

Chapter 1 Outline

1.1: Who Are Managers?

Management Views

- Traditional: managers seen as the boss who wields unquestioned power over employees
- Contemporary: top managers support and serve other managers and employees through empowerment

Empowerment: process of enabling or authorizing an individual to think, behave, take action, and control work and decision making in autonomous ways

Types of Managers

- **Top managers:** develop organization's strategy and are a steward for its vision and mission
- **Functional managers:** efficiency and effectiveness of an area
- **Supervisory managers (team managers):** responsible for coordinating a subgroup of a particular division or a team composed of members from different parts of the organization
- **Line managers (product or service managers):** leads a team that contributes directly to the products or services
- **Staff managers:** leads a function that creates indirect inputs (i.e. accounting or finance)
- **Project manager:** planning, execution, and closing of any project
- **General manager:** manages a clearly identifiable revenue-producing unit (i.e. store, business unit, product line)

4 Basic Management Functions: planning, organizing, leading, and controlling

Professor Henry Mintzberg (1970s): managers must assume 10 roles

- **Interpersonal:** link all managerial work together; interpersonal relationships
 - Figurehead: represents the organizations in all matters of formality
 - Top-level: represents the company legally and socially to those outside of the organization
 - Supervisor: represents the work group to higher management and higher management to the work group
 - Leader: defines relationship between the manager and employees
 - Liaison: interacts with peers and people outside the organization
 - Top-level: gain favors and information
 - Supervisor: maintain flow of work
- **Informational:** ensure the information is provided
 - Monitor: receives and collects information
 - Disseminator: transmits special information into the organization
 - Top-level manager receives and transmits more information from people outside the organization than the supervisor
 - Spokesperson: disseminates the organization's information into its environment
 - Top-level: industry expert

- Supervisor: unit or department expert
- **Decisional:** makes significant use of the information
 - Entrepreneur: initiates change
 - Disturbance handler: deals with threats to the organization
 - Resource allocator: chooses where the organization will expend its efforts
 - Negotiator: negotiates on behalf of the organization

Supervisors performs managerial role with more focus and short-term outlook

- Figurehead role → less important
- Disturbance handler and negotiator roles → more important

Leader role is among the most important roles at all levels of management

1.2: Leadership, Entrepreneurship, and Strategy

Leadership: social and informal sources of influence that you use to inspire action taken by others

- Good management requires good leaders and leadership
- Competition among employers/countries for the best and brightest, increased labor mobility, and the nature of global competition puts pressure on firms to invest in present and future leadership capabilities
- GE- fills CEO positions with individuals who have been developed through the company; hires from within
- Google: highly communicative environment

Entrepreneurship: the recognition of opportunities (needs, wants, problems, and challenge) and the use or creation of resources to implement innovative ideas for new, thoughtfully planned ventures

- Best identified as a process: idea → action
- Catalyst for value creation
- Bigger problem → bigger market for the product or service

Strategy: creation of an organization's long-term purpose, articulated in clear goals and objectives that can be incorporated into a coherent plan of action

- Goal: to take advantage of unique resources and capabilities
- The central, integrated, externally-oriented concept of how an organization will achieve its objectives
- **Strategic management:** body of knowledge that answers questions about the development and implementation of good strategies
 - Provides clear set of guidelines

Who → Leadership

What → Entrepreneurship

How → Strategy

1.3 Planning, Organizing, Leading, Controlling

P-O-L-C Framework

Planning: setting objectives and determining a course of action for achieving those objectives

- **Environmental scanning:** planners must be aware of the critical contingencies and trends facing their organizations in terms of economic conditions, their competitors, and their customers; forecast future

- Establish objectives and timelines
- Identify alternative courses of action for achieving objectives
- Evaluate success of their plans and take corrective action
- **Strategic planning:** analyzing competitive opportunities and threats as well as the strengths and weaknesses of the organization, then determining how to position the organization to compete effectively in their environment
 - Long timeframe: 3+ years
 - Includes entire organization, based on mission, and conducted by top management
- **Tactical planning:** intermediate-range planning that is designed to develop relatively concrete and specific means to implement the strategic plan
 - 1-3 years
 - Middle-level managers conduct this
- **Operational planning:** generally assumes the existence of organization-wide or subunit goals and objectives and specifies ways to achieve them
 - Short-range: less than one year
 - Supports strategic and tactical planning

Organizing: involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives

- Organization chart shows structure of the organization and provides a graphic representation of the chain of command within an organization
- Organizational design decisions: decisions made about the structure of an organization
- Job design: decisions made about the nature of jobs within the organization
 - Narrower the job content does NOT equal more proficiency
- Departmentalize: organize by function, product, geography, or customers
- Now focus on empowerment, job enrichment, and teamwork

Leading: social and informal sources of influence that you use to inspire action taken by others

- Psychology and sociology have contributed to this
- Research shows that to become effective at leading, managers must first understand their subordinates' personalities, values, attitudes, and emotions
- Studies of motivation, motivation theory, and communication

Controlling: ensuring that performance does not deviate from standards

- 1) Establishing performance standards
 - 2) Comparing actual performance against standards
 - 3) Taking corrective action when necessary
- Performance standards are often stated in monetary terms such as revenue, cost, or profits but may be stated in other terms such as units produced, number of defective products, or levels of quality or customer service
 - Measurement of performance: financial statements, sales reports, production results, customer satisfaction, and formal performance appraisals
 - Managers at all levels engage in control
 - Effective controlling requires the existence of plans

2 traditional control techniques: