

Principles of Management I

Business Administration and Accounting Department
University of Cihan - Sulaimany

Lecturer: Ms. Sharoo Nawrooz Fadhil

Email: sharoo.fadhil@sulicihan.edu.krd

1st Stage - 1st Semester

2023-2024

Table of Content

- ▶ Concept and definition of management
- ▶ Management roles, levels, and departments
- ▶ Functions and objectives of management
- ▶ Management Theories
- ▶ Business environment and organizational culture
- ▶ Leadership

What is Management?

► **Management** is the art of getting things done through other people's efforts in formally organized groups.

► **Management is both - science and an art:**

Management is a science because it contains general principles.

It is also art because it requires certain personal skills to achieve desired results.

Why do we study management?

1. We study Management to work in and through organizations.
2. To learn about organizations and individuals in the management system.
3. To connect to the world.
4. To discover how organizations work.
5. To learn how to be a manager, or manage your own business.

Importance of Management

1. It helps in Achieving Group Goals.
2. Increases Efficiency.
3. It Creates a Dynamic Organization.
4. It helps in Achieving Personal Objectives.
5. It helps in the Development of the Society.

Management Goals

1. **Strategic Planning:** Develop and implement long-term plans to achieve the organization's mission and vision.
2. **Goal Setting:** Set clear, measurable, and achievable objectives for the organization and its departments.
3. **Resource Allocation:** Efficiently allocate resources, including human, financial, and technological assets, to support organizational goals.
4. **Leadership Development:** Cultivate effective leadership at all levels of the organization to inspire and guide teams toward common objectives.
5. **Performance Management:** Establish systems to measure, monitor, and improve individual and organizational performance.

Management goals

6. **Risk Management:** Identify, assess, and manage risks to minimize potential negative impacts on the organization.
7. **Innovation and Creativity:** Foster a culture that encourages innovation and creative problem-solving to stay competitive.
8. **Operational Efficiency:** Streamline processes and workflows to enhance overall operational efficiency and productivity.
9. **Employee Engagement:** Create a positive work environment that promotes employee satisfaction, motivation, and engagement.
10. **Customer Satisfaction:** Ensure products and services meet or exceed customer expectations, leading to customer satisfaction and loyalty.

