

Introduction to Management and Organization

Functional Areas of Business

- **R&D**
- **Marketing**
- **Finance**
- **Production**
- **HR**

Functional Area of Business

- **R&D** = Research & Development
 - New product design and development



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 Level



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

Or...

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**

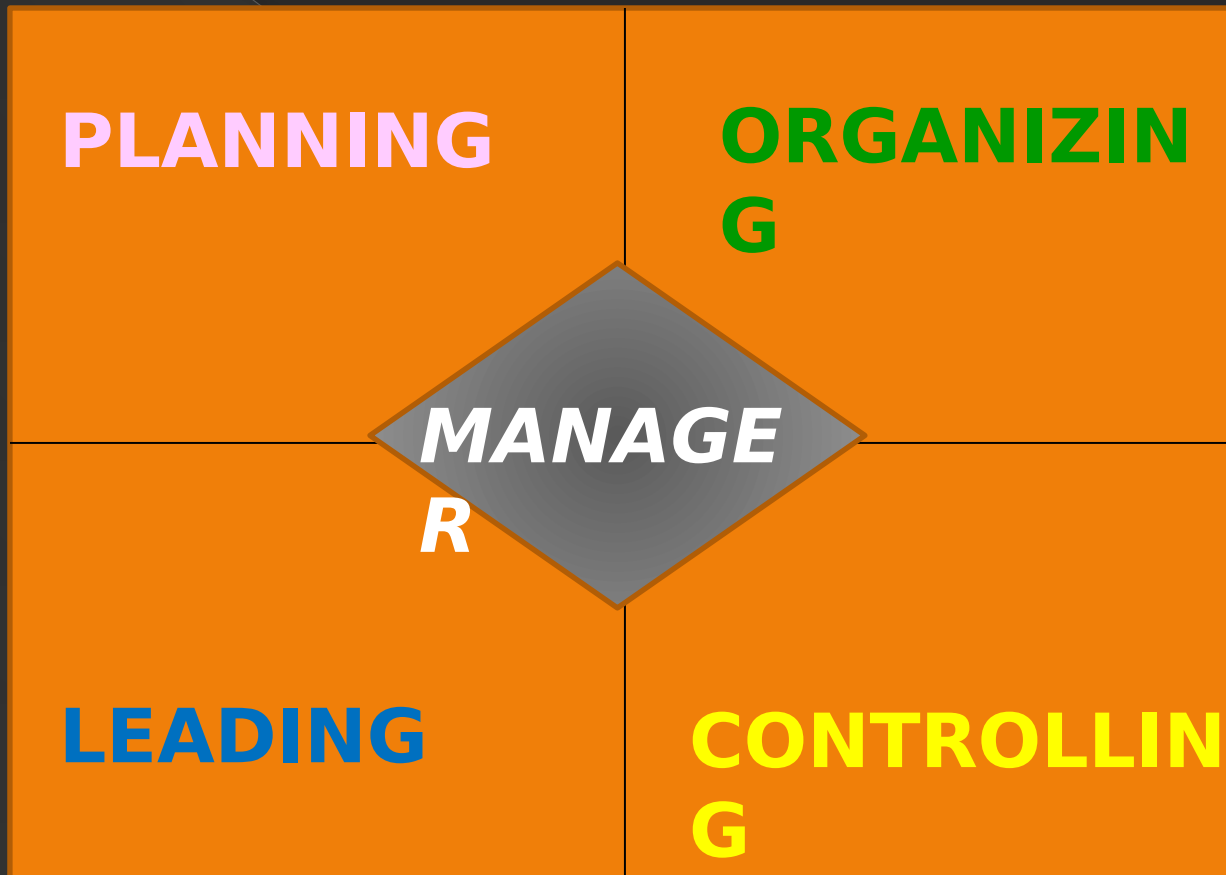


**Low
Waste**

**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

Homework: “Master Manager” (Individual)

- Using current business periodicals (*Wall Street Journal, Financial Times, Fortune, The Economist, Forbes, etc.*), find 1 example of manager you would describe as master managers.
- Write a paper describing the individual as manager and why you feel he/she deserve this title.
- **Due: next class**

Area of Management:

- **Functional Managers V.S. General Managers**

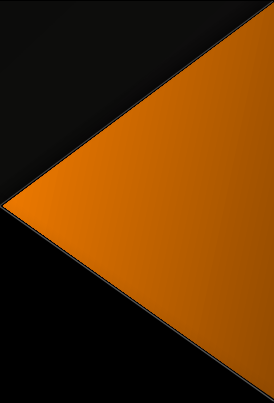
Area of Management:

- **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?**

A large orange triangle is positioned in the top right corner of the slide, pointing towards the center.

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:** continually 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



***Dark color = necessary to have**

Why Study Management?

Why Study Management?

❑ **The universality of management**

- The reality that management is needed in all types, sizes, level, areas of organizations.

❑ **The reality of work**

- You will either manage or be managed in your future career

Why Study Management?

❑ Rewards and challenges of being a manager

Rewards	Challenges
Create work environment where org. members can work to the best of their ability	Do hard work
Have opportunity to think creatively & use imagination	May have duties that are more clerical than managerial
Help others find meaning & fulfillment in work	Have to deal with a variety of personalities
Support, coach, and nurture others	Often have to deal with limited resources
Work with variety of people	Motivate workers in chaotic and uncertain situations
Receive recognition & status in org. and community	Blend knowledge, skills, ambitions, and experiences of a diverse