

# Topic 1

## Study Unit 1

All organizations utilize societies' scarce resources, namely:

Resource	Academic Name
People	Human Resources
Money	Capital or Financial Resources
Raw Materials	Physical Resources
Knowledge	Information Resources

- Different combinations of these resources produce different products and services to meet the needs of society.
- Managers bring these resources together and decide which resources and in what quantities they are necessary to achieve the organization's mission and goals.
- Managers plan and implement (organize, lead and control) what has to be done to achieve the organization's mission and goals.
- If managers do their jobs well, the organization will be successful.

### The Differences between vision, mission and goals

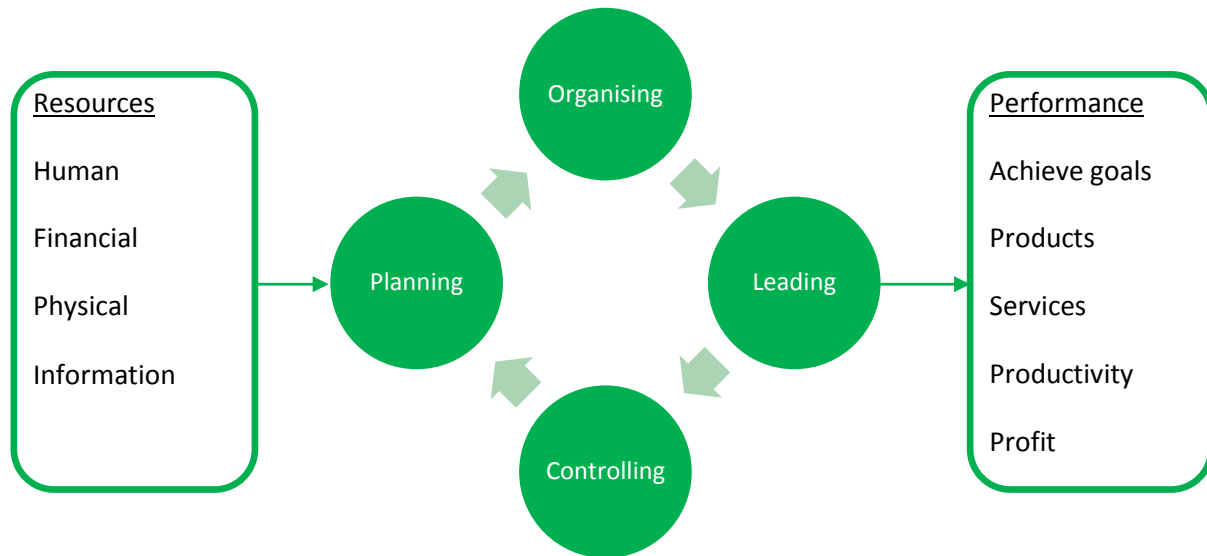
Vision: What the company wants to become. What the company wants to create. Vision statements should be motivating and inspiring and should drive decision making.

Mission: What the company does. It should be short and easy to memorize but shouldn't have the generic words To.... In it

Goals: Dreams with deadlines, they are quantifiable and you should clearly know if you reach them or not.

Strategy: Something anyone can contribute to, that will advance the organization.

## The Four Fundamental Management Functions



- **Planning:** Managers determine the organization's vision, mission, and goals and decide on a strategy to achieve them
  - Strategic plans – made by top management (5-10 years)
  - Tactical plans – made by functional managers
  - Operational plans – made by lower management (Daily, Weekly etc)
- **Organizing:** Manager's group activities together, establish authority, allocate resources and delegate
  - Tasks, roles and responsibilities are defined
  - Development of a framework or organizational structure
  - Management matches structure to strategies
- **Leading:** Managers direct and motivate members of the organization to achieve the mission and goals
  - Directing human resources by way of influence and power and motivating them to be willing to work productively to achieve the organizations goals
  - Manager's responsible for getting things done through people
- **Controlling:** Managers monitor progress and take corrective steps to reach the mission and goals
  - Managers should constantly make sure that the organization is on the right track to reach it's goals
  - The aim of control is to monitor actual results against planned results

