Volume-3, Issue-11, Nov Special Issue -2014 • ISSN No 2277 - 8160

Research Paper HRM

Decisional Management and Management Innovations

Dr.K.SELVAKUMAR Assistant Professor, KKCP, Periyar Maniammai University, Vallam, Thanjavur.

KEYWORDS :

INTRODUCTION

Innovation encompasses ideas, thoughts, and behaviors constructed by individuals into practice. Without innovation, business, organization or company does not develop forward. A business organization may take many forms, but it usually begins as a one-man operation and, over time, expands into a multi-level structure of personnel classified into line and staff. Basic innovation fields are i) Product innovation, ii) Technology Innovation, iii) Marketing innovation, and iv) Organizational management innovation.

The classical theory of organizations deals almost exclusively with the anatomy of an organization — be it a religious, social or an economic (business) body. When communications, computation and storage are almost free, there are profound changes in the way people manage people, and produce and distribute goods and services. Scholars such as Fayol, Barnard, Gulick and Urwick have all contributed much to the fundamental theory. Very simply stated, this theory states that all human endeavors particularly that related to one's economic pursuits will ultimately encourage the establishment of an organization. This encouragement results from one's desire to attain 1) a division of labor, 2) scalar and functional processes, 3) a span of control, and 4) a relationship of all activities performed. Organizations do not clearly understand innovation. Further research is needed to add to the knowledge base of organizational innovation. Good starting point to analyze management functions and activities in a structural way is to follow POSDCORB.

Organizational management innovation is the implementation of new management methods, management procedures, incentive systems, processes (e.g.Lean,Six Sigma approaches etc.) There are multiple sources for innovation across the business, function, organization, or industry. Eventually value is created in the decisions made for the business. A decision framework provides the complete environment for innovation. It simultaneously identifies the type of innovation, along with the context to evaluate the potential value, impact and scope needed to make an effective investment choice.

Decisional Management School of Thought

Philosophy of the decisional management school is based on skills of decision making by the managers. A manager is required to make decisions about what is to be achieved and how to proceed to attain that. Looking at the whole process of management, it appears as all the human activities end up at decision making. The focus of this school of thought at times is limited to marginal utility and economic behaviour. Herbert Simon, Luther Gulick and Lyndall Urwick have contributed tremendously in the decision making school of thought. In fact without decision making, there can be no activity and way forward in any organization.

Contributions of Gulick and Urwick

Fayol (1917) defined the management task in terms of five distinct elements or functions, identified by the abbreviation POCCC. In 1937, Luther Gulick and Lydnall Urwick added to Fayol's list and coined yet another acronym, POSDCORB, which refer to seven activities Lyndall F Urwick was a British thinker on administration who has written extensively on the subject. He is the most prolific British writer on administration. He is famous for his co edited (work with Luther Halsey Gulick) papers on 'the science of administration.' Urwick felt that the administrative organization is still an unexplored field and there are many unknown factors for a fuller understanding. He therefore, suggested that his principles are a framework of thought and an arrangement of ideas which would help others to synthesize out of their own experience. Gulick also identified the executive functions and coined the new word POSDCORB incorporating seven functions detailed below. Each letter in this word represents one important function of the managers. POSDCORB helps to structure ad analyze management activities

The first letter 'p' stands for planning. Planning is essential for anyone who wants to survive. Planning is concerned with the identification of the various activities required to reach the goal and arranging them in terms of priorities and sequence so that the objective of the organization may be reached in systematic and efficient manner. In other words it is the function of planning to estimate the human and material resources available to organization and discover ways and means of reaching the goals of organization through appropriate means while aiming at economy and efficiency. Thus Planning is the key management function of any extension worker. It is the process of determining in advance what should be accomplished, when, by whom, how, and at what cost. Regardless of whether it is planning long-term program priorities or planning a two-hour meeting, the planning aspect of management is the major contributor to success and productivity. In short Planning is designing the future, anticipating problems, and imagining success.

Strategic planning is different from long-term planning. Long-range planning builds on current goals and practices and proposes modifications for the future. Strategic planning, however, considers changes or anticipated changes in the environment that suggest more radical moves away from current practices. When doing strategic planning, the organization should emphasize team planning. The elements of strategic plans include: What is the Organization mission statement, Strategic analysis as Why, Strategic formulation as Where, Long-term objectives implementation requiring When and How and Operational plans consisting again When and How

Once strategic planning and management planning are implemented, organizing to get the job done is next. Organizing, that is the process of establishment of the formal structure of authority through which work subdivisions are arranged, defined and coordinated for the defined objectives. As mentioned earlier, in all the writings of the classical theorists there is an excessive importance attached to the structural aspects of organization. There are several aspects to organizing - time, structures, chain of command, degree of centralization, and role specification. The process, according to Marshall (1992), is based on five organizing principles: unity of command, span of control, delegation of authority, homogeneous assignment, and flexibility. The organizing process involves five steps: determining the tasks to be accomplished, subdividing major tasks into individual activities, assigning specific activities to individuals, providing necessary resources, and designing the organizational relationships needed. Thus the problems of formal organization are related to matters like levels of organization, delegation of authority, hierarchy, span of control and work division.

'S' stands for staffing and staffing is concerned with all aspects of personnel administration. Thus recruitment, appointment, promotion, discipline, retirement, etc., are functions which must receive due attention of the managers. As the efficiency of organization largely depends upon personnel and most of the time of the execution is usually devoted to this function. The staffing function consists of elements like Human resource planning and Recruitment etc

'D' stands for directing and relates to the orders issued by the manager to the subordinates directing the activities of administration. However, today, directing is more related to leading and leadership styles. Leadership in this context means the process whereby a work environment is created in which people can do their best work and feel a proprietary interest in producing a quality product or service.