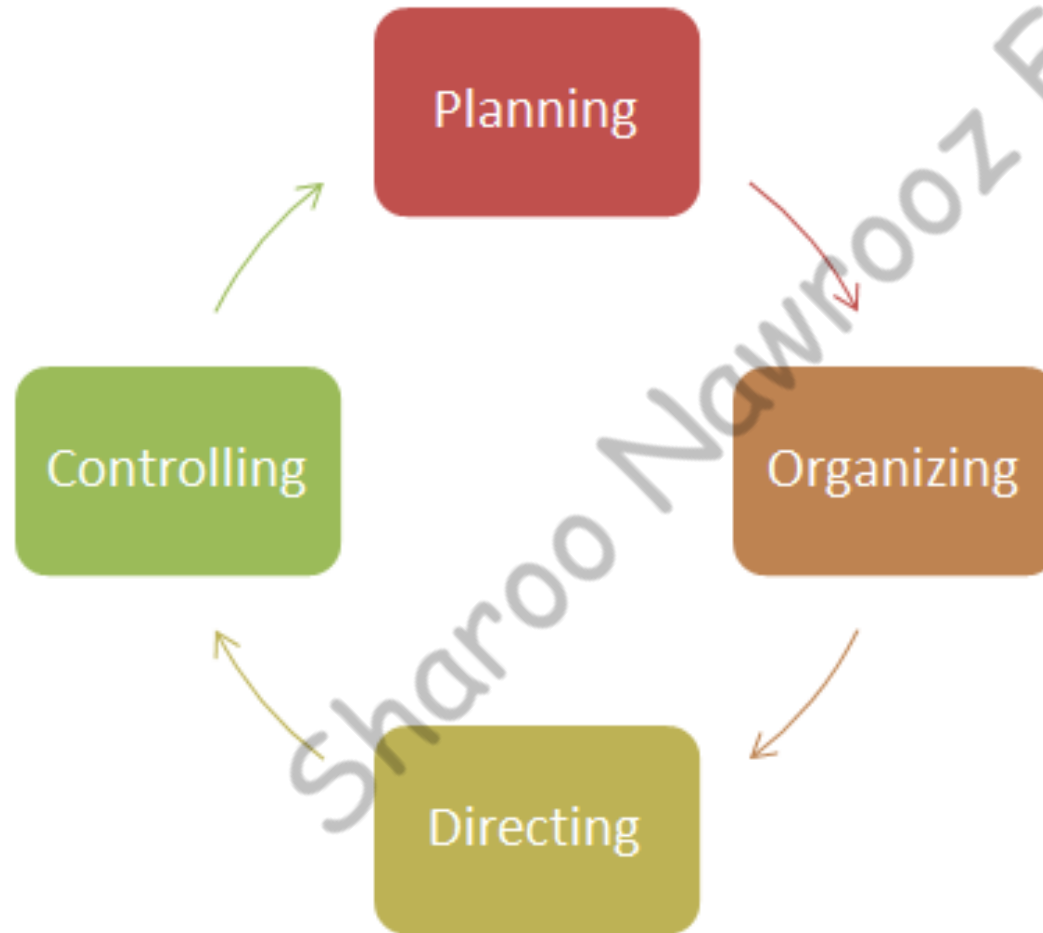
Management goals

11. **Market Expansion:** Explore and implement strategies for expanding the organization's presence in existing or new markets.
12. **Financial Health:** Maintain financial stability, manage budgets effectively, and ensure the organization's fiscal health.
13. **Social Responsibility:** Integrate ethical and socially responsible practices into organizational operations.
14. **Technology Integration:** Embrace and leverage technology to enhance business processes and stay current in the digital landscape.
15. **Communication Excellence:** Foster effective communication both internally and externally, ensuring information flows transparently.

Management goals

16. **Quality Assurance:** Implement measures to maintain and improve the quality of products, services, and processes.
17. **Team Building:** Promote collaboration and teamwork, building strong relationships among team members.
18. **Legal Compliance:** Ensure that the organization operates within the framework of laws, regulations, and ethical standards.
19. **Market Leadership:** Strive to be a leader or key player in the industry, staying ahead of competitors.
20. **Continuous Improvement:** Install a culture of continuous improvement, encouraging feedback and innovation at all levels.

Functions of Management



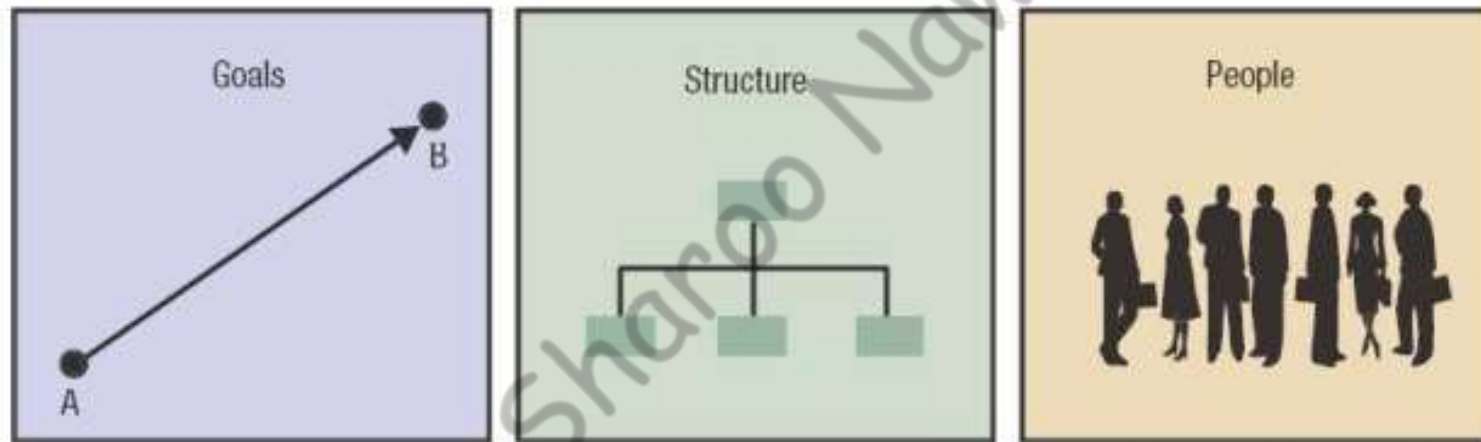
What is the meaning of organization?

Organization: It's a planned arrangement of people to accomplish some specific purposes.



