, the manager need to monitor various information; information need to be checked, information need to be provided at right point of time.

So, the informational role is basically categorized as monitor, disseminator and spokesperson. The activities which the manager exhibits in his or her informational role is to seek and receive information, scan periodical reports, maintain personal contacts, forward personal contacts, monitoring information. This means that a manager checks the information which comes from both external and as well as within the organization.

Seeking and receiving information means how do you receive information and seek information from appropriate agencies, scan various periodicals and reports which are available and maintain personal contact with individuals, so that you can control any kind of rumor.

Interact with people and have right amount of or adequate amount of information as a disseminator. Manager disseminates information which means forward information to other organizational members or the employees within the organization by sending memos and reports or making phone calls.

So, there would be chaotic situation if there is some kind of rumors within the organization due to say, some rumors regarding downsizing, regarding closure of some work unit or reorganization which would further add on to the complexity of the organization. So, a manager need to know how to disseminate information in the right manner, so to overcome such situations or troubles.

So, the information has to be disseminated to the employees within the organization through memos and reports. You must be aware that notices, periodicals or memos are regularly sent to employees from time to time or sometimes managers call people in order to avoid such situations which may create confusion.

Spokesperson: these are the people who transmit information to outsiders through speech reports and again memos or memorandums. Memorandums are very important form of communication where the information is communicated to the external as well as internal members. The memos are in the form of notifications; official notifications and announcements. These are also official announcements.

Interpersonal roles; what is interpersonal? Interpersonal roles is how to interact with various managers; interaction with managers. Interpersonal roles emphasizes on building trust between managers. So, the three roles are figurehead, leader and liaison. Figurehead is the ceremonial head and symbolic duties such as greeting visitors, signing legal documents.

So, the top managers are symbolic heads of an organization. They are the people whom you call at the helm of affairs. Their duties is to greet visitors. They are visible representative of organizations. Greeting people, greeting visitors, signing legal documents; they are the people ultimately responsible for signing on behalf of the organization as a whole.

Leaders: they direct and motivate subordinates; train, counsel, communicate with subordinates. These are the people who motivate subordinates, direct them, train them, counsel, coach them and communicate with subordinates. So, leader role is one role, where the managers basically motivate subordinates to get things done.

Liaison is a person who maintains information links both inside and outside organization. Liaison is a kind of manager who develops or establishes a network of relationships, both within as well as outside organizations using email, phone calls, organizing meetings.



Organizing meetings, for example, if an organization has to make some plans; before that it has to be communicated to employees. So, a liaison is one who can organize meetings to communicate to the subordinates regarding their plans or the plans of the top management, so that people understand. And in case there is any doubt, then this issue can be resolved instantly through face to face interaction.

Decisional roles: as discussed earlier, manager's primary role is to take decisions. So, decisions to whether to invest or whether to divest; whether to expand in a new market or to have more products and services, such decisions are being taken by managers.

So, managers take decisions like entrepreneurial, disturbance handler, resource allocator, and negotiator. Entrepreneur is somebody who can think big, who can think great, who can be a risk taker. Initiate improvement projects; identify new ideas, and who has ability to think out of the box.

Delegate out of the box thinking or being more innovative risk taking. Delegate ideas and responsibility to others, who can delegate responsibility, who can get the things done out of others. Disturbance handler, as we had already discussed, it is very difficult to work with a large number of people. When there are large number of people working for a common goal, there are chances of conflicts.

What if we are also as in the contemporary organizations, it is not one organization; but at times, the resources are being shared with other organizations in order to accomplish the goals. So, there are likely chances of disturbances, likely chances of conflicts. Take corrective action during disputes or crisis or resolving conflicts among subordinates, adapt to environmental crisis. So, these are the responsibilities or roles of a disturbance handler.

Resource allocator decide who gets resources, schedules, budgets, priorities etc. So, the resource allocator, as we discussed earlier, manager's role is to optimally utilize resources; there should be minimum of wastage of resources. So, resources is prime importance to the manager.

Scheduling: production, planning and scheduling at what time we should complete this task. Budget allocation, there should not be excess investment on a particular activity; set priorities to meet deadlines, all these are also accomplished by or these roles are exhibited by the resource allocator.

And the last role is of negotiator; as we already discussed when people work together, there are likely chances of disturbances, likely chances of conflicts rising. So, negotiator represents department during negotiation of union contract; labor and management issues are generally the problems within the organization.

There are several organizations where performance failed; the closure of work units, strikes in the industries are because of the differences of opinion of two bases of power, the one being management, the other labor unions. So, the productivity declined, there are, say, the performance; there is serious loss encountered by the organization.

So, such issues need to be negotiated, and the negotiation of union contract regarding say, there should be a win-win approach, rather than win lose approach, which will lead to again; if there is a win win approach, every stakeholder would be satisfied, the worker or the labor union as well as the management representatives would end up with a in a happy note.

