

SFI MANAGEMENT TRAINING

101

An Introduction to Systems Management

[Abstract](#)

A basic introduction to management principles for a running a production type operation

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Introductory Unit

Objective and Standards

To demonstrate a clear understanding of the concepts of leadership evolution and of work classification so that these concepts can be applied to job-related situations.

This objective will be accomplished when you:

1. Identify the management work you are currently performing.
2. Identify effective ways for a manager to structure a boss/subordinate interaction.
3. Apply the concept of leadership evolution to a given case study.



1.0 THE CONCEPT OF LEADERSHIP EVOLUTION

1.1 Statement of the Concept

Leaders who become most effective in securing results through and with others tend to evolve in a predictable pattern from natural leadership to management leadership.

1.2 Definitions

Leader: a person who enables people to work together to achieve objectives that will satisfy their needs.

Natural leader: a person who, primarily by using innate aptitudes, skills and personal characteristics, enables people to work together to achieve objectives.

Management leader: a person in a leadership position who, primarily by performing the management work of planning, organizing, leading and controlling, enables people to work together to achieve objectives.

1.3 Stages of Leadership Evolution

Characteristics of the Natural Leadership Stage

- Promotion of personal interests
- Technical emphasis
- Centralized decision making
- Intuitive action
- Personalized organization
- One-way communication
- Control by inspection



Characteristics of the Transitional Stage (Corridor of Crisis)

- Dissatisfaction of people
- Decreased innovations
- Organizational proliferation
- Increased staff
- Increased expense and lower productivity

Characteristics of the Management Leadership Stage

- Promotion of group interests
- Management emphasis
- Decentralized authority
- Logical action
- Rational organization
- Communication through understanding
- Control by exception

1.4 The Professional Manager

Professional manager: a management leader who specializes in the work of planning, organizing, leading and controlling through the systematic use of classified knowledge, concepts, principles and a common vocabulary, and who subscribes to the standards of practice and a code of ethics established by a recognized body.

1.5 A Principle of Evolutionary Change

PRINCIPLE OF LEADERSHIP FORCE

The greater the divergence of the individual objectives of the members of a group from those of the group as a whole, the greater the leadership force required to cause the group to act as a cohesive unit.



2.0 THE SYSTEMS CONCEPT

2.1 Statement of the Concept

Management is a changing, viable and integrated human system made up of interrelated and synergistic subsystems that work together under a guiding logic.

2.2 Definitions

System: an integrated whole, made up of diverse but interdependent parts that work together in unison under the influence of a guiding logic and complement one another in the attainment of common objectives.

The Allen Management System: an integrated process of planning, organizing, leading and controlling the work done by people in an enterprise so that their diverse efforts are effectively coordinated in achieving their objectives.

This system has five characteristics:

1. *Integrated.* The parts are different but interdependent.
2. *Synergistic.* The whole is greater than the sum of its parts.
3. *Hierarchical.* The system is a level in a hierarchy of systems and subsystems.
4. *Holistic.* The parts of the system can be understood properly only if the system as a whole is understood.
5. *viable.* The system is open and, therefore, is a living, growing entity and can avoid or delay deterioration by transforming resources into more complex and useful products.



3.0 THE CONCEPT OF WORK CLASSIFICATION

3.1 Statement of the Concept

Work can be logically arranged by dividing it into the categories and sub-categories necessary to achieve desired objectives.

3.2 Definitions

Management work: the physical and mental work of planning, organizing, leading and controlling performed by persons in leadership positions to secure results through and with other people.

Technical work: work performed by individuals to secure results through their own efforts rather than through the efforts of other people.

3.3 Work Classification

- The Allen classification of work arranges work in a hierarchy of categories that proceed from the general to the specific: (1) class, (2) order, (3) function, (4) activity, (5) segment and (6) element.
- All human work (the class) may be classified as either technical work or management work (the order).
- Management work may be further subdivided into planning, organizing, leading and controlling (the functions). The functions then lead to the activities, and so on.



3.4 Overview of the Four Management Functions

Louis A. Allen has defined the four management functions of **planning**, **organizing**, **leading** and **controlling** as follows:

Planning: the work managers perform to predetermine a course of action.

Organizing: the work managers perform to arrange and relate the work to be done so that it can be performed effectively by people.

Leading: the work managers perform to influence people to take effective action.

Controlling: the work managers perform to assess and regulate work in progress and to assess the results secured.

3.5 The functions are then subdivided into 19 activities:

Planning Activities:

- Forecasting
- Developing objectives
- Programming
- Scheduling
- Budgeting
- Developing policies
- Developing procedures

Organizing Activities:

- Developing organization structure
- Delegating
- Developing relationships

Leading Activities:

- Decision making
- Communicating
- Motivating
- Selecting people
- Developing people

Controlling Activities:

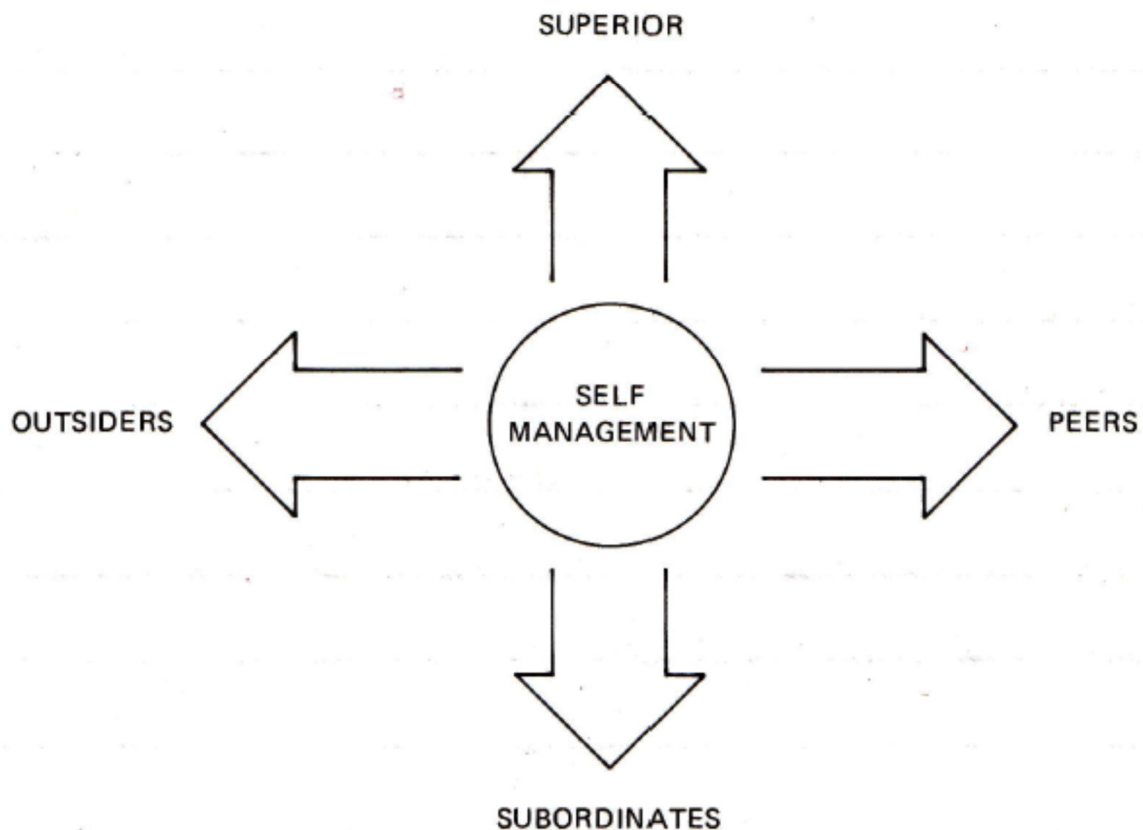
- Developing performance standards
- Measuring performance
- Evaluating performance
- Correcting performance



4.0 THE CONCEPT OF FIVE-WAY MANAGEMENT

To secure the most effective results through others, managers must plan, organize, lead and control their own work and must do this to satisfy the needs of themselves, their subordinates, their superiors, their peers and outsiders. (See Figure 1-1.)

Figure 1-1. Five-Way Management





5.0 GENERAL PRINCIPLES OF MANAGEMENT

PRINCIPLE OF TECHNICAL PRIORITY

When called upon to perform both management work and technical work during the same time period, managers tend to give priority to technical work.

PRINCIPLE OF MANAGEMENT RESULTS

A person in a leadership position tends to secure the most effective results through and with others by performing the management work of planning, organizing, leading and controlling to accomplish understood and accepted objectives.

PRINCIPLE OF ORGANIZATION LEVELS

The lower their organization level, the more technical work managers tend to perform.



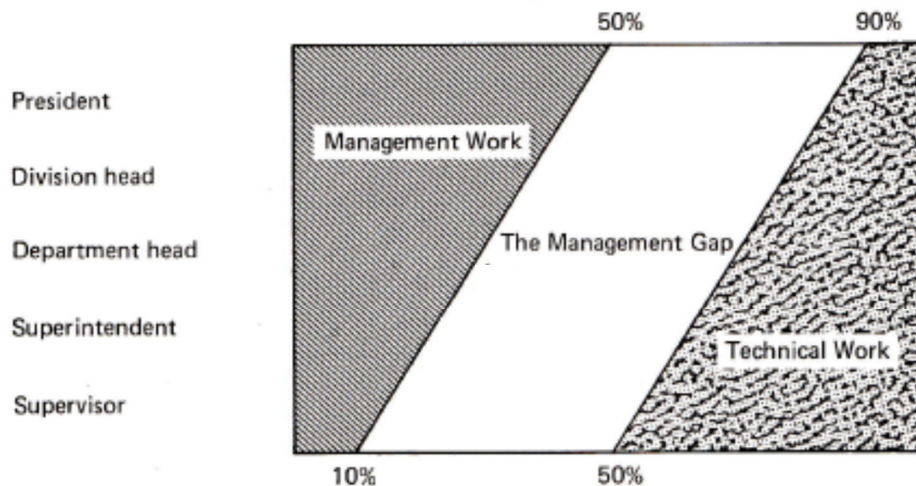
6.0 THE MANAGEMENT GAP

The management gap refers to the difference between the planning, organizing, leading and controlling managers should perform and the amount they actually do perform. Most managers spend too much time performing technical work and thus spend less time doing management work than they should.

Figure 1-2 illustrates that:

- Top-level managers should spend about 90% of their time doing management work; many average about 50%.
- First-line supervisors should spend about 50% of their time doing management work; many average about 10%.

Figure 1-2. The Management Gap





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