'CO' stands for coordinating which relates not only to the evidence of conflict and duplication in organization but to secure cooperation and team work between the various units and employees. Voluntary coordination focuses on the multilayer flow of information and does not eliminate competition.

A good communication system is imperative through which such progress is reported to the executive. It is through reporting that the executive becomes aware of the problems in the organization for which he may initiate corrective measures by issuing necessary directions. This upward flow of information is reporting and is symbolized with 'R'. Thus the reporting function is almost an evaluation function since it compares how you are doing with what you set out to do.

Finally the 'B' stands for budgeting which covers the entire field of financial administration. As finance is indispensable for any administration the executive has to pay adequate attention to matters like budgeting , financial procedures , accounting, etc. Budgeting requires specific planning, a thorough understanding of objectives and future programmes, a sixth sense of economic conditions and realities, and a hunch for predicting the unpredictable.

Similarly, Urwick specified eight principles of organization:Principle of objective an organization should have an expressed purpose; Principle of correspondence: at all levels of authority responsibility must be coterminus and coequal; Principle of responsibility: the superiors must take absolute responsibility for the work of their subordinates; Scalar principle: a pyramidical type of structure should be built In an organization; Principle of specialization: limiting one's work to a single function; Principle of coordination: harmonious functioning of different parts of the organization; Principle of definition: clear prescription (defining In writing) of duties, authority and responsibility of each position and its relationships with other positions. Gulick and Urwick focused their efforts on the discovery of neutral principles, based on which the structure of the organization can be designed.

However, the most important principle according to Gulick is division of work (specialization). Thus he wrote, 'work division is the foundation of organization; indeed the reason for organization. Division of work and integration are the bootstraps by which mankind lifts itself in the process of civilization. Gulick also identified the four bases of departmental organizations as, Purpose (function), Process (skills), Persons (clientele) and Place (area). He called it 4P formula.

Though the word POSDCORB, representing important executive functions made it easy for managers to remember the responsibilities of executive organization, the POSDCORB view advocates that the problems of administration are same in all the organizations regardless of their peculiar functions. It overlooks the fact that different administrative organizations are faced with different problems. The tools of administration mentioned In POSDCORB are different from the substance of administration. The POSDCORB view is technique oriented rather than subject oriented, because it ignores the essential elements of public administration, knowledge of the subject matter.

Management Innovation

The most direct way of business innovation is technological innovation and institutional. Management innovation, however, plays a significant role in promoting technological and institutional innovation. The main thing that distinguishes today's successful business is the ability to adapt to changes in environment, in markets and in customer expectations. The pioneer of innovation management was the Austrian economist Joseph Schumpeter, working during the 1930s, who identified innovation as a significant factor in economic growth. Understanding how to manage innovation successfully is crucially important in a time when innovation is an almost obligatory survival strategy ("innovate or die" (Drucker,1999)) that at the same time is very risky because it may lead to the demise of a company (Olleros, 1986; Tellis and Golder, 1996).

Innovation is a change that is also required to be competitive and Collaboration is an important source of innovation. The historical development of innovation management is evolutionary in nature, whereby companies adapt innovation management for different economic, societal and technological contexts and because companies are forced to improve their innovation management due to the increasing importance of innovation

According to Idris Mootee who wrote the book *Design Thinking for Strategic Innovation*, Innovation Management is about more than just planning new products, services, brand extensions, or technology inventions. It's about imagining, mobilizing, and competing in new ways. The Microsoft Innovation Management framework identifies five primary sub-processes to innovation – Envision, Engage, Evolve, Evaluate, and Execute. The processes represent an iterative cycle as products and business models are continuously innovated upon during their lifecycles and leading companies attempt to "close the loop" on innovation by providing feedback from existing products and services into the beginning of the innovation cycle.

The repetitive application of Bayesian Risk Decision-Making can help the enterprise to carry out the dynamic risk management of innovation activities and adapt to the changing market conditions, achieving the scientific management of innovation risks

CONCLUSION

It is often said that an innovative idea without a champion gets nowhere and also that ideas are useless until used. People develop, carry, react to, and modify ideas. When it comes to innovation, the first difference between big ad small organizations is the speed of decision making and next is following rules versus breaking rules. Although managers today operate in a very different context from those of Fayol or Gulick and Urwick, many of the listed management activities or functions are arguably as relevant today as they were 70–90 years ago. At the same time those classical principles and strategies are not bad but are inadequate for the challenges of today and tomorrow ad requires innovation.

REFERENCES

1. Drucker, P. (1999), "Innovate or die: Drucker on financial services", The Economist, September 25. | 2. Olleros, F. (1986), "Emerging industries and the burnout of pioneers", Journal of Product Innovation Management, Vol. 3 No. 1, pp. 5-18 | 3. Vikraml Singh, dictionary of public administration, Jawahar publishers & distributors, Newdelhi p.403,404 | 4. Ravindra Prasad, V.S. Prasd & Satyanarayana (edit) Administrative Thinkers, Sterling Publishers Pvt. Ltd. 1995, P.95 | 5. Tellis, G.J. and Golder, P.N. (1996), "First to market, first to fail? Real causes of enduring market leadership", Sloan Management Review, Winter, pp. 65-75. | 6. Tyagi, Public Administration, Atma Ram & sons, Delhi, P.143 | 7. Laxmikanth, M. Public Administration. Tata McGraw Hill Publishing company Ltd, Third Ed., Newdelhi, 2006, P.113 |