

The Exceptional Manager

BBA102, Principles of Management

Focus

- What is management?
- 7 challenges a manager faces
- 4 principal functions of a manager
- Pyramid power; levels and areas of management
- Managerial roles
- Managerial skills

Key terms

Term	Definition
Organisation	A group of people who work together to achieve some specific purpose.
Management	The pursuit of organisational goals efficiently and effectively, by integrating the work of people through planning, organising, leading and controlling the organisation's resources.
Efficiency	The means of attaining the organisation's goals. Using resources - people, money, raw materials and the like - wisely and cost effectively.
Effectiveness	The organisation's ends, the goals. Achieving results, to make the right decisions and successfully carry them out so that they achieve the organisation's goals.

Management

Getting things done, through people. Managers are task oriented, achievement oriented and people oriented. The job of management covers tasks, such as:

- Determining the business and purpose
- Setting objectives, measuring progress
- Managing managers through objectives
- Using resources productively
- Building a positive spirit

- Developing managers
- Matching workers and work
- Designing an effective management structure

The multiplier effect

Good managers create value. Manager's influence on the organisation is multiplied far beyond the results that can be achieved by a lone individual.

7 challenges to being a manager

Based on demands coming from the environment in which people work

1. Managing for competitive advantage

- Competitive advantage: producing goods or services more effectively than competitors, thereby outperforming them.
- To achieve this, organisations must stay ahead in 4 areas:
 - *Being responsive to customers*: does not mean the customer is always right. It is about designing the business to provide something customers value, communicating your value proposition and delivering what you promise
 - *Innovation*: finding ways to deliver new or better goods/services
 - *Quality*: unless your organisation is one of a kind, improving and maintaining quality is an important management idea
 - *Efficiency*: today, companies strive to produce goods and services as quickly as possible, using fewer employees (and raw materials). Whilst, a strategy that downgrades the value of employees might backfire, a company with too many employees may struggle to compete with more efficient rivals. This is why many companies rely on contractors and other forms of temporary work

2. Managing for diversity

- Australia's population growth is rising, especially due to net overseas migration (number of being arriving minus the number leaving to live overseas)
- Trend is predominantly seen in young adults (18-34)
- In coming years, we will see a different mix of women, immigrants and older people in the general population/workforce
- Managers will want to maximise the contribution of employees diverse in gender, age, race and ethnicity

3. Managing for globalisation

- While in the past, Australia and NZ adopted a more managed process towards foreign trade, today the whole world has become more open to international trade and investment (still some controls to protect national economic interests)
- Businesses are operating in globalised economies
- Globalisation is giving foreign-owned companies greater freedom to determine whether they manufacture in Australia or NZ or serve these markets by importing from another country
- Pressure on local companies to expand overseas (a small economy allows businesses to exhaust local market opportunities prior to becoming a well-resourced company)

4. Managing for information technology

- The Internet
- E-commerce (buying and selling goods or services over computer networks) is reshaping industries and revamping the notion of what company is
- Information technology has facilitated e-business (using the internet to facilitate every aspect of running a business)
- The internet is a tool that dramatically lowers the cost of communication. Thereby, industries or activities that heavily rely on the flow of information, are changing.
- Implications of e-business:
 - Far-ranging e-management and e-communication
 - Accelerated decision making, conflict and stress
 - Changes in organisational structure, jobs, goal setting and knowledge management (telecommuting, video conferences, collaborative computing, web-based goal setting software, systems for sharing knowledge)

5. Managing for ethical standards

6. Managing for sustainability

- Economic development that meets the needs of the present without compromising the ability for future generations to meet their needs
- The linking of climate change to increased emissions of carbon dioxide and greenhouse gases has led more countries to put a price on carbon, requiring businesses to pay for their emissions
- Even when a country has not done so, major corporations have begun to limit their global warming emissions
- Customers are more aware than ever of businesses sustainability practices

7. Managing for your own happiness and life goals

- In meeting the organisations challenges, you are also meeting the challenge of realising your own happiness

