- **Technical skills**: the ability to use a special proficiency or expertise in your work Their relative importance depends of the level of managerial responsibility. (specialised/ experts)
  - o Conceptual skills are important for top level managers who must deal with complicated problems.
  - o Human skills are essential for all managers, given the highly interpersonal nature of managerial work.
  - o Technical skills are important are low-level managers who tend to specialise in one area.

TWO

Chapter : Environment and Diversity

Topic 2: Environment and diversity

- What is the external environment of organisations?
- What is the internal environment and organisational culture?
- What is a customer-driven organisation?
- What is a quality-driven organisation?
- How is diversity managed in a multicultural organisation?

Environment and competitive advantage

- ➢ Companies need capabilities to compete, survive and thrive
- ➢ **Strategic capabilities:** Those that are difficult to imitate, are of value to the customer, and are better than those possessed by the majority of competitors.
- ➢ **Dynamic capabilities:** Physical (e.g. state-of-the-art equipment or advantageous location), organisational (e.g. outstanding sales force) and human (e.g. expertise in a specialised field).
- ➢ A **competitive advantage** allows an organisation to deal with market and environmental forces better than its competitors.

The environment and competitive advantage pg: 59-60

Strategic capabilities: Difficult to imitate, are of value to the customer, and are better than those possessed by the majority of competitors
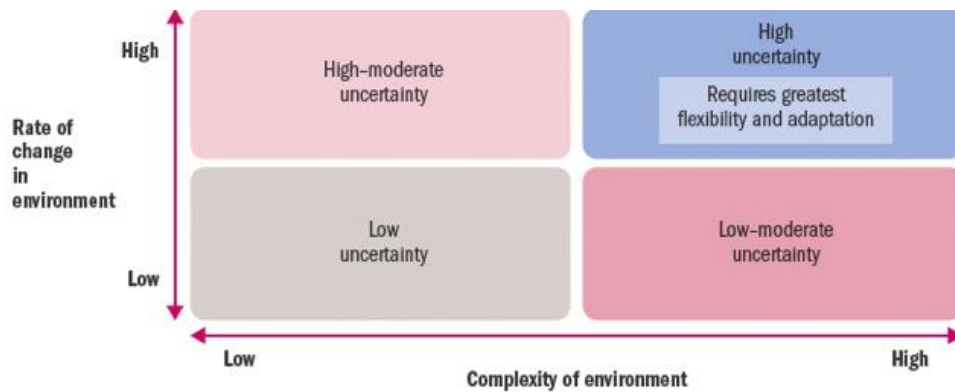
FIGURE 3.3 Dimensions of uncertainty in organisational environments

In general, the greater the environmental uncertainty, the more attention that management in an organization must direct towards the external environment. It has to be continually studied and monitored to spot emerging trends. Also, the greater the environmental uncertainty, the more need there is for flexibility and adaptability in organizational designs and work practices. Because of this uncertainty, organizations must be able to respond quickly as new circumstances arise and information becomes available. Throughout this book you will find many examples of how organizations are becoming more flexible in the attempt to better deal with the high degree of environmental uncertainty that so often prevails in today's dynamic times.

Managing diversity pg: 78-80

Managing diversity is the process of comprehensively developing a work environment that is for everyone.
- Involves creating an internal environment that allows 'all kinds of people to reach their full potential' in the pursuit of organisational objectives
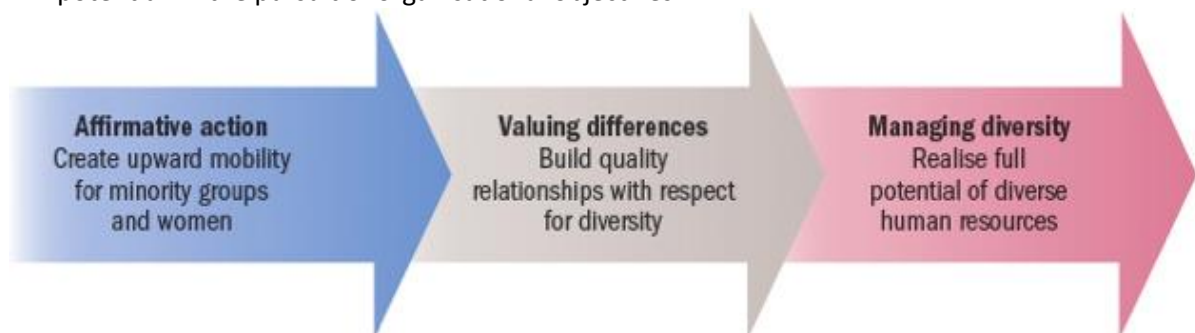

FIGURE 3.7 Multicultural organisations – from affirmative action to managing diversity

Source: Developed from R. Roosevelt Thomas Jr, *Beyond Race and Gender* (New York: AMACOM, 1992), p. 28.

- Affirmative action: Leadership commits the organisation to hiring and advancing minority groups and women.

- Valuing diversity: Leadership commits the organisation to education and training programs designed to help people better understand and respect individual differences

In management, there are two type of rewards:

➢ **Extrinsic rewards**: are provided by someone else.
➢ **Intrinsic rewards**: occur naturally during job performance.

REWARDS AND PERFORMANCE

➢ The issue with linking reward giving with performance often is the rewards don't suit the individual and thus don't motivate them. A better way of linking performance with rewards is to remove the 'one size fits all' approach. In doing so, a company could allow an individual to choose from an array of rewards to suit their own desires/interests.

Content theories of motivation

➢ Help us understand human needs and how people with different needs may respond to different work situations.
➢ Gives insight into how people give meaning to rewards and respond in performance

Needs: are unfulfilled physiological or psychological desires.

➢ People have needs
➢ They engage in behaviours to obtain extrinsic and intrinsic rewards to satisfy their needs.

Hierarchy of needs theory: (Abraham Maslow)

Breaks needs into two categories:

➢ Lower order needs:
  o Physiological, safety and social concerns
  o Represent social and physical concerns

➢ Higher order needs:
  o Esteem and self-actualisation concerns.
  o Represent psychological development and growth

➢ Two principles describe how these needs affect human behaviour
  o **Deficit principle**: a satisfied need is not a motivator of behaviour. People therefore are expected to desire the fulfilment of unsatisfied needs.