

Contextualising Contemporary Management

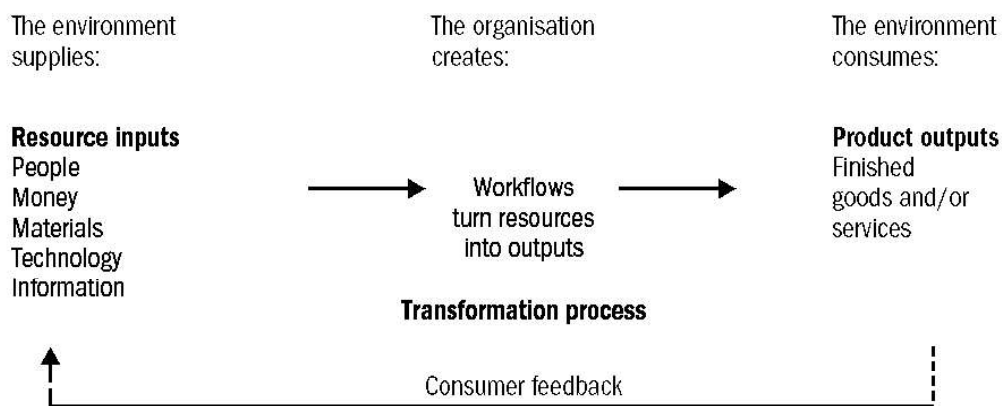
Working in Today's Economy: *What are the challenges in the contemporary workplace?*

- The 21st century has brought with it a new workplace. Organisations are fast changing, as is the nature of work itself. Learning and speed are in; habit and complacency are out.
- The new economy is a global economy whose scope increases daily. The nations of the world and their economies are increasingly interdependent.
- The high-performance themes of the day are 'empowerment', 'respect', 'participation', 'flexibility', 'teamwork', 'creativity' and 'innovation'
- In the contemporary workplace, the ultimate foundation of an organisations success are its people – what they know, what they learn and what they do with it.
 - They represent the firms' **intellectual capital** – the collective brain power or shared knowledge that can be used to create value.
 - An **knowledge worker** is someone who's mind is a critical resource for employers and who adds to the intellectual capital of the organisation.
- **Globalisation** is the worldwide interdependence of resource flows, product markets and business competition that characterises our new economy
 - In a globalised world, countries and peoples are increasingly interconnected through the news, in travel and lifestyles, in labour markets and employment patterns, and in business dealings.
 - The national boundaries of world business have largely disappeared.
 - More and more products are designed in one country, their component parts are made in others and the assembly of the final product takes place in yet another.
- We now live in a **technology**-driven world increasingly dominated by barcodes, automatic tellers, computerised telemarketing campaigns, email, internet resources electronic commerce and more.
 - Computers allow organisations to speed transactions and improve decision-making whether you are managing the inventory, making a sales transaction, ordering supplies or analysing customer preferences.
 - The demand for knowledge workers with the skills to use technology to full advantage is increasing – computer literacy is a must.
- **Workforce diversity** describes differences among workers in gender, race, age, ethnic culture, able-bodieness, religious affiliation and sexual orientation.
 - Today's diverse and multicultural workforce offers opportunities of potential performance gains, as organisations can tap into a rich talent pool.
 - The legal context of HRM is very strict in prohibiting the use of demographic characteristics to make decisions about things like hiring and promotion. We need to be alert of our own unconscious bias.
- Organisations and their managers are under pressure to undertake **ethically** and socially responsible conduct.
 - Expectations include: sustainable development and protection of the natural environment, protection of consumers through product safety and fair practices, and the protection of human rights

- Workplace concerns include equal employment opportunities, equity of compensation and benefits, privacy, job security, occupational health and safety and freedom from sexual harassment

Organisations in Today's Workplace: *What are organisations like in the contemporary workplace?*

- An **organisation** is a collection of people working together with a division of labour to achieve a common purpose.
 - They all share a broad purpose; providing useful goods or services.
 - Each in its own way should return value to society and satisfy customers' needs in order to justify continued existence.
- Organisations can be seen as systems with subsystems, composed of interrelated parts that function together to achieve a common purpose
- Organisations are **open systems** – they interact with their environments in the continual process of transforming resource inputs from the environment into finished product or service outputs.



