



THE MANAGEMENT

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Learning Objectives

- **After studying the chapter, you should be able to:**
 - Describe *what management is*, why management is important, what managers do, and how managers utilize organizational resources efficiently and effectively to achieve organizational goals.
 - Distinguish among *planning, organizing, leading, and controlling* (the four managerial functions), and explain how managers' ability to handle each one can affect organizational performance.



Learning Objectives (cont'd)

- Differentiate among three levels of management, and understand the responsibilities of managers at different levels in the organizational hierarchy.
- Identify the roles managers perform, the skills they need to execute those roles effectively and the way new information technology is affecting these roles and skills.
- Discuss the principal challenges managers face in today's increasingly competitive global environment.



What Is Management?

- **Management**
 - The planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently.
- **Managers**
 - The people responsible for supervising the use of an organization's resources to meet its goals.
- **Resources are organizational *assets***
 - People ➤ Skills ➤ Knowledge ➤ Information
 - Raw materials ➤ Machinery ➤ Financial capital

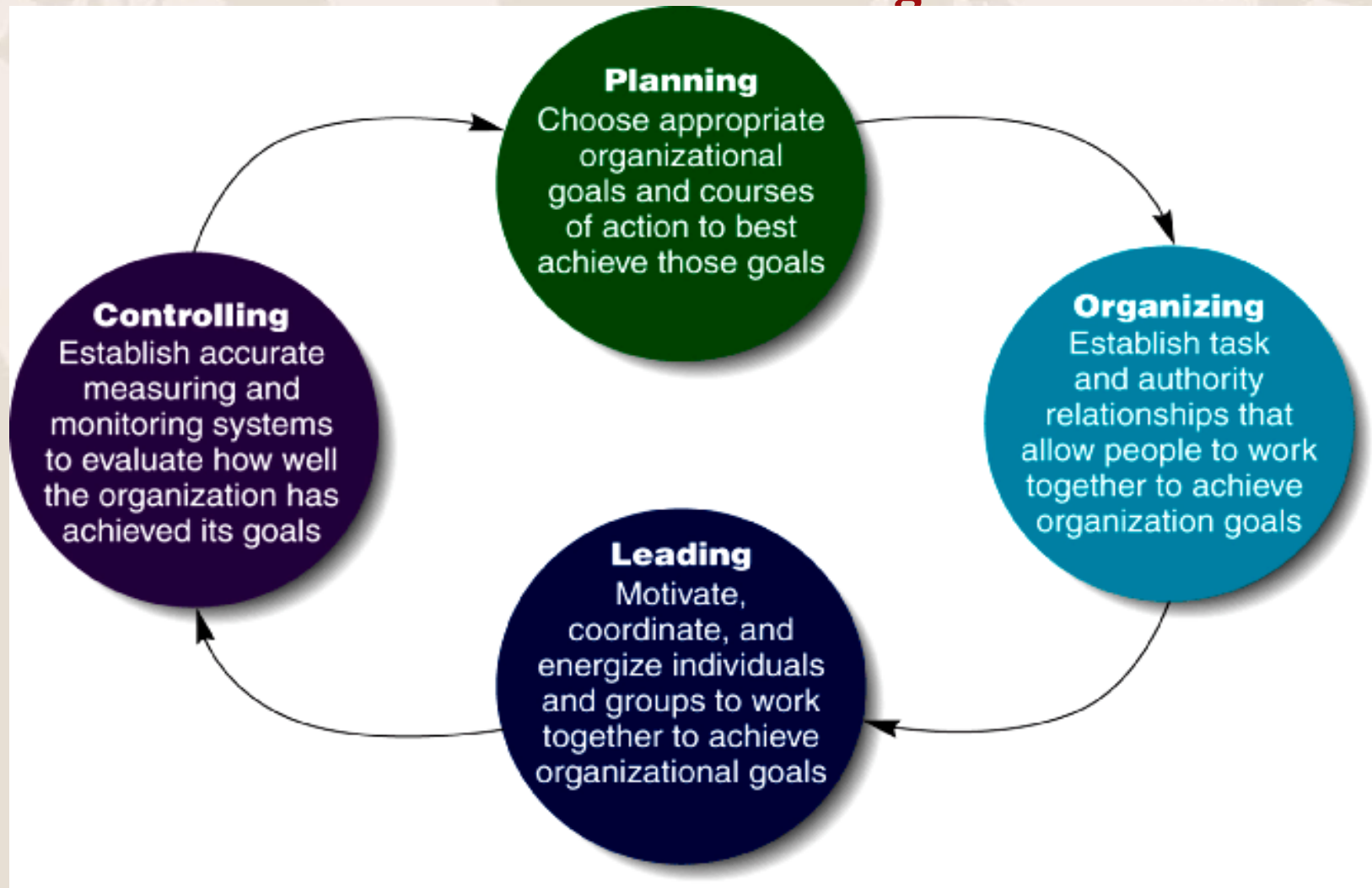


Why Study Management?

