

# General Management (MNG2601)

Mari Vrba



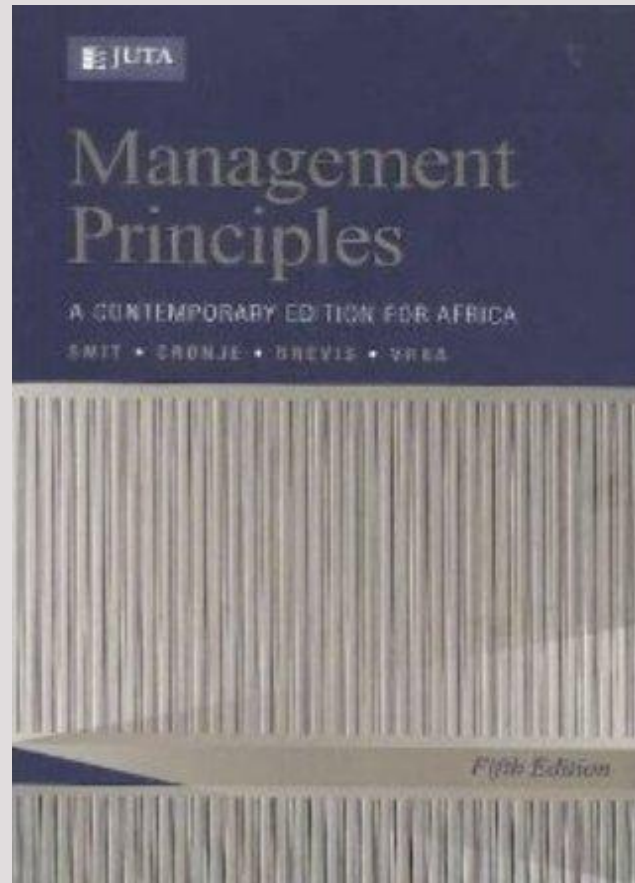
# CONTENTS OF THE LECTURE

- Introduction to general management
- The evolution of management theory
- Managing in a changing environment
- Planning
- Managerial decision making
- Information management
- Organising
- The individual in the organisation
- Leading
- Motivation
- Control

# TOPIC 1: THE NATURE OF MANAGEMENT

## Study unit 1: Introduction to management

### Chapter 1

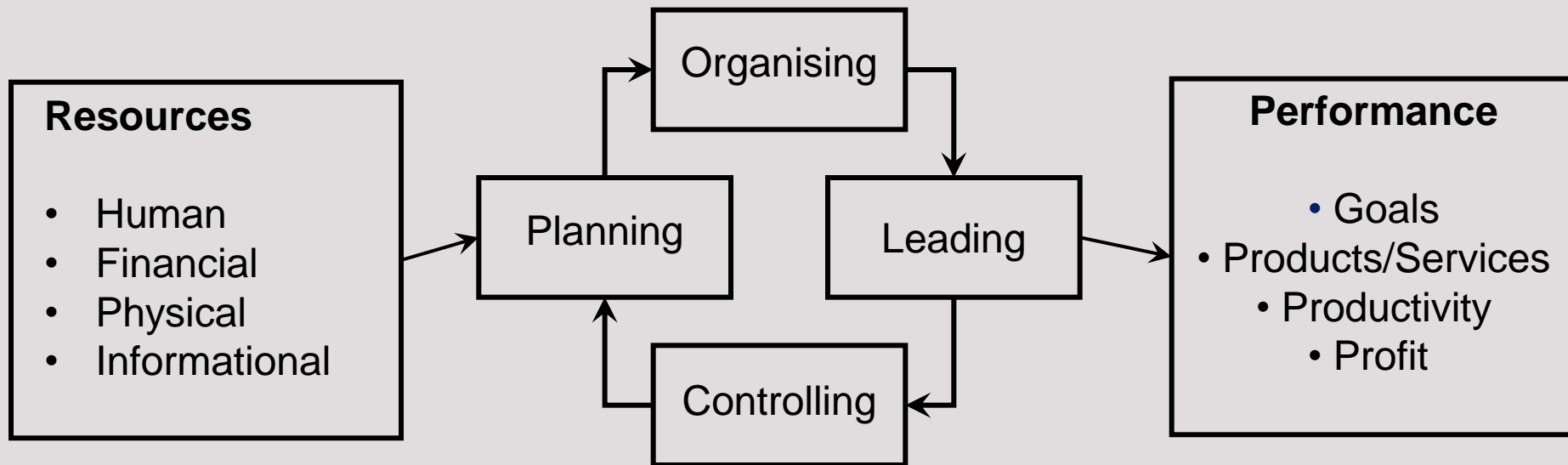


# INTRODUCTION

The nature of management - different from operational workers – not individual goal, but organisational goals.

The work of manager is to combine, allocate, coordinate and deploy the organisation's resources in such a way that it can attain its goals.

# INPUT – TRANSFORMATION - OUTPUT



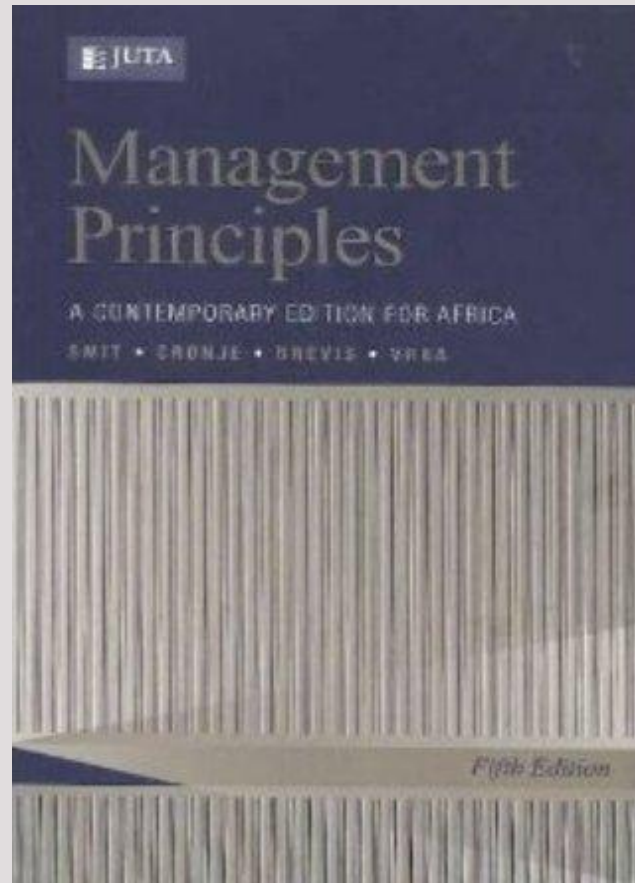
# THE WORK OF MANAGERS

- Levels of managers
- Areas of management
- Role distribution of managers
  - Interpersonal – figurehead, leader, relationship builder
  - Decision making – entrepreneur, problem solver, allocator of resources, negotiator
  - Information – monitor, analyser, spokesperson
- Managerial skills

# TOPIC 1: THE NATURE OF MANAGEMENT

## Study unit 2: The evolution of management theory

### Chapter 2



# THE LESSONS OF HISTORY

“Today is not like yesterday, nor will tomorrow be like today, yet today is a synergism of all our yesterdays, and tomorrow will be the same.

There are many lessons in history for management scholars, and the most important one is the study of the past as prologue.” (Wren 1994:442).



# THE EVOLUTION OF MANAGEMENT THEORY

## CLASSICAL APPROACHES

- Scientific management school: productivity of workers (FW Taylor)
- Process approach: guidelines for managing complex organisations (Henri Fayol)
- Bureaucratic approach: how organisations are structured (Max Weber)

## HUMAN RELATIONS MOVEMENT

- Mayo –Hawthorne studies, Social needs, Maslow, McGregor

## QUANTITATIVE MANAGEMENT THEORY

- More complex organisations after WW2. Math models, stats used in decision making

# THE EVOLUTION OF MANAGEMENT THEORY

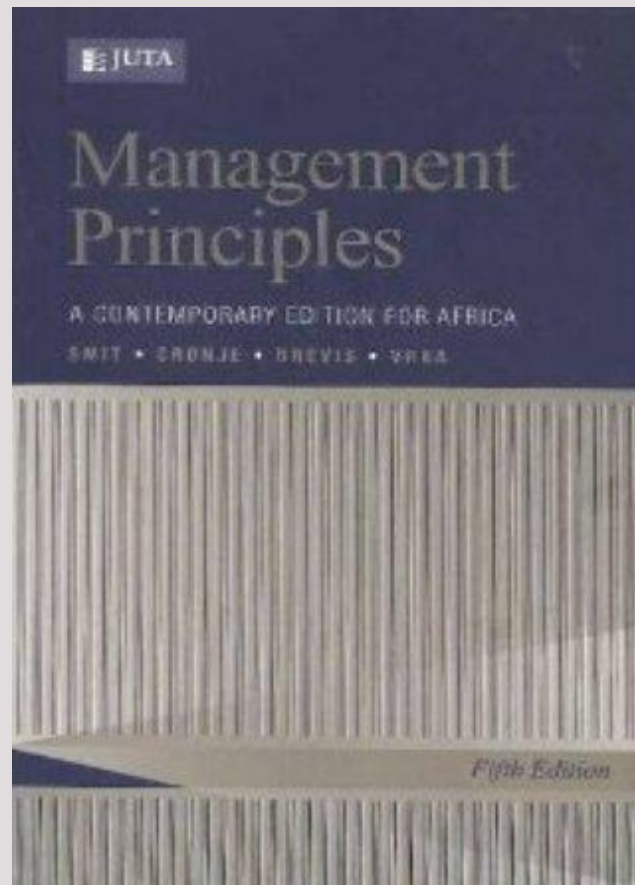
## CONTEMPORARY APPROACHES

- Systems approach
- Contingency approach –technology, managers and workers. Strengths and weaknesses, complexity of external environment
- TQM – everyone and all activities towards customer satisfaction
- Learning organisation - 5 disciplines - lifelong learning, challenging own assumptions. Sharing a vision, active dialog, systems thinking
- Re-engineering – reassessment, fundamental reappraisal of the way an organisation operates

