

INTRODUCTION TO ORGANISATIONS AND MANAGEMENT

IMPORTANCE OF MANAGERS

Manager – someone who coordinates and oversees the work of other people so the organisational goals can be accomplished

- Managerial skills and abilities – are important to help guide organisations through uncertain and complex times
- Goal – they manager, guide and motivate their employees so they can achieve their organisational goal and identify/solve issues
- Communication – managers are important in efficient employee productivity as they create and improve communication between employees and their supervisors

CHARACTERISTICS OF AN ORGANISATION

Organisation – a systematic and deliberate arrangement of people designed to accomplish a specific goal or purpose

- Distinct purpose – goal(s) the organisation hopes to achieve
- People – more than one person working together to achieve goals
- Deliberate structure – so members can do their work
 - Traditional – inflexible, defined rules and job descriptions
 - Contemporary – flexible, no precise job duties, team oriented

MANAGERS AND NON-MANAGERIAL EMPLOYEES

- **Employees** – directly produce the organisations products or services their customers
- **First line manager** – lower level of management who manage the work of non-managerial employees e.g. supervisors, shift manager
- **Middle manager** – manages the work of first line and top levels e.g. regional manager, department head
- **Top manager** – responsible for making organisation wide decisions and establishing goals and plans that effect the entire organisation e.g. CEO

MANAGEMENT, EFFICIENCY AND EFFECTIVENESS

- **Management** – the process of coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively
- **Efficiency** – getting the most output from the least input
- **Effectiveness** – correctly completing activities so organisational goals are attained

MANAGEMENT FUNCTIONS

- **Planning** – defining goals, establishing strategy and developing plans to coordinate activities
- **Efficiency** – getting the most output from the least amount of input
- **Effectiveness** – correctly completing activities so organisational goals are attained

MANAGEMENT ROLES (MINTZBERG)

- **Interpersonal** – involve people & duties ceremonial/symbolic in nature
 - *Figurehead*: performs legal/social duties eg. greet visitors
 - *Leader*: responsible for staffing, training, motivating employees
 - *Liaison*: contact sources outside their specific unit (eg. HR to sales) to provide manager with information
- **Informational**: involve receiving, collecting and giving information

- *Monitor*: seek and receive internal and external information
- *Disseminator*: transmits info to members of organisation
- *Spokesperson*: transmits info to outsiders eg. plans to media
- **Decisional**: revolve around making decisions
 - *Entrepreneurs*: initiate and oversee new projects
 - *Disturbance handler*: take corrective action to resolve problems
 - *Resource allocators*: e.g. Human, physical & monetary resources
 - *Negotiators*: represent org when negotiating with other groups

MANAGEMENT SKILLS

Technical: knowledge of and proficiency in a specialised field/job

Human: ability to work well with other people individually or groups

Conceptual: ability to think about abstract/complex situations-top

UNIVERSALITY

- Organisational Level and Area-less universal overseas
 - All different level managers have to plan, organise, lead and control
 - The content and time given to each function above differs on levels e.g. Higher managers do more planning/organising
 - Depending on area (marketing/HR), roles may change.
- Organisational Type and Size
 - Type: Managers in profit and non-for-profit orgs have same functions
 - Difference: financial performance not as important in non-for-profit
 - Size: Functions same in small business (<20), different roles e.g. Large manager allocates resources, small meets customers/handles finance.

FACTORS THAT ARE REDEFINING MANAGER'S JOBS

- **Customer service**: create positive employee attitudes- improve satisfaction
- **Social Media**: can improve communication with team and thus efficiency
- **Innovation**: new ideas and approaches can improve efficiency
- **Sustainability**: managers must achieve goals by integrating economic, environmental and social opportunities into business strategies.

FOUNDATIONS OF MANAGEMENT THEORY

EARLY MANAGEMENT PRACTICES

- Division of labour – the breakdown of jobs into narrow and repetitive tasks (increases productivity)
- Industrial revolution – late 18th century, machine power substituted by human power – large efficient factories needed managing

APPROACHES TO MANAGEMENT

Classical approach – first studies of management which emphasised rationality and making organisations and workers as efficient as possible

- **Scientific management** – using scientific methods to define the 'one best way' for a job to be done'
 - *Frederick W. Taylor*: used 4 scientific principles that are guidelines for improving production and job efficiency:
 - 1. Develop a science for each type of job to find the most efficient methods
 - 2. Scientifically select, train and develop workers to match each job requirement
 - 3. Ensure cooperation from the workers by offering incentives and provide an environment that reinforces optimal work results.
 - 4. Divide and allocate responsibilities to workers and managers

- Some people are managers while others better at taking directions.
 - *Frank and Lillian Gilbreth's*: used time and motions studies and analysed the design of proper tools and equipment for optimising work performance
 - Today's managers use concepts of scientific mgmt. to improve efficiency i.e. use time and motion studies to eliminate wasted motions, hire best-qualified workers and design incentives based on output (eg. bonuses)
- **Administrative theory** – focuses on describing what managers do and what constitutes good management practice
 - *Henri Fayol*: believed that the functions of management were common to all business endeavours.
 - He developed 14 principles of management from which current management concepts evolved, in order to increase efficiency in mgmt.
 - He also developed the 5 (now 4) management functions: Planning, organising, controlling, command, coordinating.
 - *Max Weber*: described an ideal type of organisation called a “bureaucracy” characterised by:
 - The division of labour
 - Clearly defined hierarchy
 - Detailed rules and regulations
 - Impersonal relations
 - Today, the functional view of the manager's job (planning, organising, leading and controlling) can be attributed to Fayol. Webers organisation structure was used throughout 20th century however becoming less popular as it limits employee's creativity and work environment.
- **Quantitative approach** – involves the application of quantitative techniques e.g. statistics, optimisation models and computer simulations to management activities to improve decision making
 - Total quality management is a philosophy devoted to continual improvement and responding to customer needs and expectations.
 - Customer: anyone who interacts with orgs products- employees etc
 - Continual improvement: not possible without quantitative measurements to compare against standards.

ORGANISATIONAL BEHAVIOUR APPROACH

Concerned with the actions (behaviours) of people at work

- **Early advocates**: Owen, Munsterberg, Bernard and Follett all believed that people were the most important asset of the organisation and should be managed accordingly – contributions in order
 - Provided foundation for idealistic workplaces, employee selection procedures, motivation programs and work teams.
- **Hawthorne studies** lead to a new emphasis on the role of people and their behaviour in management.
 - Found that individual incentives eg. more money, had less effect on the individual behaviour and output of workers while social norms, group pressure, group standards and acceptance had more effect
- **Human Relations Movement**: the belief, not supported by research, that satisfied worker will be productive