- **Proper management directly impacts improvements in the well-being of a society.**
- **Studying management helps people to understand what management is and prepares them accomplish managerial activities in their organizations.**
- **Studying management opens a path to a well-paying job and a satisfying career.**



Four Functions of Management





Managerial Functions

- **Henri Fayol**
 - First outlined the four managerial functions in his book *General Industrial Management*.
 - Managers at all levels in all organizations perform each of the functions of planning, organizing, leading, and controlling.



Planning

- **Identifying and selecting appropriate goals and courses of action for an organization.**
 - The planning function determines how effective and efficient the organization is and determines the strategy of the organization.
- **Three Steps in the Planning Process:**
 - Deciding which goals to pursue.
 - Deciding what courses of action to adopt.
 - Deciding how to allocate resources.



Management Key Concepts

- **Organization**
 - People working together and coordinating their actions to achieve specific goals.
- **Goal/objective**
 - A desired future condition that the organization seeks to achieve.
- **Strategy**
 - A cluster of decisions about what goals to pursue, what actions to take, and how to use resources to achieve goals.



Organizing

- Structuring *working relationships* in a way that allows organizational members to work together to achieve organizational goals.
- Organizational Structure
 - A *formal* system of task and reporting relationships that coordinates and motivates organizational members.
 - Creating organizational structure:
 - Grouping employees into *departments* according to the tasks performed.
 - Laying out lines of *authority* and *responsibility* for organizational members.



Leading

- **Articulating a clear *vision* to follow, and *energizing* and enabling organizational members so they understand the part they play in attaining organizational goals.**
 - **Leadership involves using power, influence, vision, and communication skills.**
 - **The outcome of leadership is highly motivated and committed organizational members.**



Controlling

- Evaluating how well an organization is achieving its goals and taking action to maintain or improve performance.
 - *Monitoring* individuals, departments, and the organization to determine if desired performance standards have been reached.
 - Taking action to increase performance as required.
 - The outcome of control is the ability to measure performance accurately and to regulate the organization for efficiency and effectiveness.



Types of Managers

- **Levels of Management**

- **First-line managers**

- Responsible for day-to-day operations. Supervise people performing activities required to make the good or service.

- **Middle managers**

- Supervise first-line managers. Are responsible to find the best way to use departmental resources to achieve goals.

- **Top managers**

- Responsible for the performance of all departments and have cross-departmental responsibility.
 - Establish organizational goals and monitor middle managers.
 - Form top management team along with the CEO.