Characteristics of organizations

Organization Have three common characteristics:
(Goals, people, structure)



Management levels



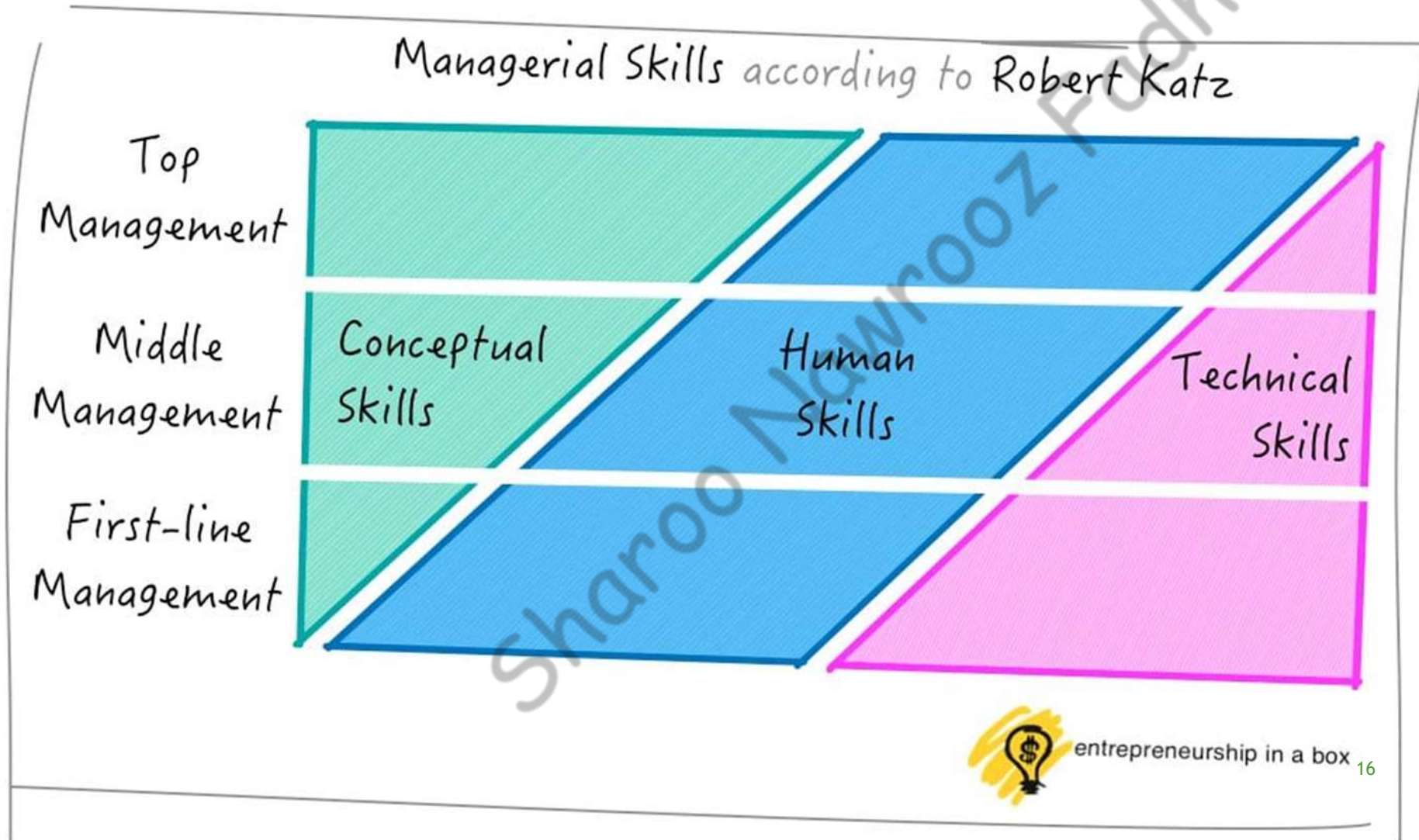
Management levels

1. **Top managers:** who are responsible for making organization-wide decisions and establishing plans and goals that affect on entire organization such as the *president, and managing director*.
2. **Middle managers:** manage the work of first-line managers and can be found between the lowest and top levels of the organization such as *project leader*.
3. **First-line managers:** manage the work of non-managerial employees who are involved with producing the organization's products or servicing the organization's customers such as *supervisors*.