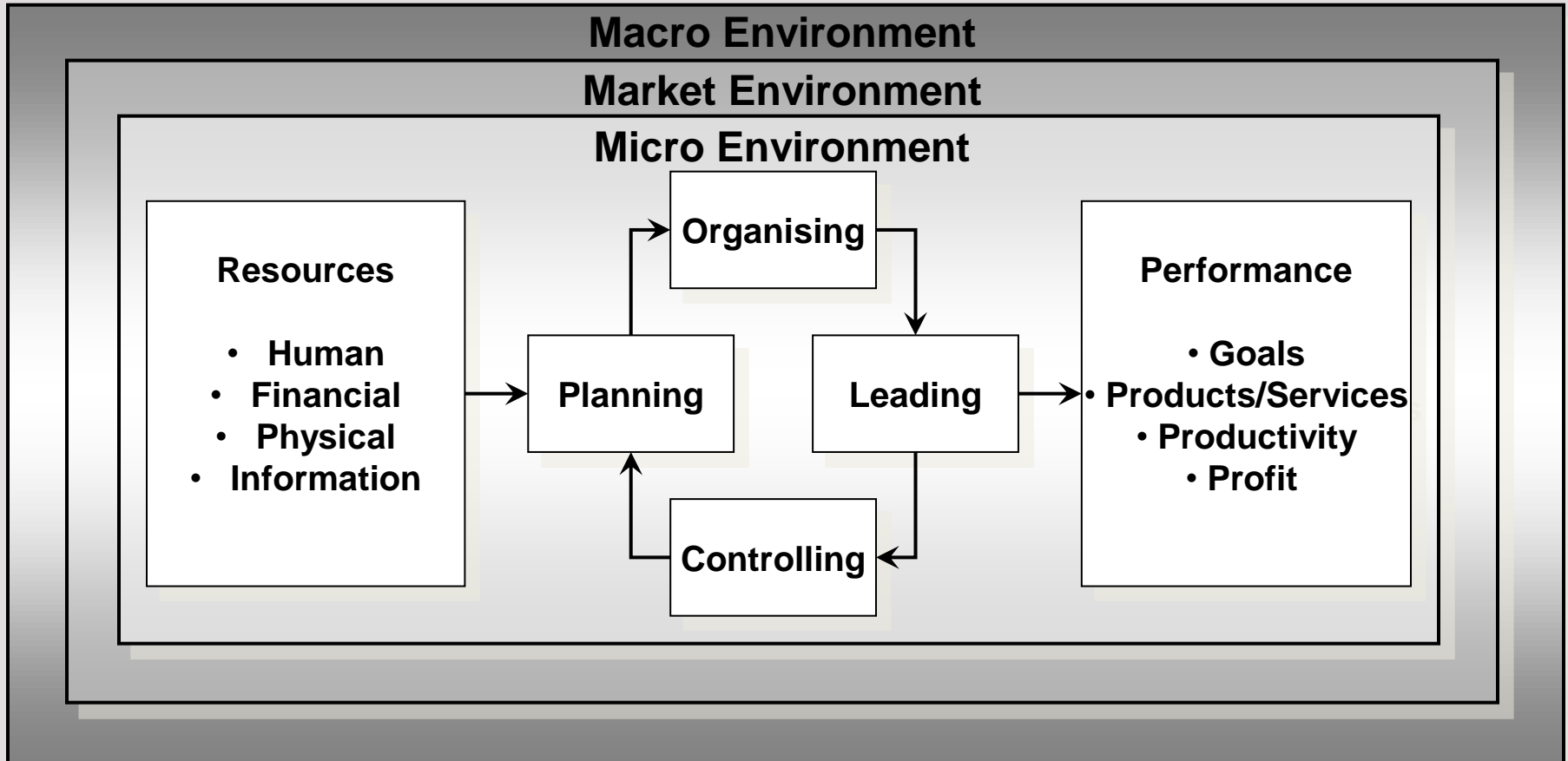
# TOPIC 1: THE NATURE OF MANAGEMENT

## Study unit 3: Managing in a changing environment

### Chapter 3



# THE MANAGEMENT ENVIRONMENT



# THE ORGANISATION AS AN OPEN SYSTEM

- The environment outside the organisation influences the organisation
- The organisation influences the environment in which it operates
- There is specific interaction between the organisation and the environment
- Synergy - the whole is greater than the sum of its parts ( $2+2=5$ )

# THE ORGANISATION AS AN OPEN SYSTEM

## Implications for management

- Change in the environment influences the organisation
- The organisation must anticipate change and react to it
- Frog jump/boil
- Entropy - process of systems disintegration

# MICRO-ENVIRONMENT

- Mission and goals
- The organisation and its management
- The resources of the organisation
- Organisational culture

STRENGTHS AND WEAKNESSES

# MARKET ENVIRONMENT

- The market
  - Consumers, their needs, purchasing power and behaviour
- Suppliers
- Intermediaries
- Competitors
- Substitute products
- Possible new entrants
- Labour unions

## OPPORTUNITIES AND THREATS



# MACRO-ENVIRONMENT

- Technological environment
- Economic environment
- Social environment
- Political environment
- Ecological environment
- International environment

## OPPORTUNITIES AND THREATS

# TWO MAJOR MACRO ENVIR. CHALLENGES

- Globalisation
- Information technology

# WHAT IS GLOBALISATION?

## The four **ANY's**

- **ANY** body can go
  - **ANY** where
  - **ANY** time and do it
  - **ANY** way
- 

## **C O M P E T I T I O N**

# GLOBALISATION

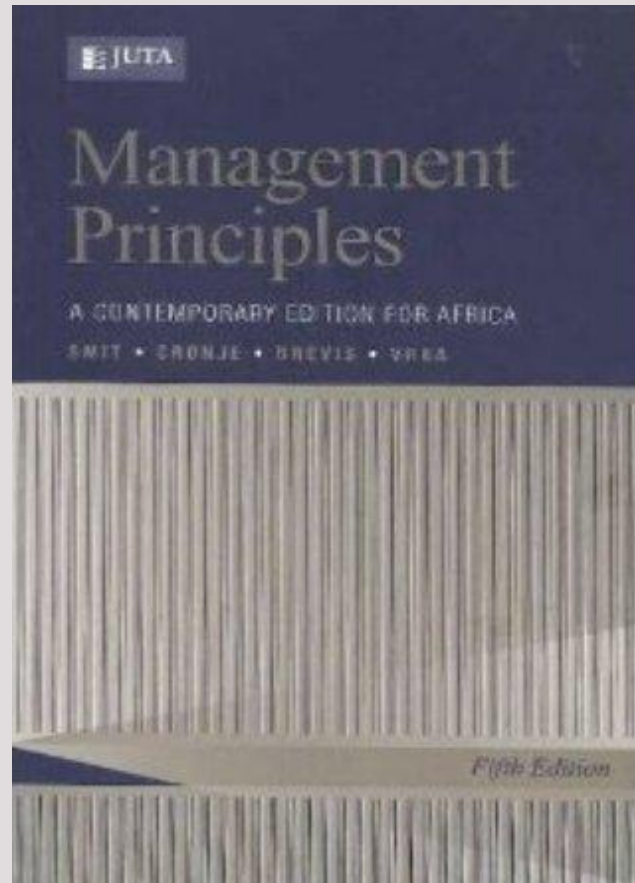
WHAT IS THE MEDIUM THROUGH WHICH GLOBALISATION TAKES PLACE?

- INFORMATION TECHNOLOGY
  - The internet
  - Mobile computing
  - Electronic commerce

# TOPIC 2: PLANNING

## Study unit 4: Planning

### Chapter 5



# GOAL FORMULATION AND PLANNING

- GOAL FORMULATION : **Where** do we want to be?
- PLANNING: **How** will we get there?

# GOAL FORMULATION

- **Focus**
  - Finance, customers, internal processes, etc.
- **Properties**
  - Specificity, flexibility, measurability, attainability, congruency, acceptability
- **Openness**
- **Process**
  - Centralised/decentralised
- **Techniques**
  - Balanced scorecard and MBO

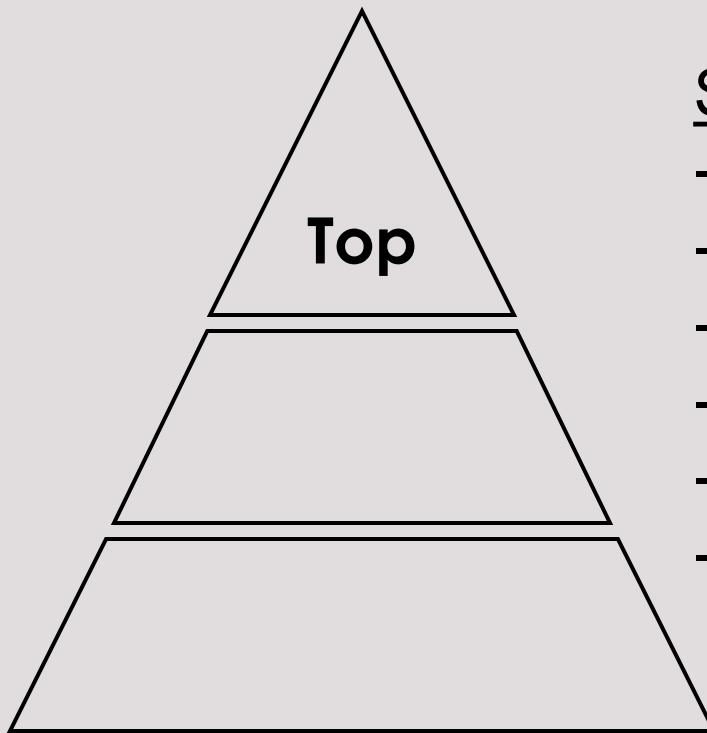
# PLANNING

## PLANNING (How to reach goals)

- **Kinds of plan**
  - Strategic, tactical, operational
- **Time-frame**
  - Long-term, medium-term, short-term
- **Levels of management and planning**
  - Top, middle, lower



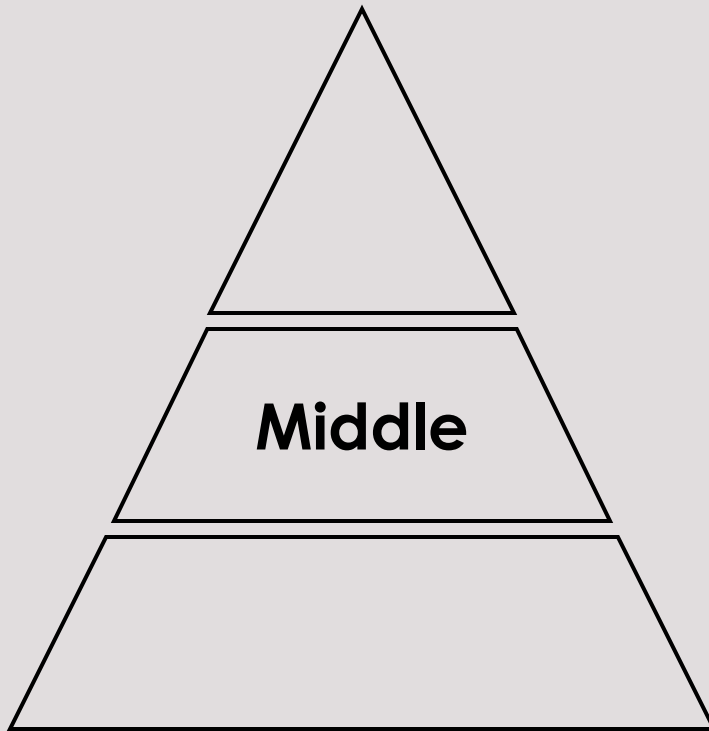
# LEVELS OF PLANNING: TOP MANAGERS



## Strategic planning

- Info broad & general
- Qualitative and vague
- Long Term
- Organization as a whole
- Vision, Mission, Strategies
- External Environment

