

Ministry of Health of Ukraine  
Odesa National Medical University  
Faculty of Pharmacy

Lecture 1 (Part 1)

*“Theoretical foundations of management.  
Organization as an object of management.  
Management and successful management.”*

# The essence of management, marketing and logistics as management theories

- **“Management”** literally means management-related activities. As a scientific management theory, it appeared at the beginning of the 20th century.
- **Management** is the purposeful influence on the team of employees or individual performers in order to fulfill the assigned tasks and achieve certain goals. From a functional point of view, **management** is the process of planning, organizing, motivating, controlling and regulating, necessary for the formation and achievement of the goals of the organization.
- By organizations they mean enterprises, business societies, banks, associations, their departments, bureaus, workshops, etc.

**MANAGEMENT OF PURPOSE PEOPLE(goal-oriented people)!**

# The essence of management, marketing and logistics as management theories

Management

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graph TD; Management[Management] --> Industrial[Industrial management]; Management --> Financial[Financial management];
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## ***Industrial management***

is a set of principles, methods and forms of management, with the aim of increasing its **efficiency and increasing profits.**

## ***Financial management***

is a system of principles and forms for organization of monetary relations of an enterprise, aimed at managing its **financial and economic activities.**

# The essence of management, marketing and logistics as management theories

- **MARKETING** is an activity aimed at creating demand and achieving the goals of an enterprise through the maximum satisfaction of consumer needs.

## MANAGEMENT OF EXCHANGE PROCESSES WITH MUTUAL BENEFITS OF THE PARTIES!

- To influence consumers, an organization uses a combination of tools (marketing mix) for achieving the desired response from their side. There are main four elements (**4P**) — **product, price, place** and **promotion**.

# The essence of management, marketing and logistics as management theories

- **LOGISTICS** is an ordered body of knowledge, as well as purposeful research of the processes of formation and development of end-to-end (integrated) flows in a specific industry or economy as a whole.

## **MANAGEMENT OF FLOW PROCESSES WITH MINIMIZATION OF THE COSTS OF THEIR IMPLEMENTATION**

***Logistics activity*** has an ultimate goal, which is called the “**seven rules of logistics**”, or **the logistics complex “7R”**, namely: **Right** Product, **Right** Quantity, **Right** Time, **Right** Place, **Right** Cost, **Right** Condition and **Right** Information.

# Relationship between concepts "GOVERNANCE" and MANAGEMENT "

**GOVERNANCE**



**MANAGEMENT**

purposeful action on an object in order to change its state or behavior in connection with a change in circumstances. You can control technical systems, computer networks, a car, a conveyor belt, an airplane, people, etc.

a kind of management, namely the management of people (employees, collectives of employees, groups, organizations, etc.).

# Basic management principles and their characteristics

Principle	Characteristics
<b>Purposefulness</b>	Any activity in the organization should be aimed at achieving specific production and economic goals and fulfilling the assigned tasks
<b>Taking into account the needs and interests</b>	This principle is intended to satisfy the needs and interests of employees in order to achieve the goals of the organization based on the application of motivation.
<b>Hierarchy</b>	The location of management positions in the organizational structure, from the lowest management level to the highest.
<b>Interdependence</b>	The organization consists of internal replacements (goals, structure, technology, employees, tasks, resources), closely dependent one on one. At the same time, environmental factors constantly influence the organization and cause an appropriate reaction from its side.

# Basic management principles and their characteristics

Principle	Characteristics
<b>Dynamic balance</b>	Provides for the continuous development of the organization and the maintenance of general equilibrium at each stage of this development
<b>Profitability</b>	Forms the basis for the functioning of the organization from the standpoint of balancing costs, receipts, etc., ensures the development of budgetary relations.
<b>Revitalization</b>	It is a principle that encourages an organization to act, continuous development, innovation, etc.
<b>Consistency</b>	The organization is viewed as an open system consisting of interacting and interrelated elements
<b>Unity</b>	Provides for the presence of a single responsible center that guides and coordinates the organization's activities in order to achieve its goals



