

## **INTRODUCTION TO ORGANIZATION AND MANAGEMENT**

### 1. Organizing

- The process of grouping the responsibilities and activities into workable units, determining the line of authority and communication, developing patterns of co-ordination.
  - For example a car which is a unit with multiple components. It seems to be a complex thing but if it is broken down into components then it will look simpler. However it won't work if it is in the components. It is only work when the components are combined and organized.

### 2. Organization

- A formal group of people with shared goals.
  - For example:
    - Political party
    - Business entity
    - Learning institute
    - Government agency
    - Family
    - Non-government organization (NGO)
    - Voluntary
- Organizational behaviour:
  - How individuals, groups and structure have on behaviour within an organization that can be used to improve effectiveness.
- Organizational structure
  - How job tasks are formally divided, grouped and coordinated
  - 6 elements that decide organizational structure:
    - Work specialization

- Departmentalization
- Chain of command
- Span of scope
- Centralization and decentralization
- Formalization
- Organizational type:
  - Simple structure
    - Flat small organization with low work specialization
    - Low degree of departmentalization
    - Wide span of control
    - Decentralization authority
    - Little formalization
  - Bureaucratic structure
    - High work specialization, routine and repetitive operation
    - Departmentalized
    - Narrow span of control
    - Central authority
    - High formalization
  - Another way to look at organizational structure:
    - Can be divided into 2:
      - Mechanistic
        - Bureaucratic
        - Tall hierarchy
        - Specialization
        - Top-down chain command
        - Very formal
      - Organic
        - Flexible
        - Adaptable
        - Flat structure

- Decentralize
- Employee participation
- Matrix organizational structure
  - Function and product dependent
  - Pooling and sharing of resources
  - Dual line of authority
- Hybrid organizational structure
  - A hybrid organization is a body that operates in both the public sector and the private sector, simultaneously fulfilling public duties and developing commercial market activities. As a result the hybrid organization becomes a mixture of both a part of government and a private corporation.
- The purpose of organizing is to make the best use of the organizational resources to achieve the organizational goals.

### 3. What is management?

- Purposeful and effective use of resources, manpower (modal Insaniah), material and money, for fulfilling of organizational objectives.

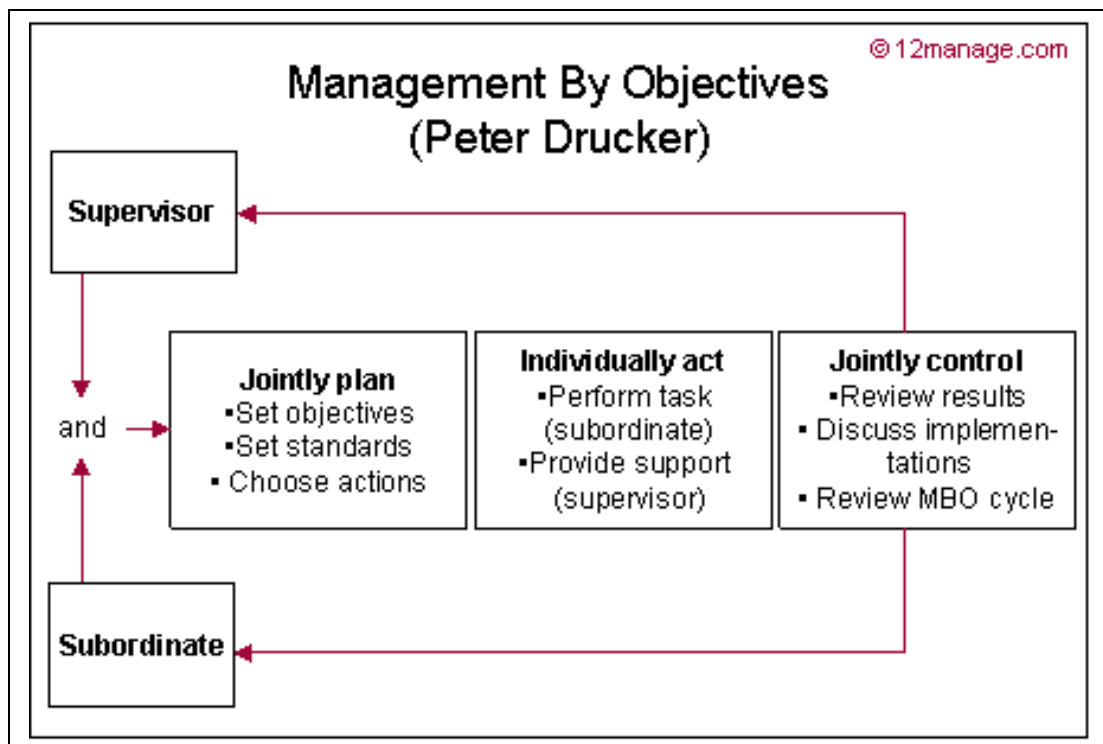
### 4. What do the managers do?

