

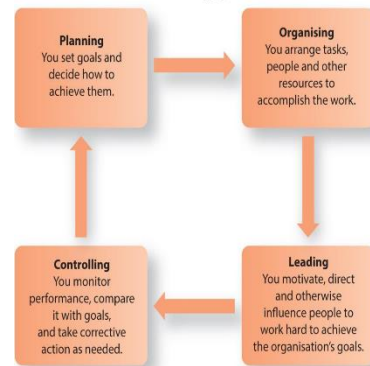
# Business management

## Week 1 introduction

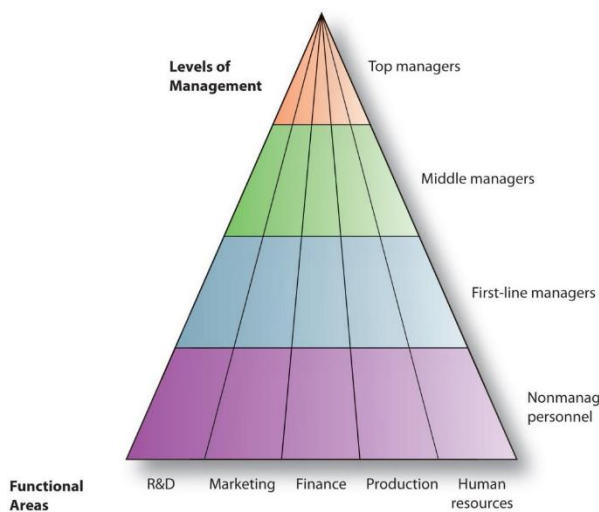
### Introduction

#### What is management

- Pursuit of organisational goals efficiently and effectively by integrating the work of people through planning, organising, leading and controlling the organisations resources
- The act of managing, getting things done through people



**Figure 1.1 THE MANAGEMENT PROCESS**  
What you as a manager do to 'get things done'—to achieve the stated goals of your organisation.



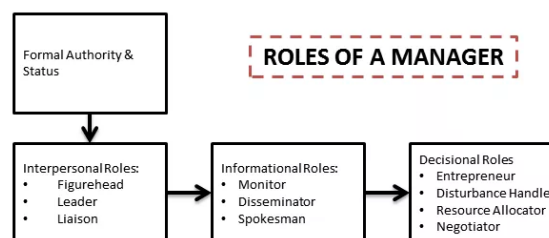
**Figure 1.2 THE LEVELS AND AREAS OF MANAGEMENT**

Top managers make long-term decisions, middle managers implement those decisions and first-line managers make short-term decisions.

#### The dynamics of managing

- Mintzberg's key findings that characterise the dynamic of managing
  - unrelenting pace of managing
  - brevity and variety of its activities in the context of the fragmentation and discontinuity of the job
  - favouring of informal and verbal forms of communication

#### Managers working roles



### Skills exceptional managers need

- technical skills
  - job-specific knowledge needed to perform well in a specialised field
- conceptual skills
  - the ability to think analytically, to visualise an organisation as a whole and understand how the parts work together
- human skills
  - ability to work well in cooperation with other people to get things done

### challenges faced by managers

- managing for competitive advantage
- managing for diversity
- managing for globalisation
- managing for information technology
- managing for ethical standards
- managing for sustainability
- managing for your own happiness and life goals

