

Principles of Management

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Week 1 – Management, Managers and Managing

Management

the pursuit of organisational goals efficiently and effectively by integrating the work of people through planning, organising, leading and controlling org's resources

Organisation: *group of ppl working together to achieve specific purpose*

Efficiency: *the means of attaining org's goals, use resources: ppl, \$, raw materials wisely/cost-effectively*

Effectiveness: *org's ends, goals – to achieve results, make right decisions, successfully carry them out so they achieve the org's goals*

Functions of Management → **management process:** planning, organising, leading, controlling (POLC)

Planning	Organising	Leading	Controlling
Set goals and decide how to achieve them	Arrange tasks, people, other resources to accomplish work	Motivate, direct, influence people to work hard to achieve org's goals	Monitor performance, compare it with goals, take corrective action

Levels of management (traditional pyramid) →

Top	<i>make <u>long-term</u> decisions about the <u>overall direction</u> of org + establish obj's, policies, strategies</i> - Pay attention to ext enviro, alter for long-run opps/probs - Future oriented, deals with uncertainty, high comp conditions
Middle	<i><u>implement policies/plans</u> of top managers, supervise/coordinate activities of first-line managers</i> - Can be barrier to quick decision making, 'empire building' risk, eg. plant manager
First-line	<i>make <u>short-term operating</u> decisions, directing <u>daily tasks</u> of non-managerial personnel</i> eg. department head, supervisor, foreman - Supervising work + doing when required to fill in - Specialist job experience

Areas of management

→ **Functional** managers: responsible one activity eg. Director of Finance

→ **General** managers: responsible several activity eg. CEO

Managers for 3 types of orgs → for profit, non-profit, mutual benefit

For-profit Make \$	<ul style="list-style-type: none"> • Profits through p/s • Most privately owned / owned by gov (essential services) • Monopoly (one business) • Measure of success: profit generated/loss
Non-profit Offer services	<ul style="list-style-type: none"> • Administrators • Public/private sector – eg. hospitals, schools, social welfare agencies • Try to develop org + build financial resources • Measure of success: effectiveness of service
Mutual-benefit Aiding members	<ul style="list-style-type: none"> • Voluntary member collections – political parties, labour unions, trade associations • Purpose – to advance member’s interests • Measure of success: effectiveness of service

Dynamics of managing → Mintzberg

- Unrelenting pace of managing (long hours)
- Work characterised by fragmentation, brevity, variety - discontinuity of job
- More verbal/informal of communication

Role of a manager (Mintzberg)

1. Interpersonal interact with ppl inside/outside work units	figurehead	<ul style="list-style-type: none"> • Show visitors around company • Show ethical guidelines to subordinates • Perform symbolic tasks that represent org
	leader	<ul style="list-style-type: none"> • Responsible for actions of subordinates • Training, motivating, disciplining
	liaison	<ul style="list-style-type: none"> • Politician-like; Work with outside ppl, develop alliances
2. Informational info handling	monitor	<ul style="list-style-type: none"> • Scan enviro - alert for useful info
	disseminator	<ul style="list-style-type: none"> • Disseminate info to employees via meetings, emails
	spokesperson	<ul style="list-style-type: none"> • A diplomat, shares info about org to outside
3. Decisional Managers use info to make decisions to solve probs/take adv of opps	entrepreneur	<ul style="list-style-type: none"> • Initiate, encourage change/innovation
	disturbance handler	<ul style="list-style-type: none"> • fix problems (unforeseen) eg. product defects, international currency crisis
	resource allocator	<ul style="list-style-type: none"> • setting resource priority use
	negotiator	<ul style="list-style-type: none"> • working with ppl inside/outside of org to accomplish goals

Skills managers need

Technical	<i>job-specific knowledge to perform in specialised field - eg. frontline managers</i>
Conceptual	<i>think analytically, visualise an org, understand how parts work together</i> - important for top managers who deal with ambiguous probs
Human	<i>Work well in cooperation with others to get things done</i> - ‘soft skills’ to motivate, inspire trust – at all levels

Challenges for managers

1. Competitive adv	<i>Ability of org to produce g/s more effectively than comp, thus outperforming them</i> Being responsive to customers, innovation, quality, efficiency
2. Diversity	Variety staff (race, ethnicity, age)
3. Globalisation	<ul style="list-style-type: none"> • Freedom where to manufacture • Pressure on local companies to expand overseas • Globalised economies
4. IT	Internet: <i>The global network of independently operating but interconnected computers, linking hundreds of thousands of smaller networks around the world</i> e-commerce: <i>buying and selling g/s over comp networks</i> e-business: <i>using internet to facilitate every aspect of running bus</i>
5. Ethical standards	Treat employees well, provide high quality g/s, listen to customers, ethical practices
6. Sustainability	<i>Economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs</i>