

sección especial en idioma inglés

developing your management philosophy

when not to build around people

E. T. Eggers,

Professor of Management, Georgia State
University

NORMALLY the status quo of the structure of organization results from growth and development. Typically the firm starts in a small way and proceeds to unfold; there are, of course, many exceptions to this. But once the objectives or purposes are clearly established, the administrators of the new firm must consider the various functions which it is necessary to perform in order to attain these goals. The

foundation for this process is simply the analysis and division of activities. Assignment of personnel and physical facilities comes after the functions are decided upon. Organizations are, thus, built around the people or physical environmental factors.

A function may be defined merely as any phase of work or activity or definitely related



activities which can be clearly distinguished from other phases or activities. Functionalization relates to the procedure of breaking all the work down into the necessary functions and subfunctions; the performance of these activities creates values or satisfactions. Breaking down of the functions creates major divisions, subdivisions, and individual jobs which results in the division of labor and brings about specialization of effort. Obviously, the selection of functions must be logical as to their relationships and must always be done with a view toward their contributions to the attainment of objectives. Functions performed in one division of an organization may be entirely worthless in another division. Proper functionalization provides for those functions which are essential to the organization's success and excludes those kinds of activities which are not necessary. Within any organizational structure, regardless of whether it is profit-oriented, there are three major types of functions.

Organizational Functions

The first type of function pertains to the structure of the organization and is an integral part of it. The administrator builds the organization around such phases of work. Regardless of the size or type of organization, there are certain basic functions which must be performed. All organizations must produce or create something of value-either goods or services or both. That which is created may be merely pleasure or satisfaction, as in fraternal organizations; it may be patient care in a hospital; it may be education in an educational institution; or it may be a toothbrush or a shoeshine created and sold for profit.

As production is a basic function, so is the distribution of those things which are produced. In business concerns, this function is of course referred to as sales. In fact, these two basic functions may occur at the same time. In the process of acquiring a haircut, the service is

produced and distributed simultaneously. The functions of production and distribution are absolutely essential to the continued existence of any organization. And it is around these two main types of activities that other activities are usually built. In fact, the most important criterion to be applied in establishing another function may be, "Will it aid in the performance of creating and/or distributing?" A business organization is not formed in order to have a personnel management, engineering, or research function, such functions are added to facilitate the work of the basic functions. This line of reasoning does not in any sense deny the necessity or such collateral activities-it simply says that they are not the reason for the organization's existence.

It is sometimes argued that some other organizational functions are basic and organic. Examples of such functions are procurement and finance. Certainly an organization must provide the capital that is necessary for the performance of the other activities. As a result of such capital formation, certain investments may be made that will result in a greater net return to the firm. It is equally true that the activity of procurement must be carried out. But again it should be remembered that a firm is not established to perform such functions no matter how essential they may be to success.

Hierarchy of Functions

As an organization continues to develop and grow, greater specialization of functions occurs. This process results in more division of labor as major functions are broken down into smaller functions. The primary function of production may serve as an example. The overall objective of production is to create goods or services of value. Subordinate to this main function will be added other functions, with minor functions being added further down the scalar chain. To production may be added procurement as a staff function; added to procurement may be a function of buying,



with subfunctions relating to buying research or buying of certain major items as cloth or steel. The specific subordinate functions to be added should always be determined in accordance with their contribution to the main objective of the higher function. For example, the subfunction of training is added to personnel management to facilitate the reaching of the objective of a personnel department, which is getting and keeping a satisfied and satisfactory work force.

Functions of Management

The universal concept of management simply means that there are certain functions which all managers perform to a greater or lesser degree. Such functions are basic to the work of a manager regardless of the kind of organization or his level within the organization. All too often management is thought of as pertaining to business firms only or to only certain functions within the organization. But the area manager of a charity organization or the local postmaster performs the same functions as the president of the largest business firm.

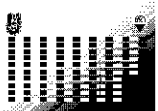
There is some disagreement among the writers in the field as to the specific functions of management. Often, however, the disagreement results from the choice of terms rather than from the interpretation of actual work performed by managers. For example, some scholars talk of the risk-taking function, of innovation, or of representation. The work of staffing has also been considered to be a function of management. But if we maintain that functions of management are those kinds of work done by all managers, the staffing does not meet the criterion because it is done by a comparatively small percentage of managers in this country today. It is actually a personnel management function. There are really about four major and distinct types of activities performed by the manager in doing his job.

Planning

There can be no definite order in which the manager carries out his functions; he may, in fact, engage in all management activities at pretty much the same time. But the doctrine usually places planning as the first function since it represents a basis for other actions. The process of planning is one that determines what is to take place at some future time the next minute or five years from now. There are short-run plans and long-run plans; there are routine plans and creative plans; there are plans for the entire organization and for the smallest division of it; and there are plans for every single function within the firm.