Levels of Management

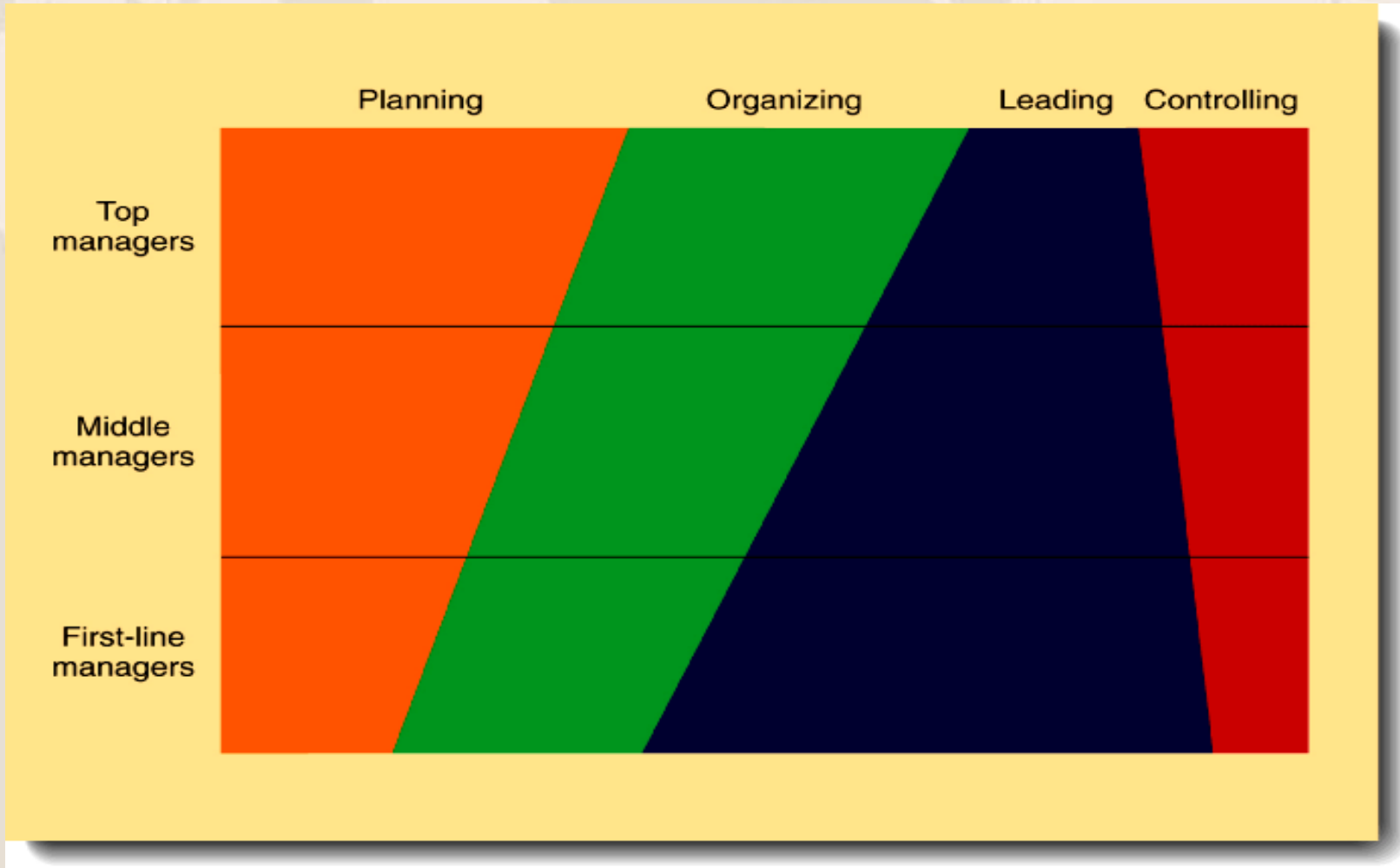




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Relative Amount of Time That Managers Spend on the Four





IT and Managerial Roles and Skills

- **Information Technology (IT) is increasingly used to help managers adopt a cross-departmental view of their organization.**
- **Managerial Role**
 - **The set of specific tasks that a person is expected to perform because of the position he or she holds in the organization.**
- **Roles are defined into three role categories (as identified by Mintzberg):**
 - **Interpersonal ➤ Informational ➤ Decisional**



Decisional Roles

- **Roles associated with methods managers use in planning strategy and utilizing resources:**
 - **Entrepreneur**—deciding which new projects or programs to initiate and to invest resources in.
 - **Disturbance handler**—managing an unexpected event or crisis.
 - **Resource allocator**—assigning resources between functions and divisions, setting the budgets of lower managers.
 - **Negotiator**—reaching agreements between other managers, unions, customers, or shareholders.



Informational Roles

- **Roles associated with the tasks needed to obtain and transmit information in the process of managing the organization:**
 - **Monitor**—analyzing information from both the internal and external environment.
 - **Disseminator**—transmitting information to influence the attitudes and behavior of employees.
 - **Spokesperson**—using information to positively influence the way people in and out of the organization respond to it.



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Interpersonal Roles

- Roles that managers assume to provide direction and supervision to both employees and the organization as a whole:
 - Figurehead—symbolizing the organization’s mission and what it is seeking to achieve.
 - Leader—training, counseling, and mentoring high employee performance.
 - Liaison—linking and coordinating the activities of people and groups both inside and outside the organization/department.



