

# Fundamentals of Management

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# Part One: Introduction

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- Chapter One: Managers and Management

- Tell Who Managers Are and Where They Work.
- Define Management.
- Describe What Managers Do.
- Explain Why It's Important to Study Management.
- Describe the Factors That Are Reshaping and Redefining Management.



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# Manager

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- Who Are Managers and Where Do They Work?
  - There is no pattern or prototype or standard criteria as to who can be a manager. However, all managers share one common element:
    - ✦ They work in an organizational setting. An organization is a deliberate arrangement of people brought together to accomplish some specific purpose.



# Organization

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- Three Characteristics All Organizations Share:
  - They have a distinct purpose
    - ✦ Typically expressed as a goal or set of goals
  - People in an organization work to achieve those goals
    - ✦ By making decisions and engaging in work activities
  - They are structured in some way that defines and limits the behavior of its members
    - ✦ Guided by rules, regulations, and policies
      - This structure is the setting in which managers manage



# Manager

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- Managers direct and oversee the activities of other people in the organization so organizational goals can be accomplished.
  - A manager's job isn't about personal achievement – it is about helping others do their work.
    - ✦ Managers may have responsibility for other tasks



# Manager

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- Managers Have Several Classifications:

- Top Managers

- ✦ Responsible for making decisions about the direction of the organization, and defining policies and values that affect all organizational members.

- Middle Managers

- ✦ Responsible for translating the goals set by Top Managers into specific details that Lower-Level Managers will see get done.

- First-Line Managers

- ✦ Responsible for directing the day-to-day activities of non-managerial employees.

- Team Leaders

- ✦ Responsible for managing and facilitating activities of a work team.

# History of Management

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- The Terms Management and Manager are Centuries Old

- Early Management

- ✦ Management has been practiced a long time.
- ✦ Organized endeavors directed by people responsible for planning, organizing, leading, and controlling activities have existed for thousands of years.
  - 3000-2500 BC
    - Egyptian Pyramids and Moses' Exodus
  - 1400's
    - Venice – Warship Assembly
  - 1776
    - “Wealth of Nations,” Adam Smith – Division of Labor/Job Specialization
  - 1780's to Mid-1800's
    - The Industrial Revolution



# Classical Approach

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- Classical Approaches

- Beginning around the turn of the 20<sup>th</sup> Century, the discipline of management began to evolve as a unified body of knowledge. Rules and principles were developed.
  - ✦ Scientific Management (Frederick Taylor) 1911
    - The use of scientific methods to determine the “one best way” for a job to be done.
  - ✦ General Administrative Theory (Henri Fayol and Max Weber) 1916-1947
    - A view of organizational practices based on what managers do, and what constituted good management.
  - ✦ Principles of Management (Henry Fayol)
    - Fundamental rules of management that could be applied to all organizations.



# Principles of Management

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- Principles of Management (Henri Fayol)

- Division of Work

- ✦ Specialization increases output by making employees more efficient

- Authority

- ✦ Managers must be able to give orders

- Discipline

- ✦ Employees must obey and respect the rules that govern the organization

- Unity of Command

- ✦ Every employee should receive orders from only one superior

- Unity of Direction

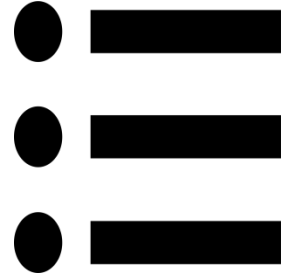
- ✦ Each group of organizational activities that have the same objective should be directed by one manager using one plan

- Subordination of Individual Interests to the General Interest

- ✦ The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole

- Remuneration

- ✦ Workers must be paid a fair wage for their services



# Principles of Management

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- Principles of Management (Continued)

- Centralization

- ✦ Managers should find the optimum degree to which subordinates are involved in decision-making. Manager (Central). Employees (Decentralization).

- Scalar Chain

- ✦ The line of authority from top management to the lowest ranks.

- Order

- ✦ People and materials should be in the right place at the right time.

- Equity

- ✦ Managers should be kind and fair to their subordinates.

- Stability of Tenure of Personnel

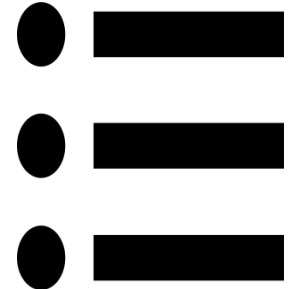
- ✦ High employee turnover is inefficient. Managers should have recruitment process in place.

- Initiative

- ✦ Employees who are allowed to originate and carry out plans will exert high levels of effort.

