BBA102: PRINCIPLES OF MANAGEMENT

PART ONE: INTRODUCTION

CHAPTER 1: MANAGERS AND MANAGEMENT

Who are managers and where do they work?

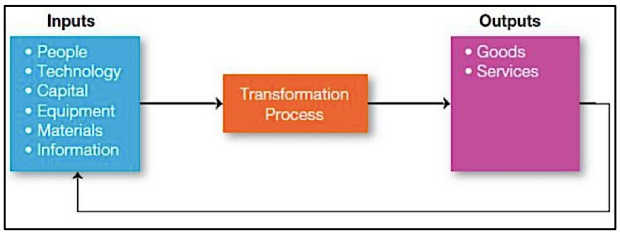
Managers work in *organisations*. An **organisation** is a deliberate arrangement of people brought together to accomplish a specific purpose. There are 3 common characteristics of organisations:

1. **A distinct purpose** – a set of goals
2. **People working together** – to achieve organisational goals by making decisions and engaging in work activities
3. **A deliberate systematic structure** – defines and limits the behaviour of its members

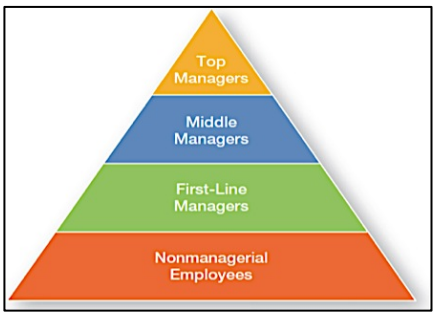
These 3 characteristics determine the products and services the org. provides for its customers/clients.

Difference between non-managerial employees and managers:

- **Non-managerial employees:** people who work directly on a job or task and have no responsibility overseeing the work of others, e.g. sales or service staff
- **Managers:** individuals in an org. who direct the activities of others (giving instructions, training employees and checking their performance)



Management Levels:



TOP MANAGERS:
Responsible for making decisions about the direction of the org, e.g. CEO, Vice-President

MIDDLE MANAGERS:
Manage the activities of other managers and some non-managerial employees, e.g. district manager

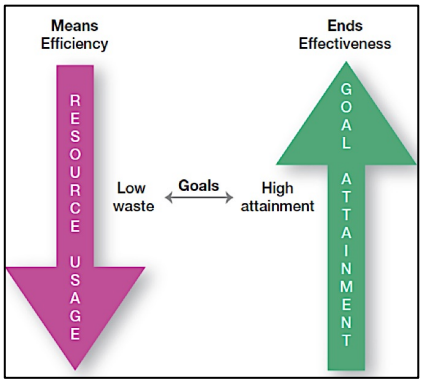
FIRST-LINE MANAGERS:
Responsible for directing nonmanagerial employees, e.g. supervisor, team leader

What is management?

Management is the process of getting things done effectively and efficiently with and through other people.

- *Process:* a set of ongoing activities required to achieve particular outcomes
- *Effectiveness:* doing the tasks that help the org. reach its goals (concerned with 'ends' – attainment of goals)
- *Efficiency:* getting more output with less input (concerned with 'means' – efficient use of resources)

Good Management = Attaining goals with efficient use of resources (low wastage)



What do managers do? – (Functions, Roles, Skills)

FUNCTIONS – Henri Fayol

In the functions approach proposed by Henri Fayol, all managers perform 4 management activities in order to achieve the organisation's stated purpose:

1. **Planning**: defining goals, establishing strategy, developing subplans to coordinate activities
2. **Organising:** determining what needs to be done, how it will be done, who will do it
3. **Leading**: directing and coordinating work activities of the organisation's people
4. **Controlling**: monitoring activities to ensure they are completed as planned

ROLES – Mintzberg's Managerial Roles

- Interpersonal roles – involve people and other duties that are ceremonial and symbolic in nature
- Informational roles – involve collecting, receiving and disseminating info.
- Decisional roles – entail making decisions or choices

SKILLS – Robert Katz

1. **Conceptual Skills:** used to analyse and diagnose complex situations (help managers make good decisions)
2. **Interpersonal Skills:** used to communicate, motivate, mentor and delegate (with other people)
3. **Technical Skills:** job-specific knowledge and techniques needed to perform work tasks

4. **Political Skills:** used to build a power base and establish the right connections

ROLE	DESCRIPTION	EXAMPLES OF IDENTIFIABLE ACTIVITIES
INTERPERSONAL		
Figurehead	Symbolic head; obliged to perform a number of routine duties of a legal or social nature	Greeting visitors; signing legal documents
Leader	Responsible for the motivation of subordinates; responsible for staffing, training and associated duties	Performing virtually all activities that involve subordinates
Liaison	Maintains self-developed network of outside contacts and informers who provide favours and information	Acknowledging mail: doing external board work; performing other activities that involve outsiders
INFORMATIONAL		
Monitor	Seeks and receives wide variety of internal and external information to develop thorough understanding of organisation and environment	Reading periodicals and reports; maintaining personal contacts
Disseminator	Transmits information received from outsiders or from subordinates to members of the organisation	Holding informational meetings; making phone calls to relay information
Spokesperson	Transmits information to outsiders on organisation's plans, policies, actions, results, etc.	Holding board meetings; giving information to the media
DECISIONAL		
Entrepreneur	Searches organisation and its environment for opportunities and initiates 'improvement projects' to bring about changes	Organising strategy and review sessions to develop new programs
Disturbance handler	Responsible for corrective action when organisation faces important, unexpected disturbances	Organising strategy and review sessions that involve disturbances and crises
Resource allocator	Responsible for the allocation of organisational resources of all kinds – making or approving all significant organisational decisions	Scheduling; requesting authorisation; performing any activity that involves budgeting and the programming of subordinates' work
Negotiator	Responsible for representing the organisation at major negotiations	Participating in union contract negotiations

Is the manager's job universal?

A manager's job varies along several dimensions. Factors influencing the performance of a manager include:

- **Level in the organisation:**
  The level at which the manager operates affects the degree to which they perform diff. tasks, e.g. top level managers do more planning than supervisors
- **Size of the organisation:**
  Managers in small and large firms both perform the same work activities however approach them each differently, e.g. in small businesses, managers are mostly spokespersons whereas in large firms they are resource allocators
- **Profit vs. Non-profit;**
  Profit-orientated organisations – managers focus on efficiency in minimising costs and effectiveness in generating revenue to maximise profits
  Non-profit organisations – managers focus on efficiency in minimising costs and effectiveness in delivering services so as to help as many people as possible
- **Management concepts and national borders:**
  Management concepts vary across certain countries and must be modified in other global environments

Why formally study management?

- Management is about *influencing human behaviour* in order to achieve organisational goals
- Formally studying management can provide a toolkit of perspectives and approaches from which you can draw to manage in diff. situations

What factors are reshaping and redefining management?

3 factors, which are reshaping and redefining management:

1. **INCREASING IMPORTANCE OF CUSTOMERS:** Business success depends on customer satisfaction – source of revenue. Customers have become increasingly sceptical, cautious and frugal.
2. **SUSTAINABILITY:** 'Meeting the needs of the people today without comprising the needs of those in the future'- managing the impacts of organisational products and activities. Why manage for sustainability? – Global climate change and depletion of natural resources, GFC and its impacts on society, organisations must demonstrate their sense of responsibility to stakeholders
3. **ETHICS AND SOCIAL RESPONSIBILITY:** Important to the manager's job because society expects them to behave in ethical and socially responsible ways (acting unethically can bring a bad reputation to the org.)