

Principles of Management

Module 1: Introduction to Management



Why does learning about management matter?

- Who makes the difficult decisions that result in the success or failure of the organization?
- How do organizations survive in world where conditions are constantly changing?
- Do you think making good business choices is an art or a science?



What is Management?

- The Definition of Management
 - Process of planning, organizing, leading, and controlling people in organization- effectively use resources to meet goals
- The Two Aspects of Management
 - People
 - The people with the responsibility and authority to determine the overall direction of the organization
 - Process
 - Decide what goals should be and defines them for the organization



Introduction to Functions of Management

- Processes
 - ongoing activities ongoing and interrelated
- Ongoing
 - activities not done in a linear, step-by-step fashion
 - will continue while others begin
- Interrelated
 - results of tasks influence each other
 - must be done efficiently

Important to note that processes do not always go in order!



First Factor of Management: Planning

- Defining goals and tackling them
- Defines future of organization- long-term plans
- Develops strategic plans
 - Long-term and effects entire organization
 - Bridges gap between what organization is and what it wants to be
- Tactical plans
 - Translate strategic plans into specific actions- who, what, where, etc.



Second Factor of Management: Organizing

- Decides how to best implement the plans
- Decides how an organization is structured
- Assigns authority and responsibility
- Works to acquire resources
- Decides coordination



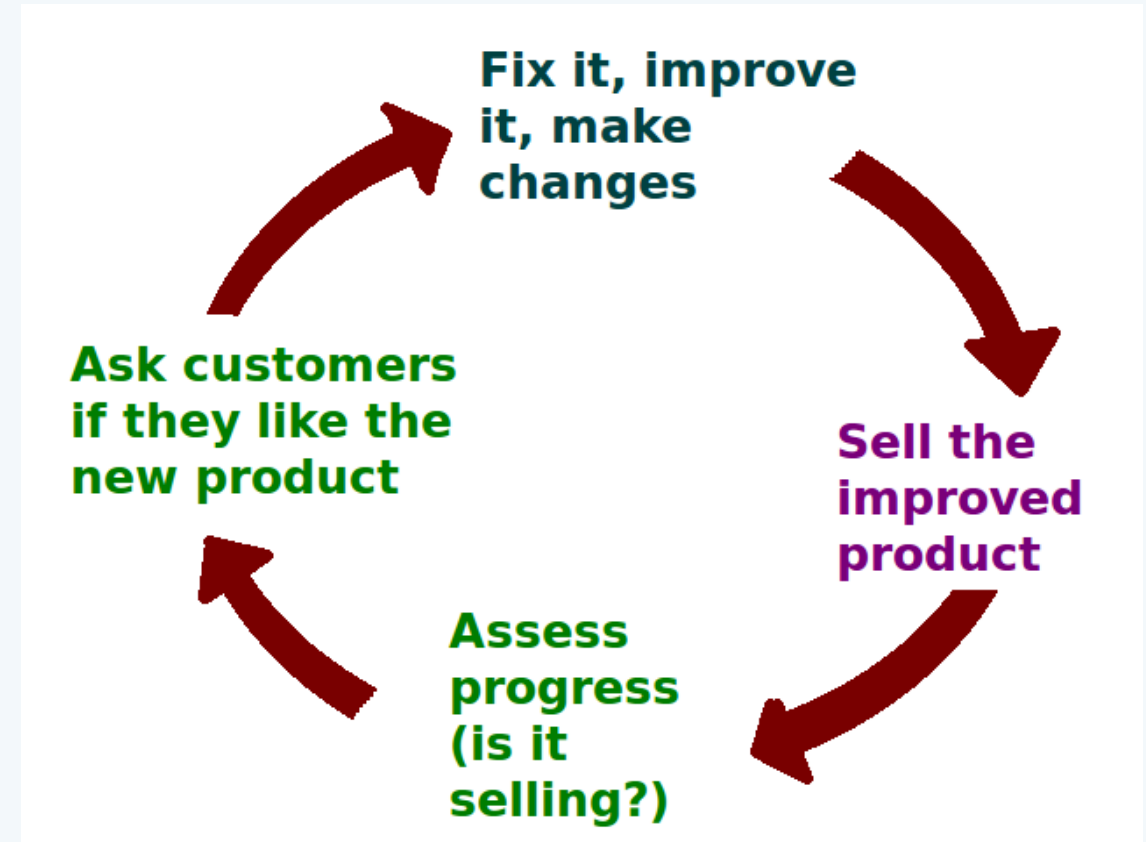
Third Factor of Management: Leading

- Uses knowledge, character, and charisma- inspire achievement of goals
- Leads by communication, building commitment, creating shared values, and encouraging high performance
- Uses the power of granting rewards and punishments