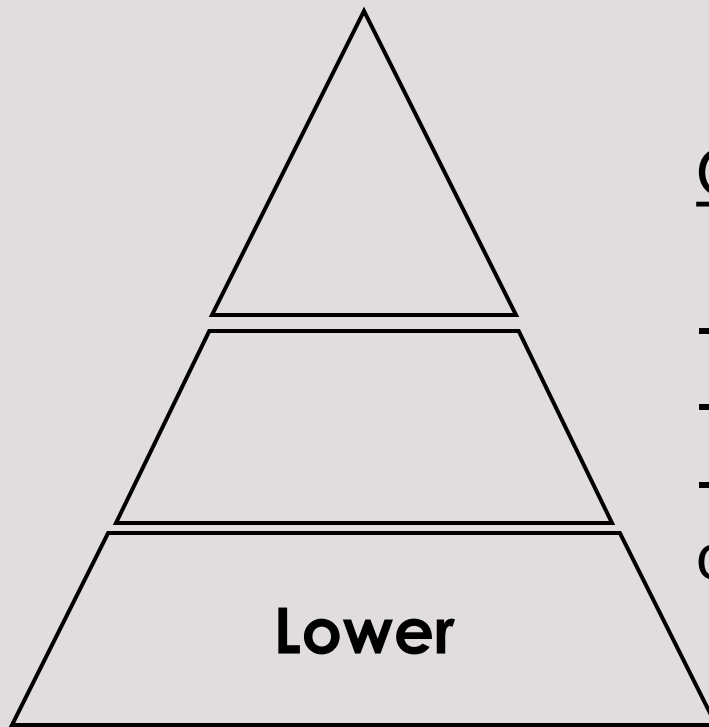
# LEVELS OF PLANNING: MIDDLE MANAGERS



## Functional Planning

- Medium term
- Info more detailed and more specific
- Functional areas

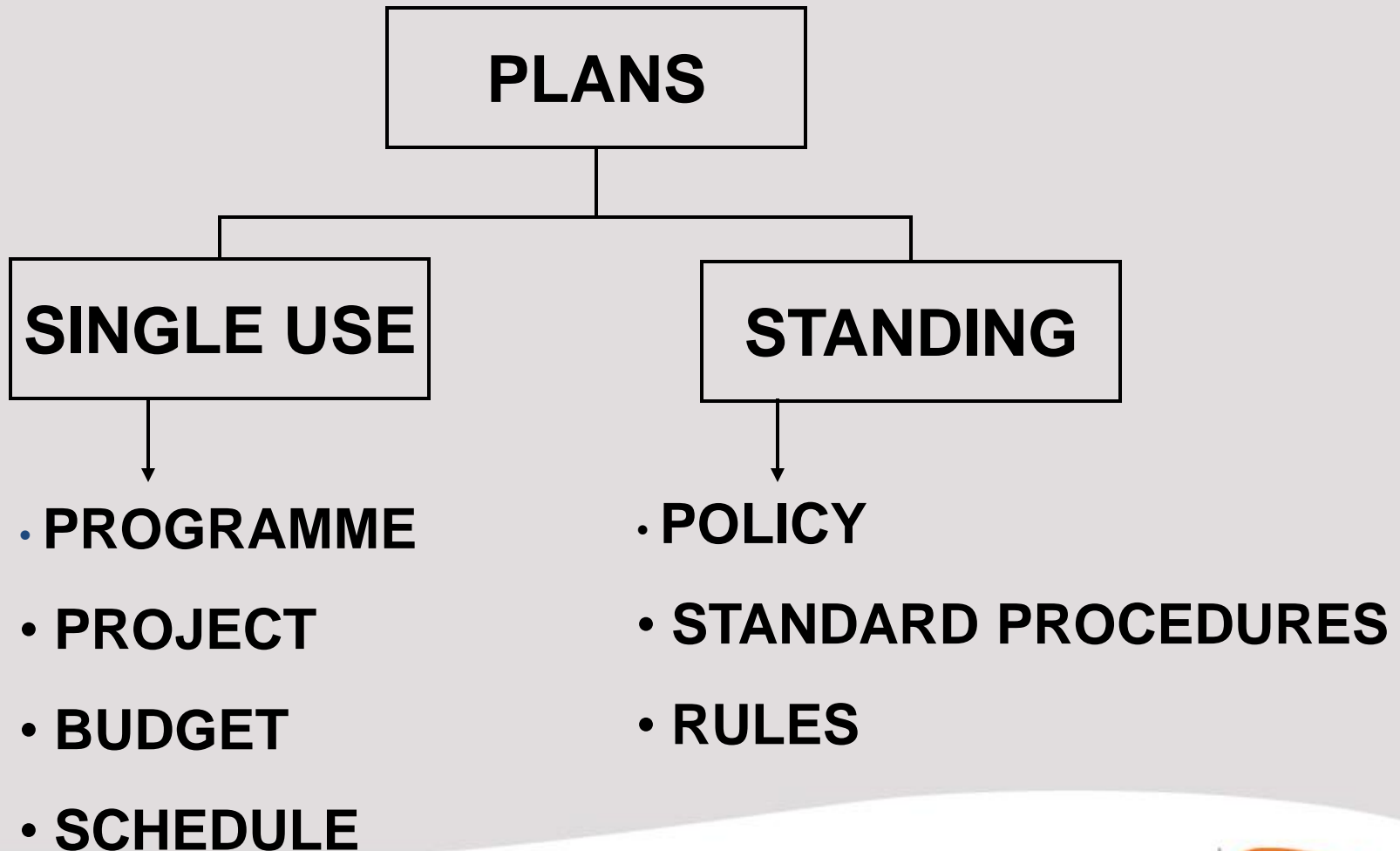
# LEVELS OF PLANNING: LOWER LEVEL



## Operational (First-Line)

- Short term (less than 1 year)
- Policies, procedures, rules
- Fine detail, specific, quantitative

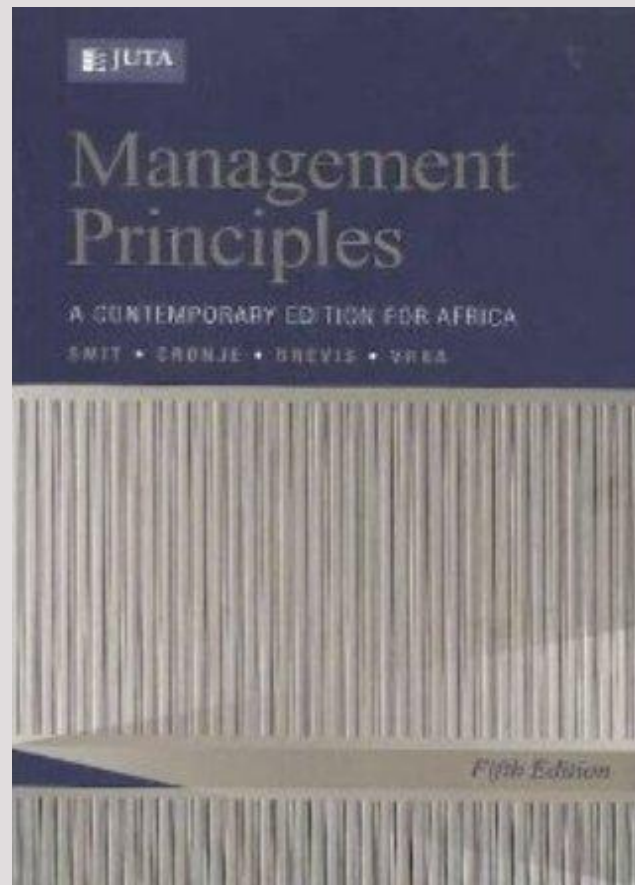
# TYPES OF OPERATIONAL PLANS



# TOPIC 2: PLANNING

## Study unit 5: Managerial decision making

### Chapter 6



# MANAGERIAL DECISION MAKING

- Definition
- Types of managerial decisions
- Decision-making conditions
- Decision-making model

# DEFINITION

A process of selecting an **alternative course** of action that will **solve a problem**

# TYPES OF MANAGERIAL DECISIONS

- Programmed decisions
- Non-programmed decisions



# DECISION-MAKING CONDITIONS

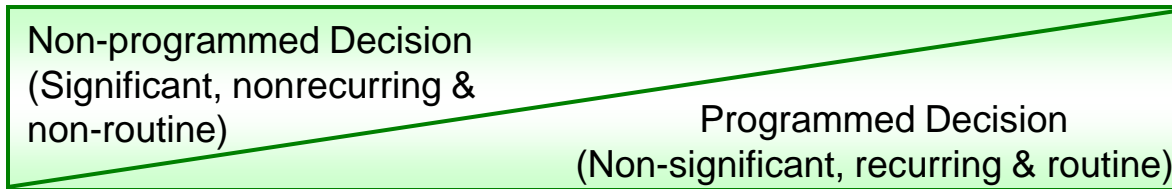
- Certainty
- Risk
- Uncertainty

# DECISION-MAKING MODEL

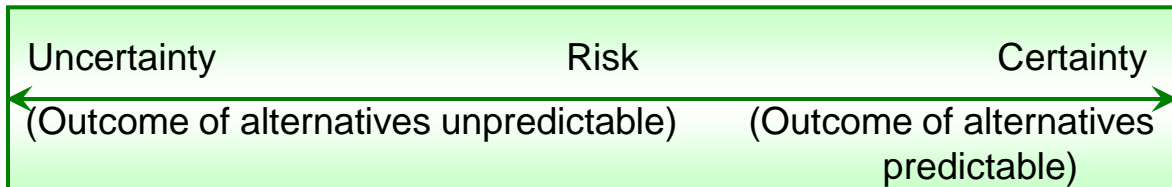
- Classify and define the problem or opportunity
- Set objectives and criteria
- Generate creative alternatives
- Analyse alternatives and select the most feasible alternative
- Planning and implementing the decision
- Controlling

# CLASSIFYING THE PROBLEM OR OPPORTUNITY CONTINUUMS

## Relationship among: Decision-Making Structure



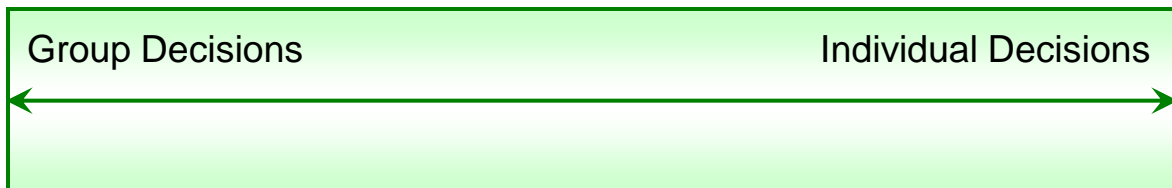
## Decision-Making Conditions



## Which Decision Model to Use



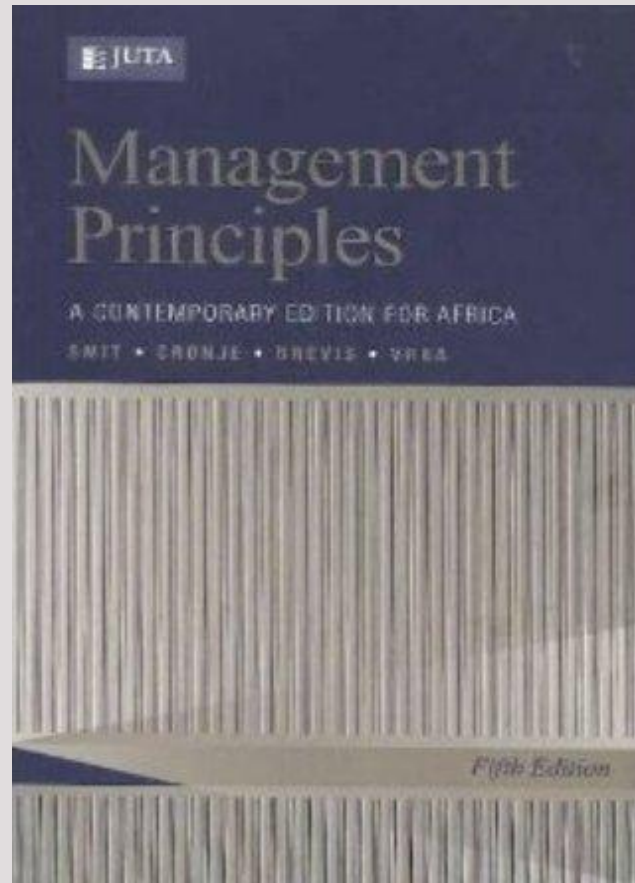
## When to Use Group or Individual Decision-Making



# TOPIC 2: PLANNING

## Study unit 6: Information management

### Chapter 7



# INFORMATION MANAGEMENT

- Role of information as a managerial resource
- Characteristics of useful information
- Classification of information systems
- Designing an information system

# INFORMATION AS A MANAGERIAL RESOURCE

- Data vs information
- Information systems: include people, procedures and other resources used to collect, transform and disseminate information in an organisation.

