



PRINCIPLE OF MANAGEMENT

CIHAN UNIVERSITY DEPARTMENT OF
BUSINESS ADMINISTRATION

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LEARNING OBJECTIVES

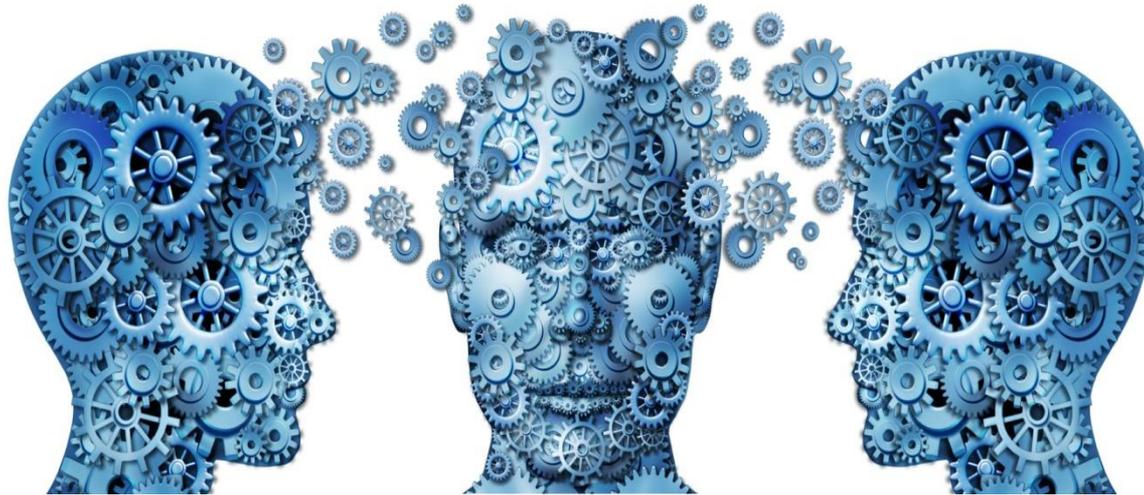
- Define Management.
- Define organizations.
- Define managers.
- Explain what managers do, and their importance.
- Explain the basic functions of management.
- Understand the competences used in managerial work.

WHY DO YOU WE STUDY MANAGEMENT

Economic activity has become more complexity ○

Environment will change quickly

Increased uncertainty ○



DEFINITION OF MANAGEMENT

- So many different author on management have defined the term management in different ways as shown below:

1. Henry Fayol; has defined the management as follows:

“ to manage is to forecast and plan , to plan, to organize, to command, to co-ordinate and control”.

2. Louis Allen, has defined it:

Management is what a manager does.

3. F. Taylor

Management is the art of knowing what you want to do...in the best and cheapest way.

4. Ross Moore

Management means Decision making.

MANAGEMENT FUNCTIONS

The management performs certain activities. These activities are called the functions of management, these functions are:

1. **Planning** which means what objectives to achieve and what to do in order to achieve those objectives.
2. **Organizing** this function is attained by grouping activities, assigning responsibilities, and providing the authority necessary to carry out the activities and responsibilities.
3. **“Leading”** which involves directing and guiding human behaviors toward the accomplishment of objectives.
4. **“Controlling”** which involves measuring actual performance against the objectives, determining causes of deviations and taking corrective actions where necessary.

MANAGEMENT IS AN ART AS WELL AS SCIENCE.

- Management is art as well as science:
Management is a science because it has certain principles which are of universal application. But the result of management depends upon the personal skills of managers and in this sense, management is both science and art.

WHAT IS AN ORGANIZATION?

Organizations are:

“a deliberate arrangement of people to accomplish some specific purpose.”

Or

“collections of people who work together and coordinate their actions to achieve a wide variety of goals, or desired future outcomes.”

CHARACTERISTICS OF AN ORGANIZATION

All organizations have:

1. Purpose.



2. People.



3. Structure.



THE ROLE OF MANAGEMENT IN AN ORGANIZATION

Organization

Two or more people who work together in a structured way to achieve a specific goal or set of goals:

Goals

Purpose that an organization strives to achieve; organizations often have more than one goal. Goals are fundamental elements of organizations.

