CHAPTER – 1

INTRODUCTION

1.0 INTRODUCTION
1.1 EVOLUTION AND GROWTH OF MANAGEMENT
1.2 EVOLUTION OF MANAGEMENT IDEAS
1.3 IMPORTANCE OF MANAGERIAL SKILLS
1.4 INTRODUCTORY IDEAS: MANAGERIAL EFFECTIVENESS
1.5 CURRENT SCENARIO OF MANAGEMENT EDUCATION
1.6 MANAGEMENT EDUCATION AND ITS EFFECTIVENESS
1.7 REFERENCES
1.0 INTRODUCTION

In highly competitive global economy, companies realizing the fact that their employee, especially those at the managerial levels, is the only sources of competitive advantage. In the past decade managerial talent is the hottest issue and measuring manager’s performance has increasingly focused and interesting area for researchers and practitioners. It is commonly believed that managers are the most important assets of nations, organization and institutions to meet the challenges of global competition. The long term stability of any organization depends on the knowledge skills, competencies, positive attitude and behavior of its managers. In the past decades substantial numbers of managers and management scholars have been involved in a debate concerning the effectiveness of management.

It is generally believed that management education creates a vital link between economic progress, organizational effectiveness, and people’s performance at organizational levels. In those respect managers have played a considerably more significant role in the overall success of their organizations and development of their nations.

Management institutions have incorporated new discipline and update their content to train their graduates in all aspects. Management education is the only source which will enhance the managerial effectiveness. No doubt, many factors influence managerial effectiveness but among all the factors management education attracts considerable attention across the world. In emerging business environment management education is in a central role for manager's education. Management education has been imparting formal business skill to a wide range of business leaders and has thus democratized business management.
Business institution are striving towards creation of knowledge, skills and competencies and many more things which make management education compulsory for the companies as well as individual. These business colleges imparted basic skills about the principles of trade and commerce to clerks and supervisors from fields as diverse as banking, transport, and accounting. Management education is inevitable for sustainable development of managers. Requirement of various skills for performing various tasks with well equipped knowledge are of crucial importance for today’s manager, hence management education scores over other streams of education.

It is assumed that business schools as supplier of business managers can produce well trained and ethically responsible managers and management education is potential source for managerial effectiveness. This research tries to link effectiveness of executive skill with and without formal education.

1.1 EVOLUTION AND GROTH OF MANAGEMENT

There are many examples from past history that illustrates how management has been practiced for thousands of years.

A. The Egyptian pyramids and the Great Wall of China are good examples of projects of tremendous scope and magnitude that employed tens of thousands of people. How was it possible for these projects to be completed? The answer is management.

B. Other examples of early management practices can be seen through assembly lines, accounting systems, and personnel functions as just a few of the processes and activities in organizations at that time that are also common to today’s organizations.
C. Adam Smith, author of the classical economics doctrine, *The Wealth of Nations*, argued brilliantly about the economic advantages that division of labor (the breakdown of jobs into narrow, repetitive tasks) would bring to organizations and society.

The Industrial Revolution can be thought of as possibly the most important pre twentieth century influence on management. The introduction of machine powers, combined with the division of labor, made large, efficient factories possible. Planning, organizing, leading, and controlling became necessary.

### 1.2 EVOLUTION OF MANAGEMENT IDEAS:

#### 1.2.1 The Evolution of Management Theories

Trying to achieve goals through the judicious use of people and resources, getting the others to work toward these goals, and keeping track of whether or not we are accomplishing what we set out to do has been around for centuries. Expressed in other terms we could say that management is a very old concept. Generally, though, we think of “modern management” and the specific identification of planning, organizing, leading, and controlling being the functions of management as having begun at the end of the 1800s. Most of the contributors we recognize today have been twentieth century people.

#### 1.2.2 Pre-classical Contributors: These contributors presented their ideas before the late 1800s.

**Robert Owen** (1771-1858) was a British factory owner who advocated concern for the working and living conditions of workers, many of them young children. Many of his contemporaries thought he was a radical for such ideas.
Charles Babbage (1792-1871) is considered to be the “father of modern computing.” He foresaw the need for work specialization involving mental work. His management ideas also anticipated the concept of profit sharing to improve productivity.

Henry E. Towne (1844-1924) called for the establishment of a science of management and the development of management principles that could be applied across management situations. An assessment of the pre classical contributors indicates that their efforts were fragmentary. By and large they applied their efforts towards developing specific techniques or solutions. They laid the groundwork for major management theories which came later.

1.2.3 CLASSICAL VIEW OF MANAGEMENT

Classical Viewpoint is divided into three parts:

1. Scientific management
2. Administrative management
3. Bureaucratic management

1. Scientific management:

Scientific management is defined as the use of the scientific method to define the “one best way” for a job to be done. Scientific management focuses primarily on the work to be done. (Peter F. Drucker, , 1986)

Frederick Winslow Taylor (1856-1915) was the first nationally known management thinker. His “Taylorism” or “scientific management” was a major contribution to business operations as we know them today. The overview of his studies is given below:

a. Taylor developed scientific management to counter the problem of soldiering by workers—deliberately working below full capacity.
b. Taylor pioneered the time-and-motion study, where by a work task is broken down into its various motions, is improved by eliminating unnecessary motions, and then the motions timed to determine optimal daily production.

c. Through his four principles of scientific management, Taylor advocated scientific study of the task to find the best work method rather than relying on traditional methods handed down from one worker to another.

d. Taylor successfully implemented his theory at Bethlehem Steel in two famous studies involving shoveling and pig-iron handling.

e. Although real and imagined abuses or misuses of scientific management occurred (leading in one instance to a congressional investigation—and thereby adding to Taylor’s notoriety), Taylor’s strong support of science and his redefining the role of managers remains his primary contribution to management theory.

**Taylor’s Four Principles of Scientific Management:**

1. Study each part of the task scientifically, and develop a best method to perform it.
2. Carefully select workers and train them to perform a task using the scientifically developed method.
3. Cooperate fully with workers to ensure they use the proper method.
4. Divide work and responsibility so management is responsible for planning work methods using scientific principles and workers are responsible for executing the work accordingly.