# CHARACTERISTICS OF USEFUL INFO

- Quality (accuracy)
- Relevance (used for problem solving)
- Quantity (sufficiency)
- Timeliness (must be current)

# CLASSIFICATION OF INFO SYSTEMS

- Operations information systems – support **business functions** (transaction processing, process control, office automation)
- Management information systems – provide info on and **support for managerial decision making** (information reporting, DSS, executive information systems)
- Other classifications (expert, business function, e-commerce, Intranet, Internet, Extranet)



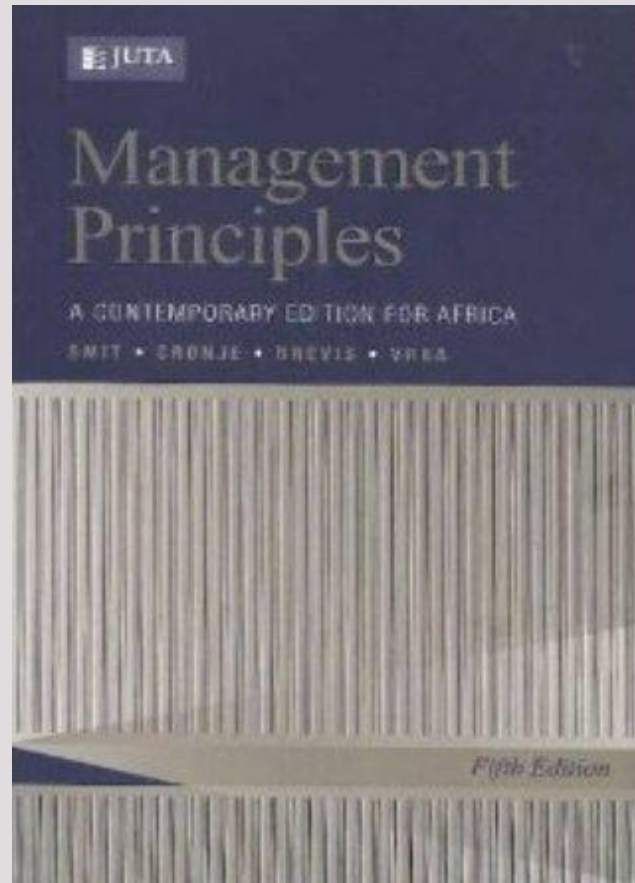
# DESIGNING AN INFORMATION SYSTEM

- Systems **investigation**: feasibility study
- Systems **analysis**: information requirements of end users
- Systems **design**: logical and physical design activities
- **Implementation** acquiring hard- and software, developing software, testing, installation activities.
- Systems **maintenance**: monitoring evaluating and modifying a system once it is running.
- Systems **security**: have to be considered in design and implementation

# TOPIC 3: ORGANISING

## Study unit 7: Organising and delegating

### Chapter 8



# ORGANISING

- An organisation structure is the basic framework of formal relationships among responsibilities, tasks and people in the organisation.
  - Group
  - Integrate
  - Align

# ORGANISATIONAL DESIGN

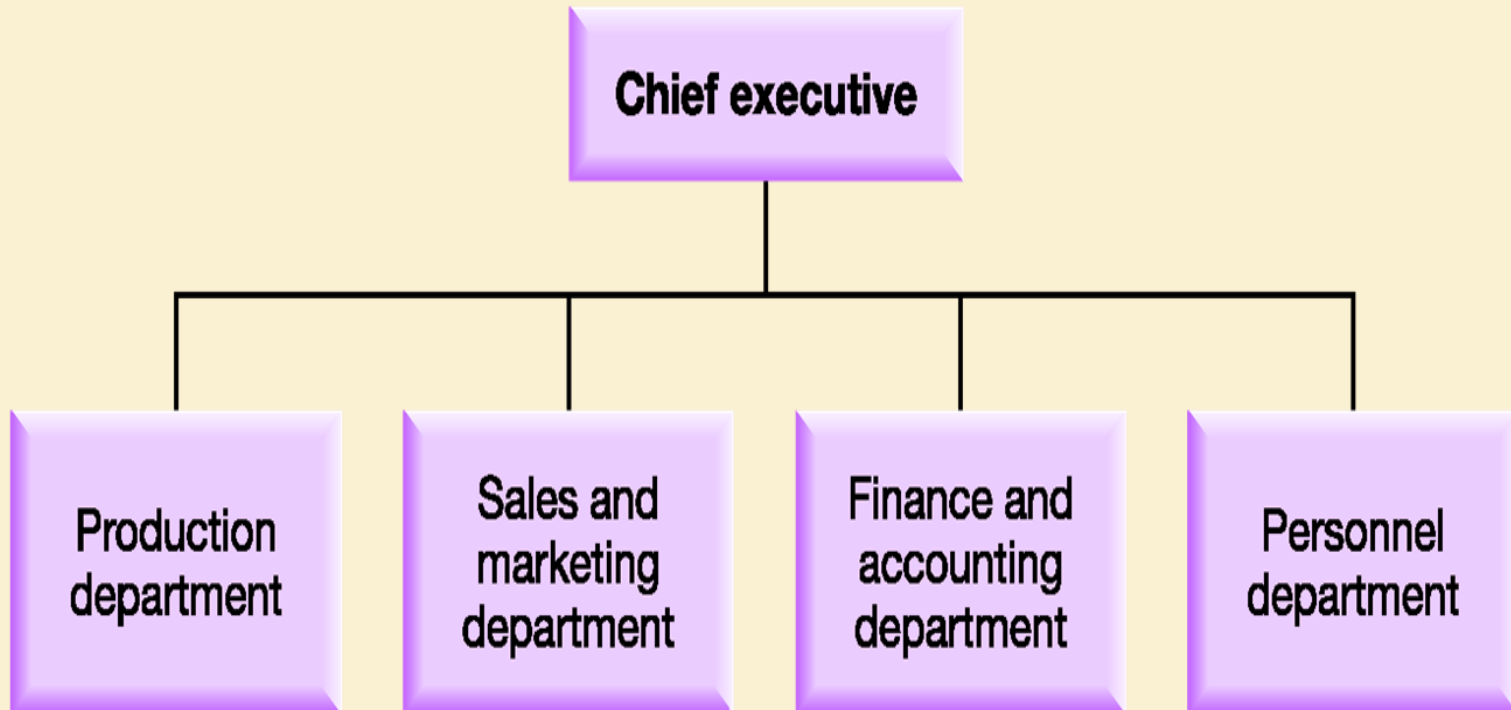
## DEPARTMENTALISATION

- Functional
- Product
- Location
- Customer
- Multiple (matrix, network, new venture, team, virtual network)

