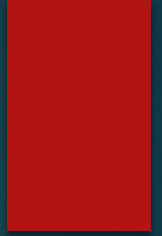


Introduction to Management and Organization

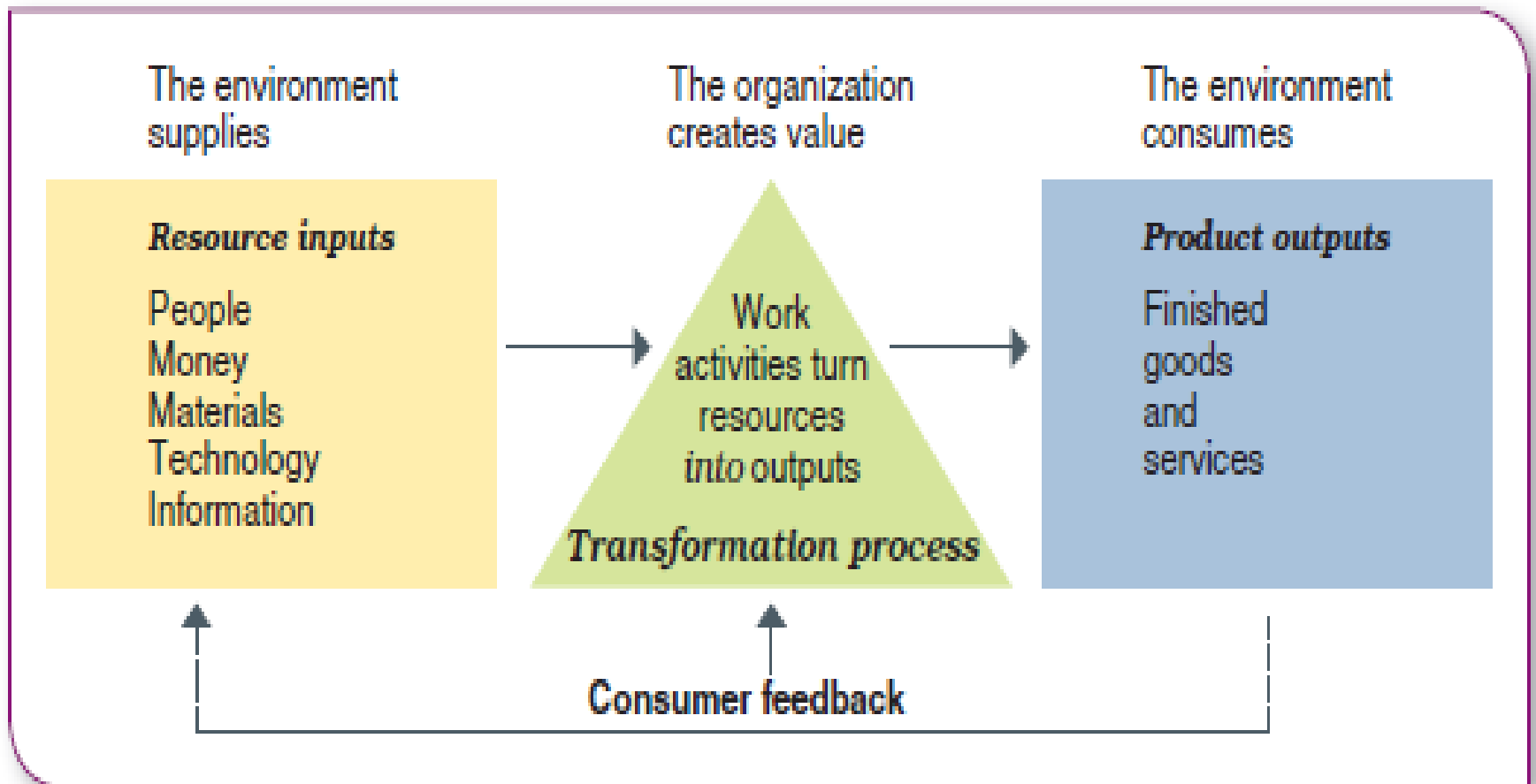


Organization



- ▶ A collection of people working together to achieve a common purpose
- ▶ Organizations provide useful goods and/or services that return value to society and satisfy customer needs

