



Management is Everywhere (We are all managers and leaders)



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Dear Friends,



I do hope that you liked the first newsletter in this 'management series'. From this month onward, we shall take a look at the basic tasks that a real business carries out, when it is fully functional. All these elements may not be so obvious in the beginning, but it is better to have a full picture.

We saw that the essence of management may be captured by two words – coordination & communication. Now, we shall briefly explore the presence and the need for management in every field of human activities. As charity begins at home, let us begin with a housewife. She has the unique role and responsibilities for taking care of all members of the house, in terms of their food, clothing and shelter literally. Well, the shelter may be there, but she has to ensure that everyone has a comfortable bed to sleep.

She has to struggle to fulfil the needs and demands of everyone, and in most cases, stretch the limited resources in order to do so. She is the most valuable and least recognised, fully unpaid manager in human society. Even economists do not count the value a housewife adds to the food ingredients, as she cooks delicious food items regularly, three to four times a day on 365 days a year.

The captain of a football team in school is also a manager. She has to assign different positions like the goalkeeper, centre forwards, and others, and has to keep the team's morale up against all adversities. Last but not the least, she must also play very well. Such a position is more akin to a leader than a simple manager. In management literature, there is a separate branch of study on leadership, but for the present, it should be sufficient to understand that all managers must assume some leadership role, and all leaders must manage her / his team as well.

Today, we shall begin discussions on Management: An integrated perspective. Subsequently, we shall discuss:

- Model of an Enterprise
- Capabilities of an Effective Manager
- SIPOC with Feedback Control Loop

Let us dwell a little bit more on the nature of management. We have already seen that the essence of management is captured by two words – coordination and communication. Coordination of efforts by multiple participants for fulfilment of a common objective, is the primary task of management. This coordination is achieved through excellent communication between the participants and when necessary, external agencies as well.

Henry Fayol, a French mining engineer, identified five functions of a manager as under [1]:

prévoyance, organisation, commandement, coordination, controle; translated as Foresight, organization, commanding, coordination and control.

In management literature, these are re-interpreted as five basic functions of management: Planning, Organizing, Staffing, Direction, and Control.

Fayol was a great administrator and rose to become the chief executive of a large mining and steel conglomerate, turning it around from a loss-making business into a strong profitable one, by the time he retired. You may find more details about Henry Fayol at [2]. We shall now try to understand each one of these five functions of a manager.

Planning:

Let us take a familiar example from our common experience – a marriage. Yesterday, I got a message that a former student's marriage has been fixed. The engagement ceremony would be held on October 22nd and the marriage would be solemnized on January 22nd. This is an arranged marriage.

Now, put yourself in the shoes of his parents. They were trying to find a match for long, and as we all know, young sons are rather fussy in such matters. It does not take them more than a moment to reject a prospective bride. Therefore, you can well imagine their happiness, when their son finally agreed with this proposal, and they immediately started to plan the dates, looking at the almanac. They found these two dates to be auspicious and convenient for both the families. They settled the dates, and I got the message.

Looks very natural, isn't it? But unconsciously, we have witnessed an act of planning. Please recall the phrase – 'they immediately started to plan the dates'. So, what is planning? It is a mental process of visualizing the path for fulfilling an objective. In this case, it is the marriage. We try to figure out what all need to be done, when they should be done, how and where this should be done, what are all the resources (manpower, money, materials, may be equipment etc.) required etc. etc. Depending upon the complexity of the task on hand, the complexity of the planning process multiplies. A simple list of items to be purchased for the day's household requirements may even remain in the mind of the regular buyer, but if one has to come from a village or a small town to a large city like Chennai, to purchase all dresses, jewelry and gift items for a marriage, we do need to make a set of lists grouped under different categories. This is in part, planning.

If you try to analyze the process of planning, the first thing that comes to mind is that we would like something to happen in future (marriage of their son in this case). In management language, this is called an **objective**, like asking the question: where do we want to go? Therefore, the conscious process of planning in an enterprise or business starts with defining

the objective, or the end result for which we have started or planning to start a business. Once we have decided upon a destination, the next question arises, 'How do we go there?'.