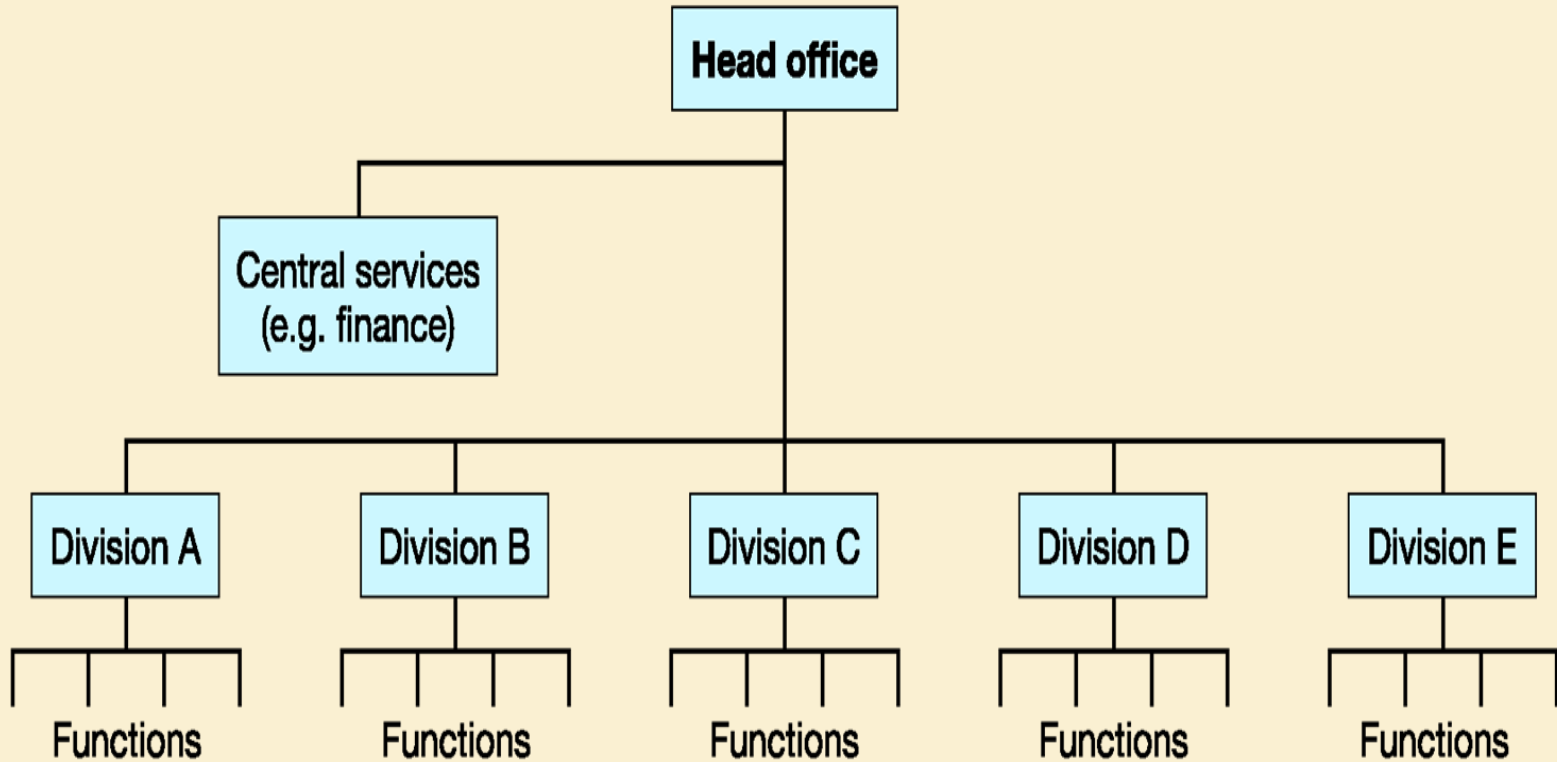


Divisional

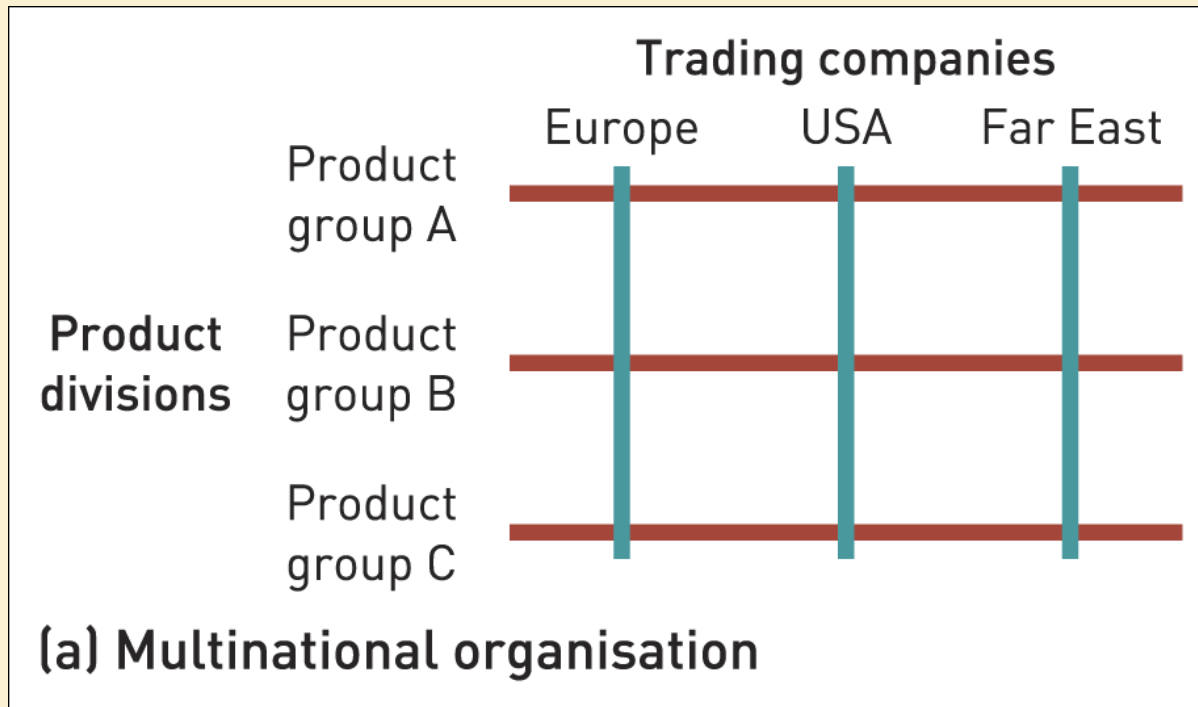
# A functional structure



# A multidivisional structure



# Matrix structure

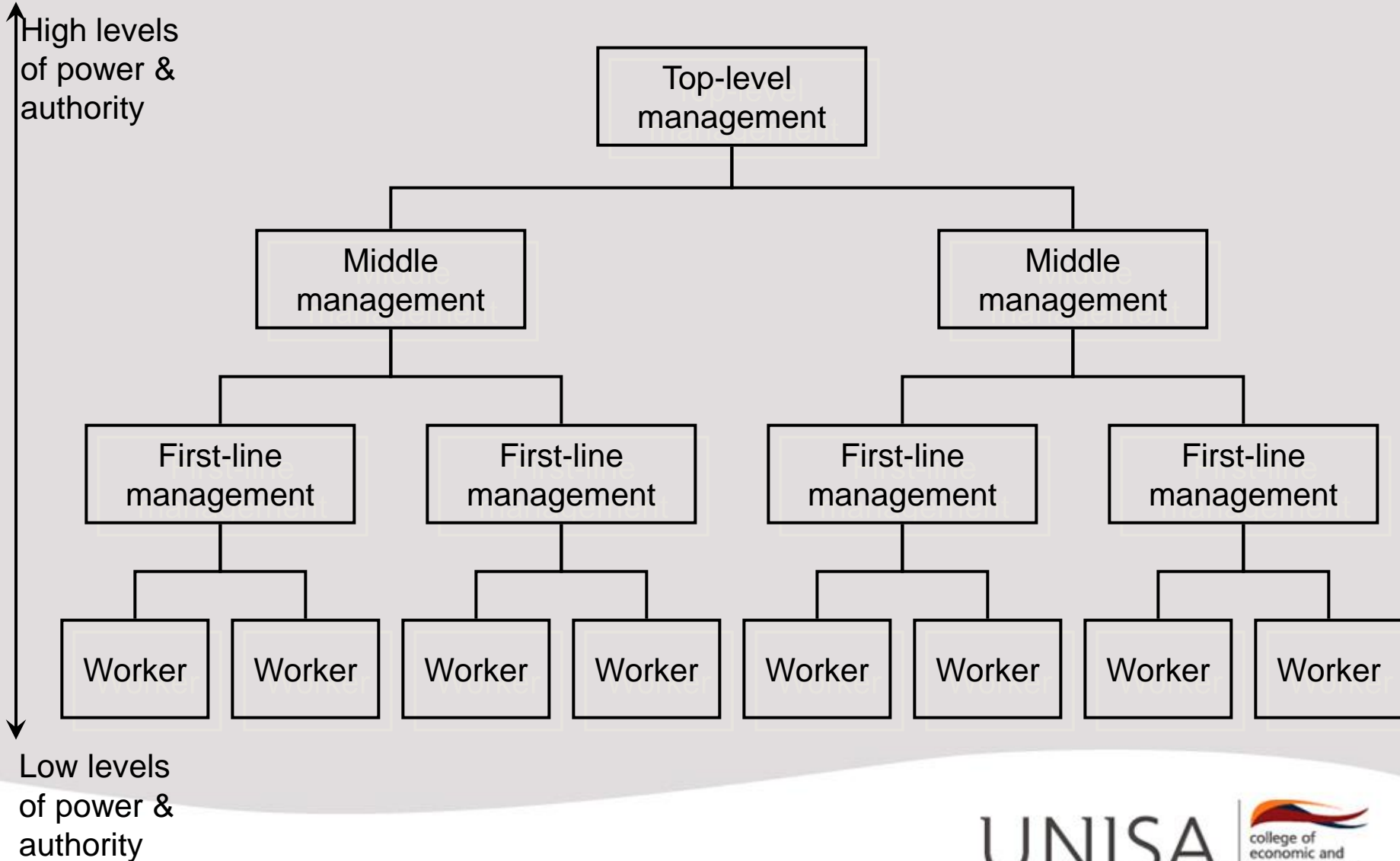


# PRINCIPLES OF ORGANISING

- Unity of command
- Chain of command
- Span of control
- Coordination
- Responsibility
- Authority
- Accountability
- Power
- Delegation
- Downsizing
- Delayering



# AN ORGANOGRAM



# AUTHORITY

**Authority** is the right to make decisions, give orders and use resources.

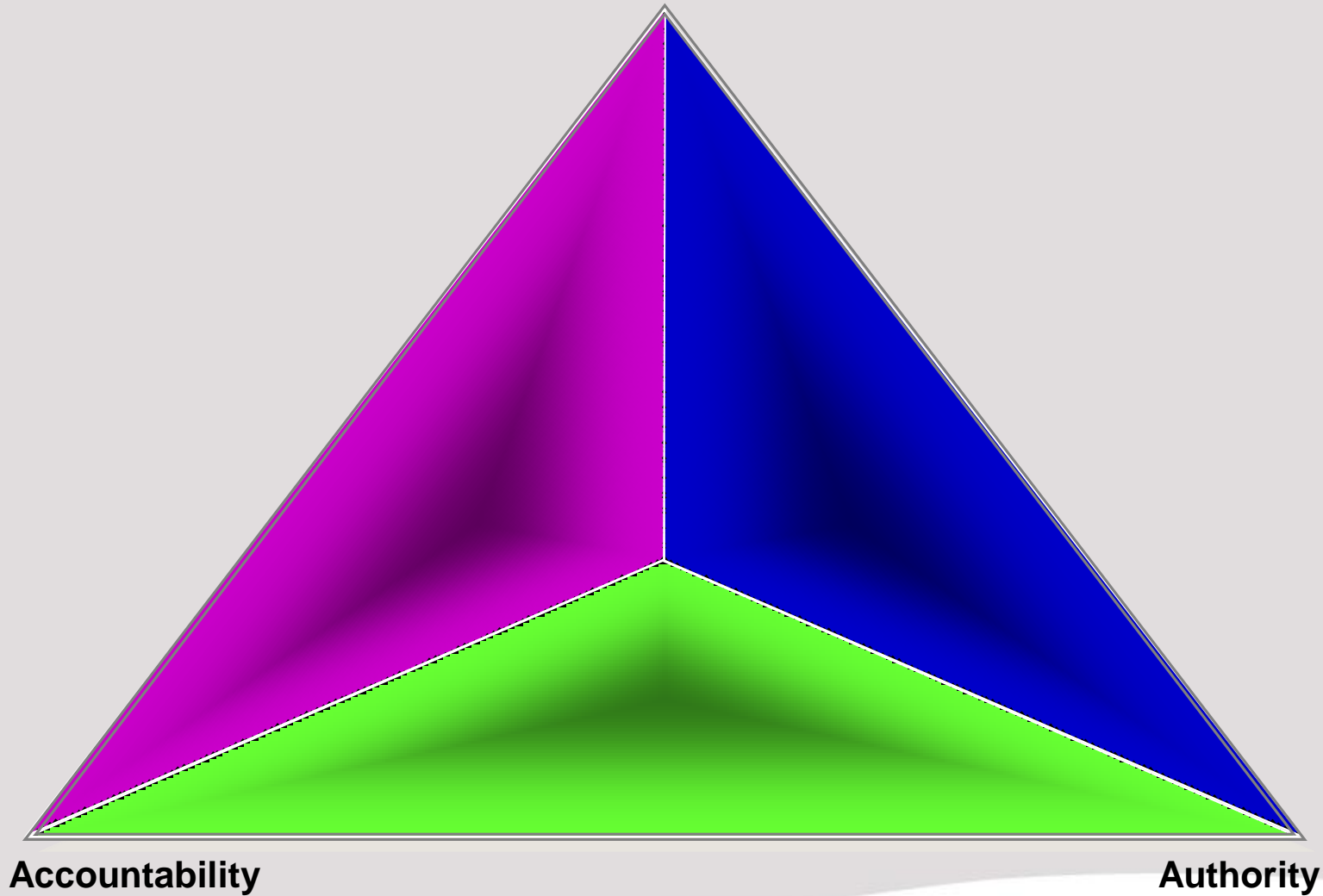
- Organisational authority comes from the positions that people have in organisations.
- Formal authority passed downwards from upper level managers is known as delegation of authority.

# AUTHORITY

- Centralised and decentralised authority:
  - Who makes the important decisions?
  - New organisations

# THE DELEGATION TRIANGLE

**Responsibility**



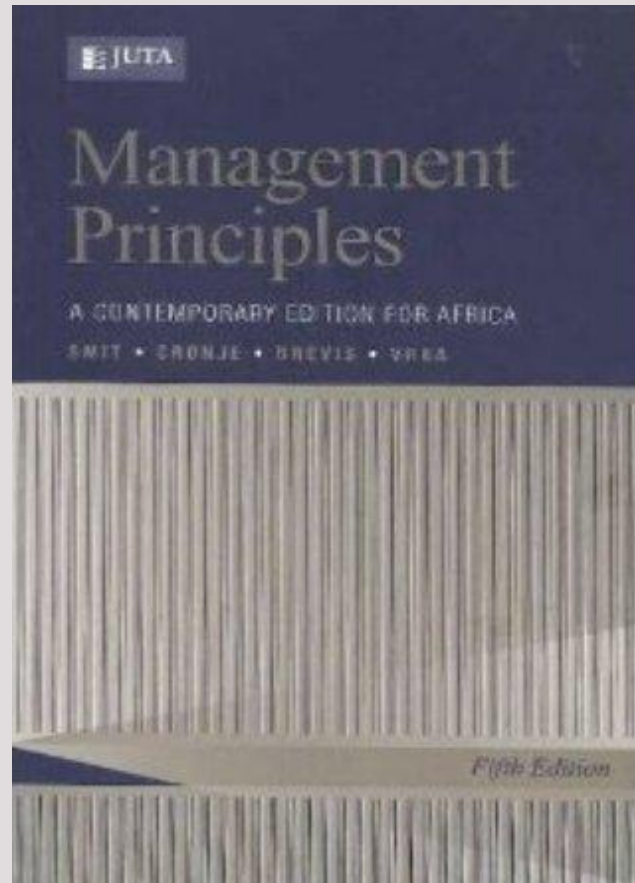
**Accountability**

**Authority**

# TOPIC 4: LEADING

## Study unit 8: The individual in the organisation

### Chapter 12



# PEOPLE IN THE ORGANISATION

## LOW MILAGE



## WELL WORN



# THE HUMAN DIMENSION IN MANAGEMENT

- People work to satisfy their needs and wants
- People are the resources that gets other resources mobilised
- Knowledge workers are the centre of access for many organisations
- People are part of the social system – influence organisational culture