- Esprit de Corps

- ✦ Promoting team spirit will build harmony and unity within the organization.



# Behavioral Approach

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- Behavioral Approach

- Focuses on the actions of workers

- ✦ How do you motivate and lead employees in order to get high levels of performance?

- Late 1700's – Early 1800's

- Managers get things done by working with people.

- 1924 – Mid 1930's

- The Hawthorne Studies provided new insights into individual and group behavior.
  - Group pressures can significantly affect individual productivity
  - People behave differently when being observed.

- 1930's – 1950's

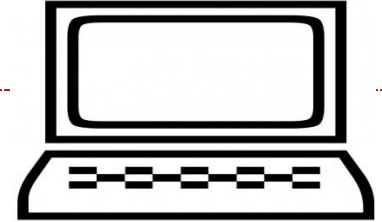
- Abraham Maslow's Hierarchy of Needs
  - Must meet the needs of employees to motivate them.
- Douglas McGregor's Theory X and Theory Y
  - Manager's belief about employee's motivation to work.

- 1960's – Today

- Organizational Behavior researches the actions (behaviors) of people at work.

# Quantitative Approach

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- Quantitative Approach

- Focuses on the application of statistics, optimization models, information models, computer simulations, and other quantitative techniques to management activities, which provide tools for managers to make their job easier.
  - ✦ Total Quality Management (TQM) 1950's
    - A management philosophy devoted to continual improvement and responding to customer needs and expectations.

100%  
QUALITY

# Contemporary Approach

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## ● Contemporary Approaches

- Most of the early approaches to management focused on manager's concerns inside the organization.
- Starting in the 1960's, management researchers began to look at what was happening in the external environment outside the organization.
  - ✦ The Systems Approach views systems as a set of interrelated and interdependent parts arranged in a manner that produces a unified whole.
  - ✦ Organizations functions as open systems, which means they are influenced by and interact with their environments.

# Management

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- What is Management?

- Management is the process of getting things done, effectively and efficiently, with and through other people.
  - ✦ A process refers to a set of ongoing and interrelated activities.



# Management

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- Efficiency

- Doing a task correctly and getting the most output from the least amount of inputs.
- “Doing things right.”
  - ✦ The means of getting things done.



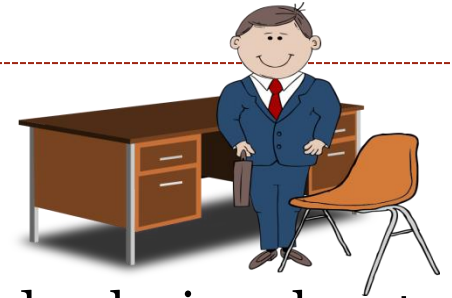
- Effectiveness

- Doing works tasks that help the organization reach its goals.
- “Doing the right things.”
  - ✦ The ends, or attainment of organizational goals.



# 3 Ways to Look at What Managers Do

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- Four Functions Approach

- Planning

- ✦ Includes defining goals, establishing strategy, and developing plans to coordinate activities.

- Organizing

- ✦ Includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and who will make decisions.

- Leading

- ✦ Includes motivating employees, directing the activities of others, selecting the most effective communication channel, and resolving conflicts.

- Controlling

- ✦ Includes monitoring performance, comparing it with goals, and correcting any significant deviations



# 3 Ways to Look at What Managers Do

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- Management Roles Approach

- Managerial Roles

- ✦ Specific categories of behavior often grouped around interpersonal relationships, information transfer, and decision making.

- Interpersonal Roles

- ✦ Involving people (subordinates and persons outside the org.) and other duties that are ceremonial and symbolic in nature.

- Decisional Roles

- ✦ Entailing making decisions or choices.

- Informational Roles

- ✦ Involving collecting, receiving, and disseminating information

# Management Roles

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- Mintzberg's Managerial Roles as Defined in His Work, "The Nature of Managerial Work"
  - Interpersonal Roles
    - ✦ Figurehead
    - ✦ Leader
    - ✦ Liaison
  - Decisional Roles
    - ✦ Entrepreneur
    - ✦ Disturbance Handler
    - ✦ Resource Allocator
    - ✦ Negotiator
  - Informational Roles
    - ✦ Spokesperson
    - ✦ Disseminator
    - ✦ Monitor



# 3 Ways to Look at What Managers Do

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- Skills and Competencies Needed to Manage Others
  - Conceptual Skills
    - ✦ Analyzing and diagnosing complex situations to see how things fit together and to facilitate making good decisions.
  - Interpersonal Skills
    - ✦ Working well with other people both individually and in groups by communicating, motivating, mentoring, delegating, etc.
  - Technical Skills
    - ✦ Job-specific knowledge, expertise, and techniques needed to perform work tasks.
  - Political Skills
    - ✦ Building a power base and establishing the right connections to get needed resources for their groups.