Managerial skills

1. **Technical skills:** refer to the specialized knowledge and abilities required to perform specific tasks and use particular tools or technologies. They are practical and hands-on, and they are typically acquired through education, training, and on-the-job experience. Such as graphic design, electrical wiring, etc.
2. **Human skills:** are the abilities of interacting and working effectively with other people. They involve understanding and managing one's emotions, as well as effectively relating to and collaborating with others. Such as teamwork and communication.
3. **Conceptual skills:** refer to an individual's ability to think and conceptualize abstract and complex ideas, understand the broader organizational context, and see how various components of an organization interact. Such as problem-solving, critical thinking,

Managerial skills



Organizational resources

1. Human resources
2. Financial resources
3. Technological resources
4. Natural resources

Who is Manager?

A **manager** is someone in an organization or company who is responsible for supervising and managing resources to achieve organizational goals.



Management Theories

1. Classical Management Theories:

1. **Scientific Management (Frederick Taylor):** Late 19th to early 20th century. Focuses on optimizing individual task performance through scientific methods and systematic management.
2. **Administrative Management (Henri Fayol):** Early 20th century. Emphasizes the general principles of management, including functions like planning, organizing, commanding, coordinating, and controlling.

Management Theories

2. Behavioral Management Theories OR Neo-Classical Theory:

Also known as the Human Relations School or Behavioral School of Management, it emerged as a reaction to and extension of classical management theories.

The Neo-Classical Theory places a greater emphasis on the human aspects of organizations and recognizes the importance of social and psychological factors in the workplace.

This school of thought gained prominence in the mid-20th century and contributed to a more people-centric approach to management.

Management Theories

1. **Human Relations Approach (Elton Mayo):** 1920s to 1930s. Stresses the importance of social and psychological factors in the workplace, emphasizing the impact of human relationships on productivity.
2. **Hawthorne Effect:** Conducted between 1924 and 1932. Based on the studies conducted at the Western Electric Hawthorne Works, this theory highlights the influence of attention and human interaction on worker productivity.
3. **Equity Theory (J. Stacy Adams):** Focuses on the perception of fairness and equity in the distribution of rewards within an organization.

Management Theories

4. **Theory Z:** is associated with organizational management and was introduced by William Ouchi in his book "Theory Z: How American Business Can Meet the Japanese Challenge" (1981). It is not specifically an open system theory, but rather a management philosophy that incorporates aspects of both Western and Japanese management practices.

Management Theories

5. Motivation and Job Satisfaction:

Researchers: Abraham Maslow, Douglas McGregor, and Frederick Herzberg.

Focus: Explored human motivation and job satisfaction.

1. **Maslow's Hierarchy of Needs:** Identified a hierarchy of human needs, suggesting that individuals are motivated by the desire to satisfy various needs, from basic physiological needs to higher-order needs like self-actualization.
2. **Theory X and Theory Y (McGregor):** Proposed in the 1960s. Presented contrasting assumptions about employee motivation and behavior, with Theory X assuming that employees are inherently lazy and need external control, while Theory Y assumes that employees are inherently motivated and seek responsibility.
3. **Motivation-Hygiene Theory (Frederick Herzberg):** 1959. Also known as the Two-Factor Theory.

Management Theories

3. Quantitative Management Theories:

1. **Operations Research (OR):** Developed during and after World War II. Applies mathematical and statistical methods to decision-making and problem-solving in organizational operations.
2. **Management Information Systems (MIS):** Emerged in the mid-20th century. Focuses on the use of information technology and systems to support managerial decision-making.

Management Theories

4. Contingency Management Theories:

1. **Contingency Theory:** Developed in the 1960s and 1970s. Asserts that the effectiveness of management practices is contingent upon the fit between the characteristics of the situation and the management approach.
2. **Situation Leadership Theory (Hersey-Blanchard):** Late 1960s. Asserts that leadership styles should be adjusted based on the readiness level of followers.

Management Theories

5. Systems Management Theory:

Applied to management in the mid-20th century. Views organizations as complex systems with interrelated and interdependent parts, emphasizing the importance of understanding the whole system.

6. Strategic Management Theories:

1. **Resource-Based View (RBV):** Late 20th century. Emphasizes the role of internal resources and capabilities in gaining and sustaining a competitive advantage.

2. **SWOT Analysis:** Analyzes an organization's strengths, weaknesses, opportunities, and threats to inform strategic planning.

3. **Porter's Five Forces:** Introduced in 1979.

Management Theories

7. Contemporary Management Theories:

1. **Total Quality Management (TQM):** 1980s Emphasizes continuous improvement, customer satisfaction, and employee involvement.
 1. **Kaizen:** as a concept within TQM, specifically embodies the idea of continuous improvement through small, incremental changes.
2. **Lean Management:** Emerged in the 1990s. Aims to maximize customer value while minimizing waste through efficient processes.