**Frank and Lillian Gilbreth (1868-1924 and 1878-1972 respectively)** did studies aimed at eliminating unnecessary motions and way of reducing task fatigue.

a. They perfected the time-and-motion study techniques first introduced by Taylor.

b. Together they provided the first vocabulary for identifying hand, arm, and body motions used at work—which they called “Therbligs.”
c. Lillian’s doctoral dissertation was published as the book, *The Psychology of Management*, one of the first books published on the findings of psychology in the workplace.

d. Frank “proved” the value of motion studies in his own construction company whose productivity was nearly three times better than his competitors who used the older work methods.

**Henry L. Gantt (1861-1919):**

One of Taylor’s closest associates is best known for his Gantt chart, a graphic aide to planning, scheduling, and controlling. His other interests included a unique pay incentive system and the social responsibility of business.

To understand why scientific management was viewed as such an important development, you need to look at the times in which Taylor, the Gilbreths, and other scientific management advocates lived.

It was important because it could raise countries’ standards of living by making workers more productive and efficient. Also, it’s important to remember that many of the tools and techniques developed by the scientific management practitioners are still used in organizations today.

**2. Administrative Management:**

It is a term used for those early-day contributors who developed and taught principles to be used by managers, both individually and collectively, to improve the performance of the overall functions of the organization.
Henri Fayol (1841-1925) a successful French industrialist, developed theories about management he thought could be taught to those individuals with administrative responsibilities. Fayol’s lasting contribution is the functional approach to management which is still used today. The major managerial functions, according to Fayol, were planning, organizing, commanding, coordinating, and controlling. Henri Fayol wrote during the same time period as Frederick Taylor. Fayol was the managing director of a large French coal-mining firm. His attention was aimed at the activities of all managers. He described the practice of management as distinct from other typical business functions. In the main, though, they still provide the basic framework for studying management as witnessed by the organization of this and most other principles of management texts used today. Like Weber, Fayol’s works were not translated into English for a couple of decades after his death.

Fayol gives us 14 principles of management which are still being used now days. These principles are: Division of work, Authority, Discipline, Unity of Command, Unity of direction, Subordination of individual interests to the general interest, Remuneration, Centralization, Scalar Chain, Order, Equity, Stability of tenure of personnel, Initiative, Esprit de corps.

3. Bureaucratic management:

Max Weber (pronounced VAY-BAR) was a German sociologist who wrote in the early part of the 20th century. He developed a theory of authority structures and described organizational activity based on authority relations.
He described the ideal form of organization—the bureaucracy, defined as a form of organization marked by division of labor, a clearly defined hierarchy, detailed rules and regulations, and impersonal relationships. Max Weber, the most important early advocate of this approach, argued that too often organizational decisions and rewards were made because of who the worker was (possibly a relative of the manager) or who the worker knew rather than on the performance of the worker. Scientific management focused on the work or the job and how to do it better. Bureaucratic management, on the other hand, focused on how to structure the organization better so that better overall performance might be achieved.

**Characteristics of Weber’s ideal bureaucracy:**

The major characteristics of Weber’s ideal bureaucracy include:

a. Specialization of a labor
b. Formalization of rules and procedures
c. Impersonality in application of rules and sanctions
d. Formalization of lines of authority into a hierarchical structure
e. Formalization of the career advancement process to be based on merit

The timing of Weber’s contributions is a little confusing. Although he was a contemporary of Taylor and others described as “classical contributors,” Weber’s works weren’t translated into English until the 1940s. Weber’s bureaucratic characteristics are still evident in many of today’s large organizations—even in highly flexible organizations of talented professionals where some bureaucratic mechanisms are necessary to ensure that resources are used efficiently and effectively.
BEHAVIORAL THEORIES OF MANAGEMENT

Behavioral Viewpoint:
Organizational behavior (OB) research has contributed much of what we know about behavioral views of management, human resources management, motivation, leadership, trust, teamwork, and conflict management. Four people stand out as early advocates of the OB approach. These include Robert Owen, Hugo Munsterberg, Mary Parker Follett, and Chester Barnard.

Robert Owen, a successful Scottish businessman, proposed a utopian workplace.

Hugo Munsterberg created the field of industrial psychology—the scientific study of individuals at work to maximize their productivity and adjustment. Hugo Munsterberg is considered to be the “father of industrial psychology” and is regarded by students of psychology as an important figure as Frederick Taylor is by students of management. Munsterberg attempted to develop practical applications of psychology. He argued that psychologists could help industry in three major areas:

a. Finding ways to identify individuals best suited to particular jobs.

b. Identifying the psychological conditions for optimum efficiency.

c. Finding ways to influence individual behavior to be congruent with management’s objectives

Mary Parker Follett was a social philosopher who thought the manager’s job was to harmonize and coordinate group efforts. Mary Parker Follett brought to management the perspectives of political science and social work. She identified:

a. The importance of the functioning of groups, not just individuals, in organization.

b. The principle of “power with” rather than “Power over” in management employee relations.
c. Conflict resolution through integration, i.e., finding a solution to a conflict that would satisfy both parties.

d. The achievement of integrative unity, whereby the organization operates as a functional whole, with the various interrelated parts working together effectively to achieve organizational goals.

Chester Barnard, president of New Jersey Bell Telephone Company, saw organizations as social systems that required human cooperation. He believed that managers’ major roles were to communicate and stimulate subordinates to high levels of effort. He also introduced the idea that managers have to examine the environment and then adjust the organization to maintain a state of equilibrium.

The Hawthorne Studies: Without question, the most important contribution to the developing Organization Behavior field came out of the Hawthorne Studies, a series of studies conducted at the Western Electric Company Works in Cicero, Illinois. These studies, started in 1924 and continued through the early 1930s, were initially designed by Western Electric industrial engineers as a scientific management experiment. They wanted to examine the effect of various illumination levels on worker productivity.

