

MGMT1001 Notes

Managing People and Organisations

Week 1 | Chapter One: The Exceptional Manager

1.1 MANAGEMENT: WHAT IT IS, WHAT ITS BENEFITS ARE

- management is defined as (1) *the pursuit of organisational goals efficiently and effectively* by (2) *integrating the work of people through* (3) *planning, organising, leading and controlling*
 - **efficiency** is the means of attaining the organisation's goals, to use resources wisely and cost-effectively
 - **effectiveness** is the organisation's ends, the goals, meaning the right decisions must be made and successfully carried out so that they achieve the organisation's goals
- the multiplier effect: good managers have an influence on the organisation far beyond the results that can be achieved by one person acting alone
- management is 'the art of getting things done through people'
- an **organisation** is a group of people who work together to achieve some specific purpose

The Rewards of Studying Management

- you will understand how to deal with organisations from the outside as a customer or investor for example
- you will understand how to relate to your supervisors
- you will understand how to interact with co-workers
- you will understand how to manage yourself in the workplace

The Rewards of Practising Management

- you and your employees can experience a sense of accomplishment
- you can stretch your abilities and magnify your range
- you can build a catalogue of successful products or services

1.2 SEVEN CHALLENGES TO BEING AN EXCEPTIONAL MANAGER

1. managing for competitive advantage

- competitive advantage is the ability of an organisation to produce goods or services more effectively than competitors do
- an organisation must stay ahead in four areas:
 1. *being responsive to customers*: designing your business to provide something customers value, communicating your value proposition and delivering what you promote
 2. *innovation*: finding new ways to deliver new or better goods
 3. *quality*
 4. *efficiency*: companies strive to produce g&s as quickly as possible using as few employees as possible

2. managing for diversity

- the future won't resemble the past
- Aus has a very high population growth rate due to net overseas migration
- there will be a different mix of women, immigrants and older people in the general population as well as in the workforce in coming years

3. managing for globalisation

- the world is now open to international trade and investment
- managing for globalisation will be a complex, ongoing challenge

4. managing for information technology

- e-commerce has reshaped entire industries
- information tech has facilitated e-business
- the internet lowers communication costs, which means it can radically alter any industry or activity that depends heavily on the flow of information

- the internet accelerated business making, conflict and stress because it speeds everything up and can overwhelm us with information
- changes in organisational structure, jobs, goal setting and knowledge management as organisations are no longer bound by time zones or locations
- knowledge management — implementing systems and practices to increase the sharing of knowledge and information throughout an organisation

5. managing for ethical standards

- ethical behaviour is an important part of doing business
- business should treat employees well, provide high quality G&S, listen to customers, pay their fair share of taxes and adopt ethical business practices

6. managing for sustainability

- environmental impacts are an increasing threat to the ability of businesses to continue to create value for customers
- sustainability is a megatrend
- businesses are responding to this, driving new product ideas and encouraging more efficient forms of technology

7. managing for own well-being and life goals

- you have to consider whether in meeting the organisation's challenges you are meeting the challenge of realising your own happiness
- one's experience in management is greatly affected by the company's culture

1.3 WHAT MANAGERS DO: THE 4 PRINCIPAL FUNCTIONS

- the **management process** is planning, organising, leading and controlling (POLC)

1.4 PYRAMID POWER: LEVELS AND AREAS OF MANAGEMENT

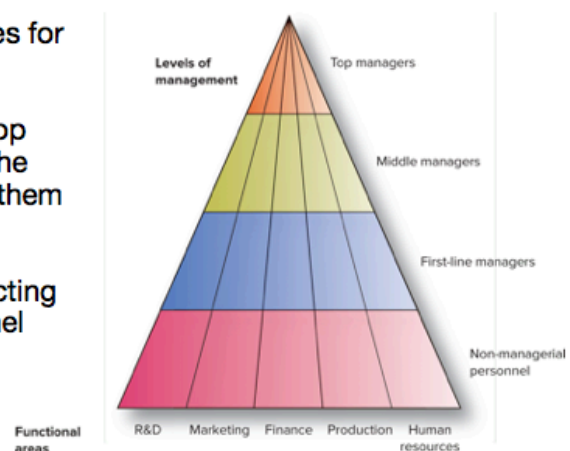
- there are managers at three levels within an organisation: top, middle and first-line
- managers may also be **general managers** (responsible for several activities) or **functional managers** (responsible for just one organisational activity such as R&D or marketing)

The Traditional Management Pyramid: Levels and Areas

- top managers make long-term decisions
 - overall direction of the organisation
 - establish objectives, policies and strategies for it
- middle managers implement those decisions
 - implement the plans and policies of the top managers and supervise and coordinate the activities of the first-line managers below them
- first-line managers make short-term decisions
 - 'supervisors'
 - make short-term operating decisions directing the daily tasks of non-managerial personnel

Managers for Three Types of Organisations

- for-profit organisations: for making money
- non-profit organisations: for offering services
- mutual-benefit organisations: for aiding benefits (political parties, labour unions)



1.5 ROLES MANAGERS MUST PLAY SUCCESSFULLY

The Manager's Roles

5. a manager relies more on verbal than on written communication
6. a manager works long hours at an intense pace
7. a manager's work is characterised by fragmentation, brevity and variety

Three Types of Managerial Roles

Category	Role	Description
INTERPERSONAL	figurehead	performing symbolic tasks that represent your organisation such as attending events and showing visitors around
	leadership	being responsible for the actions of subordinates, making decisions about training, motivating and disciplining people
	liaison	working with other people outside your work unit to develop alliances that will help you achieve your organisation's goals
INFORMATIONAL	monitor	being alert for useful information
	disseminator	constantly disseminating important information to employees via email and meetings etc
	spokesperson	putting the best face on the activities of your work unit or organisation to people outside it
DECISIONAL	entrepreneur	initiate and encourage change and innovation
	disturbance handler	fixing unforeseen problems
	resource allocator	setting priorities about how to use resources
	negotiator	working with others inside and outside the organisation to accomplish your goals

1.6 THE ENTREPRENEURIAL SPIRIT

- **entrepreneurship** is the process of taking risks to try to create a new enterprise
- an **entrepreneur** sees an opportunity for G/S and launches a business to try and realise it
- an **intrapreneur** sees an opportunity within one's organisation for product or service and mobilises organisational resources to try to realise it
- being a manager is what it takes to grow or maintain a business
- being an entrepreneur is what it takes to start a business
- **social entrepreneurship** refers to the use of entrepreneurial skills and practices to achieve social missions and goals
- entrepreneurs have: high need for achievement, belief in personal control of destiny, high energy level, high ambiguity tolerance, self confidence & tolerance of risk

1.7 THE EXCEPTIONAL SKILLS MANAGERS NEED

1. **Technical Skills** - the ability to perform a specific job
 - job-specific knowledge needed to perform well in a specialised field
2. **Conceptual Skills** - the ability to think analytically
 - visualise an organisation as a whole and understand how the parts work together
 - important for top managers who deal with ambiguous problems that have far-reaching consequences
3. **Human Skills** - the ability to interact well with people (soft skills)
 - work well in cooperation with other people to get things done

