

The Management Process, Scope & Functions.

Dr. Prasanta Mahapatra
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Dr.MCR HRD Institute of Andhra Pradesh

Henri Fayol, 1841-1925



- French Mining Engineer
- 1888-1918: MD of a large co. in France.
- Revived the loss making coal mining + metal making company; according to him, mostly using administrative measures.
- 1916: published his exp. "Adm. Industrielle et Générale" (AIG) in a trade journal.
- 1917: AIG published as a book (in French).
- 1929/1930: First English translation by JA Coubrough, distributed mostly in UK.
- 1949: Second and more popular English translation by Constance Storrs, in USA.

Primary Functions of Management:

- **Fayol, 1908:**
 - ▶ Task of Administration: Anticipate, Decide, and Act.
- **Admin is specially responsible for:**
 - ▶ Unity of action, discipline, anticipation, activity, order.
 - ▶ Recruiting, organizing & directing the workforce.
 - ▶ Good relations between depts & outside world.
 - ▶ Coordination of all efforts towards the overall goal.
 - ▶ Satisfying labor & mgmt.
- **Fayol, 1916:**
 - ▶ Plan(prévoir): Foresee, anticipate an event, expect a problem, make a provision for / allow for a problem.
 - ▶ Organize: Design & staffing (recruitment), arrange for material & human resources.
 - ▶ Command: Action. Make the org. move. Result orientation.
 - ▶ Coordinate: Harmonize activity & effort.
 - ▶ Control: Conformity with policy & practice, check on perf., course correction as required.

Fayol's Enduring Insight:

The number of management functions that might help improve an organization's operations is potentially limitless.

Chester Irving Barnard

- November 7, 1886 – June 7, 1961.
- Modest family background.
- American business executive
 - ▶ [Am Telephone & Telegraph (AT&T), New Jersey Bell Tel),
- Public administrator
 - ▶ (Director, New Jersey state relief system during 1930s).
- 1938 book: *The Functions of the Executive*, derives the executive functions from his view of organization as a cooperative system operating within society.
 - ▶ Establishing and maintaining a system of communication (Org. structure, incentives, discipline & informal organization);
 - ▶ Securing essential services from other members (human resources management);
 - ▶ Formulating organizational purposes and objectives (goal setting, translation by way directions and performance targets).



The Functions of the Executive

Chester I. Barnard

Introduction by
Kenneth R. Andrews



Excerpts From
IGNOU Video on
Chester Barnard's
The Functions of the
Executive.
Presenter:
Dolly Mathews.

"Barnard's teachings breathe life into the discipline of management and infuse a feeling of renewed idealism.... Barnard, ... combines the two cultures, the science of organization, and the art of organizing. ... Barnard pushes the boundaries of exposition to convey the dramatic and the aesthetic feeling of managing."

Joseph T. Mahoney, Univ of Illinois, *The Relevance of Chester Barnard's Teachings*, Intl. J. Of Org. Theory & Behav.). 2002; 5(1&2):159-172.

What is an Organization?

- An organization is a system operating inside the larger society, which is its environment.
- Essential elements of an organization
 - ▶ Common Purpose,
 - ▶ Willingness of People to Serve, and
 - ▶ System of Communication.
- Organization is a cooperative system.
- Incentives & Inducements play an important role. Both monetary and non-economic incentives are important (worker motivation & job satisfaction)

Concept of Authority

- Authority is defined as the character of a superior's communication or order, by virtue of which it is accepted by a subordinate to guide his / her action.
- Two aspects of the definition, namely; (a) subjective acceptance by subordinate, and (b) objective character of the order.
- Objective conditions for acceptance of order.
 - ▶ Understood by the person(s) who has to comply.
 - ▶ Consistent with the organizational purpose, and the subordinates' personal interests.
 - ▶ Mental and Physical capacity of subordinate to comply.
- Zone of indifference (zone of acceptance) within which subordinates accept & comply with orders.