Control and experimental groups were set up with the experimental group being exposed to various lighting intensities, and the control group working under a constant intensity. If you were one of the industrial engineers in charge of this experiment, what would you have expected to happen? That individual output in the experimental group would be directly related to the intensity of the light? Seems perfectly logical, doesn’t it?
However, they found that as the level of light was increased in the experimental group, output for both groups increased. Then, much to the surprise of the engineers, as the light level was decreased the productivity decrease was observed in the experimental group only when the level of light was reduced to that of a moonlit night.

What would explain these un-excluded that illumination intensity was not directly related to group productivity, and that something else must have contributed to the results. However, they weren’t able to pinpoint what that “something else” was. In 1927, the Western electric engineers asked Harvard professor Elton Mayo and his associates to join the study as consultants. Thus began a relationship that would last through 1932 and encompass numerous experiments in the redesign of jobs, changes in workday and workweek length, introduction of rest periods, and individual versus group wage plans. For example, one experiment was designed to evaluate the effect of a group piecework incentive pay system on group productivity.

Hawthorne studies reflected the scientific management tradition of seeking greater efficiency by improving the tools and methods of work—in this case, lighting.

1. In the first set of studies, no correlation was found between changes in lighting conditions and individual work performance. In fact, performance nearly always went up with any change—brighter or darker—in illumination.

2. In the second set of studies, the concept of the Hawthorne effect emerged. The Hawthorne effect refers to the possibility that individuals singled out for a study may improve their performance simply because of the added attention they receive from the researchers, rather than because of any specific factors being tested in the study.

3. The third set of studies centered on group production norms and individual motivation.
4. Although simplistic and methodologically primitive, the Hawthorne studies established the impact that social aspects of the job (and the informal group) have on productivity.

**Human Relations Movement:**

This movement was an attempt to equip managers with the social skills they need.

**Abraham Maslow (1908-1970)** developed a theory of motivation that was based on three assumptions about human nature.

a. Human beings have needs that are never completely satisfied.

b. Human behavior is aimed at satisfying the needs that are yet unsatisfied at a given point in time.

c. Needs fit into a somewhat predictable hierarchy ranging from basic, lower-level needs to higher-level needs: Physiological (lowest), Safety, Belongingness or social, Esteem, Self-actualization (highest and NOT achieved by everyone)

**Douglas McGregor (1906-1964)** developed the Theory X and Theory Y dichotomy about the assumptions managers make about workers and how these assumptions affect behavior.

a. Theory X managers tend to assume that workers are lazy, need to be coerced, have little ambition, and are focused on security needs. These managers then treat their subordinates as if these assumptions were true.

b. Theory Y managers tend to assume that workers do not inherently dislike work, are capable of self-control, have the capacity to be creative and innovative, and generally have higher-level needs that are often not met on the job. These managers then treat their subordinates as if these assumptions were true.

c. Workers, like all of us, tend to work up or down to expectations.
The Behavioral Science Approach:

It emphasizes scientific research as the basis for developing theories about human behavior in organizations that can be used to develop practical guidelines for managers.

1. The emphasis is upon developing useful tools for managers. Unlike Scientific Management from the Classical Era, the findings in behavioral studies are often somewhat difficult to find with mathematical certainty. That does not mean however, that the scientific approach should not be attempted nor that the findings of such an approach are any less useful.

2. An example is the idea of improving performance by setting goals the individual finds to be attainable yet not too easy.

Contributions of the behavioral viewpoint:

1. Spotlight the managerial importance of such factors as communication, group dynamics, motivation, and leaders.

2. Articulates practical applications of behavioral studies.

3. Draws on the findings of a number of disciplines such as management, psychology, sociology, anthropology, and economics.

4. Highlights the importance of an organization’s members as active human resources rather than passive tools.
Quantitative Approach to Management:

The quantitative approach involves the use of quantitative techniques to improve decision making. This approach has also been labeled operations research of management science. It includes applications of statistics, optimization models, information models, and computer simulations.

Quantitative approach and Managerial Applications:

The quantitative approach has contributed directly to management decision making in the areas of planning and control. For instance, when managers make budgeting, scheduling, quality control, and similar decisions, they typically rely on quantitative techniques. The availability of sophisticated computer software programs to aid in developing models, equations, and formulas has made the use of quantitative techniques somewhat less intimidating for managers, although they must still be able to interpret the results. The quantitative approach, although important in its own way, has not influenced management practice as much as the next one we’re going to discuss—organizational behavior—for a number of reasons. These include the fact that many managers are unfamiliar with and intimidated by quantitative tools, behavioral problems are more widespread and visible, and it is easier for most students and managers to relate to real, day-to-day people problems than to the more abstract activity of constructing quantitative models.

Branches in the Quantitative Management Viewpoint:

There are three main branches in the Quantitative Management Viewpoint:

A. management science,
B. operations management, and
C. management information systems
Management science:
It is an approach aimed at increasing decision effectiveness through the use of sophisticated mathematical models and statistical methods. This is NOT a term to be used synonymously with either the term “Scientific Management” described earlier featuring Taylor and others or “The Science of Management,” a term that usually refers broadly, to a deliberate, rational approach to management issues.

Operations Management:
It is the function or field of expertise that is primarily responsible for the production and delivery of an organization’s products and services.

Management information systems (MIS):
It is the name often given to the field of management that focuses on designing and implementing computer-based information systems for use by management

CONTEMPORARY APPROACHES TO MANAGEMENT:
This school of thought or viewpoint about management includes those major ideas about managing and organizations that have emerged since the 1950s. Some of the ideas, systems theory for example, are rooted in experiences gained during World War II.

The systems theory approach is based on the notion that organizations can be visualized as systems of interrelated parts or subsystems that operate as a whole in pursuit of common goals.

Contingency Theory is the view that appropriate managerial action depends on the particular parameters of each situation. This approach is in marked contrast to the earliest universal approach stemming from the classical management school which suggested that
there was one, and only one, best decision for managers to make which applied in all
cases and to all organization, big or little, for profit, or not-for-profit, etc.