# Stages of management development

Stage name	School, duration	Stage essence
The stage of <b>developing the science of the managing people</b> in industry	-the school of scientific management (1885–1929), the school of “fordism” (1899–1945), the classical or administrative school (1915–1950).	It was based on improving the efficiency of the organization through the improvement of production processes and operations;
The formation stage of management mechanisms based on the <b>development of human relations</b>	the school of psychology and human relations (1939–1950), the school of behavioral sciences (1950 - our time).	The stage is connected with recognizing the person as a priority factor of production and economic activity

# Stages of management development

Stage name	School, duration	Stage essence
The stage of building <b>market-oriented management systems</b>	from the second half of the last century	associated with the emergence of overproduction problems in enterprises, caused by unsecured demand;
The stage of active use of quantitative methods (economic and mathematical) as important areas in <b>forming management methods</b> and their transformation into management decisions	School of Management Science (1950 - our time).	Stage associated with the widespread use in the management of mathematics

# Stages of management development

Stage name	School, duration	Stage essence
The stage of formation of integrated management approaches - <b>systemic</b> and <b>situational</b> approaches	since the late 50s-60c	The stage is connected with the consideration of the organization as a system whose activity constantly depends on a variable set of circumstances;
The stage of <b>computerization</b> of management processes	since the 1980s	is associated with the development of information and computer technologies

# Comparative characteristics of Japanese and American models of management

Criteria	Japanese model	American model
<b>The nature of management decisions</b>	Consensus decision making	Individual decision making
<b>Responsibility</b>	Collective	Individual
<b>Management structure</b>	Non-standard, flexible	Severely formalized
<b>The nature of control</b>	Collective	Individual control of the head
<b>Control organization</b>	Soft non-formalized control	Clearly formalized strict control procedure
<b>Evaluation of manager's performance</b>	Slow assessment of employee performance and career growth	Quick result and accelerated promotion

# Comparative characteristics of Japanese and American models of management

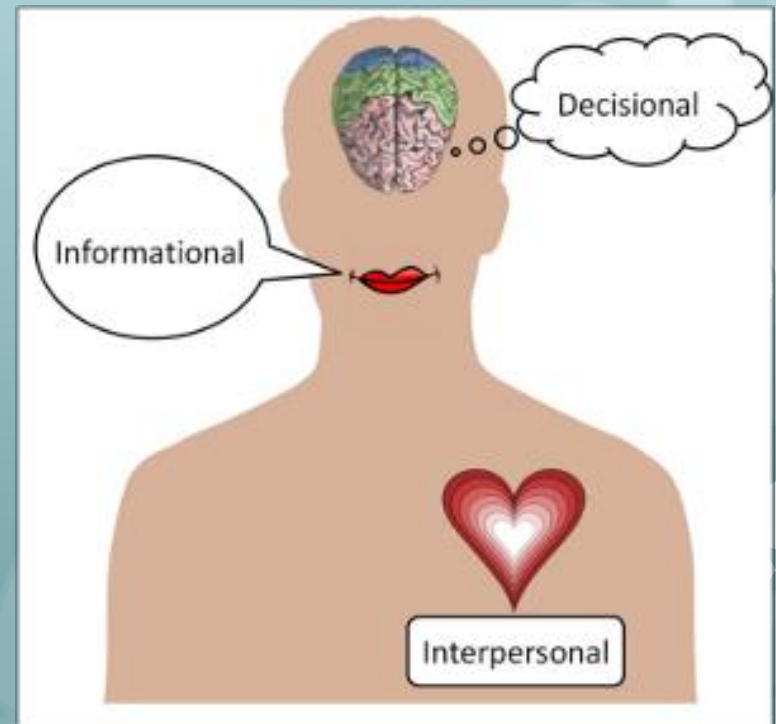
Criteria	Japanese model	American model
<b>Evaluation of leadership qualities</b>	The ability to coordinate and control	Professionalism and initiative
<b>Assessment of personnel performance</b>	Achievement of collective result	Achievement of individual result
<b>Relations with subordinates</b>	Personal informal relationships	Formal relationship
<b>Career</b>	Promotion according to age, length of service and loyalty to the company	Business career is determined by personal achievements
<b>Leadership training</b>	Universal Leadership Training	Training highly specialized in particular field managers