So, negotiator plays a prime role in resolving labor management issues. Sales, purchase, budget, representation and departmental interests; so these issues are basically resolved by the negotiator. So, what we discussed now, we discussed about Henry Mintzberg's managerial roles; the roles are informational, interpersonal, decisional roles.

The roles are again categorized as ten different roles; three informational roles, three interpersonal roles and four decisional roles. Monitor, disseminator, spokesperson; figure, leader, liaison, figurehead, leader, liaison; entrepreneur, disturbance handler, negotiator, resource allocator.

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**WHAT MANAGERS DO (contd.)**

- **Third approach: Skills** that managers need
  - **Technical skills**
    - Knowledge and proficiency in a specific field
  - **Human skills**
    - The ability to work well with other people
  - **Conceptual skills**
    - The ability to think and conceptualize about abstract and complex situations concerning the organization

*Handwritten notes in red:*  
Operations  
Quality  
Consciousness  
EPM  
Supply chain  
performance

What managers do? The third approach emphasizes on the skills; technical skills, human skills and conceptual skills managers need to possess. Technical skills: knowledge and proficiency in a specific field; it leads to expertise of a person. Human skills are the ability to work well with others; conceptual skills is the ability to think and conceptualize about abstract and complex situations concerning the organization.

So, as we have already discussed, technical skills need no explanation; it is about the expertise, knowledge, and proficiency on technical aspects on a field. If somebody is expert in the area of, say, operations management. He should have knowledge on, he should have quality consciousness or quality management, enterprise project management (EPM), how to manage the project, there should be also knowledge on supply chain efficiency or supply chain performance. So, these are basically the prime roles of a person who is an operations manager.

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## WHAT MANAGERS DO (contd...)

- **Third approach: Skills** that managers need
  - **Technical skills**
    - Knowledge and proficiency in a specific field
  - **Human skills**
    - The ability to work well with other people
  - **Conceptual skills**
    - The ability to think and conceptualize about abstract and complex situations concerning the organization

*Handwritten notes:* marketing → product design & development, market research, Adv. and sales promotion

The marketing manager also should have knowledge of a person who is specializing in say, suppose another domain of say marketing. We should know how to design a new product, what should be the product features, product designing and development, product design and development, market research; there should be emphasis on say advertising and sales promotion.

So, these are the proficiency, these are the knowledge and proficiency in a specific field; somebody working in human resource management department need to know recruitment or need to have an expertise on recruitment selection, training and development, performance appraisal and performance appraisal or performance management system; and they also need to have awareness on job evaluation, job analysis and employee separation, maintaining efficiency of employees in the workplace.

So, these are certain kinds of technical skills a person need to have. Somebody working in the in a field, need to know the technical knowledge; they develop lines of code and so on. So, these are the technical skills of to be possessed by managers. Human skills is the ability to work well with people.

Middle managers basically work with people. So, their expertise should be on people skills or soft skills; empathy, trust, team building, communication leadership and so on. Conceptual skills are ability to anticipate the need or the market needs; ability to conceptualize about abstract and complex situations.

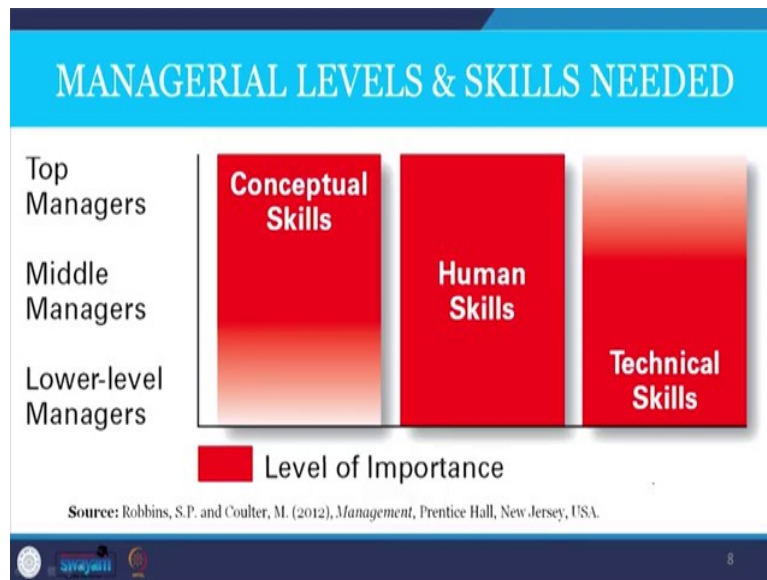
What is a complex situation? As business environment is not very simple; there are several factors which are working in the business environment, which influence the organizations performance. These factors are the pestel factors; political, economic, legal factors, socio technological factors, socio demographic factors and so on which will have an influence, which will have an impact on performance.

Changing dynamics in the workplace or changing preferences of customers will have an impact on the product or in changing the nature of or changing the attributes of products or planning for a new product. As already discussed, Xerox had a sustainable business model. When Xerox, when there were many competitors; it entered in a maturity phase, there Xerox had adopted knowledge management system as a new approach to sustain and survive.