The generalized corollary to the universal approach is that the secret to successful
managing was just to keep looking until that one best solution was “found.” “it all
depends”, would be the slogan of contingency theory. The contingency approach applies
particularly well in such areas as environmental factors, strategy, organizational design,
technology, and leadership.

SYSTEM VIEW OF MANAGEMENT:
Another way to look at the manager’s job is from the perspective of managing systems.
A system is a set of interrelated and interdependent parts arranged in a manner that
produces a unified whole. It’s a concept taken from the physical sciences and applied to
organizations.

The two basic types of systems are Closed systems are not influenced by and do not
interact with their environment. And Open systems dynamically interact with their
environment.

Today, when we call organization systems, we mean open systems, that is, an
organization that constantly interacts with its environment.
1. The systems theory approach:

It is based on the notion that organizations can be visualized as systems of interrelated parts or subsystems that operate as a whole in pursuit of common goals. The major components of a system are:

a. Inputs: the various human, materials, financial, equipment, and informational resources required to produce goods and services.

b. Transformation processes: the organization’s managerial and technological abilities that are applied to convert inputs into outputs.

c. Outputs: the products, services, and other outcomes produced by the organization.

d. Feedback: information about results and organizational status relative to its environment.

2. Open versus closed systems:

These are terms indicating the relative degree with which a system interacts with its environment. While there are very few, if any, completely open or completely closed systems, we usually view open systems as those having continual interaction with its environment. Closed systems are those with little interaction and feedback from their environments. Two major characteristics of open systems are:

a. Negative entropy is the ability of open systems to bring in new energy in the form of inputs and feedback from the environment in order for the organization to delay or to arrest entropy, the decaying process.

b. Synergy is the ability of the whole to equal more than the sum of its parts.

The systems viewpoint suggests that managers are likely to be more successful if they attempt to operate their units as open systems rather than as closed system.
CURRENT VIEWS ON MANAGEMENT:

Now that you’ve got a good understanding of the evolution and past history of management theories and practices, current concepts and practices are shaping today’s management history and changing the way that managers do their jobs.

A. Globalization:

Organizational operations no longer stop at geographic borders. Managers in all types and sizes of organizations are faced with the opportunities and challenges of globalization.

B. Entrepreneurship:

It refers to the process whereby an individual or a group of individuals uses organized efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness. Three important themes stand out in this definition: The pursuit of opportunities, Innovation and Growth. Entrepreneurship will continue to be important to societies around the world.

C. Managing in an E-Business World:

E-business (electronic business)—a comprehensive term describing the way an organization does its work by using electronic (Internet-based) linkages with key constituencies in order to efficiently and effectively achieve its goals. E-commerce (electronic commerce) is any form of business exchange or transaction in which the parties interact electronically.
D. Need for Innovation and Flexibility:

The constant flow of new ideas is crucial for an organization to avoid obsolescence or failure.

Flexibility is valuable in a context where customers' needs may change overnight, where new competitors come and go, and where employees and their skills are shifted as need from project to project.

E. Quality Management Systems:

Total quality management is a philosophy of management that is driven by customer needs and expectations and focuses on continual improvement in work processes. TQM was inspired by a small group of quality experts, of whom W. Edwards Deming was one of the chief proponents. He has also developed and presented his quality philosophy and theory of profound knowledge. TQM represents a counterpoint to earlier management theorists who believed that low costs were the only road to increased productivity. The objective of TQM is to create an organization committed to continuous improvement.

F. Learning Organizations and Knowledge Management:

Managers now must deal with an environment that is continually changing. The successful organizations of the 21st century will be flexible, able to learn and respond quickly, and be led by managers who can effectively challenge conventional wisdom, manage the organization’s knowledge base, and make needed changes. A learning organization is one that has developed the capacity to continuously adapt and change. Knowledge management involves cultivating a learning culture where organizational
members systematically gather knowledge and share it with others to achieve better performance.

**G. Theory Z:**

William Ouchi’s Theory Z combines positive aspects of American and Japanese management into a modified approach aimed at increasing managerial effectiveness while remaining compatible with the norms and values of society and culture. (Stephen P. Robbins, David A. Decenzo, Sanghamitra Bhattacharyya, Madhushree Nanda Agarwal, 2008.)

**1.3 IMPORTANCE OF MANAGERIAL SKILLS:**

However, economic growth and prosperity require ‘good human capital’: a population equipped with skills and resources to participate in the economy. Good human capital contributes to high levels of labour productivity and entrepreneurship which, in turn, drive growth in the economy. The key to creating good human capital is education. Once N R Narayana Murthy told the reason for the lack of progress in many developing nations is not the paucity of resources but the lack of management talent and professionalism. Being professional and effective in our work helps us optimally utilize our resources – human talent, raw materials, domestic and foreign investment and infrastructure, just to name a few. This is because a professional individual owes allegiance to his profession and not to any organization or person. The dream of making India a significant player in globalization would not have been possible without Jawaharlal Nehru’s vision to create several institutes of higher learning including the Indian Institutes of Technology (IITs), the Indian Institutes of Management (IIMs), the Bhabha Atomic Research Centre (BARC)
and the All – India Institute of Medical Sciences (AIIMS). For India to play a central role in world trade, Indian industry must be able to compete globally. Management (and business) is seen as a major force for change, growth, and prosperity. In this current environment, management professionals have a tremendous responsibility in making India competitive so demand for management and management education is growing rapidly.

Organizations are confronted by continuous change to their products, services, processes, markets, competition and technology. These changes require managers to respond with new ways of thinking and behaving. How successfully an organization achieves its objectives, and satisfies social responsibilities as well, depends to a large extent on its managers. If managers do their jobs well, and organization will probably achieve its goals. Organization must make effective use of their human resource in order to succeed in today’s global market place. It is commonly believed that managers are the most important assets of nations, organizations and institutions to meet the challenges of global competition.

A manager’s job is varied and complex. Hence, managers need certain skills to perform the functions associated with their jobs. During the early 1970s, Robert K. Katz identified three kinds of skills for administrators. These are technical, human and conceptual skills.