Managerial Skills

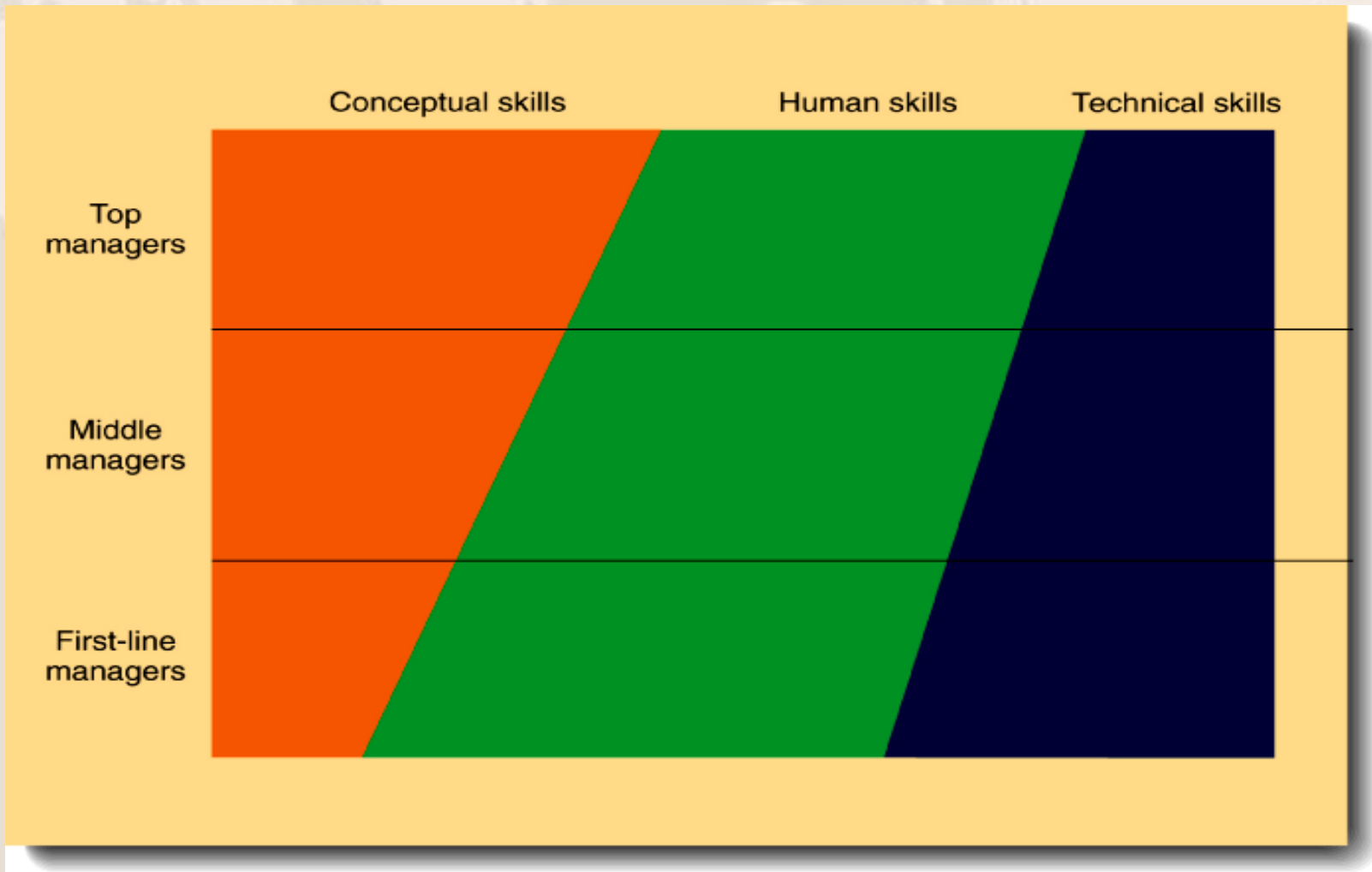
- **Conceptual Skills**
 - The ability to analyze and diagnose a situation and distinguish between cause and effect.
- **Human Skills**
 - The ability to understand, alter, lead, and control the behavior of other individuals and groups.
- **Technical Skills**
 - The specific knowledge and techniques required to perform an organizational role.