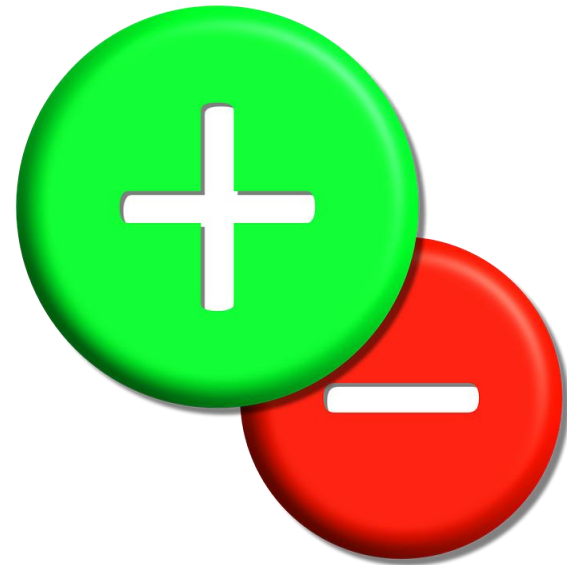


SKILLS

# Political Skill

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- People try to influence the distribution of advantages and disadvantages within the organization in their favor.
  - Those who are politically skilled are more effective in their use of influence tactics, and are capable of doing it without others aware.
- Political Skill is Determined By:
  - A person's networking ability.
  - Interpersonal Influence
  - Social Astuteness
  - Apparent Sincerity



# Skills and Competencies

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- Other Important Managerial Competencies:

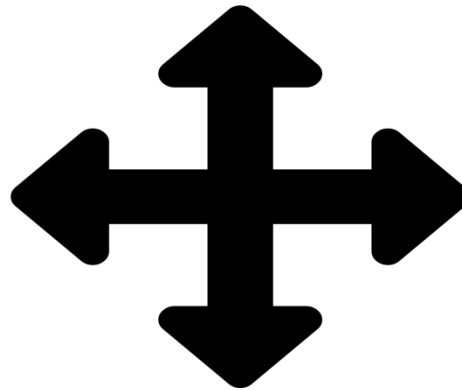
- Decision-Making
- Team-Building
- Decisiveness
- Assertiveness
- Politeness
- Personal Responsibility
- Trustworthiness
- Loyalty
- Professionalism
- Tolerance
- Adaptability
- Creative Thinking
- Resilience
- Listening
- Self-Development



# Managers

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- As Managers Move Up in the Organization, They Do More Planning and Less Direct Overseeing of Others
  - All managers, regardless of level, make decisions.
  - All managers plan, organize, lead, and control
    - ✦ The amount of time they spend on each activity is not constant



# Profit vs. Non-Profit

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- All Managers Manage Regardless of Type of Organization
  - The most important difference between the Profit and Non-Profit is how performance is measured.
    - ✦ Profit (the “bottom line”) is an unambiguous measure of a business organization’s effectiveness.
    - ✦ Non-Profit organizations don’t have a universal tool of measurement. Making a profit for owners is not primary focus.



# Small Business vs. Organization

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- The Small Business Manager's Most Important Role is Spokesperson
  - Meeting with customers, arranging financing with bankers, searching for new opportunities, and stimulating change.
    - ✦ Manager is more likely to be a generalist.
- The Organization Manager's Most Important Role is Directed Internally
  - Deciding which organizational units get what available resources and how much of them, etc.





# Globalization of Management Concepts

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- Studies Suggest Management Concepts are Not Universal
  - Most concepts defined in the book apply to the United States and other English-Speaking countries.
    - ✦ Managers will have to modify these concepts to be efficient and effective in other Non-English Speaking Countries, or those whose economic, political, social, or cultural environments differ from that of free-market democracies.



# Management

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- Why Study Management?