The Role of Management

To guide the organization towards goal accomplishment.

MANAGEMENT

Management is:

“the process of reaching organizational goals by working with and through people and other organizational resources.”

Or

“the planning, organizing, leading and controlling of human and other resources to achieve organizational goals effectively and efficiently.”



MANAGERS

Managers are:

“the people responsible for supervising the use of an organization’s human and other resources to achieve its goals

Or

“someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.



WHY ARE MANAGERS IMPORTANT?

Managers are important because:

1. Organizations need their managerial skills and abilities more than ever..
2. They are critical to getting things done.
3. Managers do matter to organizations.
4. Managers is responsible for the achievements of staff

WHAT DO MANAGERS DO?

The goal of any organization is to provide some kind of goods or services that customers desire.

The Organizations Performance indicators

“a measure of how efficiently and effectively a manager uses resources to satisfy customers and achieve organizational goals)

Efficiency is:

“a measure of how well or productively resources are used to achieve a goal

or

“doing more with less.”

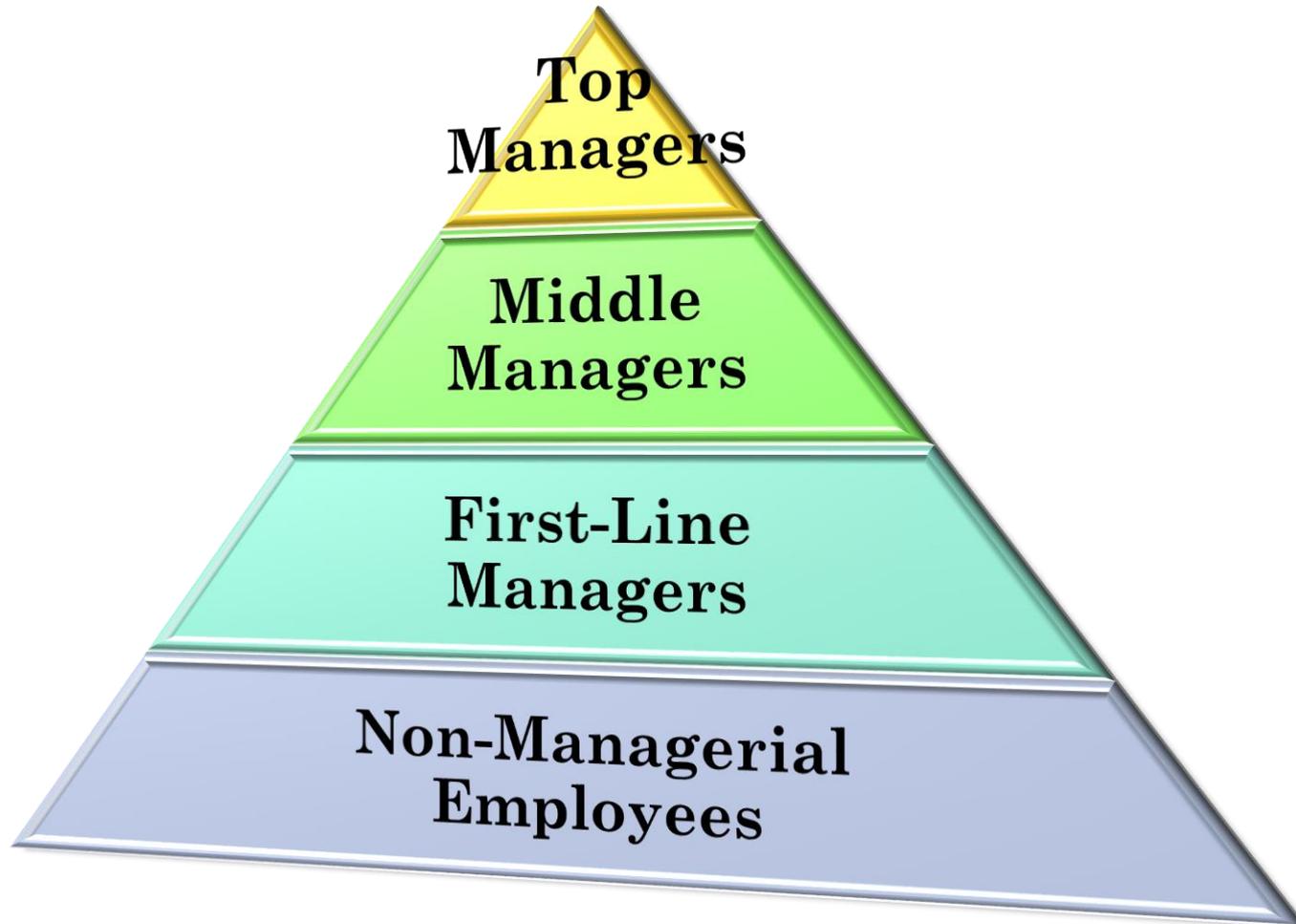
WHAT DO MANAGERS DO? (CONT'D)