Organizations as open systems interact with their environment



Functional Area of Business

- ▶ **Marketing**

- ▶ Planning and executing the **conception, pricing, promotion, and distribution of ideas, goods, and services** to create exchanges that satisfy individual and organizational objectives

Functional Area of Business

- ▶ **Finance**

- ▶ Revenue, expenses, budget, financial records and financial statements

Functional Area of Business

▶ Production

- ▶ **Extraction and cultivation** (products are obtained from nature or grown using natural resources)
- ▶ **Processing** (changing and improving the form of another product)
- ▶ **Manufacturing** (combines raw materials and processes goods into finished products)

Functional Area of Business

- ▶ **HR = Human Resources**

- ▶ People who work for a business/organization
- ▶ Involves in **planning & staffing, performance management, compensation & benefits, and employee relations**



Manager = ?

Who managers are?

- ▶ Someone who coordinates and oversees the work of other people in order to accomplish organizational goals.

how many
level of
managers
can we
classify?



How to classify managers in organizations?

Traditional Pyramid Form of Management



I. Lowest Level of Management

- ▶ **First-line managers:** manage the work of nonmanagerial employees who typically are involved with producing the organization's products or servicing the organization's customer
- ▶ **They are often called:** supervisor, shift manager, district manager, department manager, office manager

II. Middle Level of Management

- ▶ **Middle managers:** manage work of first-line managers
- ▶ They are often called: regional manager, project leader, store manager, division manager

III. Upper Level of Management

- ▶ **Top managers:** are responsible for making organizationwide decisions and establishing the plans and goals that affect the entire organization.
- ▶ **They are often called:** executive vice president, president, managing director, chief operating officer, chief executive officer

What is Management?

- ▶ **Management** involves coordinating and overseeing the work activities of others so that their activities are completed **efficiently** and **effectively**.
- ▶ Or **Management** is the art of getting work done through others



2 Important Words for Management: Efficiency and Effectiveness

Efficiency and Effectiveness

Efficiency

- ▶ **Efficiency** = getting the most output from the least amount of inputs
- ▶ “doing things right”
- ▶ concern with means(ways) of getting things done

Effectiveness

- ▶ **Effectiveness** = do those work activities that will help the organization reach its goals
- ▶ “doing the right things”
- ▶ concern with ends(result) of organizational goal achievement

Efficiency and Effectiveness

Efficiency

- ▶ **Efficiency** = getting work done with a minimum effort, expense, or waste
- ▶ (use resources – people, money, raw materials– wisely and cost-effectively)

Effectiveness

- ▶ **Effectiveness** = accomplish tasks that help fulfill organizational objectives
- ▶ (make the right decisions and successfully carry them out to accomplish the org. goal)

Efficiency and Effectiveness in Management

Efficiency
(Means)

Effectiveness
(Ends)