### Week 2 Managing in a changing global environment

#### What is the environment

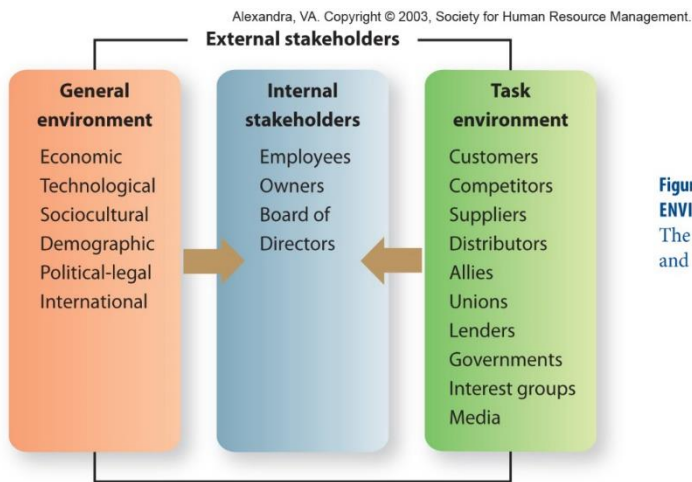
1. circumstances, objects, or conditions by which one is surrounded
2. aggregate of social and cultural conditions that influence the life of an individual or community

#### Managers, organisations and environment influence each other

- Managers and organisations are influenced by the environment
  - Interact with their environment
  - Affect their environment
- Changing environments create uncertainty
  - How well managers can understand or predict the change and trends in the environments affecting their organisations

#### Stakeholders and the environment

- What are stakeholders
  - People whose interests are affected by an organisations activities



**Figure 3.1 THE ORGANISATION'S ENVIRONMENT**

The two main groups are internal and external stakeholders.

The task environment:

1. Customers
2. Competitors
3. Suppliers
4. Distributions
5. Strategic allies
6. Employee organisations
  - Unions
  - Professional organisations
7. Local communities
8. Financial institutions/ lenders (banks, finance companies)
9. Government regulators
10. Special interest groups or NGOs
11. Mass media

The general environment

- Economic forces
  - General economic conditions and trends – unemployment, inflation, interest rates, economic growth – that may affect an organisation's performance
- Technological forces
  - New developments in methods for transforming resources into goods and services
- Sociocultural forces
  - Influences and trends originating in a country's, a society's or a culture's human relationships and values that may affect an organisation
- Demographic forces
  - Influences on an organisation arising from changes in the characteristics of a population, such as age, gender or ethnic origin
- Political- legal forces
  - Changes in the way politics shape laws and laws that shape the opportunities for and threats to an organisation
- International forces

- Changes in the economic, political, legal and technological global system that may affect an organisation

#### Globalisation

- The trend of the world economy towards becoming a more interdependent system
- The collapse of time and distance: what does this mean for managers and their organisations?
- E-commerce
  - The buying and selling of products and services through computer networks
  - E-commerce in Australia and New Zealand has been estimated at close to US \$20 billion in 2013 and it is projected to account for 10% of all retail sales by 2017
- Digitisation
  - Anything that can be digitised- will be digitised e.g. medicine, security, education)

#### How does digital globalisation affect the characteristics of managing?

- It affects pace and continuity:
  - Internet increases the pace, pressure and interruptions of managing
- It affects the orientation to action
  - Email, technically removed from the action enhances the action orientation of managing
- it affects the oral nature of managing
  - While written communication increases, and verbal – decreases, there is a danger that communication can be more frenetic and superficial
- It affects the lateral nature of the job:
  - the easiness of extending external network at the expense of maintaining the internal ones

#### types of managers

- Ethnocentric managers – ‘we know best’
- Polycentric managers- ‘they know best’
- Geocentric managers - ‘what’s best is what’s effective, regardless of origin’

#### Global vs worldly managers

- We hear a great deal these days about managers having to be global; it is far more important that they be worldly
  - To be global implies a certain homogeneity.
  - To be worldly means to be “experienced in life, sophisticated, practical”.
  - All managers function on a set of edges between their own world and those of other people.