Management Theories

8. Postmodern Management Theories:

1. Chaos Theory: Applied to management in the late 20th century.

Suggests that organizations are complex, dynamic systems that can be influenced by small changes and are inherently unpredictable.

9. Evidence-Based Management: Gained prominence in the 21st century.

Advocates for making management decisions based on the best available evidence, integrating scientific findings with practical expertise and organizational values.

What is the environment in business?

The **business environment** is the total of all external and internal factors that influence a business.

Types of environments

1. Micro environment
2. Market environment
3. Macro environment

Micro environment

Micro environment: consists of the organization itself.

It comprises of:

1. The mission, goals, objectives, and strategies of the organization.
2. The organization and its management
3. The resources of the organization e.g. employees, capital, finance, etc.
4. The organizational culture.

Market environment

Market environment: is the environment that surrounds the organization also known as the competitive industry.

It comprises of:

1. Consumers, their needs, purchasing power, and behavior.
2. Suppliers of materials, capital, and labor.
3. Intermediaries e.g. wholesalers and retailers, commercial agents and brokers, banks, etc.
4. Competitors e.g. new entrants, existing competitors, availability of substitute products or services, and the bargaining power of clients, consumers, and suppliers.

Macro environment

Macro environment: Is that which exists outside the organization.

It comprises of:

1. **Technological environment:** responsible for accelerating change and innovation and creating opportunities and threats in the environment.
2. **Economic environment:** responsible for the change in the environment because of changes in economic growth rate, levels of unemployment, consumer income, rate of inflation, and the exchange rate.
3. **Socio-cultural environment:** referring to changes in value systems, family structures, education, attitudes, ethics, workforce diversity, etc.

Macro environment

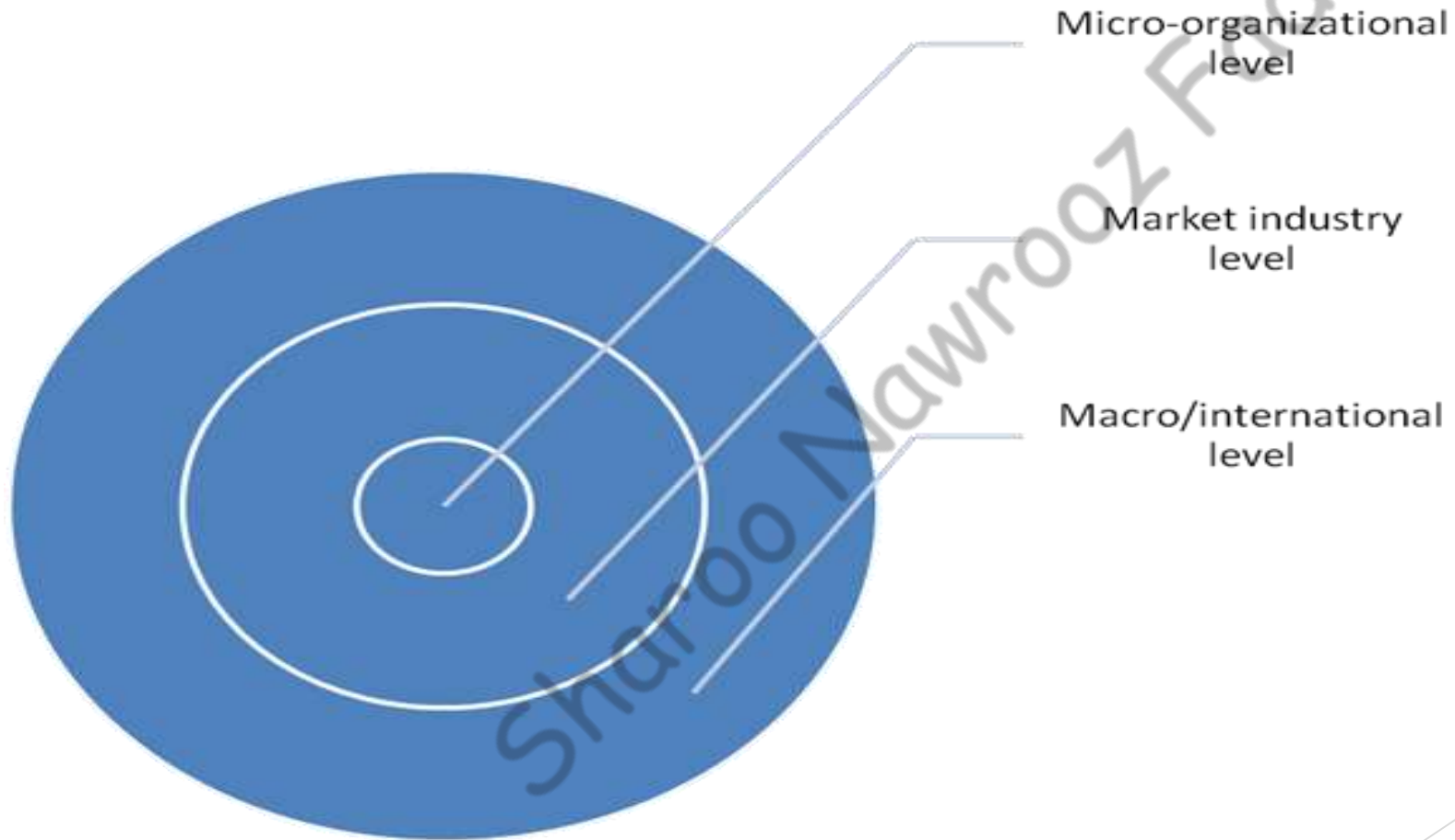
4. *Ecological/physical environment*: is concerned with the natural resources from which the organization derives its raw materials and the environment in which the organization discharges its waste.
5. *The political-governmental environment*: refers to the government and its influence on the organization, e.g. in terms of political risk, legal matters, government expenditure, etc.
6. *The international environment*: comprises of the factors deriving from other countries with which the organization directly or indirectly has business relations.