Resource
Usage

Goal
Attainment

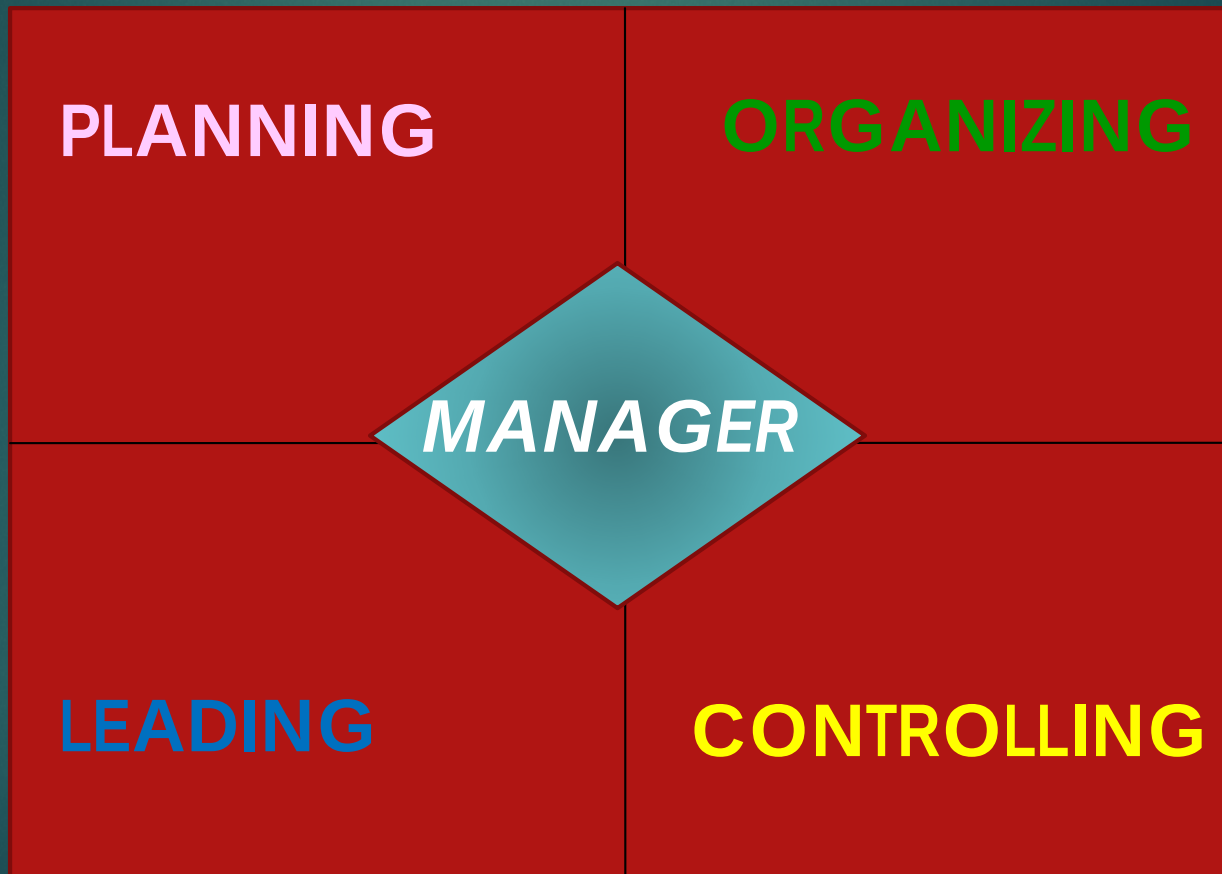
Low Waste

High Attainment



Management Strives for:
Low Resource Waste (high efficiency)
High Goal Attainment (high effectiveness)

Management Functions



1. PLANNING

- ▶ Define goals
- ▶ Establish strategies for achieving those goals
- ▶ Develop plans to integrate and coordinate activities

Setting goals and plans (how to achieve them)

2. ORGANIZING

- ▶ Determine
 - ▶ What tasks are to be done ?
 - ▶ Who is to do them ?
 - ▶ How tasks are to be grouped ?
 - ▶ Who reports to whom ?
 - ▶ Where decisions are to be made ?

**Arrange tasks and other resources
to accomplish organization's
goals**

3. LEADING

- ▶ Motivate subordinates(lower positions)
- ▶ Help resolve group conflicts
- ▶ Influence individuals or teams as they work
- ▶ Select the most effective communication channel
- ▶ Deal with employee behavior issues

**Hire, train, motivate(lead)
people**

4. CONTROLLING

- ▶ Monitor activities' performance
- ▶ Compare actual performance with the set goals
- ▶ Evaluate activities' performance whether things are going as planned
- ▶ Correct any disturbance to get work back on track and achieve the set goals

Ensure all activities are accomplished as planned

Area of Management:

- ▶ **Functional Manager** is responsible for just 1 organizational activity
- ▶ **General Manager** is responsible for several organizational activities

Managers for 3 Types of Organizations

1. **For-Profit Organizations:** For making money, or profits, by offering products or services
2. **Nonprofit Organizations:** For offering services in either public sector or private sector such as hospitals, colleges, social-welfare agencies
3. **Mutual-Benefit Organizations:** For aiding members such as farm cooperatives, labor unions, trade associations, and clubs



Do managers manage
differently for different types
of organizations?