- The 5 elements of management (Fayol, 1970)
  - To forecast and plan
  - To organize
  - To command (lead)
  - To coordinate
  - To control
- 14 principles of management (Fayol, 1970)
  - Division of work
  - Authority

- Discipline
- Unity of command
- Unity of direction
- Subordinate of individual interest (organization interest is the priority)
- Remuneration (reward system such as salary, promotion and etc)
- Centralization and decentralization
- Scalar of chain (the authority and command must in a line)
- Order (systematic)
- Equity (justice and fair to everybody)
- Stability of tenure (sound assurance of position and promotion)
- Initiative (let the worker put and share their ideas into the management for better benefit)
- Esprit de Corps (teamwork)

## 5. Management Models

- Management by objectives, MBO

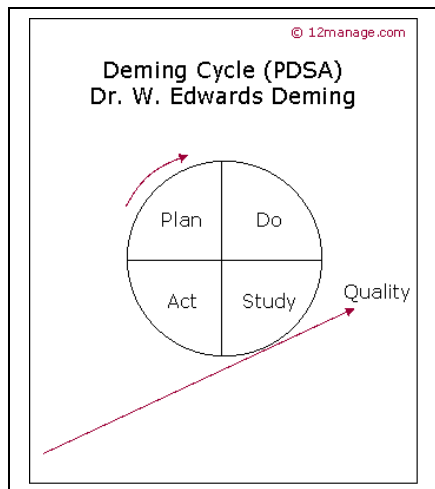


- **SMART** method for checking validity of objectives:
  - **S**pecific
  - **M**easurable
  - **A**chievable
  - **R**ealistic
  - **T**ime-related
- Management by objectives
  - In “the practice of management, 1954”, Drucker posed 3 now-classic business questions:
    - What is our business?
      - E.g. in educational business our businesses are teaching, research and etc.
    - Who is our customer?
      - E.g. students, members of public and nations
    - What does our customer consider valuable?
- Some useful Drucker quotes:
  - The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.
  - Management is doing things right; leadership is doing the right things.
  - Checking the results of a decision against its expectations shows executives what their strengths are, where they need to improve, and where they lack knowledge and information
  - The most important thing in communication is hearing what isn't said.
  - Trying to predict the future is like trying to drive down a country road at night with no lights while looking out the back window.

- Total Quality Management, TQM (Edward Deming)



- Key elements in customers' satisfaction become the driving force.
- **Foundation** : integrity and ethics
- **Building Bricks** : leadership, teamwork, training
- **Binding mortar** : communication
- **Roof** : recognition



- **Plan** – plan ahead of change. Analyse and predict the result
- **Do** – execute the plan, taking small steps in controlled circumstances
- **Study** – study the result or check
- **Act** – take action to standardized or improve the process

- Kaizen – change (kai)to become good (zen)
  - Continuous incremental improvement
  - The 5 elements of Kaizen
    - Teamwork
    - Personal discipline
    - Improved morale
    - Quality circles
    - Suggestion for improvement
  - Kaizen work process
    - Eliminates of waste and inefficiency
    - 5-S framework

- Seiri → Structurize → Struktur (sisih)
- Seiton → Systemize → Susun
- Seiso → Sanitize → Suci
- Seiketsu → Standardized → Sistem
- Shitsuke → Self-Discipline → Susila
- Discipline
- Islamic 5 S
  - Salam – greeting, mutual respect
  - Sabar – patience, steadfast in duty
  - Syukur – being thankful to God
  - Setia – loyal to organization and leadership
  - Sopan – politeness, good character