- As a system, the organisation has inputs (raw materials, effort, ideas, etc.), strategy and policies, transformation processes and outputs (finished goods and services), and operates with its own internal environment of culture and history
- **Organisational performance** - value is created when an organisation's resources are used in the right way and at the right time and at minimum cost to create high-quality goods and services for customers. Resources and customers are important – resources must be put to good use, and customers must be well served. *Value creation* is important. There are a variety of performance measures used:
 - Customer side: customer satisfaction, loyalty and market share.
 - Employee side: retention, career development, job satisfaction and related issues.
 - **Productivity** – the quantity and quality of work performance, with resource use considered.
 - **Performance effectiveness** – a measure of task output or goal accomplishment. E.g. meet daily production target.
 - **Performance efficiency** – a measure of resource cost associated with goal accomplishment. Common measures include cost of labour, equipment use, facilities maintenance, and returns on capital investment.
 - It also includes satisfaction and adaptability:

Efficiency

(ratio of resources used to produce goods & services)

- Profitability
- Market share
- Productivity

Effectiveness

(measure of goal attainment or how close managers are to reaching their goal)

- CSR
- Product/Service leadership

Satisfaction

Which leads to long term efficiency depends on:

- Staff development
- Employee attitudes and values

Adaptability

Which leads to long term effectiveness depends on:

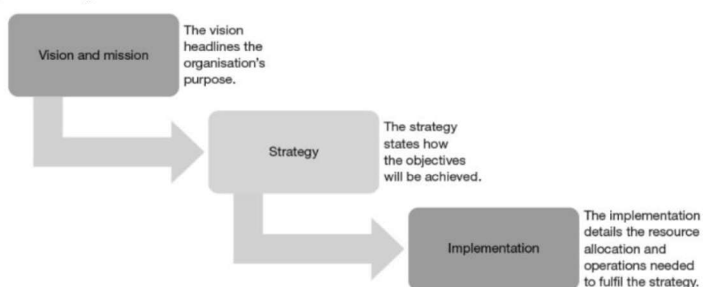
- CSR
- Product/service leadership
- Balance short-term and long term objectives

- The changing nature of organisations: pre-eminence of technology, demise of command-and-control, focus on speed, adoption of networking, belief in empowerment, emphasis on teamwork, new workforce expectations, and concern for work-life balance.

Managers in Today's Workplace: *Who are managers and what do they do?*

- **Managers** are largely responsible for ensuring the achievement of productivity, effectiveness and efficiency.
 - *Management* is the process of bringing resources together to produce services or products.
 - **Managers** are the people in organisations who directly support and help activate the work efforts and performance accomplishments of others.
- There are three levels of management:
 - Board of directors: the most senior level of management decides the purpose of the organisation, the environment it operates in, and how it undertakes its mission.
 - Top management: (CEO) reports to the board and is entrusted with resources approved through the budget and must report on how the boards strategies are implemented.
 - Operational management: report to the CEO, and are responsible for implementing the boards strategies, and deploy organisational assets and resources.
- Types of managers include: line managers, staff managers, functional managers, and general managers.
- Managers must accomplish organisation goals, while being held 'accountable'. **Accountability** is the requirement to show performance results to a supervisor.
- The process of management:

The process of management



- Changing nature of managerial work:
 - The work managers perform is less directive and more supportive than in the past.
 - There is little tolerance or need in today's organisations for those who simply sit back and tell others what to do. The best managers are well informed regarding the needs of those reporting to or dependent on them. They can often be found working alongside those they supervise
 - An emphasis on customers increasingly drives managerial work in these new settings.