Effectiveness is: چالاکی

“a measure of the appropriateness of the goals an organization is pursuing and the degree to which the organization achieves these goals.



BASIC LEVELS OF MANAGEMENT



BASIC LEVELS OF MANAGEMENT (CONT'D)



Top Managers:

Provide the overall direction of an organization.

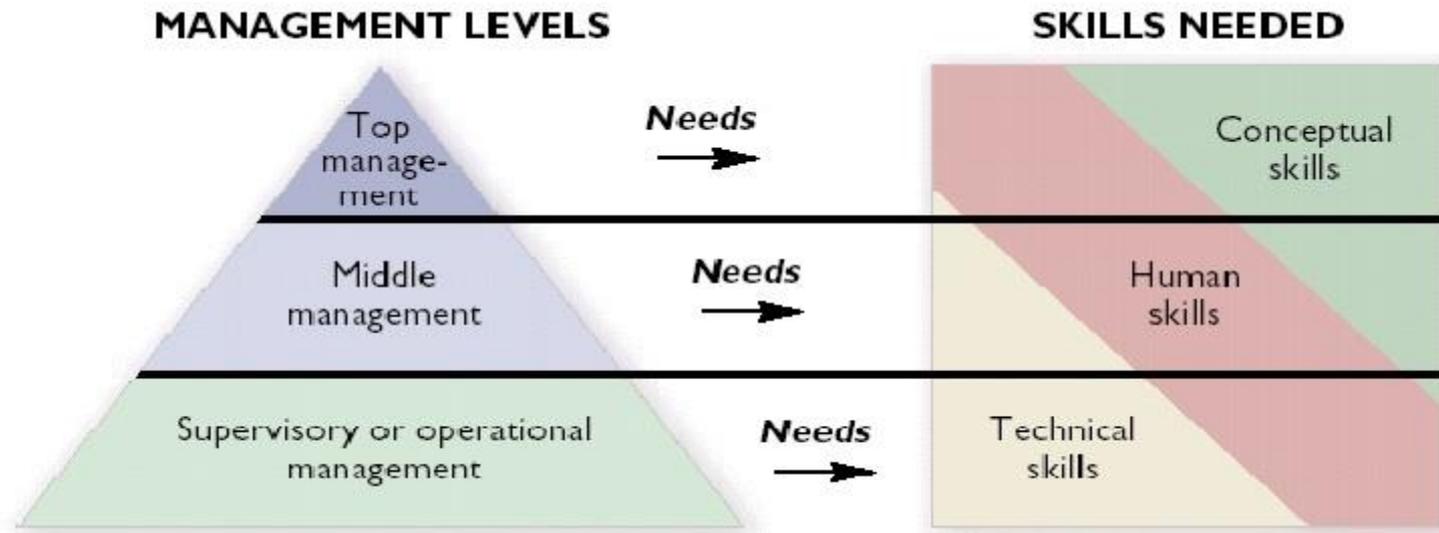
Middle Managers:

- Coordinate employee activities.
- Determine which goods or services to provide.
- Decide how to market goods or services to customers.

First-Line Managers:

Have direct responsibility for producing goods or services.

