

# BBA 102

---

## BBA102 lecture two notes

When applying for a managing position they see how good they are with their interpersonal roles

### **Roles of a manager:**

1. Interpersonal - includes the role of a leader
2. Informational
3. Decisional

A managers role is to be a leader

### **Skills of a manager**

1. technical skills - job specific knowledge
2. Conceptual skills - think analytically - understands how parts work together
3. Human skills -work well in cooperation with others

Challenges that managers face

- competitive advantage
- Diversity
- Globalisation
- Information technology
- Ethical standards
- Sustainability
- Managing your own happiness and life goals

## **WEEK TWO NOTES**

### **Environment definition**

1. the circumstances, objects, or conditions by which one is surrounded
- 2a the complex of physical, chemical, and biotic factors (such as climate, soil, and living things) that act upon an organism or an ecological community and ultimately determine its form and survival
- 2b the aggregate of social and cultural conditions that influence the life of an individual or community
- 3 the position or characteristic position of a linguistic element in a sequence
- 4 a computer interface from which various tasks can be performed (e.g., a programming environment)

Humans are apart of the environment - we influence and shape the environment as much as it shapes us

### **The relationship between managers, organisations and environments**

- Influenced
- Interact
- Affect
- There is also a degree of uncertainty pushing managers to better understand and predict changes and trends in the environment

<b>Organisations and their managers affect environment</b>	<b>Changes in the environment affect organisation and their managers</b>
New products revolutionise consumer behaviour Faulty products or services cause suffering to customers or public in general Organisational activities affect climate, nature and/or ecological balance of the planet Managerial decisions affect customers	New competitors emerge Law changes Weather changes Availability of resources change Price of resources change New government comes to power Suppliers products found faulty

## Stakeholders and the environment

### What are stakeholders?

- the persons, groups, organisations or parties whose interests are affected by an organisation's activities

### Internal stakeholders

- employees, owners, board of directors

### External stakeholders

- customers, competitors, suppliers, distributors, strategic allies, employee associations, local communities, financial institutions, government regulators, special interest groups and the mass media

## The general environment

### Economic forces

- general economic conditions and trend— unemployment, inflation, interest rates, economic growth - that may affect an organisation's practice

### 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 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 ethnic origin

### Political-legal forces

- changes in the way politics shape law 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?

Economic globalisation - The increasing tendency of the economies of the world to interact with one another as one market instead of many national markets; refers to the free movement of goods, capital, services, technology and information.

- Positive effects of economic globalisation – e.g., foreign firms bring expertise and links to international markets when they invest in Australia and New Zealand
- Negative effects of economic globalisation – e.g., vast surplus funds from global investments flowed into the US and were invested badly in subprime mortgages; a race to the bottom: outsourcing of formerly well-paying jobs overseas

**Signs of economic globalisation** – e.g., companies become supersized (global companies) and minimised (mini- companies)

Megamergers worldwide

- Broken Hill Proprietary + Billiton
- Rio Tinto + Alcan
- Concerns about Global companies

Mini-firms operating worldwide

- Small companies can get started more easily
- Small companies can manoeuvre faster

**Ecommerce** - the buy-in and selling of produces and services through computer networks

**Digitisation** - anything that can be digitised

How does the digital age (social networking and social media) as the feat of globalisation affect the characteristics of managing? —> links to our essay

- 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 spoken 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

## **INTERNATIONAL MANAGEMENT**

What makes a successful international manager

- Ethnocentric managers—‘we know best’
  - believe that their native country, culture, language and behaviour are superior to all others
  - Ethnocentrism or Parochialism - narrow view in which people see things solely through their own perspective

Polycentric managers-‘they know best’

– take the view that native managers in the foreign offices best understand native personnel and practices, and so the home office should leave them alone

- Geocentric managers-‘what’s best is what’s effective, regardless of origin’
  - accept that there are differences and similarities between home and foreign personnel and practices and that they should use whatever techniques are most effective

### **Why do companies expand internationally**

1. Availability of supplies
2. New markets
3. Lower labour costs
4. Financial advantage
5. Avoidance of tariffs and import quotas
6. Gaining scale
7. Following the customer