Ways to react with environment

Ways in which management can react to the Environment:

1. *Environmental scanning*
2. *Strategy response*
3. *Structural Change*

Types of environments



Departments of Organizations

A typical business organization may consist of the following main departments:

1. Production
2. Research and Development (R&D)
3. Purchasing
4. Marketing (including the selling function)
5. Human Resource Management (HRM)
6. Accounting and Finance.
7. IT (Information Technology)

What Is Organizational Culture?

Organizational culture: has been described as the shared values, principles, traditions, and ways of doing things that influence the way organizational members act.

The Definition of culture implies three things:

1. Culture is a *perception*.
2. Organizational culture is *descriptive*.
3. It is a *shared* aspect of culture.

Organizational Culture

► Where Does an Organization's Culture Come From?

An organization's culture usually reflects the vision or mission of the organization's founders.

► How Does Culture Affect What Managers Do?

The two main ways that an organization's culture affects managers are:

1. It's effect on what employees do and how they behave.
2. It's effect on what managers do.

How Employees Learn Culture

1. Stories
2. Rituals دروڤم و سروود و كه‌شى شوينه‌كه
3. Material Artifacts And Symbols
4. Language

Sharoo Nawrooz Fadhil

Sharoo Fahdil



Who are leaders and what is leadership?

Leader: is a person who influences a group of people towards the achievement of a goal.



What is leadership?

Leadership: is a process of leading a group and influencing that group to achieve its goals.



Types of leaders

Writers identify various types of leaders.

1. **Charismatic Leaders:** These are those whose influence is derived from their personality e.g. Napoleon, Kenyatta, Billy Graham, Nelson Mandela, Desmond Tutu, etc.
2. **Traditional Leaders:** These are those whose position is assured by birth.
3. **Situational Leaders:** Their influence is effective by being in the right place at the right time.
4. **Appointed Leaders:** Refers to those whose influence arises from position e.g. managers and supervisors.
5. **Functional Leaders:** These are those whose influence comes from the work done rather than positions such as experts.

Characters of leadership

1. Empathy
2. Consistency
3. Honesty
4. Direction
5. Communication
6. Needs support from all
7. Assume obligation



Importance of leadership

Leadership can be said to be important in the following ways:

1. initiates action
2. motivation
3. providing guidance
4. creating confidence
5. co-ordination
6. Effective planning
7. inspiration

Difference between managers and leaders

Managers	Leaders
<ol style="list-style-type: none">1. Administer2. Maintain3. Control4. Short term view5. Ask how and when6. Initiate7. Accept the status8. Do things right	<ol style="list-style-type: none">1. Innovative2. Develop3. Inspire4. Long term view5. Ask what and why6. Originate7. challenge the status8. do right things

**THANK
YOU!**