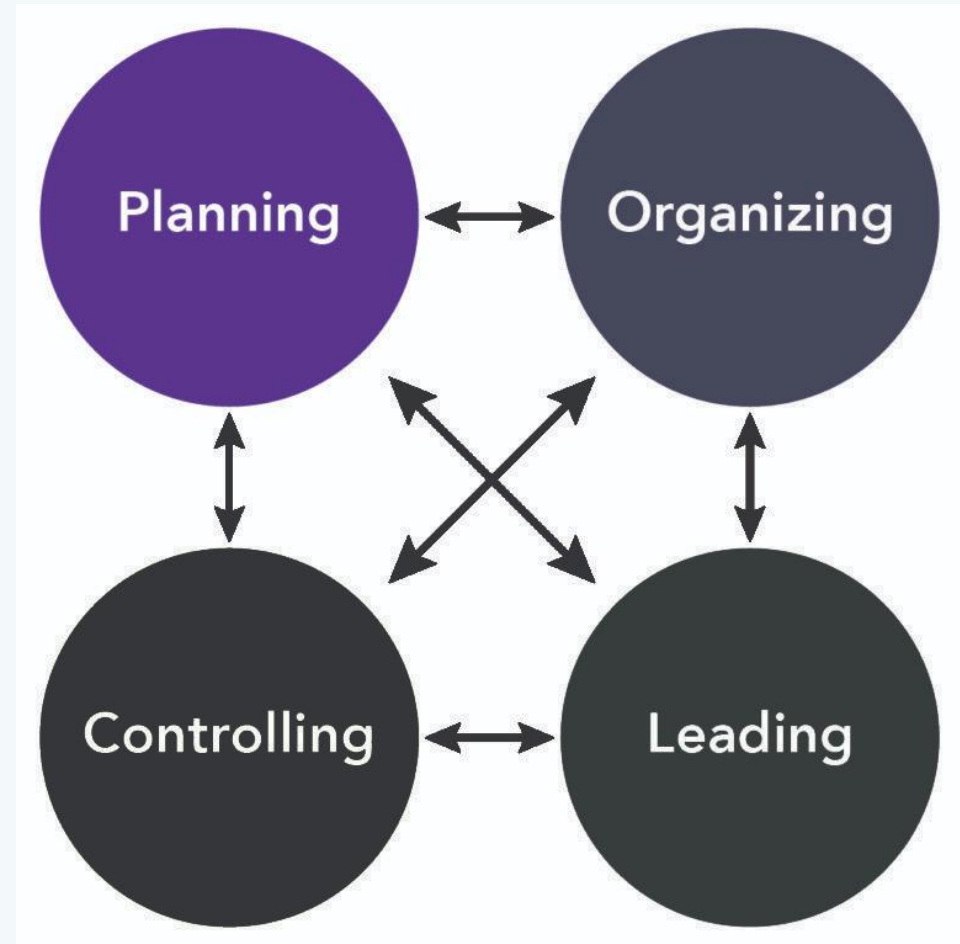
Fourth Factor of Management: Controlling

- Unexpected issues will arise
- Controlling
 - process of monitoring activities, measuring performance, comparing results, making corrections
 - Observing and responding to what happens
- The feedback loop
 - most important aspect of controlling is that managers must be keep informed.



Who Directs Each Function of Management?

