Not-for-profit organisations

- Governmental organisations: national resources, taxes, etc… There is the need for transparency, accountability because people want to know that their money from taxes is being invested properly to generate some form of utility or added value.
- Educational organisations:
- Healthcare: tolerance of error is very small in certain industries. It is important that mistakes are very rare and therefore management has to be very effective.
- Non-traditional settings: all management their operations as much as possible.

WHAT OR RATHER WHO IS A MANAGER?

The definition of a "Manager" then follows:

"A person who allocates **human**, **material** and **information** resources in pursuit of an organisation's goals."

WHAT IS MANAGEMENT?

Having expounded Taylor's and the Oxford Dictionary's simple definition of 'Management' – we can now introduce a more complete definition of 'Management' for our purposes:

- Management is a set of **activities**: (**planning, organisation, leading, controlling**)
- Directed at an organisation's **resources: (human, material, financial, informational)**
- Aiming to achieve organisational **goals** efficiently and effectively.

Efficiency implies minimizing waste and maximizing value from our limited resources. **Using resources wisely and without waste**

Effectiveness implies getting the required results. **Doing things successfully – realising desired results.**

All resources no matter how abundant are **finite** and **limited**.

DIFFERENT TYPES OF MANAGERS

There are many different types of Mangers:

Department	District	Plant	Task Force
Brand	Product	Division	Accounts

What do all these managers have in common?

A manager doesn't need to be called a 'Manager'

Chief Executive Officer	Vice President
Supervisor	Coach

MIDDLE MANAGERS

The largest difference between middle managers and first line managers is:

- **Middle managers are often responsible for decisions related to resources.**

Middle Managers receive broad strategies/ policies from top management and translate them into specific goals/ plans for first-line management to implement.

- Possibly the largest management group in most organisations
- In large organisations, some focus on co-ordinating employees, determining what products or services to provide, deciding on marketing ... These include Department Head/ Plant Manager/ Director of Finance
- Direct and co-ordinate first-line managers as well as non-managerial staff ... clerks etc...
- Major difference to first-line managers is the **management of group performance and resource allocation**
- Most time spent planning, organising and leading. Delegate much work to subordinates
- Much time spent on phone, in meetings, preparing reports – less emphasis on technical issues
- Responsible for staff development/ resource development

FIRST-LINE MANAGERS

First line managers are the interface between the managerial ranks and the non-managerial level. They spend a lot of time with people who do not direct – employees within that department ecc. Planning is for today/ tomorrow and not for a long period of time.

These **are directly responsible for the production of goods or services**. These include Sales Managers/ Section Heads/ Production Supervisor.

- This level of management is the **link between the operations of each department and the rest of the organisation**
- Employees reporting to these managers to basic production work – goods or services. This affects the quality of the production and thus is very important for the organisation
- Spend little time with higher management and people from outside the company. These normally spend much time with other first-line mangers and with their own department i.e. non-managers
- Most time spent with the people they supervise and other first-line managers. Hectic and lots of pressure
- Little time planning and organisation, most time is spent directing **(leading)** and inspecting (**controlling**) as most decisions that needed to be taken are already made by Top Mangers and Middle Managers.
- Strong on technical expertise to teach and supervise subordinates.

SMALL BUSINESS MANAGERS

In large organisations, managers at each level are responsible for different types of tasks.

With growth things MUST change!

MARKETING MANAGER

Often in the 'Sales and Marketing' Department, the word 'Marketing' is a misnomer/ misleading!

Marketing refers to identifying current and potential customers' needs and preferences and developing goods and services that will satisfy them. It must be customer-focused.

Focus on 4Ps:

- **P**roduct development: you research what your clients want and then work around that. Quality needs to satisfy the needs of the customers. They decided what a quality product is.
- **P**ricing: price must be reasonable for the product offered
- **P**romotion: the consumers must know about your product and its quality
- **P**lace and Distribution: it must be available to your customers

Marketing is not just advertising, it is product development. It involves researching customer needs and trying to come up with the right product. Pricing, price tactics and price strategy is very important.

FINANCE MANAGER

It is one of the most important resource owned by the organisation and thus managing the financial flow is very important as it affects our liquidity levels, etc … The Finance Manager is concerned with managing the flow of funds into and out of the organisation. He needs to determine how the funds can be most effectively used.

The Finance Manager is responsible for:

- Granting and using organisation's **credit**
- Investing the organisation's **funds**: excess cash in hand is doing nothing and thus should be invested
- Safeguarding the organisation's **assets**
- Keeping track of **financial health:** The balance sheet.
- Preparing **budgets:** preparing and planning for the future.

Finance manager is responsible to take care of accounts and cash flow. Money is going in and out of the company. The responsibility of the finance manager is to manage those flows. No matter how abundant, you always have to efficiently and effectively measure the resources.

Example: understands budgets, cash flows, financial reports, and annual reports and regularly uses such information

DIMENSIONS OF TEAMWORK COMPETENCY

Accomplishing goals through small groups who are collectively responsible whose work is independent. A supportive environment is necessary. Team must be empowered to act and decide on their 'best judgement'. Teams must be fully supported by management.

In the development of new products and ideas not everything is a success. One must think in innovative ways. Every success is trailed by several things that did not work out as planned. Therefore it is important to foster a sense of teamwork so as to make things as successful as possible.

Having an effective team doesn't mean that everybody agrees with one another, there tends to be rivalry between them. It is up to the manager to control the team members.

Designing teams

Example: formulates clear objectives that inspire team members and motivate commitment, measures the progress and performance. A manager should not micro manage a team. You must communicate with them: if they need anything. It does take time to train your team.

Creating a Supportive Environment

Example: acts as a coach, counsellor, and mentor, being patient with team members as they learn, reward 'teamwork' not individuals

Managing team dynamics

Example: brings conflict and dissent into the open and uses it to enhance the quality of decisions, understands strengths and weaknesses of individuals, facilitates open communication.

DIMENSIONS OF STRATEGIC ACTION COMPETENCY

This consists in understanding the overall mission and values of the organisation. It means ensuring that actions are aligned with the company mission and values. **When you think strategy you are thinking long-term and are values that affect the whole organisation. Strategy refers to the objectives for our <u>organisation</u>** (Group of people working for the same goal)**.** Managing teams is important, yet very complex.

As a manager you need to know what there is in your disposal. Understanding the industry (what's going on, where the competition is leading and technology) is important. Having a good grasps on what are your strengths and weaknesses.

Here we are looking at two dimensions → the internal dimension (strengths and weaknesses) and also the external dimension (opportunities and threats). [See diagram below]

Understanding the Industry

- Scheduled breaks
- Child labour laws
- Safety issues

It is not enough to find the one best way of doing things. Once you find out the best method, then you need to ensure that all the employees use that method.

Henry Gantt focused on:

- Production scheduling
- Quota systems and bonuses

Gantt charts are used to-date to visually plan, schedule and project timelines.

- **Pros** of classical **Scientific** management:
  - Provides employees with skills and training.
  - Improves employee selection and seeks best way for performing tasks.

- **Cons** of classical **Scientific** management:
  - Social needs, working conditions and job satisfaction often more important than money
  - Limits workers' morale and participation affecting their performance.

- Assessing classical **Scientific** management:
  - *Scientific* school recommends that today's managers:
    Improve employee selection and training processes.
    Seek one best way to perform each task.
  - Scientific school ignores workers' social and self-esteem needs.

Administrative Management (focuses on the manager)

Administrative management focuses on the role of the manager within the organisation; the manager and managerial functions.

Henri Fayol defined the management functions as being: planning, organising, leading and controlling. He emphasised formal structures and process how individual tasks are geared to meet defined objectives.