Importance of Informal Organizations

- Personal contacts and interactions among the employees of the organization.
- Informal organization coexists with the formal organization.
- Informal organizations create favorable conditions for prosperity and survival of the organization.
- Formal organizations are vitalized and conditioned by informal organizations.
- There cannot be one without the other.

Functions of the Executive

- Establishing and maintaining a system of communication (Org. structure, incentives, discipline & informal organization);
- Securing essential services from other members (human resources management);
- Formulating organizational purposes and objectives (goal setting, translation by way directions and performance targets).
"Inculcation of belief in the real existence of a common purpose is an essential executive function."

Chester Barnard's Insights -1

- When a condition of honesty and sincerity is recognized to exist, errors of judgment, defects of ability, are sympathetically endured.
- Employees don't ascribe infallibility to leaders or management. What does disturb them is insincerity and
 - ▶ the appearance of insincerity when the facts are not in their possession.
- Hypocrisy is fatal in all personnel work.

Chester Barnard's Insights -2

- Fine art of executive decision consists in;
 - ▶ Avoiding any decision on impertinent questions
 - ▶ Deciding when time is ripe and avoiding premature decisions,
 - ▶ Avoiding decisions that can not be implemented,
 - ▶ Avoiding decisions that others should make.
- *"Responsibility is an emotional condition that gives an individual a sense of acute dissatisfaction because of failure to do what he feels he is morally bound to do, in particular concrete situations."*
- Responsibility is the most important function of the Executive.

Colin P. Hales: What Do Managers Do? A Critical Review of the Evidence. Journal of Mgmt. Studies. 1986.

- Number of Studies Reviewed: 26
 - Period of Reviewed Studies: 1940s - 1970s
 - Study Subjects: Middle & Senior Managers.
 - Methods:
 - ▶ Manager diaries,
 - ▶ Manager response to questionnaires,
 - ▶ Interviews,
 - ▶ Participant and Non participant observation,
 - ▶ Review of records, etc.
- Claims for managerial authority rest upon an implicit job of managing for which authority is the necessary resource. Not the other way round!**

Features of Managerial Work.

1. It combines a professional element and a general, 'managerial' element.
2. Liaison, man-management and responsibility for a work process is the core.
3. Variation and surprise about duration of work, source of problems, etc.
4. Much time is spent in day-to-day trouble shooting and ad hoc problems.
5. Much managerial activity consists of asking or persuading others to do things, involving the manager in, usually short, face-to-face verbal communication.
6. Patterns of communication vary in terms of what the communication is about and with whom the communication is made.
7. Little time is spent on any one particular activity and, in particular, on the conscious, systematic formulation of plans. Planning and decision making tend to take place in the course of other activity.
8. Managers spend a lot of time accounting for and explaining what they do, in informal relationships and 'politicking'.
9. Managerial activities are driven by contradictions, cross-pressures and conflicts. Much of it involves coping with and reconciling conflicts.
10. There is considerable choice in terms of what is done and how: part of managerial work is setting the boundaries of and negotiating that work itself.

Common managerial functions (Hales, 1986):

1. Lead the unit & be the figurehead.
2. Liaison: the formation & maintenance of contacts,
3. Monitoring, filtering & disseminating information,
4. Allocating resources (budgeting, deployment of human resources, allocation of machines and capital resources, etc.)
5. Troubleshooting (handling disturbances) and maintaining work flows,
6. Negotiating,
7. Innovating,
8. Planning, foreseeing and agenda setting.
9. Controlling and directing (briefing subordinates).

Insights from the Managerial Behavior Studies.

- Difficult to identify work and behavior that is exclusively managerial. Managerial work is intertwined with other works.
- Managers perform both specialist/technical and general administrative work.
- Part of the managers job is to define and redefine its own boundaries.
- Contents of managerial work is not common across all levels of management or cultures.

Questions? & Comments