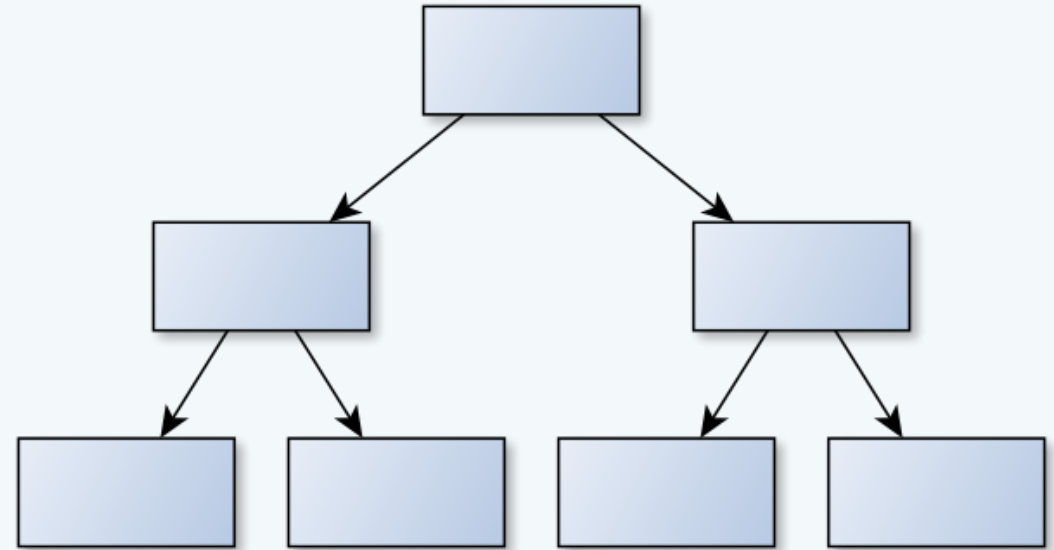
- Leaders often step up in times of crisis that needs immediate action.
- All managers perform each at different times and the position depends on how much.
- Different activities may happening at once in an organization.



Types of Managers and Their Roles

Vertical Management

- Various levels of management within organization
- Different levels = different aspects of business
 - Thinking
 - Communicating
- Highly structured
 - Workers in labor-intensive industries
- Disadvantage- limits information from lower levels to upper



Top-Level

- What do these acronyms represent on a management team?
 - CEO, COO, CMO, CTO, CFO, CCO
- Vice Presidents or division heads sometimes part of top management team
 - Responsible for long-term success
- Set goals and pay careful attention to external environment
 - Economy, law proposals, consumer/public relations
- Make financial investments



Middle Managers

- Department heads, directors, chief supervisors
- Links between top and first-line managers
- Receives broad strategic plans with specific objectives
- Encourages, supports, and fosters employees
- Provides leadership



First-Line Managers

- Entry level- “on the line”
 - close contact with workers
- Responsible for organizational objectives and plans
- Assistant managers, shift managers, foremen, section chiefs, office managers
- Focuses on internal issues- must communicate



Team Leaders

- Reports to first-line or middle manager
- Develops timelines, specific work assignments, provides training to team, communicates clear instructions
- Makes sure team is operating efficiently
- Positions may be eliminated when new team must be formed



Types of Management Roles

- Leadership and Interpersonal Roles
 - Top Managers
 - Middle managers
 - focus more on interpersonal skills
- Decisional Roles
 - All managers required to make decisions



Leadership and Interpersonal Roles

- Top Managers
 - Voice of organization
 - Hard to separate personal aspects from corporate positions
- Middle Managers
 - Determines what information can be shared
 - Weighs informational value to decide what to send to top management
- First-Line Managers
 - Evaluates work and helping employees contribute

Decisional Roles

- Entrepreneur- top-level managers
 - Economic opportunities, lead change initiative
- Disturbance handler- top and middle managers
 - React to problems in organization (internal/external)- decide what actions should be taken
- Resource allocator
 - Depending on whether decisions affect whole company or not
- Negotiator- top and middle-level managers
 - Top- negotiations about whole company (contracts or agreements)
 - Middle- negotiate salary and hiring

What Makes a Good Manager?

- What makes a good manager?
 - Effectiveness
 - Efficiency
 - Sustainable practices
- Competitive advantage
 - business outperforms rivals due to employees
- Depends on a stable and reliable workforce