Management for different types of organizations

SAME

- ▶ **4 management functions**—planning, organizing, leading, and controlling— are needed for all types

DIFFERENCE

- ▶ **Measurement of success**
 - For-profit: how much profit (or loss) it generate
 - Nonprofit & Mutual-benefit: effectiveness of services delivered

Management Roles



Management Roles

- ▶ **Specific actions or behaviors expected of a manager**
- ▶ **3 types of managerial roles:**
 - ▶ Interpersonal
 - ▶ Informational
 - ▶ decisional

Mintzberg's Managerial Roles

- ▶ **Interpersonal Roles:** involve people (subordinates and person outside the organization) and other duties that are ceremonial and symbolic in nature
- ▶ **Informational Roles:** involve collecting, receiving, and disseminating information
- ▶ **Decisional Roles:** entail making decisions or choices

Mintzberg groups managerial activities and roles as involving:

Managerial activities	Associated roles
<u>interpersonal roles:</u> arising from formal authority and status and supporting the information and decision activities.	•figurehead •liaison •leader
<u>Informational roles</u>	•monitor •disseminator •spokesman
<u>decisional roles:</u> making significant decisions	•improver/changer (entrepreneur) •disturbance handler •resource allocator •negotiator

1. Interpersonal Roles

- ▶ **Figurehead:** perform ceremonial duties like greeting company visitors, speaking at the opening of a new facility, or representing the company at a community luncheon to support local charities

1. Interpersonal Roles (Cont)

- ▶ **Leader:** motivate and encourage workers to accomplish organizational objectives
- ▶ **Liaison:** deal with people outside their units to develop alliances that will help in org. goal achievement

2. Informational Roles

- ▶ **Monitor:** scan environment for information, actively contact others for information, continually update news/ stories related to their business (inside and outside org.)
- ▶ **Disseminator:** share the information they have collected with their subordinates and others in the company

2. Informational Roles (Cont)

- ▶ **Spokesperson:** share information with people outside their departments and companies

3. Decisional Roles

- ▶ **Entrepreneur:** adapt themselves, their subordinates, and their units to change/innovation
- ▶ **Disturbance Handler:** respond to pressures and problems demand immediate attention and action

3. Decisional Roles (Cont)

- ▶ **Resource Allocator:** set priorities and decide about use of resources
- ▶ **Negotiator:** continual negotiate schedules, projects, goals, outcomes, resources, and employee raises in order to accomplish the goals

Management Skills = ?



Management Skills

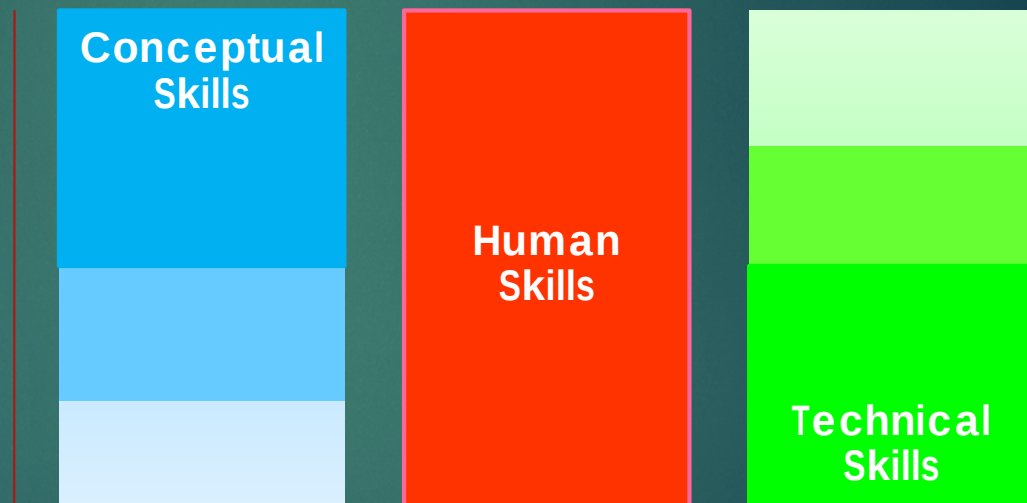
- ▶ **Technical Skills:** job-specific knowledge and techniques needed to proficiently perform work tasks
- ▶ **Human Skills:** ability to work well with other people both individually and in group
- ▶ **Conceptual Skills:** ability to see the organization as a whole, understand the relationships among various subunits, visualize how the organization fits into its external environment

Skills Needed at Different Managerial Levels

Top Managers

Middle Managers

Low-Level Managers



***Dark color = necessary to have**