It is a normal practice to categorize management into three basic levels: Top Level or Third Level Management (Executives), Middle level or Second Level Management (Managers) and Bottom Level or First Level Management (Supervisors).
Increasingly, it is recognized that the knowledge and skills of managers affect the competitive advantage of organizations. Numerous researchers have studied the managerial role and the skills required for effective performance. (Badawy, M. K., 1995)

Babcock (1996) argues that one of the prime responsibilities of the project manager is to build the project team. This involves a whole spectrum of management skills to identify, commit and integrate various project groups from traditional functional organizations into a single program management system. (Babcock, D.L., 1996)

Toffler (1990-a) argues that while skills in human interaction will become more important, due to the growing need for collaboration in complex tasks, there will be a concomitant reduction in group cohesiveness.

It is necessary to determine which skills differentiate effective managers from less effective ones. Several studies have attempted to identify the skills and competencies that separate effective performers from less effective ones. The major focus was to identify...
those skills associated with the most effective managers compared to the least effective managers. Results revealed that significant differences in skill levels existed in the following areas: (i) building power and influence; (ii) communication with insiders and outsiders; (iii) goal setting; (iv) managing conflict; and (v) decision making.

A survey of 428 personnel administrators asked them the skills managers needed in order to be successful in their organizations. It was reported that interpersonal skills, written communication, enthusiasm, technical competence, and the ability to listen and give counsel were listed as critical.

Camp et al. focused their research on why managers fail. Their sample included 830 managers in various industries in the United States. The study included 166 focus groups and revealed that the major reasons managers fail include ineffective communication skills, poor interpersonal skills, failure to clarify expectations, poor delegation, inability to develop teamwork, inability to motivate others, and a lack of trust.

Another study identified 402 individuals rated as highly effective managers in their organizations in the fields of business, healthcare, education, and state government by asking senior officers to name the most effective managers in their own organizations (Whetten, D.A. and Cameron, K.S., 2002). Those individuals were then interviewed to determine common characteristics of managerial effectiveness. The ten most common characteristics of effective management skills identified were all behavioral skills. They are common across industries, levels, and job responsibilities. They are also very similar to other published management studies on the subject.
The most frequently cited skills of effective managers based on this study are:

1. Verbal communication (including listening).
3. Managing individual decisions.
4. Recognizing, defining, and solving problems.
5. Motivating and influencing others.
6. Delegating.
7. Setting goals and articulating a vision.
8. Self-awareness.
9. Team building.

1.4 INTRODUCTORY IDEAS: MANAGERIAL EFFECTIVENESS

Managerial effectiveness is a leader’s ability to achieve desired results. How well he applies his skills and abilities in guiding and directing others determines whether he can meet those results effectively. If he can, his achievements are poised to help the organization gain a competitive edge against rival organizations heading into the future.

Managerial effectiveness is fast becoming a competitive advantage for organizations. Therefore, they have started investing in retaining competent managers and putting in place systems for developing new cadre of effective managers. Managerial effectiveness is often defines in terms of output – what a manager achieves. This result oriented definition leads us to look for the factors that contribute towards the “results”. Studies find three factors to be responsible for the results that an organization achieves through its managers.
These are: (a) the efforts and ability of the managers, (b) the environment in which the managers and the organization operates, and (c) the efforts and ability of the subordinates. Thus, the managers’ ability is the key element in achieving the desired results.

Until the late 1980s, business school curricula emphasized the technical aspects of management, focusing on economics, accounting, finance, and quantitative techniques. Course work in human behavior and people skills received relatively less attention. Over the past three decades, however, business faculty have come to realize the role that understanding human behavior plays in determining a manager’s effectiveness, and required courses on people skills have been added to many curricula.

As the director of leadership at MIT’s Sloan School of Management put it, “MBA students may get by on their technical and quantitative skills the first couple of years out of school. But soon, leadership and communication skills come to the fore in distinguishing the managers whose careers really take off.” (R. Alsop, 2002.)

Developing managers’ interpersonal skills also helps organizations attract and keep high-performing employees. Regardless of labor market conditions, outstanding employees are always in short supply.

Companies known as good places to work – such as HCL Technologies, Hindustan Zinc, Taj Hotels Resorts and Palaces, Cisco Systems, ITC-Welcome group, Intuit Technology Services, Eureka Forbes, LG Electronics, Domino’s Pizza, Marriott Hotels, Godrej Consumer Products, and Becton Dickinson – have a big advantage. A recent survey of hundreds of workplaces, and over 200000 respondents, showed the social relationships among co-workers and supervisors were strongly related to overall job satisfaction.
Positive social relationships also were associated with lower stress at work and lower intentions to quit.

So having managers with good interpersonal skills is likely to make the workplace more pleasant, which in turn makes it easier to hire and keep qualified people. Creating a pleasant workplace also appeared to make good economic sense. Companies with reputations as good places to work have been found to generate superior financial performance.

So, I have come to understand that in today’s competitive and demanding workplace, manager can’t succeed on their technical skills alone. They also have to have good people’s skills and Conceptual Skills.

Let’s begin by briefly defining the term managers and organization – the pace where managers’ work. Managers get things done through other people. They make decision, allow resources and direct the activities of others to attain goals. Managers do their work in organization, which is a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals. By this definition, manufacturing and service firms are organizations, and so are schools, hospitals, churches, military units, retail shops, police departments, local and state and central government agencies. The people who oversee the activities of others and who are responsible for attaining goals in these organizations are managers. Sometimes they also called administrators, as especially in Non Profit Organizations. In the early part of 20th century, French industrialist Henry Fayol wrote that all managers perform five management functions; Planning, Organizing, Commanding, Coordinating and Controlling. (Fayol, H. (1949). Because organizations exist to achieve goals, someone has to define those goals and the means for achieving them; management is that
someone. The planning function encompasses defining an organization’s goals, establishing an overall strategy for achieving those goals, and developing a comprehensive set of plans to integrate and coordinate activities. Evidence indicates this function increases the most as managers move from lower-level to mid-level management. (A. I. Kraut, P.R. Pedigo, D.D. McKenna and M.D. Dunnette, 2005)

Managers are also responsible for designing an organization’s structure. We call this function organizing. It includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made. Every organization contains people, and it is management’s job to direct and coordinate those people. This is the leading function. When managers motivate employees, direct their activities, select the most effective communication channels, or resolve conflicts among members, they are engaging in leading.

