MGMT10002 – Principles of Management

Study Notes

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1 What managers do: planning, organising, leading, controlling

A supermarket night-fill supervisor, a mine site general manager, a hospital operations director, an NGO program lead, and a three-person start-up founder are all managing. They do not share a uniform, a budget size, or a legal form. They share a problem: other people's work has to be directed toward ends that none of those people can achieve alone.

Definition
Management is the coordinated process of setting direction, assembling people and resources, influencing effort, and checking results so that an organisation can pursue its purposes. The classical four functions – planning, organising, leading and controlling (POLC) – are a map of that process, not a description of any particular Tuesday.

Henri Fayol, writing from French industrial administration in the early twentieth century, listed planning, organising, commanding, coordinating and controlling. Later teaching collapsed commanding and coordinating into *leading*, and the four-function model became the organising frame of the subject. It is a pedagogical device. It is also a diagnostic device: when an organisation is failing, one can ask which function is missing, conflicting with the others, or being performed at the wrong level.

1.1 Efficiency, effectiveness and organisational purpose

Key concept
Efficiency is the ratio of useful output to input: doing things right, with little waste of time, money, materials or attention. *Effectiveness* is the achievement of intended results: doing the right things. An organisation can be efficient at the wrong task (a hospital that discharges patients quickly into unsafe follow-up) or effective at a high cost (a start-up that delights early users while burning cash). Management is the attempt to hold both, under constraints.

Purpose is not the same in every setting. A listed miner is accountable to shareholders under the Corporations Act, and also to regulators, Traditional Owners, employees and host communities. A public hospital is accountable to a health department, to patients, and to professional standards. An NGO is accountable to a board, to donors, and to the people it claims to serve – three groups that often disagree. A start-up is accountable to founders, employees and, if it has taken investment, to investors who may want a path to exit. POLC does not tell a manager which purpose wins. It tells the manager what work has to be done once purposes are (temporarily) settled.

Setting	Efficient but not effective	Effective but not efficient	Both, under constraint
Supermarket	Fast night-fill that mis-slots items	Full shelves after a slow, expensive overtime night	Fill the planogram in rostered hours with low waste
FIFO mine	High tonnes of off-grade ore	On-grade ore with idle trucks	Grade and tonnes inside the shutdown and safety envelope
Public hospital	Quick discharge into unsafe follow-up	Excellent care with chronic overtime	Right pathway, funded length of stay, safe handover
Homelessness NGO	High bed-nights, few exits to housing	A few deep outcomes at unsustainable cost	Documented offers to complex clients and sustainable roster

Setting	Efficient but not effective	Effective but not efficient	Both, under constraint
Start-up	Cheap features nobody retains	Loved prototype that burns the runway	A standard product that converts within cash

1.2 The POLC cycle

Planning decides what is to be achieved and by what means. Organising divides work, assigns authority, and links people to resources. Leading supplies direction, motivation and conflict handling so that the organised work is actually done. Controlling compares results with standards and feeds the comparison back into the next round of planning. Drawn as a cycle, the four functions look sequential. Observed as a job, they overlap.

1 Planning Ends, forecasts, options; strategic, tactical, operational	→	**2 Organising** Structure, roles, resources; authority and coordination
↑		↓
4 Controlling Standards, measures, gaps; correction and learning	←	**3 Leading** Influence, motivation, climate; teams and communication

Feedback from controlling revises plans. The four functions overlap in time; the numbering is pedagogical.

The POLC cycle. A manager who only plans never ships; a manager who only controls never chooses a direction.

Planning without organising produces a strategy that nobody owns. Organising without leading produces a chart that people work around. Leading without controlling produces enthusiasm that cannot tell success from theatre. Controlling without planning produces a dashboard with no question behind it.

Fayol's original list also included *commanding* and *coordinating*. Later teaching folded both into leading, which is tidy for a four-box diagram and costly as a diagnosis. Coordination is the work of fitting specialised parts together in time: a pit and a port; ED, wards and aged-care packages; a start-up's sales promise and its engineering calendar. When coordination is treated as a personality trait of "a good leader," organisations under-invest in the devices that actually coordinate – schedules, integrators, liaison roles, information systems, and meetings with decision rights (topic 6).

Mintzberg's observational work adds a second correction. Managerial work is characterised by *brevity*, *variety* and *fragmentation*: many short episodes, frequent interruption, a preference for live information over formal reports. That is not a character flaw. It is the job's information economy. A night-fill supervisor who spends a shift on one "strategic" memo has stopped managing the floor. The POLC map still asks whether the fragments add up to a direction, an organised effort, influence, and a check on results.

1.3 Levels, types and skills

Top managers set domain and long-horizon choices: which mines to develop, whether a hospital network centralises procurement, whether an NGO stays local or goes national. Middle managers translate those choices into programs, budgets and schedules. First-line managers (supervisors, team leaders, charge nurses, shift bosses) convert programs into daily work. The same POLC verbs apply at each level; the time span, the ambiguity and the mix of skills change.

Robert Katz's long-standing skill distinction is still a useful first cut. *Technical* skill is mastery of the work itself (a pit superintendent who can read a grade map; a ward manager who understands triage). *Human* skill is the ability to work with, through and for other people. *Conceptual* skill is the ability to see the organisation as a system and to connect a local decision to distant effects. Technical skill dominates at the first line; conceptual skill dominates at the top; human skill is required at every level and is the usual failure point when a technically excellent specialist is promoted.

First-line	Middle	Top
Technical: high Human: high Conceptual: developing	Technical: still needed Human: high Conceptual: rising	Technical: enough to interrogate Human: high Conceptual: dominant
Horizon: shift to weeks Objects: roster, grade, cubicles	Horizon: months Objects: programs, interfaces	Horizon: years Objects: domain, capital, legitimacy

Katz skill mix by level. Human skill does not become optional at the top. Conceptual skill that cannot be translated into a first-line object is decoration.