In order to answer this question, we need to have many more information. If you consider the case of the parents, wanting to get their son married, they need to find a suitable bride in the first place. Now, the word 'suitable' refers to their own son, his likes and dislikes, his capabilities and shortcomings (?), as well as those of the family members. Traditional Indian marriages arranged by parents try to take a holistic look at the entire process. These are kind of 'internal' to them. A famous consulting group devised a system for such analyses for a business, and termed these internal factors as '**strengths and weaknesses**'.

But where and how to find potential brides? We could spread the word among our friends and relatives. We could advertise in the matrimonial section of vernacular and English newspapers. How about posting a profile on Shaadi.com? or other matrimonial web sites? These are matters external to the family, and in management terminology, similar factors are called as environmental factors, meaning the external conditions within which we have to conduct our business. Sure enough, there will be some factors that are helpful or good for us. At the same time, there could be some factors that could potentially cause us harm. For example, If the parents and their son are settled in Chennai, and are looking for Tamil brides, the chances are better compared to another set of Bengali parents, settled in Coimbatore, looking for a Bengali bride. The same consultants termed these environmental conditions as '**opportunities and threats**'. As the terms suggest, opportunities are conditions favorable for achieving the objective(s), and threats are conditions that pose barriers to achieving our objective(s). For example, if we post the profile on a matrimonial website, we can very well expect a number of unsolicited proposals, not to our liking at all!

In order to answer the question, 'How we go there?', we must start with scanning our environment, for **opportunities and threats**, while keeping in mind our own **strengths and weaknesses**. This process is famously known as **SWOT analysis**.

There is one more important dimension to planning. We should be able to make a choice out of different options, before we can move ahead. In our case, the parents must decide upon using different methods in searching for a 'suitable' bride.

Let us continue with our example. After almost 2 to 2-1/2 years of efforts, finally a bride for their son was selected, with both the families agreeing to the tentative dates for engagement and marriage. Now, we don't have much time left, and we must figure out all the actions we must complete preparatory to the actual engagement and the marriage ceremonies. These may include selection of the marriage venue, and booking it in advance, arranging the necessary funds for conducting the marriage, designing and sending out all the invitations, making sure that the marriage registrar is present during the marriage, deciding upon the menu for the marriage feast, arranging a caterer, and myriad of other things that must be done. In management terminology, this is known as **formulating a detailed, step by step plan**.

Let us now turn our attention to yet another dimension of planning. This refers to the timeframe for planning. If you look back, his parents had a long-term vision of raising their son. With this vision in mind, they took care of their son's schooling. As he was weak in mathematics, the most favored option of engineering was out of considerations. Unfortunately, their son had a passion for music, and neglected his studies. As a result, all competitive professional education was closed, and he was left with no choice but to pursue a

graduation in commerce. His mother was rather worried about his future. One of her friends advised her, not to lose hope, and suggested that he should study business management. This was how their son finally completed his MBA and landed himself in a decent job with a software firm in Chennai. This part of planning by his parents may be termed as '**strategic planning**'. Essentially, it has a long term (5 years and more) perspective.

The decision to opt for the MBA program may be called '**tactical planning**' with a time frame of 1 to 3 years at the maximum, and all planning they did during the trimesters may be termed as '**operational planning**'.

For a business, strategic planning looks out 5 years and more into the future, tactical planning thinks of the next 2 years or so, and operational planning takes care of day-to-day matters, through all those activities to be completed within a year.

Planning is a continuous process. As time passes, we end up with some results, and more often than not, the results are not exactly what we had planned. Therefore, we have to start the next cycle of planning. This has been captured very well by an American quality professional, W. Edwards Deming [3] as **Deming Cycle**. In simple terms, the cycle comprises of 4 steps – Plan – Do – Check – Act or **PDCA**. After we execute a plan (Do), we have to check the result, and based on the results, we have to take corrective actions (Act), which essentially means a new plan.

After their son's schooling, the parents had to plan for his graduation, and after the graduation, for his MBA, and after the MBA, his marriage and life goes on. For business operations, we plan for a month, and near the end of a month, we plan for the next month and so on. The PDCA cycle is omnipresent!

In the next blogs, we shall discuss **organizing**.

References:

1. <https://www.worldcat.org/title/40224931>
2. https://en.wikipedia.org/wiki/Henri_Fayol
3. https://en.wikipedia.org/wiki/W._Edwards_Deming