To ensure things are going as they should, management must monitor the organization’s performance and compare it with previously set goals. If there are any significant deviations, it is management’s job to get the organization back on track. This monitoring, comparing, and potential correcting is the controlling function. So using the functional approach, the answer to the question “What do managers do?” is that they plan, organize, lead and control.

In the late 1960, Henry Mintzberg, then a graduate student at MIT undertook a careful study of five executives to determine what they did on their jobs. On the basis of his observation, Mintzberg concluded that managers perform duties that are ceremonial and symbolic in nature. They perform ten different but highly interrelated roles or sets of behaviors. (H. Mintzberg, 1973) these ten roles are primarily: interpersonal, informational and decisional.
All managers are required to perform duties that for instance, when a president of a college hands out diplomas at commencement or a factory supervisor gives a group of students a tour of the plant, he or she is acting in a figurehead role. All managers also have a leadership role. This role includes hiring, training, motivating, and disciplining employees. The third role within the interpersonal grouping is liaison role or contacting others who provide information. The sales manager who obtain information from the quality control manager in his or her own company as an internal liaison relationship. When that sales manager contacts with other sales executives through marketing trade association, he or she has an outside liaison relationship.

All managers, to some degree, collect information from outside organizations and institutions, typically by scanning the news media and talking with other people to learn of changes in the public tastes, what competitor may be planning. Mintzberg called these the monitor role. Managers also act as a conduit to transmit information to organizational members. This is the disseminator role. In addition, manager performs a spoke person’s role when they represent the organization to outsiders.

Mintzberg identified four roles that require making choices. In the Entrepreneur role, managers initiate and oversee new projects that will improve their organizational performances. As Disturbance handlers, managers take corrective actions in response to unforeseen problems. As Resource Allocator, managers are responsible for allocating human, physical and monetary resources. Finally, managers performs negotiator role in which they discussed issues and bargain with other units to get advantages for their own unit.
Still another way of considering what managers do is to look at the skills or competences they need to achieve their goals. Researchers have identified a number of skills that differentiate effective from ineffective managers (R.L. Katz, 1974).

Technical skills encompass the ability to apply specialized knowledge or expertise. When you think of the skills of professionals such as civil engineers or oral surgeons, you typically focus on technical skills they have learned through extensive formal education. Of course professionals don’t have a monopoly on technical skills and not all technical skills have to be learnt in schools or formal training programs. All jobs require some specialized expertise and many people develop their technical skills on the job.

Human skills is the ability to understand, communicate with, motivate and support other people, both individually and in groups, define human skills. Many people are technically proficient but poor listeners, unable to understand the needs of others, or weak at managing conflicts. Because managers get things done through other people, they must have good human skills.

Managers must have mental ability to analyses and diagnose complex situation. These tasks required conceptual skills. Decision making, for instance, requires managers to identify problems, develop alternative solutions to correct those problems, evaluate those alternative solutions and select the best one. After they have selected a course of action, managers must be able to organize a plan of action and then execute it. The ability to integrate new ideas with existing processes and innovate on the job is also crucial conceptual skills for today’s managers.
Fred Luthans and his associates looked at what managers do from a somewhat different perspective. (F. Luthans, 1988). They asked, “Do managers who move up the quickest in an organization do the same activities and with the same emphasis as managers who do the best job?” you might think the answer is yes, but that’s not always the case. Luthans and his associates studied more than 450 managers. All engaged in four managerial activities: Traditional management: Decision making, planning, and controlling.

1. Communication: Exchanging routine information and processing paperwork.


The average manager spent 32 percent of his or her time in traditional management activities, 29 percent communicating, 20 percent in human resource management activities, and 19 percent networking. However, the time and effort different individual managers spent on those activities varied a great deal. Among managers who were successful (defined in terms of speed of promotion within their organization), networking made the largest relative contribution to success, and human resource management activities made the least relative contribution.

Among effective managers (defined in terms of quantity and quality of their performance and the satisfaction and commitment of employees), communication made the largest relative contribution and networking the least. More recent studies in Australia, Israel, Italy, Japan, and the United States confirm the link between networking and social relationships and success within an organization. And the connection between communication and effective managers is also clear. (P. Wu, M. Foo, and D.B. Turban, 2008)
A study of 410 U.S. managers indicates those who seek information from colleagues and employees – even if it’s negative – and who explain their decisions are the most effective (A.S. Tsui, S.J. Ashford, L. St. Clair, and K.R. Xin, 1995).

One common thread runs through the functions, roles, skills, activities, and approaches to management: Each recognizes the paramount importance of managing people, whether it is called “the leading function”, “interpersonal roles”, “human skills”, or “Human resource management, communication, and networking activities.” Its clear managers must develop their people skills to be effective and successful. These are the basic role sets of successful manager’s behavior:

1. Controlling the organization’s environment and its resources (i.e., the ability to be proactive and stay ahead of environmental changes in both short and long range planning),

2. Organizing and coordinating (the manager organizes subordinates’ behaviors around tasks and coordinates interdependent relationships to accomplish organizational goals),

3. Information handling (using information and communication channels for identifying problems and for understanding the changing environment to make effective managerial decisions),

4. Providing for growth and development (the manager's roles to provide opportunities for his or her professional growth as well as subordinates professional growth),

5. Motivating employees and handling conflict (the manager enhances the positive aspects of motivation to foster a climate whereby subordinates are encouraged to perform well), and
6. Strategic problem solving (the manager takes responsibility for his or her own decisions and ensures that subordinates' effectively use their decision-making skills.