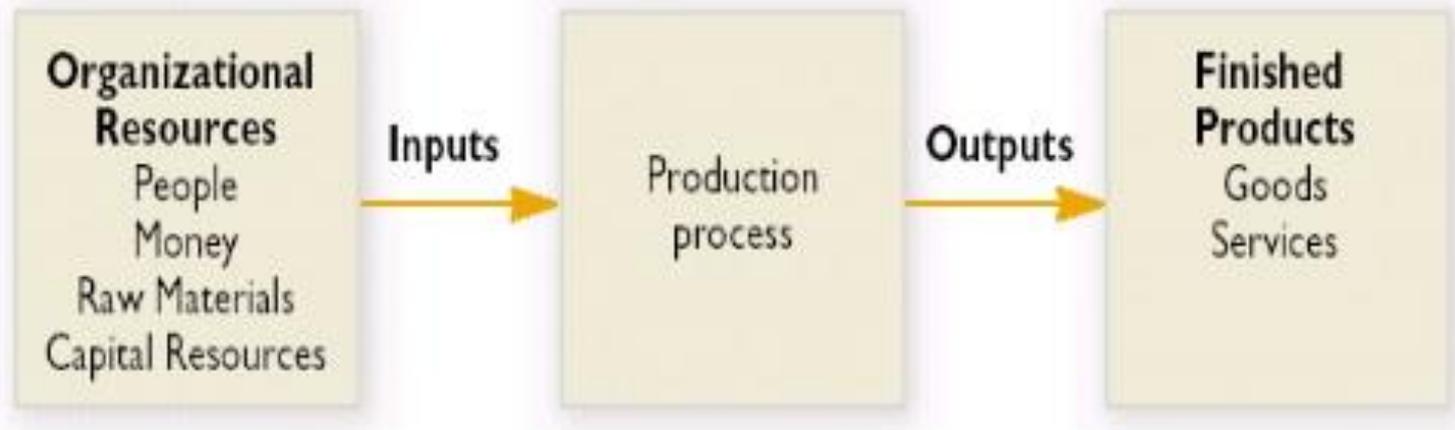
MANAGEMENT LEVEL AND SKILLS



MANAGEMENT PROCESS AND GOAL ATTAINMENT



MANAGEMENT AND ORGANIZATIONAL RESOURCES



BASIC MANAGERIAL FUNCTIONS



PLANNING AND DECISION MAKING

Planning is:

“a process that managers use to identify and select appropriate goals and courses of action.”

Planning is the fundamental basis on which all components(element)of the administrative process of the organization and command and control for the purpose of achieving or gain the goals.



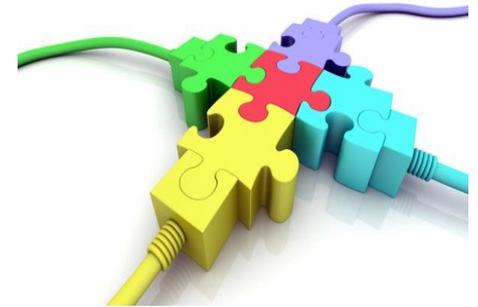
PLANNING AND DECISION

Planning is all about determining organizational goals and means to achieve them.



Managers plan for three reasons:

1. Establish an overall direction for the organization's future.
2. Identify and commit resources to achieving goals
3. Decide which tasks must be done to reach those goals.



Types of planning

Long –range planning-
medium-range planning :
Short – Range planning _

Planning by totalitaranism ○

Strategic planning

Technical planning :

Operation Planning :

In chronological term

Long-term (more than 3 years)

Medium-term (one to three years)

Short-term (less than one year)

- Planning Horizon: Short range and long range.
- Short-range plans generally cover up to one year, while long-range plans start at the end of the current year and extend into the future. There are some differences between short-range and long range planning. Figure 1 summarizes these differences.

DECISION MAKING PROCESS

Organization decision making is formally defined as the process of identifying and solving problems.

Types of Decisions:

Organizational decisions vary in their complexity and clarity. Decisions can be categorized into the following:

1. Organization and personal decisions. Organizational decisions are made by managers as part of their organizational responsibility. Such decisions relate to the organization's purpose and objectives. Personal decisions relate to individual goals such as decision to leave one organization and join another organization.
2. Programmed and non programmed decisions: Programmed decisions are repetitive and well defined decisions problem. In this type of decision the procedure for solving and resolving the problem clear and exist. Non Programmed decisions are novel and poorly defined, and no procedures exit for solving the problem.