## Week 3 Organisational culture and organisational structure

- ❖ Culture and structure are intertwined because one can influence the other

#### What is an organisation?

- System of consciously coordinated and unconsciously coordinated activities or forces between 2 or more persons

- Social units deliberately constructed to seek special goals

### Common elements of organisations

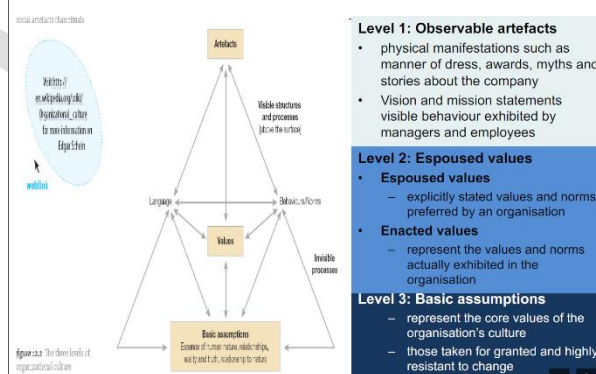
1. Common purpose
2. Coordinated effort
3. Division of labour
4. Hierarchy of authority
5. Authority, responsibility and delegation
6. Centralisation versus decentralisation of authority
  - **Centralization** of authority means the power of planning and decision making are exclusively in the hands of top management.
  - **Decentralization** refers to the dissemination of powers by the top management to the middle or low-level management.

### What is culture?

- Anthropology
  - Social behaviour and norms found in human societies
- Humanities
  - Attribute of the individual has been the degree to which they have cultivated a particular level of sophistication in the arts, sciences, education or manners
- Etymology
  - “colere” → inhabit, care for, till, worship
  - “cultus” → a cult
- Many definitions e.g. national culture
  - Shared set of beliefs, values, knowledge and patterns of behaviour common to a group of people

### Organisational culture

- System of shared beliefs and values that develops within an organisation and guides the behaviour of its members

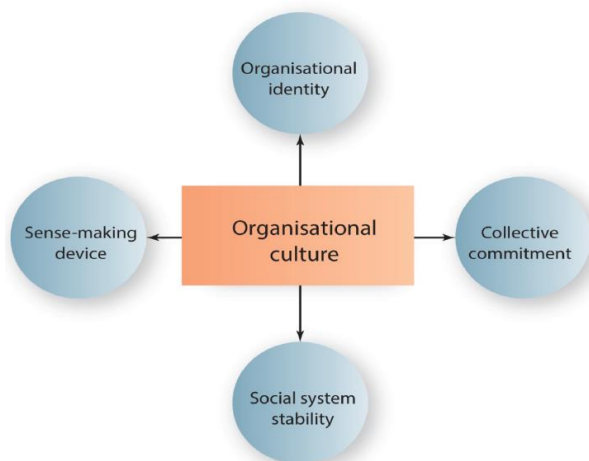


### How employees learn culture

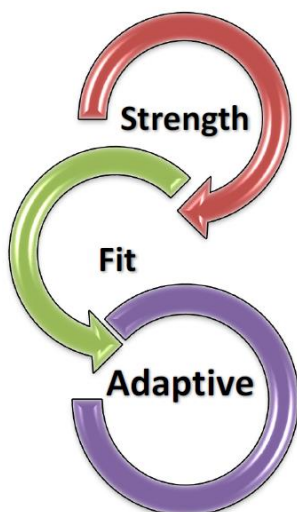
- Symbol

- An object, act, quality, or event that conveys meaning to others
- Story
  - Narrative based on true events, which is repeated – and sometimes embellished upon – to emphasise a particular
- Hero
  - Person whose accomplishments embody the values of the organisation
- Rites and rituals
  - Activities and ceremonies, planned and unplanned, that celebrate important occasions and accomplishments in the organisation's life

4 functions of organisational culture



Cultures for enhancing economic performance: three perspectives



Changing organisational culture

1. Formal statements
2. Slogans and sayings
3. Stories, legends and myths
4. Leader reactions to crises
5. Role modelling, training and coaching
6. Physical design
7. Rewards, titles, promotions and bonuses
8. Organisational goals and performance criteria
9. Measurable and controllable activities
10. Organisational structure
11. Organisational systems and procedures