Research has concluded that these six behaviors explained greater than 50 percent of the managerial effectiveness. Managerial effectiveness is gauged by the results a leader achieves. Results are generally believed to be influenced by the organization’s established culture. A good leader must adapt to the organization’s culture and make sure her skills are aligned with organizational goals in order to achieve positive results. The manager’s job is linked with three major skills – technical, conceptual, and human. The productivity of any organization can be increased by the effective management of the entire three dimensions and specially by managing the conceptual and human dimensions of management. All managers need to work with and through subordinates to optimize organizational performance. Therefore, certain behavioral skills are required of individuals if they are to be effective as managers. Managers have many resources at their disposal and the quality of work is dependent on how well these resources have been used. The performance of a manager can be measured by the extent to which goals that are important to the group and organizations are met through the productive efforts of subordinates (Herbert, ‘Dimensions of Organizational Behavior’ Macmillan Publishing Co Inc. 1976). In other words, effective management is the accumulation of synergy of effectiveness of individual managers in the organization (Sen and Saxena, 1999).

Das indentified the characteristics of an efficient branch manager as setting an example by personal qualities, job knowledge, and business acumen and management ability. (Das G. S. 1987) Miles suggested that constructive use of authority entails the ability to formulate clear goals and to determine what steps are necessary to achieve them, including getting people to do what is necessary for achieving the targets. (Miles Mary,
1992). Misumi and Peterson define the ideal manager in Japan in terms of both performance and maintenance orientations, namely a manager who leads the group towards goal attainment and preserves its social stability (Misumi J & MF Peterson, 1985).

Gupta has developed a 16-factor scale to measure managerial effectiveness. These factors are tapping three important aspects of effectiveness: activities of his position, achieving the results, and developing further potential. (Gupta S, 1996) The managerial effectiveness has been measured by experts in several different ways at different times. Some models focus on individual competencies of managerial effectiveness, while most of the studies have taken performance measure and superior's appraisals rather than self report measures while deciding the effectiveness of a manager.

In the long run, managerial effectiveness has the potential of creating efficiencies that create a sustainable competitive advantage against rival organizations and increase opportunities for future enterprise. It also fosters individual growth in the manager and her followers and, over time, generates shareholder value for the organization.

1.5 CURRENT SCENARIO OF MANAGEMENT EDUCATION:

Corporations, now a day, face pressures from different stakeholders of the business environment. The changes in the environment have created threats to all of today’s Organizations. So, the managers have to look for finding the best possible ways of striking the implications brought by the changes. Mostly, it depends on better way of educating their people to convert previous knowledge and experience into today’s competencies required for best possible strategies. (Mohammed Abdullah Mamun, Ariffin Bin Mohamad (2009).
In the present day world of business, where every aspect of our life is ruled by management, it is very essential for an individual to understand the essence of management at least to the relative terms. It is because, the world has become so complex with times, that it would not function at all when ‘management’ is not there. Management’ is the soul of every business. When we take up the topic of business, we can look into the past where business was carried out since primitive ages. Only the size, nature and complexity have changed. Doing business, possessing the qualities of a businessman is an inborn or inner trait of an individual.

It was present even in our ancestor who had laid down the bases of business earlier though at a small scale. But the scenario has changed with the fast paced world. With industrialization bringing the entire world under one network, the need for ‘managing’ such a huge complex and multidimensional world is felt which can’t be done without proper guidance and training. Having understood the need of the upcoming markets and its trend, ‘management education’ has spread all over the world and is helping the aspirant entrepreneurs or the professionals to get the latest knowledge and skills as per the need and expectations of the developments in business.

The Education system in India is limited to theoretical knowledge which is confined to just some degrees. But ‘management education’ gives practical embossing over theoretical approach. This gives a complete understanding of the activities of business and the role required to be played by the individuals at a later stage. It’s not that business cannot run without management education. But now, with the increasing competitiveness all over the world, to become the cut over the edge, the upcoming generations of professionals need to possess the required qualities of setting their place in the tough competition by constant innovation and logical and analytical thinking. And
‘management education’ adds up these to an individual’s personality. So, with the Business is required to be managed, and Management is the backbone of business. Hence, both “Management” and “Business” go hand in hand and that contributes to the growth of the business at a world wide scale.

A business school is normally a university-level institution that teaches topics such as accounting, finance, marketing, organizational behavior, strategic planning, quantitative methods, etc. These include schools of "business", "business administration", and "management". It must also make students aware of application software such as ERP, POS, Simulation, SCM & logistics. In addition to this they must also get to learn of the actual running of an enterprise. Business school must have a branding and that can come from the quality of teaching and their richness. The alumni bring prestige to the school. Placement is a sequel to quality of teaching staff and education provided in the school.

In the modern economic scenario all over the world- “Management” – as a stream of education and training has acquired new dimensions. Management is an exciting field where you can have an immediate impact on the operations of any business. The field of Management is dynamic in nature. New tools and techniques are continually being introduced to improve the efficiency, productivity, and profitability of any organization. All organizations and their departments, functions, or groups use Management methodologies, which include problem solving techniques and guidelines for various related activities. Education in management should have mainly focused on Increase the understanding of the factors which influence the conduct of organizations and Provide students with the tools and techniques that they may use to influence organizational life.
More than twenty-five years ago, Mintzberg stated: Management schools will begin the serious training of managers when skill training takes its place next to cognitive learning. Cognitive learning is detached and informational, like reading a book or listening to a lecture. No doubt much important cognitive material must be assimilated by the manager-to-be. But cognitive learning no more makes a manager than a swimmer. The latter will drown the first time he jumps into the water if his coach never takes him out of the lecture hall, gets him wet, and gives him feedback on his performance. Our management schools need to identify the skills managers use, select students who show potential in these skills, put the students into situations where these skills can be practiced, and then give them systematic feedback on their performance.