DECISION MAKING STEPS

The decision making process which is a central part of planning consists of the following steps:

1. **Recognizing and defining the problem.** The manager responds to deviations by indentifying essential details of the problem.
2. **Analyzing the problem:** in this step the manager digs below the surface and searches for the problem then analyze these causes.
3. **Developing alternative solutions.** The manager identifies alternative courses of action that may achieve decision objectives. In this step, it is possible for manager to seek ideas and suggestions from other people.
4. **Selecting the best solution.** The manager uses his analysis of the problem objections, and alternatives to select a single alternative that has the best chance for success.
5. **Translating the decision into effective actions.** Finally, the manager uses managerial administrative and persuasive abilities and give directions to ensure that the decision is carried out.

ORGANIZING

Organizing is:

“a process that managers use to establish a structure of working relationships that allow organizational members to interact and cooperate to achieve organizational goals.”

ORGANIZING (CONT'D)

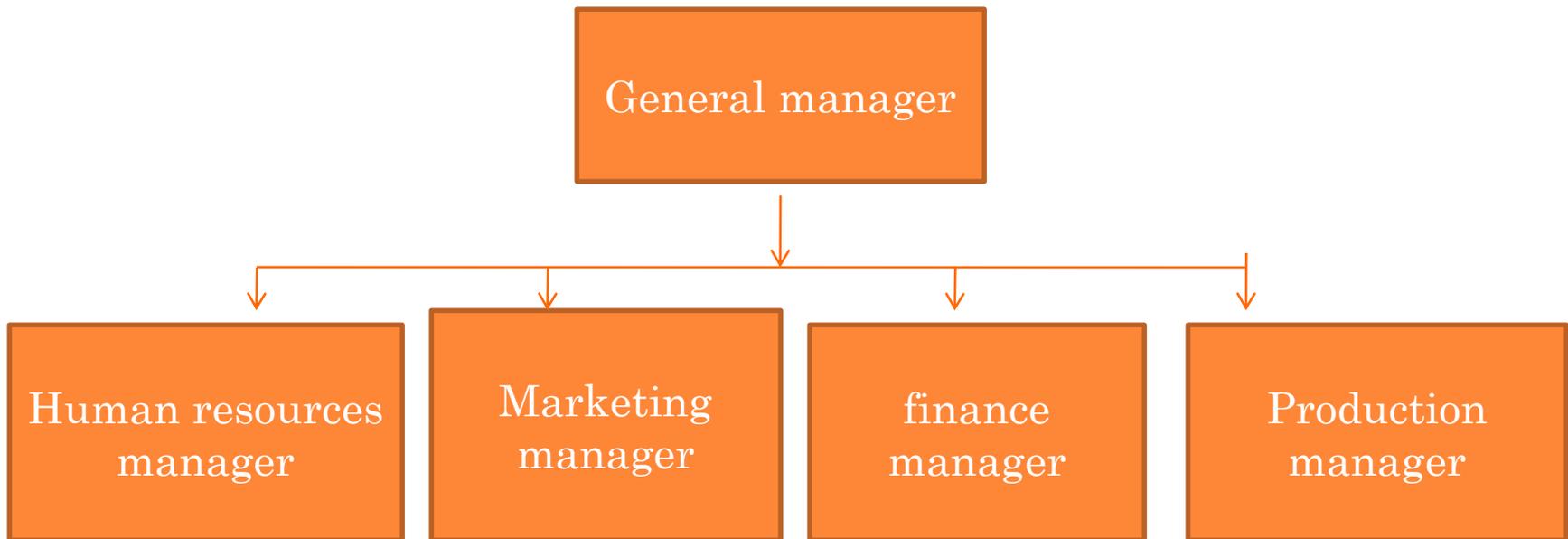
Organizing involves:

- deciding where decisions will be made; who will perform what jobs, and who will report to who in the organization.
- Creating departments and job descriptions.

The outcome of organizing is **Organizational Structure**, which is “a formal system of tasks and reporting relationships that coordinates and motivates members so that they work together to achieve organizational goals.” .