# THE INDIVIDUAL IN THE ORGANISATION

- Values (basic beliefs that a certain way of doing things is preferable to another) - difficult to change
- Attitudes ( a collection of feelings and beliefs)
  - affective (feel)
  - behavioural (act)
  - cognitive (values and knowledge)
- Job related attitudes are important





# THE INDIVIDUAL IN THE ORGANISATION

- Ability: knowledge, skills, value orientation and able to apply in context
- Motivation
- Perception – process in which individuals arrange and interpret sensory impressions in order to make sense of their environment
- Individual learning- part of daily activities in the organisation. Individuals learn by reading, listening, observing and by doing

# PEOPLE IN THE ORGANISATION

## PERSONALITY (1)

- Type: A and B; Meyers Briggs Type Indicator
  - Extrovert-introvert
  - Sensing or intuitive
  - Thinking or feeling
  - Perceiving or judging
- Locus of control - extent to which a person believes that his or her behaviour directly influences the consequences of his or her actions

# PEOPLE IN THE ORGANISATION

## PERSONALITY (2)

- Authoritarianism – extent to which an employee believes that there should be power and status differences in an organisation
- Self monitoring- extent to which employees are able to mould their behaviour according to that of their co-workers.
- Achievement orientation
- Self esteem
- Risk profile

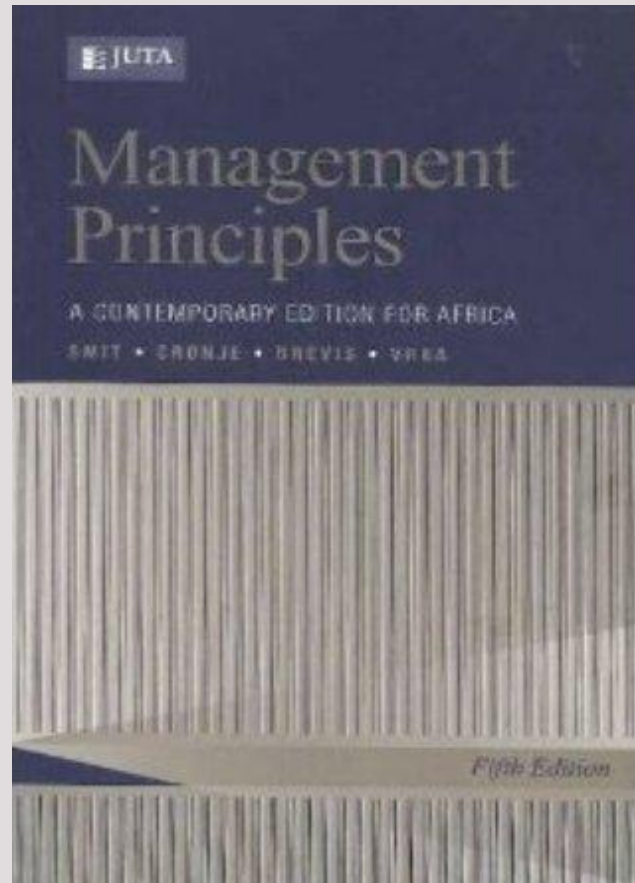
# EMOTIONAL INTELLIGENCE

- Self-awareness - self confidence & realistic self-assessment
- Self-management - regulate own emotions, anxiety and anger
- Self-motivation (achieve, optimism, commitment)
- Social awareness (empathy – awareness of other people’s emotions, concerns and needs, cross cultural sensitivity and service, read currents such as body language and tone
- Social skills (develop others, managing emotions in other people effectively, openness, managing conflict, expertise in leading teams

# TOPIC 4: LEADING

## Study unit 9: Leadership

### Chapter 11



# LEADING AND LEADERSHIP



**LEADERSHIP IS THE PROCESS OF INFLUENCING AND DIRECTING THE BEHAVIOURS OF INDIVIDUALS AND GROUPS IN SUCH A WAY THAT THEY WORK **WILLINGLY** TO PURSUE THE OBJECTIVES AND GOALS OF THE ORGANISATION**

# COMPONENTS OF LEADERSHIP

- Influence
- Power
- Authority
- Delegation
- Responsibility
- Accountability

# BASIC APPROACHES TO LEADERSHIP

- Trait theory
- Behavioural theories
  - University of Ohio
  - University of Michigan
  - Blake & Mouton's Leadership Grid
- Contingency theories
  - Fiedler
  - Hersey and Blanchard
  - Vroom-Yetton-Yago
  - Path-goal (House)



# BEHAVIOURAL THEORIES

## OHIO STATE

Initiating structure – Consideration

## UNIVERSITY OF MICHIGAN

Employee oriented – Production (task)oriented

## MANAGEMENT GRID (Blake & Mouton)

Concern for people – Concern for production

(9,9 team - best; 9,1 authoritarian; 1,9 *laissez faire*)

Research: no evidence that 9,9 effective in all situations.

# CONTINGENCY THEORIES

## FIEDLER'S MODEL

- Match between a leader's style and the degree to which the situation gives control to the leader.
- Identify leadership style, which is fixed (LPC)
- Define situation in terms of leader-member relations, task structure, position power (8)
- Match the leader's style to the situation and not vice versa
- Leadership style is fixed

Research: Evidence supports substantial parts of theory. Problems with practical use.

# HERSEY & BLANCHARD'S THEORY

- Focus is on followers
- Successful leadership is achieved by the right leadership style, which is contingent on the level of the follower's "maturity" (ability and willingness)

Research: Intuitive appeal, popular, but little support

# PATH GOAL THEORY

## (Robert House)

- It is the leader's job to assist followers in achieving goals and to provide direction and/or support to ensure that their goals are compatible with the overall goals of the organisation.
- Directive (ambiguous tasks), Supportive (structured tasks), Participative (internal locus of control), Achievement oriented leadership.
- Influenced by environmental contingencies (task structure, authority system, work group) and subordinate contingencies (locus of control, experience, perceived ability)

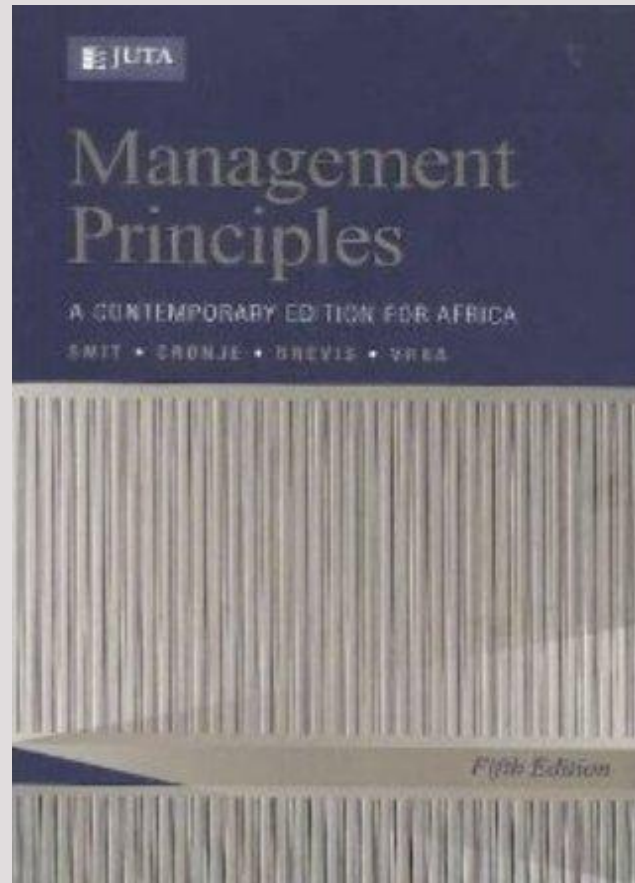
# CONTEMPORARY APPROACHES

- Transactional leadership (stable, ongoing situations, clarify roles, initiate structures provide rewards)
- Charismatic leadership (attribute heroic or extraordinary leadership abilities to leader).
- Transformational leadership: Inspire followers to transcend own self-interest for the good of the organisation, profound effect on followers, deal with change