They incorporated knowledge management system. Further, when the business environment changed, there are the substitute products like smartphones made an advent in the market and they are doing some functions of the or the prime function of Xerox that is photocopy; the main business or the business has completely lost its sheen, there is a shift in demand towards soft copies.

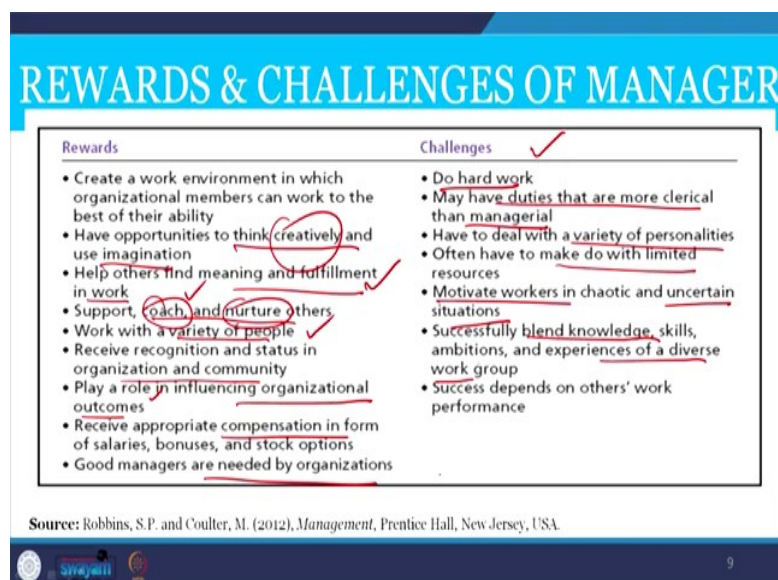
So, now the business is in a complex situation; the business of Xerox is completely in a complex situation. So, top managers have to develop a different type of business model. So, what we wanted to discuss is how to think of the complex problems; to sense make the complex problems and provide an abstract solution, to provide a solution, viable solution in such a situation is called the conceptual skills of managers.

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Managerial levels and skills needed. So, what we discussed is, there are top level managers, middle managers and lower level managers and level of importance of the skills. Top managers need to possess conceptual skills; middle managers need to possess human skills, and the lower managers or lower level or the first line managers need to have more of technical skills.

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So, we would like to discuss on the rewards and challenges of managers. Rewards are, basically, managers create an environment in which organizational members can work to the

best of their ability. The managers need to provide an environment which is conducive enough for people to work effectively.

There should be a healthy camaraderie relationship within workers or employees have opportunities to think creatively and use imagination. As the business environment is moving towards a complex situation; so there is focus or there is more emphasis on creativity, creative skills, creativity and imagination; help others find meaning and fulfillment in work.

What if people work in the similar routine nature of with a routine type of environment, which will lead to decline in efficiency of employees. So, there has to be a meaning, meaningful involvement in the work. Support coach and nurture others and sometimes as we know that every individual does not have the efficiency to work on their own.

So, there is a need for coach and nurturer, who can understand, who can help develop managers to support their professional as well as their personal issues. So, coach basically takes care of the professional development of other of the subordinates; nurturer takes care of professional and personal development of workers.

Work with a variety of people: the managers need to work with large number of employees, a large number of subordinates. As we know, the definition of organization is collection of people or a group of people working for a common goal. So, no individual alone can attain organizational goals; work with a variety of people is also one of the goals of an organization.

Working with people: receive recognition and status in the organization and community, receiving recognition and status is very important to work within organization.

Influencing organization: play a role in influencing organizational outcomes; receive appropriate compensation in form of salaries. If adequate compensation is given; rewards, salaries, bonus, stock option is given, then employees feel happy to work, good managers are needed by all organizations.

Challenges of course, do exist in a business organization; there is emphasis on hard work and many duties that are clerical than managerial. They deal with variety of personalities; because individuals have different personalities, different value system. So, there is a challenge of working with different personalities; often to have to do limited, sometimes their resources

are limited; motivate workers in a chaotic and uncertain situations; these are certain challenges.

Successfully blend knowledge, skills, ambitions and experience of a diverse work group: success depends on others performance. So, managers cannot ensure that, all they plan, organize and lead will lead to success. Success depends on others' performance. So, working with others is a challenge; however this can be developed by developing certain skills.

So, overall what we discussed today. We discussed about the managerial skills, about managerial roles, and levels of managers. And lastly, we concluded discussing about the rewards that the managers get and the challenges of being managers in contemporary business environment.

Of course, an organization can be more efficient and effective, if organization can be a high performing organization; if the managers are able to managers' work in coordination with others, overcoming the challenges and they create a healthy environment, where everybody is motivated and the overall performance of organization would be too high.

Thank you.