# Comparative characteristics of Japanese and American models of management

Criteria	Japanese model	American model
<b>Salary</b>	In accordance with the result of group work, experience	Pay for individual achievements
<b>Employment period in the company</b>	Long-term employment of a manager in a company, lifetime employment	Employment on a contractual basis, short-term hiring
<b>General control principle</b>	"Down up"	"From the top down"
<b>Staffing table</b>	Lack of clearly defined positions and assignments within the organization	Functional Subordination and Clear Limits of Authority
<b>Professional development</b>	On the job (in the workplace)	Separately, under special training programs

# Ten managerial roles for G. Mintzberg

- In the late 60s. last century, the American economist **Henry Mintzberg** identified **ten managerial roles** that managers perform. These ten roles were grouped into three groups:
- **interpersonal;**
- **Informational;**
- **decision-making roles**



# Ten managerial roles for G. Mintzberg

Role (Who)	Definition (Duties)	Actions
<b>Interpersonal roles</b>		
<b>Chief (formal head)</b>	Symbolic head, to the duties – the implementation of the legal and social actions	Ceremonies, actions that are determined by position or status, meeting visitors, signing
<b>Leader</b>	Responsible for motivating and activating subordinates, hiring, training workers	Virtually all management actions involving subordinates
<b>Link to the external environment (intermediary)</b>	Ensures the functioning of the external contacts network and sources of information, forming a favorable attitude towards the organization and its positive image	Correspondence, participation in meetings, meetings, performing external duties, public relations, mass media



# Ten managerial roles for G. Mintzberg

## Informational roles

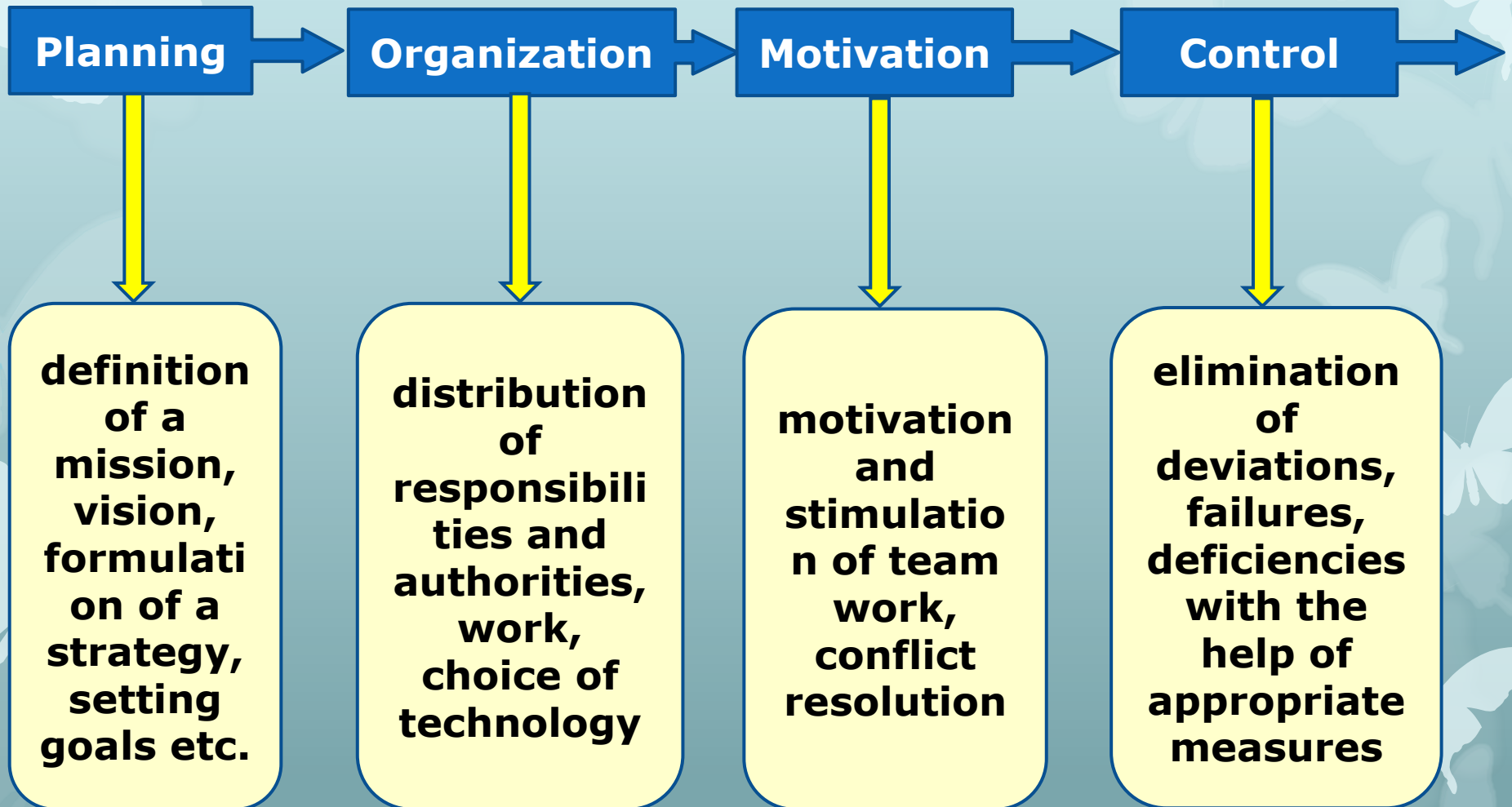
<p><b>Recipient of information (monitoring)</b></p>	<p>Searches and receives various specific information (generally current), which is transformed and successfully used, according to the needs of the organization and external conditions</p>	<p>Mail, personal contacts (periodicals, telephone, fax, Internet, E-mail, orientation meetings, travels and inspection visits)</p>
<p><b>Distributor of Information (informer)</b></p>	<p>Transmits information coming from external sources or from other subordinates to members of the organization. Some information is factual, and some need to be generalized.</p>	<p>Correspondence with organizations for holding informational meetings, verbal contacts for transferring information to subordinates (reviews, conversations)</p>
<p><b>Representative of the organization external contacts (speaker)</b></p>	<p>Transmits information for external contacts of the company regarding plans, policies, actions, results of work, acts as an expert in industry</p>	<p>Participation in meetings, oral public statements, appeals through the media</p>