# TOPIC 4: LEADING

## Study unit 10: Motivation

### Chapter 14



# MOTIVATION

Understanding what makes people want to work



# MOTIVATION CAN BE EITHER ....

**INTERNAL  
(Intrinsic)**



**OR**

**EXTERNAL  
(Extrinsic)**





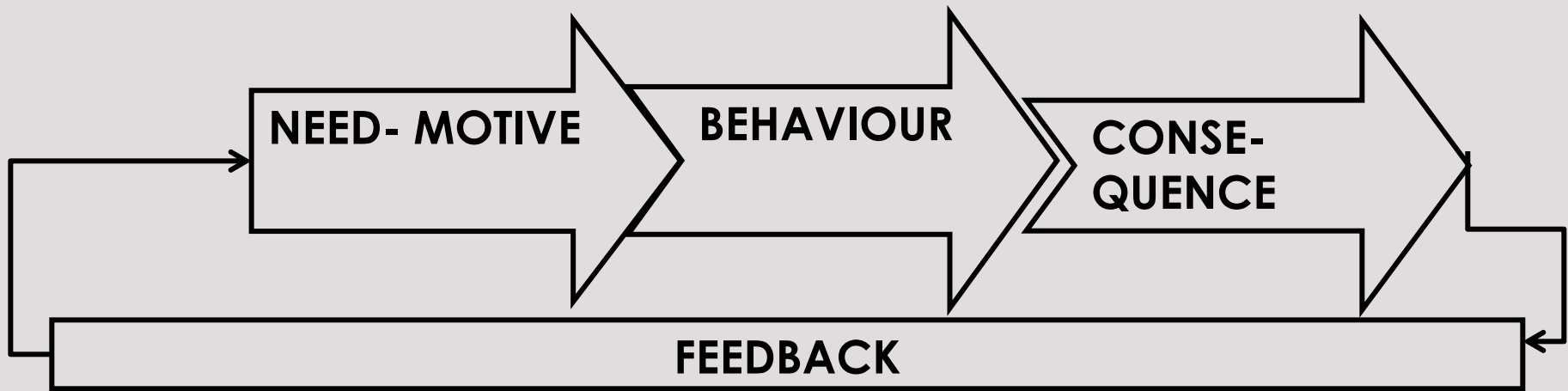
# MOTIVATION

- Motivation process

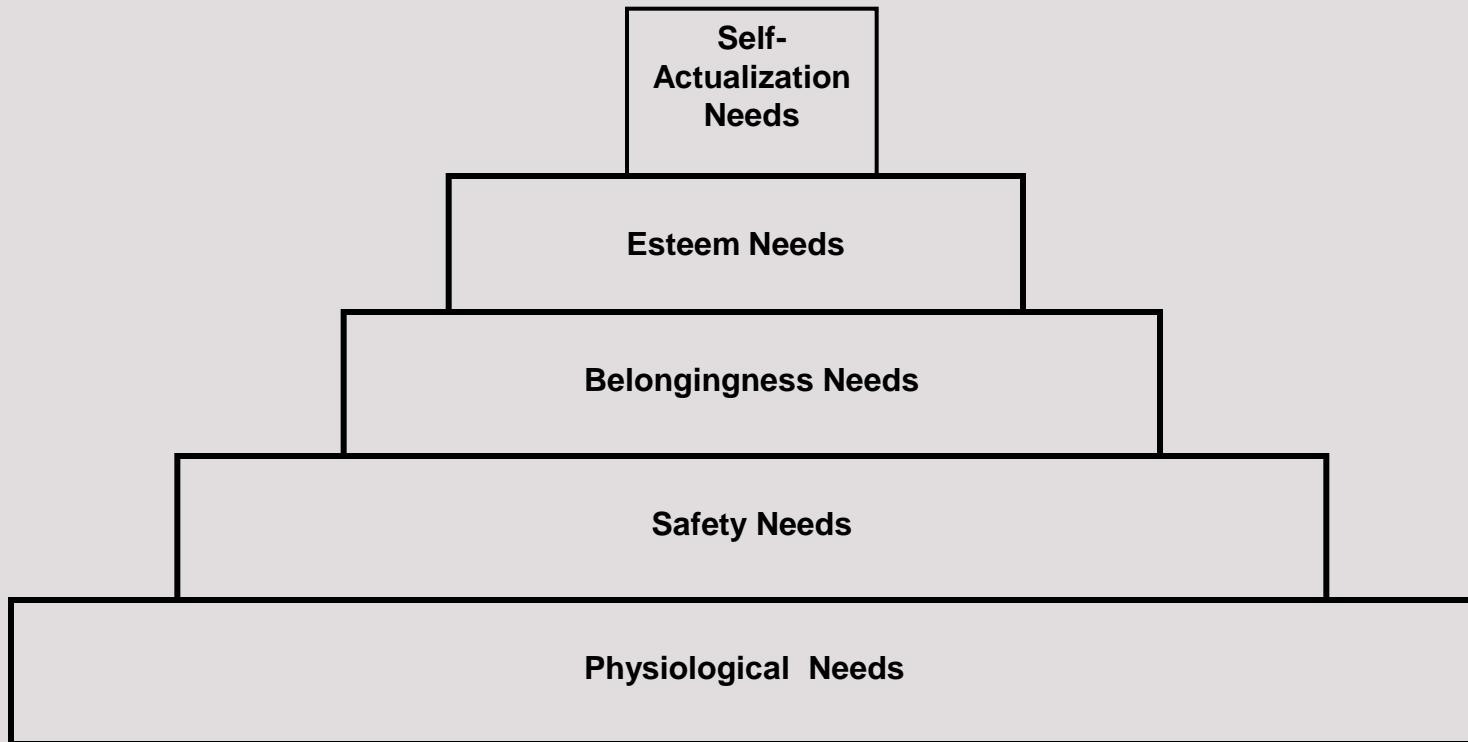
*Performance = Motivation x Ability x Opportunity*

- Content theories - *what*
- Process theories - *how*
- Reinforcement theories – *behaviour a function of its consequences*

# A SIMPLE MODEL OF MOTIVATION



# MASLOW'S HIERARCHY OF NEEDS



# MASLOW'S HIERARCHY OF NEEDS

- Easy to understand and makes sense.
- Highlights important categories of needs.
- Distinction between higher-order and lower-order needs.
- Importance of personal growth and self-actualization is stressed.