Management skills are linked to a rather complex knowledge base (more so than other skills such as those associated with a trade or a sport). In addition, management skills are inexplicably connected to the interaction of other people. As such, effective use of these skills often involves a non-standardized approach to managing human beings (unlike a standardized approach to performing trade skills such as welding). Given that the name "skills" implies one can develop and improve upon them (e.g., basketball, clinical), it is imperative that, to develop and improve management skills, students receive a significant dose of practical application. However, it must be recognized that practice without the requisite conceptual knowledge is not optimum. Thus, developing requisite management skills must include both conceptual learning and behavioral practice. (Whetten, D.A. and Cameron, K.S., (1983).
Management education cannot be compared with studying other subject areas like chemistry, physics, mathematics or law etc. Management education can rather be compared with medicine. No doctor is allowed near a patient purely on the basis of theoretical knowledge. Doctors learn the professional skills by acquiring the practical knowledge that is taught by practicing doctors and hence they become experts in diagnosing the real physical condition of patients. In the similar way, in a business scenario also you have to do things, take decisions, take actions, and monitor results. You cannot operate any business by just planning what to do on paper. Planning is, though an important step in the process, there are many examples of businesses with excellent plans having failed because of non-implementation of proper ideas. Management education should actually supplement on job training being given by the companies to the management trainees. It should also develop the analytical skill and improve the ability to assimilate complex external and internal factors influencing an organization.

Management courses are offered in wide range of disciplines. Management covers courses in major areas such as marketing, human resources/ organizational behavior and strategic management etc. Teaching in these courses is drawn on a range of disciplines, which include mathematics, psychology, sociology, philosophy and economics. The ideas and practices from these diverse disciplines are applied to the understanding and management of voluntary, commercial and public sector organizations.

Education in management has two aims. Firstly, to increase the understanding of the factors which influence the conduct of organizations and secondly to provide students with the tools and techniques which they may use to influence organizational life. The constantly changing management paradigms, in response to growing complexity of the business environment today have necessitated that Industry and Academia come closer.
Over the last decade and a half, the falling of barriers to international trade and investment has led to a more integrated and interdependent framework of international business. Employers today, as a result, operate in an environment that demands constantly developing skills to retain global competitiveness. Extremely dynamic business world and the rapidly developing knowledge based service economy have put in an increased demand for professionals to manage the business effectively.

There are a lot of paradigm shift going on in the corporate world. Growth for an individual in an organization relates to the value added by him/her to the organization in the particular period of the job tenure. Moreover organizations today help people find the areas where they can succeed, thus becoming valuable assets for the organization.

There has been a paradigm shift in the way management education is imparted across the B-schools. Education is no longer equivalent to just knowledge. Today is the era of knowledge management where knowledge needs to be assimilated, synthesized and employed appropriately. The difference between success and failure is how one is able to use knowledge effectively. Other than knowledge, companies are looking for skill sets such as critical thinking, problem solving, brain storming, decision making skills, etc. It has become imperative for one to have adequate thinking and behavioral skills. There is need for global managers who are able to adapt as per the external environment and embrace diversity, ambiguity and complexity.
1.6 MANAGEMENT EDUCATION AND ITS EFFECTIVENESS:

Mark H. McCormack advocates ‘street smarts’ in his book ‘What They Don’t Teach You at Harvard Business School.’ Here ‘street smarts’ means having ability to make active, positive use of your instincts, insights, and perceptions. To use them to get where you want to go, preferably by the shortest route, even if this means jumping some fences or going through a few alleys. Can you really learn to apply gut reactions to business? Perhaps not totally, but what you can learn may not the result of management education but the results of street-smart thinking.

Mr. McCormack said, the best lesson anyone can learn from business school is an awareness of what it can’t teach you – all the ins and outs of everyday business life. Those ins and outs are largely a self-learning process. Whether it is a matter of closing a deal or asking for a raise, of motivating a sales force of 5000 or negotiating one-to-one, of buying a new company or turning around an old one, business situations almost always come down to people situations. And it is those executives with a finely tuned people sense, and an awareness of how to apply it, who invariably take the edge.

Mr. McCormack believes with reference to business school, what they don’t teach you is what they can’t teach you, which is how to read people and how to use that knowledge to get what you want. Masters in business can sometimes block ability to master experience. Many of the MBAs are victims of their business training. The result is a kind of real-life learning disability – a failure to read people properly or to size up situations and an uncanny knack for forming the wrong perceptions. Intellect, intelligence or graduate degrees are not substitutes for common sense, people sense and street smart. (Mark H. McCormack, ‘What they don’t teach you at Harward Business School’, Bantam books)
Mortan T. Hansen, Herminia Ibarra and Urs Peyer declared the list of The Best 50 CEOs of the world. That review says that only 14 (merely 28%) out of these 50 CEOs are having formal management degree while 36 (staggering figure of 72%) are not having formal management education. According to this review the top 3 CEOs, Steve Jobs of Apple Computers, Yun-Jong-Yong of Samsung Electronics and the CEO of Allxe Miller of Russia, are not Management Graduates. When Steve Jobs became CEO of famous Apple in 1997, the condition of the company was pathetic. After becoming CEO he gave the astounding 3118% Industry Adjusted Return (34% average yearly return). The other in this list are John Martin, Jeffery P. Bezo of Amazon.com, Eric Sumidts of Google, Weng Jinaho of China Mobile, Fujio Mitari of Canon, Fred Kindle of ABB Group and Chung Hung Mong of Hyundai Motors.

This entire world renowned CEOs have not attended any session in any management school. This leads to the belief that formal management education may not require to become successful manager. On the other hand, researchers argued that CEOs from companies based in Germany, Britain, France and United states, where reliable information on degrees is available (1109 CEOs in total), they found that 32% of CEOs who had an MBA ranked, on average, 40 places better than the CEOs without an MBA. Even in the beleaguered financial sector, the MBAs tended to rank better than the non-MBAs. This finding suggests that MBA CEOs have not destroyed value, as some critics would have it. With these types of different beliefs and opinions, I have dilemma about effectiveness of management education to managers. This research is an attempt to find answer about whether formal and informal management education and training helpful to managers? Are there any effects of management education and training towards executives skills?
1.7 REFERENCES:


• N R Narayana Murthy, the first Michael Dell Lecture, University of Texas, Austin, 15 November 2007.