TYPES OF ORGANIZATION STRUCTURES

Formal organization vertical



○ Functional organization

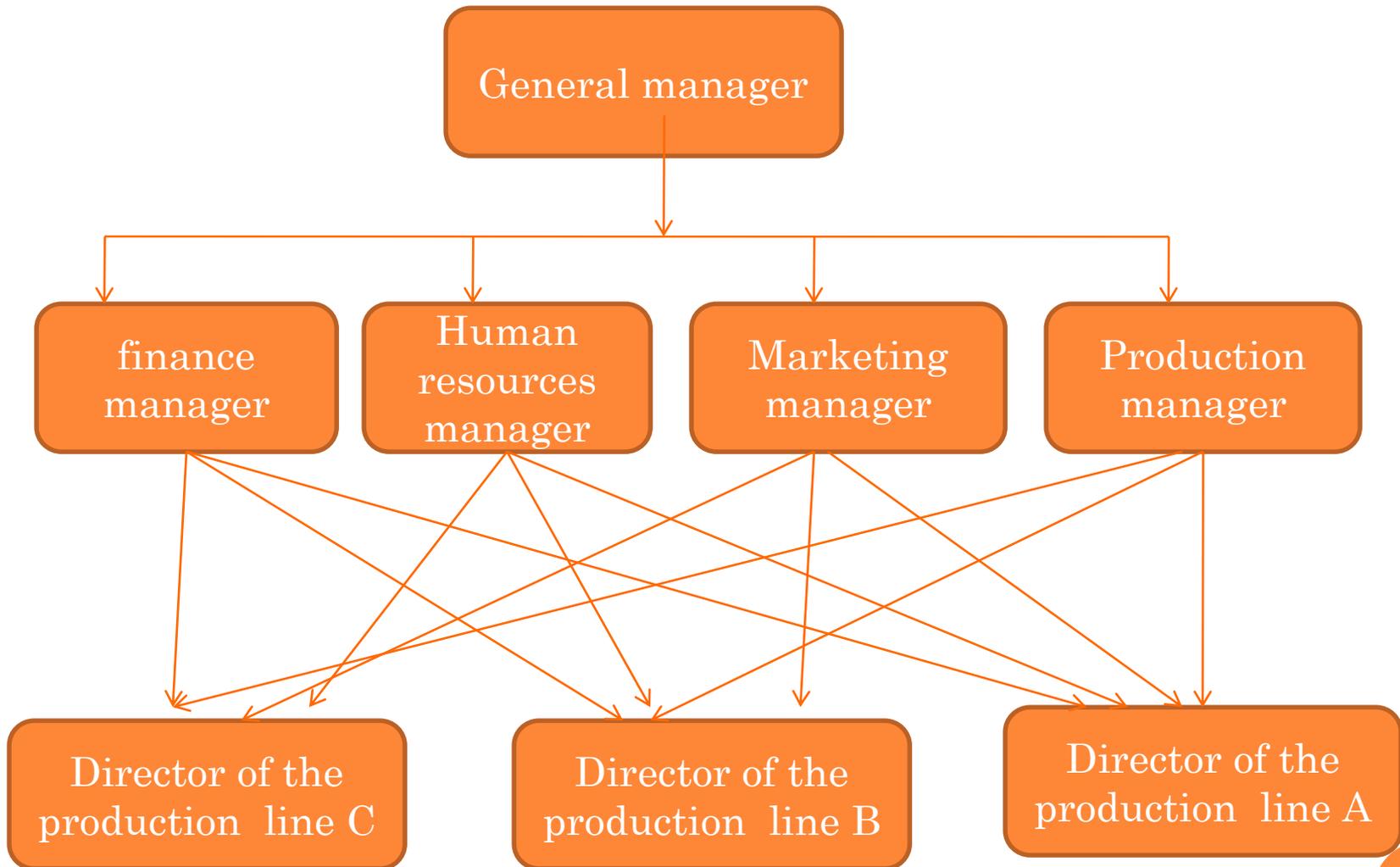
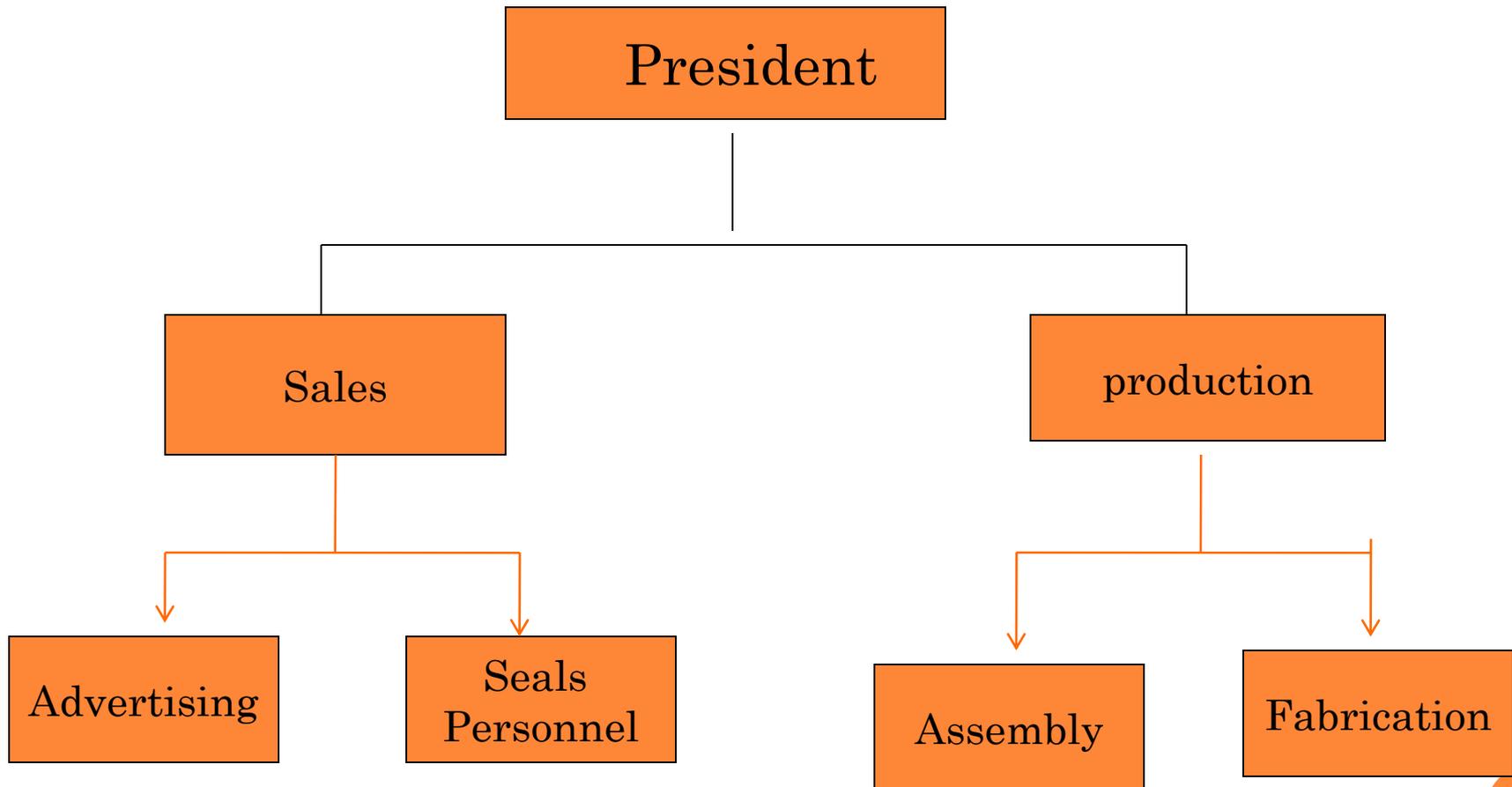