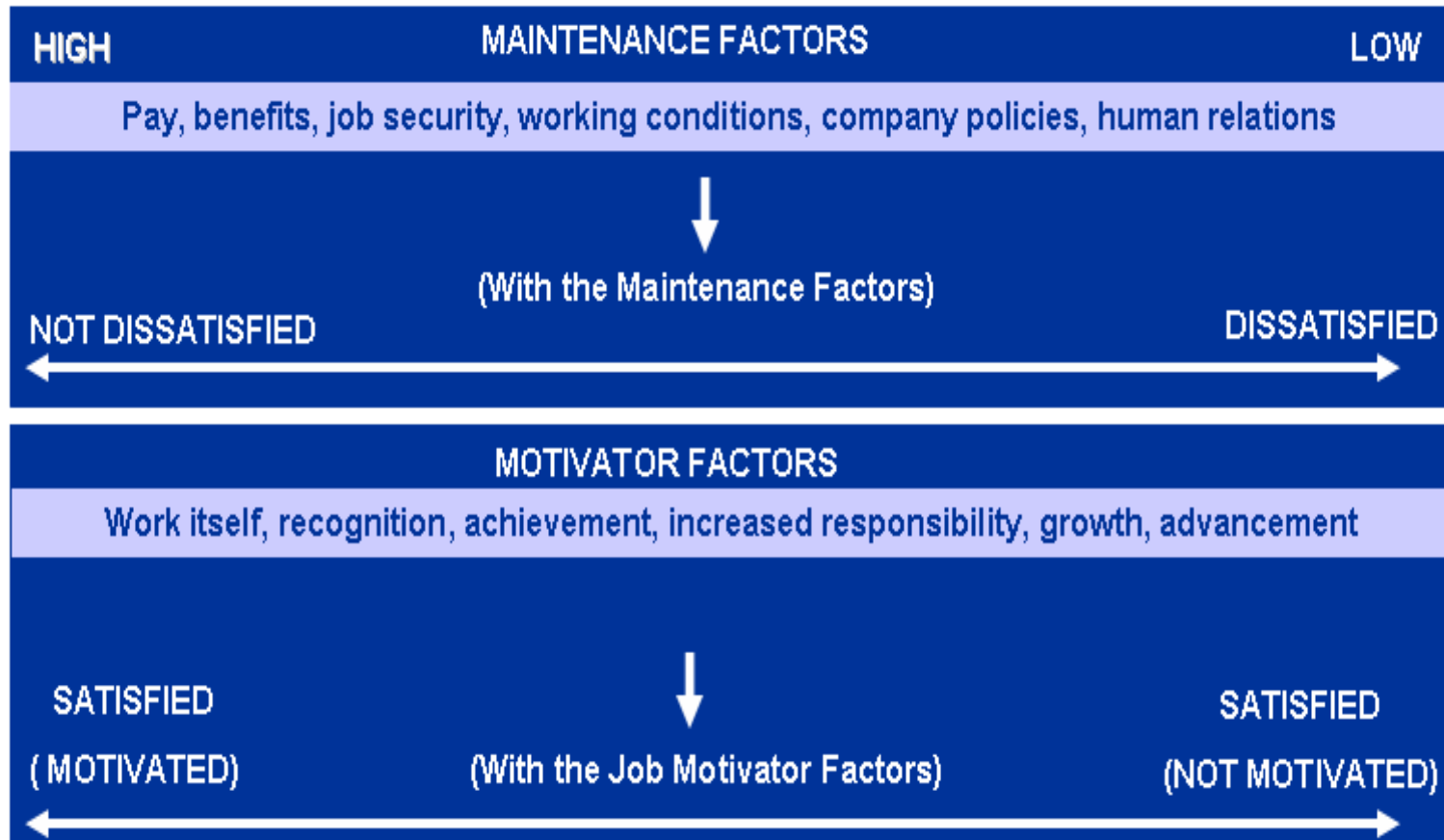
# HERZBERG'S TWO-FACTOR THEORY

- Hygiene/Maintenance factors in *job context*
- Motivators in *job content*

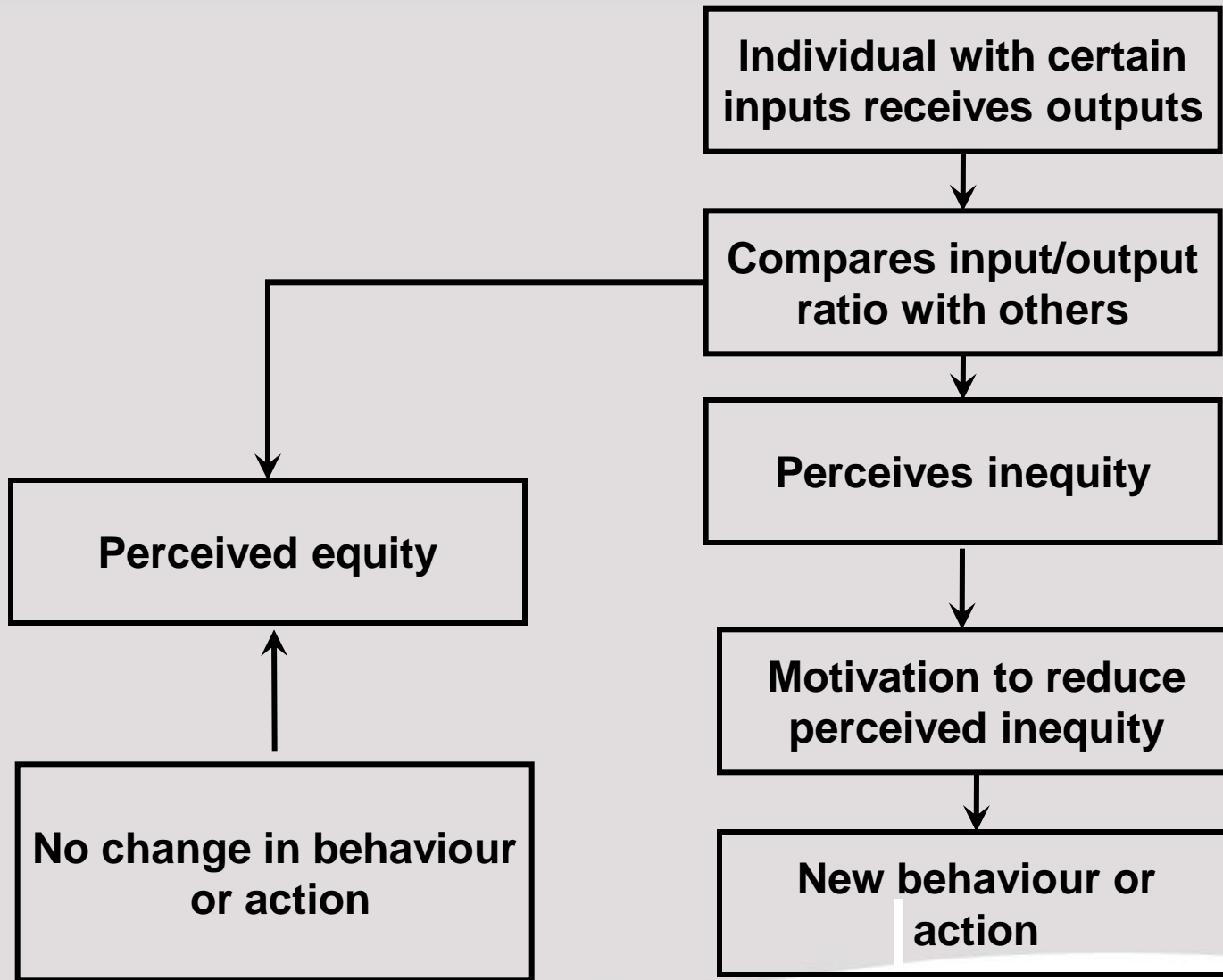


Professor Dr. Frederick Herzberg

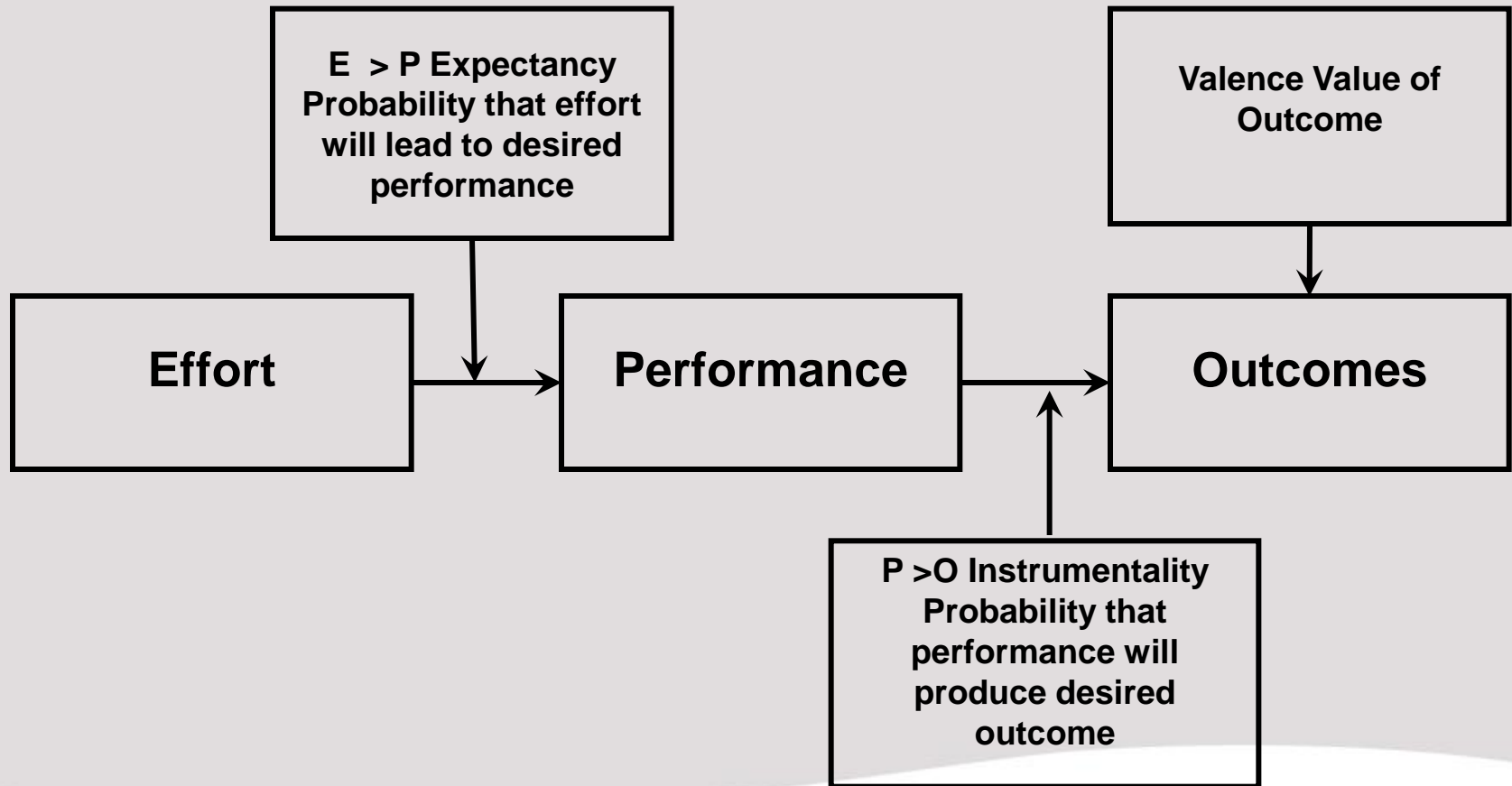
# HERZBERG'S TWO-FACTOR THEORY



# EQUITY THEORY

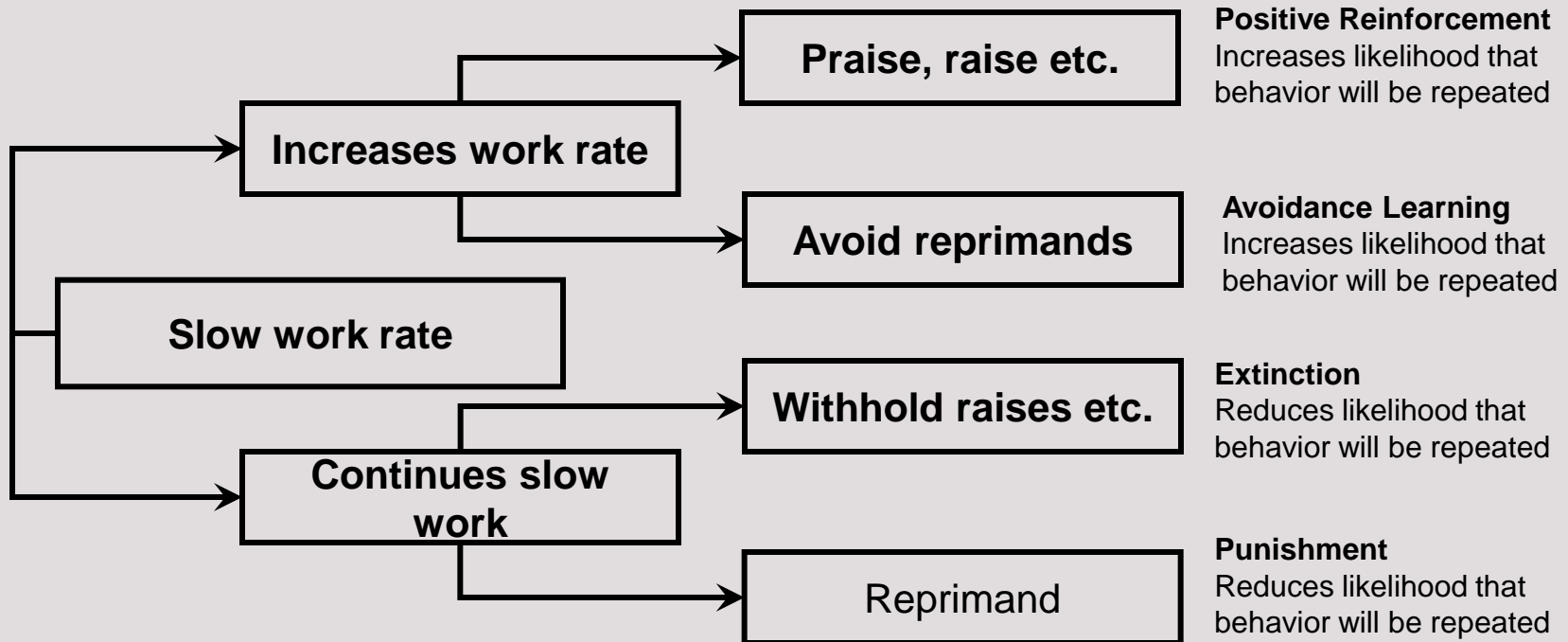


# EXPECTANCY THEORY





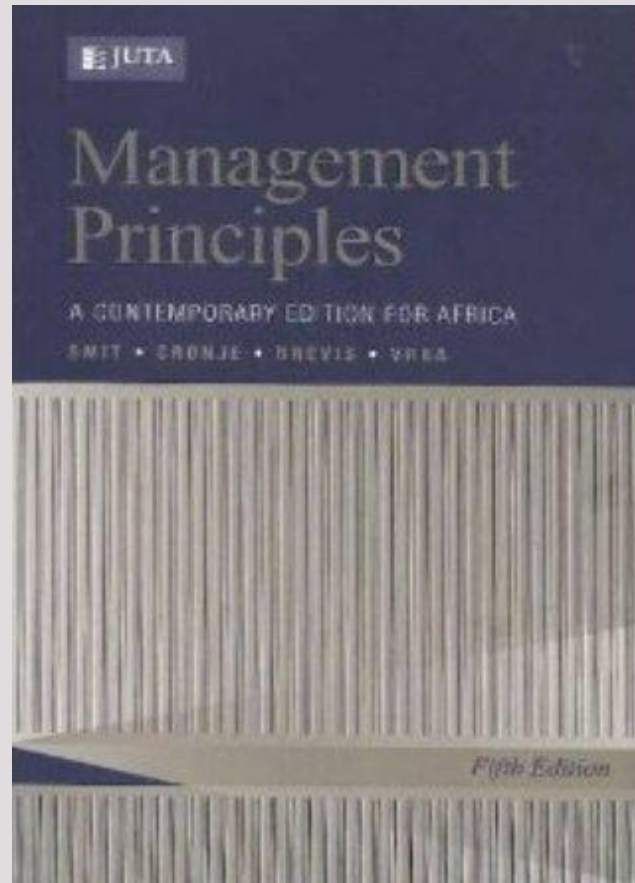
# REINFORCEMENT THEORY



# TOPIC 5: CONTROL

## Study unit 11 :Control

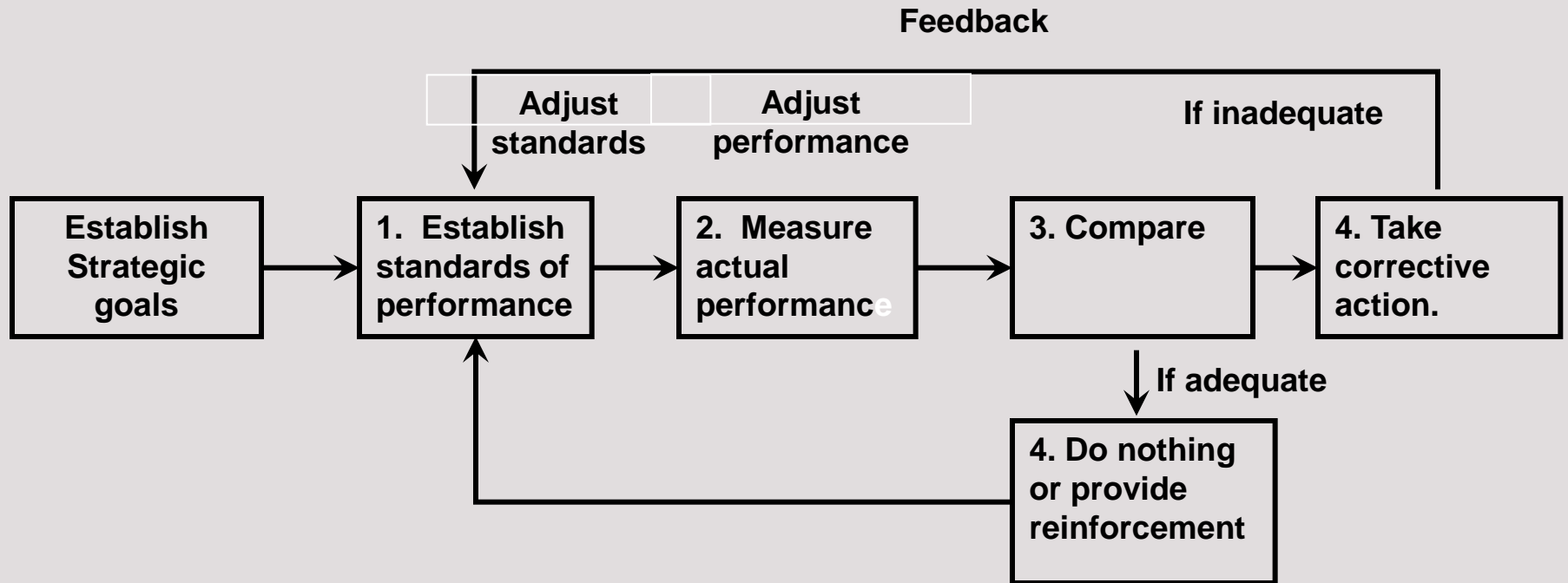
### Chapter 16



# CONTROL

- The control process: Is organisation on track regarding goal attainment?
- The focus of control :
  - Physical: inventory, operational, quality
  - Financial
  - Information
  - Human Resources
- Levels of control
  - Operations (organisation's processes)
  - Preliminary(anticipate problems)
  - Screening (quality)
  - Post action (outputs)

# STEPS IN THE CONTROL PROCESS



# THE EXAMINATION

- 70 multiple-choice questions

**Best Wishes for your examination  
and the rest of your time here at Unisa**