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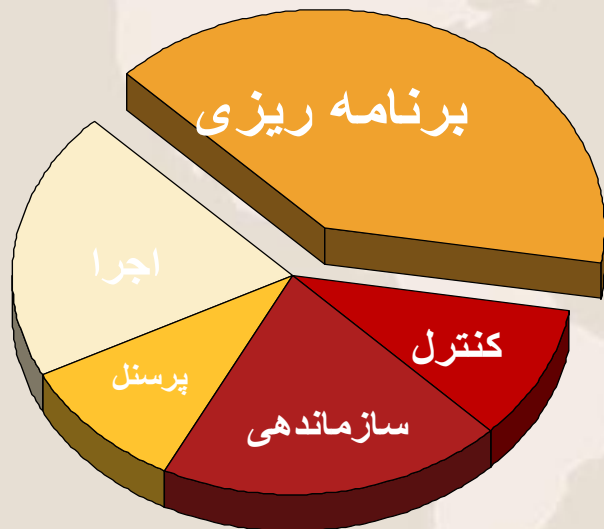
Skill Types Needed by Managerial Level



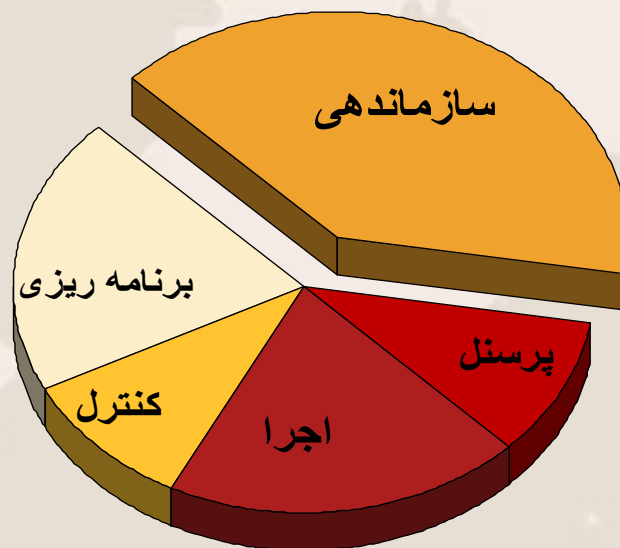


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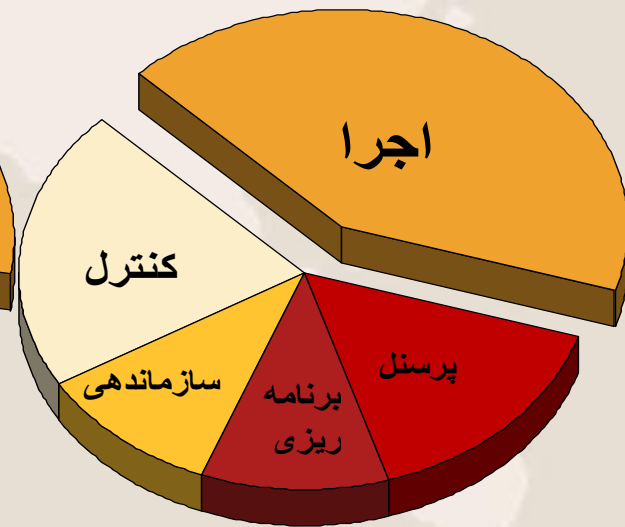
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سطح کنترل مدیریتی



سطح کنترل اجرایی





Organizational Performance

- **Organizational Performance**
 - A measure of how efficiently and effectively managers are using organizational resources to satisfy customers and achieve goals.
- **Efficiency**
 - A measure of how well or productively resources are used to achieve a goal.
- **Effectiveness**
 - A measure of the appropriateness of the goals an organization is pursuing and the degree to which they are achieved.



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Efficiency, Effectiveness, and Performance in an Organization

		EFFICIENCY	
		LOW	HIGH
EFFECTIVENESS	HIGH	<p>Low efficiency/ High effectiveness</p> <p>Manager chooses the right goals to pursue, but does a poor job of using resources to achieve these goals. Result: A product that customers want, but that is too expensive for them to buy.</p>	<p>High efficiency/ High effectiveness</p> <p>Manager chooses the right goals to pursue and makes good use of resources to achieve these goals. Result: A product that customers want at a quality and price that they can afford.</p>
	LOW	<p>Low efficiency/ Low effectiveness</p> <p>Manager chooses wrong goals to pursue and makes poor use of resources. Result: A low-quality product that customers do not want.</p>	<p>High efficiency/ Low effectiveness</p> <p>Manager chooses inappropriate goals, but makes good use of resources to pursue these goals. Result: A high-quality product that customers do not want.</p>

High-performing organizations are efficient *and* effective.



Management Roles (Adizes Model)

- **Production**
- **Administration**
- **Entrepreneurship**
- **Integration**
 - **PAEI**
- **Example: Game**
- **CEO**



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Formal and Informal Communication Networks in an Organization