FIGURE 3.
A SIMPLIFIED LINE STRUCTURE



Directing

Directing involves the interpersonal aspects of managing to consider directing as it relates to the human factor of management. Successful managerial performance rests on these three basic elements, motivation, leadership and communication.

-(Leadership) -
(Communication)
(Motivation)

MCGREGOR'S THEORY X AND THEORY Y

The traditional assumption about the nature of people are included in theory X as follows:

1. Average human beings have an inherent dislike of work and will avoid it if they can.
2. Most people must be controlled, directed and threatened with punishment to get them to do their work.
3. Average human beings prefer to be directed, wish to avoid responsibility, have ambition and want security.

The assumption of theory Y is as follows:

1. Work is important and natural as life itself.
2. Control and punishment are the only way to create the effect toward organizational objectives.
3. Average human beings aspect and seek responsibility.
4. Average human beings have high degree of imaginations and creativity which need to be totally utilized.

LEADING

Leading is:

“articulating a clear vision and energizing and enabling organizational members so that they understand the part they play in achieving organizational goals.”



LEADING (CONT'D)

Leading is:

- Getting others to perform the necessary tasks by motivating them, to achieve organizational goals.
- A crucial element in all functions.

the important theory

The trait Theory)

Behavioral Theory

Situational Theory

leader sheep styles

(Dictatoric – leadership)

(Democratic leadership)

(Loose leadership)

LAISSEZ FAIRE STYLE

CONTROLLING

Controlling is:

“evaluating how well an organization is achieving its goals and taking action to maintain or improve performance



CONTROLLING (CONT'D)

Controlling consists of:

1. Gathering information that measures recent performance.
2. Comparing present performance to pre-established standards.
3. Determining modifications to meet pre-established standards.
4. Feedback

- Steps of controlling process:
- Set performance standards:
- Measure Actual performance
- Compare results with
- objectives and standards
- Take necessary action

Types of control

according timing exercise and control implementation

1. classify as three types

- pre control
- concurrent control
- post control

2. Resource control.

- internal control
- External control

WHAT ARE MANAGERIAL COMPETENCIES?

Competency is:

“a combination of knowledge, skills, behaviours and attitudes that contribute to personal effectiveness.”

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Managerial Competencies are:

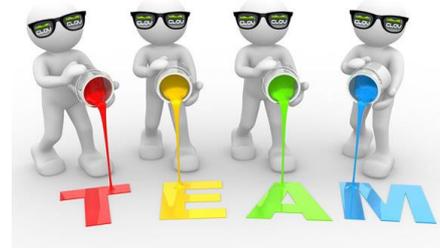
“sets of knowledge, skills, behaviours and attitudes that a person needs, to be effective in a wide range of positions and various types of organizations.”



SIX CORE MANAGERIAL COMPETENCIES

WHAT IT TAKES TO BE A GREAT MANAGER

- Communication Competency.
- Planning and Administration Competency.
- Teamwork Competency.
- Strategic Action Competency.
- Global Awareness Competency.
- Self-Management Competency.



COMMUNICATION COMPETENCY

Communication is:

“the ability to effectively transfer and exchange information that leads to understanding between yourself and others.”.



Types of Communication:

1. **Informal:** used to build social networks and good interpersonal relations
2. **Formal:** used to announce major events/decisions/activities and keep individuals up to date.
3. **Negotiation:** used to settle disputes, obtain resources and exercise influence

PLANNING AND ADMINISTRATION COMPETENCY

It involves:

- Deciding what tasks need to be done
- Determining how they can be done.
- allocating resources so they could be done.
- Monitoring progress



TEAMWORK COMPETENCY

Teamwork Competency is:

“accomplishing tasks through small groups of people who are collectively responsible and whose job requires coordination.”



Managing team dynamics involves:

- Settling conflicts.
- Sharing team success.
- Assigning tasks that use team member's strengths.

STRATEGIC ACTION COMPETENCY

It involves:

- Understanding the overall mission and values of the organization and ensuring that employees' actions match with them.
- Understanding the relationship between the departments of the organization..
- Taking strategic actions to position the organization for success.
- Leapfrogging competitors



GLOBAL AWARENESS COMPETENCY

It involves:

- Understanding, appreciating and responding to diverse political, cultural and economic issues across and within nations..
- Cultural knowledge and understanding of the events in at least a few other cultures.
- Cultural openness and sensitivity to how others think, act and feel.
- Respectful of social etiquette variations.
- Accepting language differences.

SELF-MANAGEMENT COMPETENCY

It involves:

- Developing yourself and taking responsibility.
- Integrity and ethical conduct
- Personal drive and resilience,
- Balancing work and life issues.

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