What managers do: 4 principal functions

- Managers perform the management process: planning, organising, leading and controlling (POLC)
- These functions affect one another and are performed simultaneously
 - **Planning:** setting goals and deciding how to achieve them
 - **Organising:** arranging tasks, people and other resources to accomplish this work
 - **Leading:** motivating, directing and influencing people to work hard to achieve the organisation's goals
 - **Controlling:** monitoring performance, comparing it with goals and taking corrective action as needed

Pyramid Power: levels and areas of management

- Within an organisation, there are managers at 3 levels - top, middle and first line
- Managers can be *general* or *functional*
- Managers may work for profit (to make \$), nonprofit (for services) or mutual-benefit organisations (voluntary collections of members whose purpose is to advance members interests)
- Managers will perform the same 4 functions in these kinds of organisations. The main difference is, for-profit organisations will measure success by how much profit (or loss) it generates. The other types are concerned with the effectiveness of the services delivered.

Top Managers:

Making long-term decisions about the overall direction of the organisation and establish the objectives, policies and strategies for it.

Middle Managers:

Implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first line managers below them.

First-line Managers:

Make short-term operating decisions, directing the daily tasks of non-managerial personnel

Functional Managers:

Responsible for just one organisational activity

General Managers:

Responsible for several organisational activities

Managerial Roles

- Henry Mintzberg - managers play 3 roles (or organised sets of behaviour):
 - *Interpersonal*; figurehead, leader, liaison activities
 - *Informational*; monitor, disseminator, spokesperson
 - *Decisional*; entrepreneur, disturbance handler, resource allocator and negotiator
- A manager relies more on verbal than written communication
- A manager works long hours at intense pace
- A manager's work is characterised by fragmentation, brevity and variety
- Time and task management are major challenges for every manager

Broad managerial roles	Types of roles	Description
INTERPERSONAL Managers interact with people inside and outside their work units	Figurehead	Perform symbolic tasks that represent your organisation - show people around your company, attend employee birthday parties
	Leadership	Responsible for the actions of your subordinates, as their successes and failures reflect on you. Leadership is expressed through decisions about training, motivating and disciplining people
	Liaison	Act like a politician, working with people outside your work unit/ organisation to develop alliances that help you achieve your organisation's goals
INFORMATIONAL Managers receive and communicate information. Accurate information is key or making intelligent decisions.	Monitor	Constantly alert for useful information, whether gathered from external or internal sources
	Disseminator	Constantly disseminate important information to employees, as via email and meetings (employees need to know what's going on)

Broad managerial roles	Types of roles	Description
DECISIONAL Managers use information to make decisions, solve problems or take advantage of opportunities	Spokesperson	Put best face on the activities of your work unit or organisation to people outside it
	Entrepreneur	Initiate and encourage change and innovation
	Disturbance handler	Unforeseen problems require a disturbance handler to fix problems
	Resource allocator	Setting priorities about use of resources
	Negotiator	Working with others inside and outside the organisation to accomplish your goals

Entrepreneurs

- Entrepreneurship is the process of taking risks try to create a new enterprise
- Entrepreneur: someone who sees a new opportunity for a product or service and launches a business try to realise it
- **Entrepreneur:** *someone who works inside an existing organisation, who sees and opportunity for a product or service and mobilises the organisation's resources to try and realise it*
- Being an entrepreneur is what it takes to start a business, being a manager is about growing or maintaining a business.
- Entrepreneurs have psychological characteristics that are different from managers:
 - High need for achievement
 - Belief in personal control of destiny (internal locus of control)
 - High energy level and action orientation
 - High tolerance for ambiguity
 - Self confidence and tolerance for risk

Skills managers need

- **Technical skills:** job-specific knowledge needed to perform well in a specialised field (lower levels of management, such as employees and first-line managers)
- **Conceptual skills:** the ability to think analytically, to visualise an organisation as a whole and understand how the parts work together (top managers)

- **Human skills:** the ability to work well in cooperation with other people to get things done (managers at all levels)
- Traits of a good manager:
 - Gives employees challenging work
 - Creates space for employees to demonstrate their capacity to do a good job
 - Provides support when needed in ways that offer feedback without interfering in the work they've asked others to do
 - Gives recognition and praise
 - Makes tough decisions