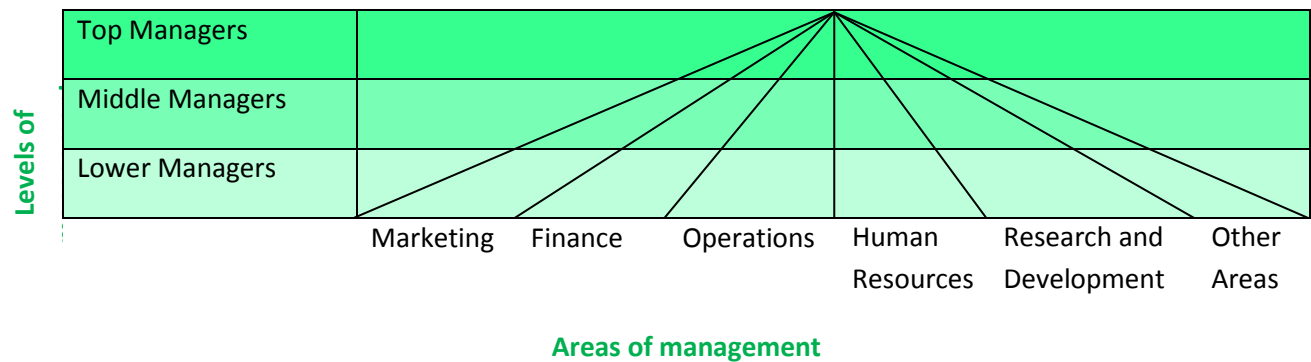
## Management Levels

The term “manager” is used to include anyone who carries out the four fundamental functions of management.

Managers are responsible for different departments. They work at different levels and deal with different challenges.

Managers are usually classified into two categories:

1. According to their level in the organization. (Top, Middle and Lower/First-line managers)
2. By the functional or specialist area for which they are responsible. (Functional managers)



## Top Management

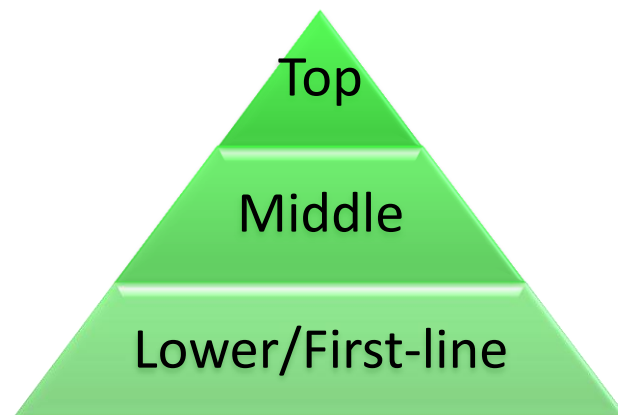
- Relatively small group of managers who lead the organization. E.g.
  - Board of directors
  - Partners
  - Managing director
  - Chief Executives
  - Management Committees
- Usually responsible for the organization as a whole, as well as determining its vision, mission, goals and overall strategies of the entire organization
- Concerned mainly with long-term planning, designing the organizations board organizational structure, leading the organization (through the top executive), and monitoring (controlling) its overall performance.

### Middle Management

- Responsible for specific departments of the organization and is primarily concerned with implementing the strategic plan formulated by top management
- Normally includes the functional heads and continually monitor environmental influences that may affect their own departments. E.g.
  - Financial Manager – monitor for possible changes in tax
  - Marketing Manager – monitor for new competitors
  - Human Resources Manager – must be aware of changes in legislation regarding overtime work
  - Operations Manager – must be aware of new technologies that could replace old machines in the future
- Responsible for medium-term planning, organizing functional areas, leading by means of department heads, and controlling the management activities of the middle manager's own departments

### Lower/First-line Management

- Responsible for the smaller segments of the organization
- Includes supervisors and foremen
- Deal with the monthly, weekly and daily management of their sections
- Ensure the plans made by middle management are implemented
- The primary concern of a supervisor is to apply policies, procedures and rules to achieve a high level of productivity in his/her section, to provide technical assistance, to motivate subordinates and to ensure that the sections goals are reached.