# Ten managerial roles for G. Mintzberg

## Decision making roles

<b>Entrepreneur looking for opportunities to improve the organization</b>	Searches for opportunities and development prospects within the organization and externally, develops and implements "improvement projects", its controlling	Forming a strategy, situation reviews, initiative, contacts, links, search for opportunities
<b>Liquidator violations</b>	Responsible for corrective action when important or unexpected changes needed in the organization	Discussion of strategic and operational issues, including problems and crisis situations
<b>Resource allocator</b>	Makes or approves all significant decisions that relate to the distribution of existing assets or resources of the organization	Compiles schedules, requests for authority, budgets, programming the work of subordinates
<b>Negotiator</b>	Represents the organization in all significant and important negotiations.	Negotiates, concludes agreements, makes decisions

# The cycle of management



# Types of responsibility

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graph TD; A[Types of responsibility] --> B[Legal responsibility]; A --> C[Social responsibility]; D[is the implementation of specific state laws, instructions and regulations that determine what an organization can do and what can't.] --> B; E[is a voluntary response to the social problems of society by the organization.] --> C;
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## ***Legal responsibility***

is the implementation of specific state laws, instructions and regulations that determine what an organization can do and what can't.

## ***Social responsibility***

is a voluntary response to the social problems of society by the organization.

# Level structure of management

The structural division of labor employees of the administrative apparatus is of two types: **horizontal and vertical**.

- **The horizontal division** of labor provides for the appointment of managers to manage individual divisions of the organization that perform specific tasks (for example, pharmacy departments).
- Activities aimed at coordinating the work (actions) of individual departments of the organization to achieve its goals, is the essence of management and is called **the vertical division** of labor. It predetermines the creation of control levels.