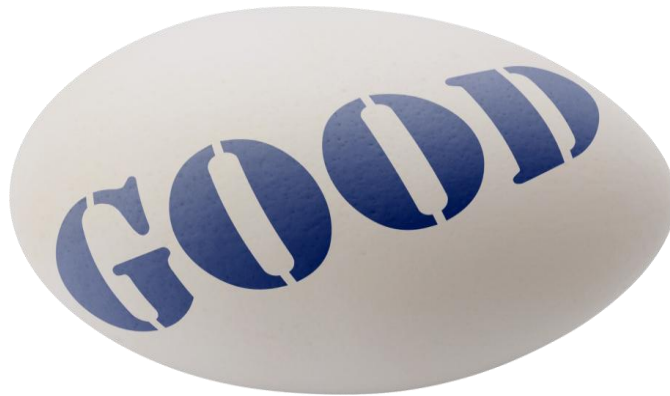
- All of us have a vested interest in improving the way organizations are managed.
  - ✦ Why? Because we interact with them every day, and a better understanding offers insights into how they work.
- The reality for most of you, once you graduate from college and begin your career, you will either manage or be managed.
  - ✦ An understanding of management forms the foundation on which to build your own management skills and abilities.
  - ✦ You can gain a great deal of insight into the way your boss, and coworkers, behave and how organizations function.



# Managers

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- **Good Managers are Important Because:**
  - Organizations need their skills and abilities, especially in today's uncertain, complex, and chaotic environment.
  - They're critical to getting things done.
  - They play a crucial role in employee satisfaction and engagement.



# Management

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- Moving to Management Is Not Easy
  - 26% of new managers feel they're unprepared to transition into management roles.
  - 58% of new managers don't receive any training to help them make the transition.
  - 48% of first-time managers fail in that transition.
    - ✦ What could organizations do to make this transition easier?

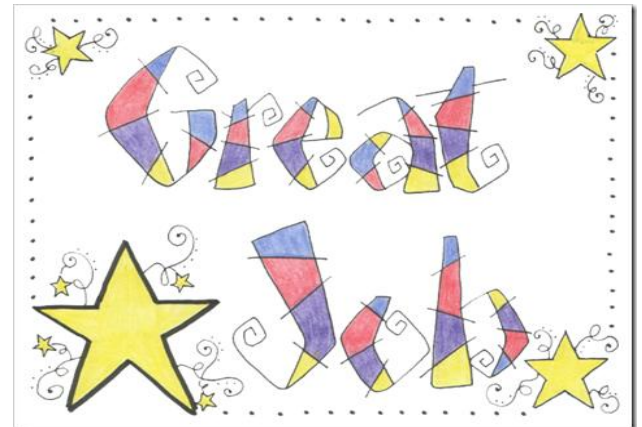


# A Great Boss

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- What Can a Great Boss Do?

- Inspire you professionally and personally.
- Energize you and your coworkers to do things together that you couldn't do alone.
- Provide you feedback on how you are doing.
- Provide coaching and guidance with problems.
- Change your life.



# Management

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- What Factors Are Reshaping and Redefining Management?
  - In today's world, managers are dealing with changing workplaces, a changing workforce, changing technology, and global uncertainties.
    - ✦ Managers everywhere are likely to have to manage in changing circumstances, and the fact is that how managers manage is changing.



# Change

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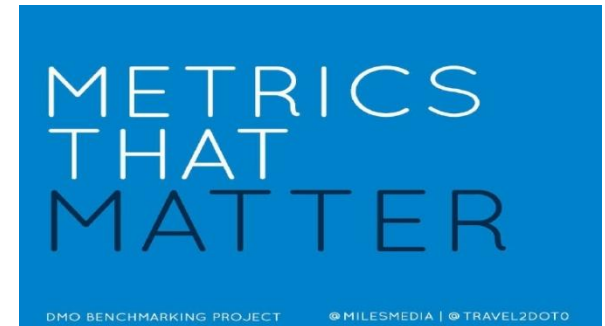
- Four Specific Changes that are Increasingly Important to Organizations and Managers Everywhere:
  - Customers
    - ✦ Employee attitudes and behaviors play a big role in customer satisfaction. Delivering quality customer service is essential.
  - Innovation
    - ✦ Success in business today demands innovation, which means doing things differently, exploring new territory, and taking risks.
  - Social Media
    - ✦ Businesses are turning to social media not just as a way to connect with customers, but also as a way to manage their human resources and tap into their innovation and talent.
    - ✦ Managers are struggling with the guidelines needed for employee use as they attempt to navigate the power and peril of social media.
  - Sustainability
    - ✦ The concept of managing in a sustainable way has widened corporate responsibility not only to manage in an efficient and effective way, but also to respond strategically to a wide range of environmental and social challenges.



# Managers Matter

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- Managers Matter to Organizations.
  - The Gallup Organization has found that the single most important variable in employee productivity and loyalty isn't pay, or benefits, or workplace environment...
    - ✦ The most important variable in employee productivity is the relationship between employees and their direct supervisors.
  - Gallup also found that employee's relationship with their manager is the largest factor in employee engagement
    - ✦ Employee engagement is when employees are connected to, satisfied with, and enthusiastic about their jobs.





*The End*

...IS JUST A NEW  
BEGINNING