## Management Activities

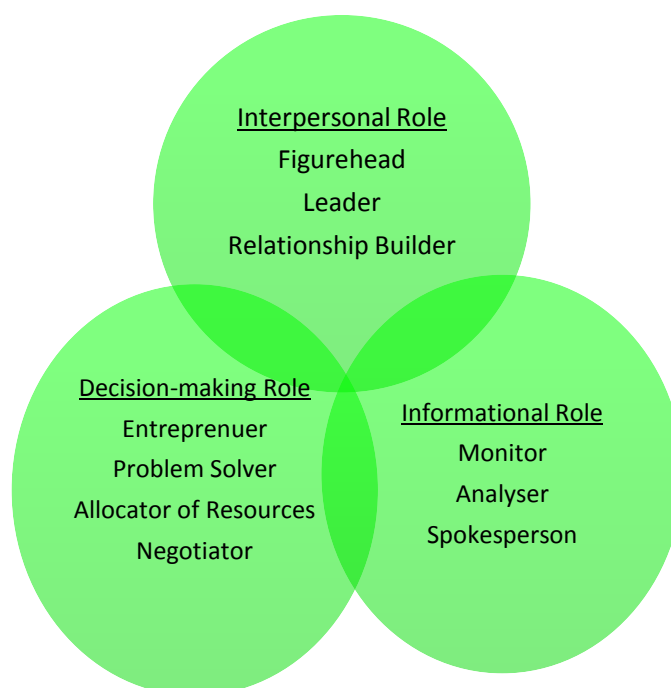
The areas of management include:

- General Management
  - Focuses on the entire organization
- Marketing
  - Marketing of new products/services and improving old products/services
- Financial
  - Deals with all financial matters
- Production/Operations
  - Physical production of goods/services
- Human Resources
  - Training, remuneration, development etc
- Public Relations
  - Create a favorable, objective image of the organization
- Research and Development
  - Developing new products/services and improving the old products/services

## Management Roles

- Interpersonal Roles:
  - Include being a figurehead who performs activities such as greeting visitors or signing legal documents
  - The role of leader includes virtually all activities that involve subordinates.
  - The role of public relations officer may include activities such as acknowledging mail and representing the organization at official functions
- Informational Roles:
  - Include being a monitor, which may involve reading periodicals and reports and maintaining personal contacts
  - The role of spokesperson includes activities such as chairing board meetings and making phone calls to relay information
- Decision-making Roles:
  - Include being an entrepreneur who organizes strategy and review sessions in order to develop new plans
  - A resource allocator who performs any activity that involves budgeting and the programming of subordinates' work
  - a negotiator who participates in, say, trade union negotiations.

## The overlapping role distribution of managers



## Management Skills

Managers at different levels of the organization need different skills to perform efficiently.

- Top managers need **Conceptual Skills** to enable them to have a holistic view (holistic means to look at “the big picture”) of the organization. Although managers at the middle and lower levels of management also need those skills, conceptual skills are essential for top management.
- **Interpersonal Skills** enable managers to work well with people. Although all managers require them, these skills are especially important for middle managers, because of the nature of the management tasks they have to perform.
- **Technical Skills** involve the use of the knowledge or techniques of a specific field.

Figure 1.7 – managerial skills needed at various managerial levels

Top management	Middle management	Lower management	Non-man (workers)
Conceptual	Conceptual	Conceptual	Conceptual
		Interpersonal	Interpersonal
	Interpersonal	Technical	Technical
Technical	Technical		
Technical			

## Acquiring Management Skills

Management skills can be acquired through **formal management education** or the **continuous education** of managers by means of, for example, management courses, seminars and workshops. **Job experience** and the completion of a variety of assignments in an organization are additional ways to acquire management skills.