Planning, thus, becomes the responsibility of all managers even though the top executives may have the greater obligation in this area. The process of forecasting is inherent in planning because plans are designed to bring about the desired results. However, the ability to forecast accurately represents a major obstacle to the planner. Truly effective forecasting and planning calls for adequate data upon which to base the plans. Numerous variables may be considered before a creative plan emerges. Plans, of course, must be directed toward objectives. Since plans are the bases for actions, they need to be complete in that they answer such questions as to what is to be done, where it is to be done, when it is to be done, who is to do it, how and why. Data concerning such questions are necessary if the plan is to be successfully executed.

Once the plan is developed, various parts of it must be distributed to lower units and individuals within the organization. This assignment of work, be it management or operative work, to others constitutes the function of organizing. In essence, it is the process of delegating which entails the sharing of work. The necessary authority and responsibility are given to the personnel, and they become accountable to the delegating source once the authority and responsibility are accepted.



The function of organizing may be quite formal, in which case the precise duties are "spelled out" and the exact amount of authority and responsibility are specifically designated. Or the delegating may be very informal, in which case the subordinate may merely accept or assume the right and obligation to perform certain duties. At any rate, the manager needs to utilize effective communication in allowing his subordinates to understand the definite functions for which they will be held accountable.

Coordination

It is in the third area of the manager's work that most disagreement is found among the writers in the field. Some prefer to use the term "directing" to signify the third function of management. Others refer to this function as motivating or actuating. But it appears that the most descriptive word to be used here is "coordination of effort". Coordination refers to the process of combining individual activities of all personnel within the unit into a congruent whole. It provides unity of action in order that the efforts of the group may be directed in a harmonious manner toward the objectives. Of course it does involve the motivating, actuating, and directing of subordinates, but always with the purpose of proper coordination of efforts to provide unison in achieving the purpose.

Coordination is perhaps the most important and most difficult of the four management functions. After all, a group of people is brought together to form an organization in order that efforts may be combined to reach certain objectives not attainable by one person. Other management functions evolve about that of coordination. The development of plans, the process of delegating those plans, and the exercise of regulation of activities must be carried out in such manner that the performance of everyone will be integrated into the highest degree of perfection.

Control

The fourth and last function of management is that of control. Control simply refers to the regulating of activities so that the plans will be carried out. It is essential that the manager not consider this function as being one of restriction; it deals with conformity, compliance, and adaptation. Obviously, there must be certain standards or criteria established by which the performance of subordinates may be judged; such criteria may apply to units produced, sales dollars, absenteeism and many other things. Some methods and procedures must also be employed to determine if the set standards or criteria are being met. Various checks and measures, budgets, and reports are examples of devices used. And, finally, the manager takes whatever action is indicated based upon his findings. That is, if standards are not being met, he takes remedial action to see that they are.

Operative Functions

Even though this essay is primarily concerned with management, a brief reference must also be made to the work of nonmanagerial personnel. It is the operative workers who actually create the goods and services which have value—they run machines, sell, type letters, and sweep floors. The operative workers represent about nine-tenths of all people employed in this country today. The need for functions performed by operatives is universal because no organization can exist without them.

The work of the manager must involve the division of the total work into individual tasks for the nonmanagerial employees. This simply means that the major functions of the organization are divided and subdivided again and again until the basic work elements are assigned to specific jobs and individual workers, the criterion always being "Is the task essential to obtaining some goal or purpose?" This dividing of labor is a constant process and one which is as old as civilization itself.

Functions-Briefly

Before the hiring and assigning of personnel occurs, the designation and grouping of functions must take place. These functions must be combined to form the elements of the organization. No function can be considered by itself; it must relate to others within the firm. The first type of function is that of the organization as a whole. Representative of this kind of work are production, finance, distribution, research, and engineering. Activities of organizational functions must be coordinated to result in an effective effort for achieving the overall objectives.

Managers must be constantly attuned to the necessity for sound functional relationships; and, in so doing, they perform the second type of functions-those of management. Management

functions have been considered to be planning or setting a basis for action, organizing or the assigning of tasks and the delegating of authority and responsibility, coordination of the efforts of all personnel, and controlling or regulating the actions of subordinates.

The last type of function is that of the operative workers who create the goods and services deemed necessary or desirable by society. The ultimate and vital work of any organization lies in this area. The division of labor and functional analysis must form bases for the manager's decision as to the specific tasks to be accomplished and the assignment of duties. Again we are reminded that any successful organization must be structured around the functions and not around the people within the organization.