Fayol's 14 principles managers must apply:

1. Division of Labour

2. Authority

3. Discipline: respect for rules

4. Unity of Command: not having conflicting orders Equity

5. Unity of Direction : coordination of efforts

6. Subordination for common good

7. Remuneration (payment)

8. Centralisation: imp decisions taken by management

9. Scalar chain: hierarchical structure

10. Order

11. Staff stability: keep labour turn over low

12. Initiative

13. Espirit de corps: foster the idea of teamwork

BEHAVIOURALIST MANAGEMENT THEORY

During great depression of 1930s government, regulating entities and unions started taking a greater role in the operation of organisations.

In a relatively short period of time, the organisations grew large. If you adopt wrong management theories, then you would ruin the lives of many employees. They treated the employees as disposable assets of the organisation. When a company went bust, because of mismanagement, there were many who lost their jobs and many investors lost all their wealth as well as there was not much respect for the investors and the shareholders themselves.

Focus of the Behavioural movement:

- Dealing with the human aspects in organisations
- Individual attitudes/ behaviours and group processes
- How manager lead and communicate with subordinates
- Claims that managers need to change assumptions about people if they want to lead high-performance teams and organisations

Mary Follett (1868 – 1933) suggested that:

- Management is a continuous process: it is not automatic when you find a formula. Unlike a project, management knows no end as you are constantly trying to improve. Since organisations exist in a dynamic environment, you need to keep adjusting and moving.
- Employees should be involved in problem solving

This contradicted the views of **Classicists Weber, Taylor and Fayol.**

Importance of coordination is the principle point here. Follett says that managers have to consult with their employees on problem solving and to know what is going on in the market.

Follett's 4 coordination principles for managers to apply

1. **Coordination is best achieved when people responsible for decision making are in direct contact**
2. **Coordination is essential for planning and implementation**
3. **Coordination should address all factors in a situation**
4. **Coordination should be worked at continuously**

Follett argued in favour of good working relations, proposing:

- **Communication**: managers should talk with workers because they have useful information.
- **Recognition:** managers should acknowledge workers as unique individuals with feelings, beliefs and emotions.

This is different from the previous theories of management as an employee was only considered as a number, an extension of a machine. However, now we are considering communication with the employees and recognition of their feelings.

Chester Bernard made 2 contributions:

1. **Organisations are Social System requiring:**

Major stakeholders include employees, customers, social and political action groups, competitors, trade and industry associations, governments, media, suppliers, communities, shareholders, and unions. There is some kind of relationship going on between these stakeholders and the organisation; it is not a one way relationship as any decision taken by any party is going to influence the other party. Any decision that the organisation takes is going to influence so many of the organisation's stakeholders. There are conflicting agendas which cause problems with decision-making.

To be a social responsible manager you must be sure you are concerned with the stakeholders' interests.

For example, employees expect a good remuneration, profitability and stability of the organisation. Sometimes, employees are also shareholders and so it is in their interest that the organisation does well. The customers expect good value for their money and a good service

Meeting responsibilities to stakeholders

Owners:

- Businesses owe a fair return to investors
- Managers must oblige to use resources efficiently and effectively
- Managers must disclose an honest account of affairs (not only in the interest of the owners but also because of suppliers, present and potential investors, etc...)

Employees:

- Most important asset needs safe and psychologically rewarding environment
- Open communication and concern for employees' values and welfare: they must know what is expected from them and what their effort is going to contribute to the organisation overall goal
- Right to knowledge of risks, rules and rewards exposed to

Customers:

- Dependent businesses for employment and needed goods/services
- Legal right to safe work environments, services and products: for example, Toyota workers working with Methode to manufacture switches to be used on Toyota cars. The Toyota workers are customers and still require a safe work environment. This refers to customers who are also workers of the organisation.
- Ethical right to fair, honest and equitable treatment

Suppliers

- Need honest and open communication from organisation served
- Deserve to be paid fairly for goods and services rendered
- Should have the terms of their contracts honoured

Society

- Fair employment practices
- Donating funds and equipment
- Preventing pollution
- Offering communities kinds of assistance
- These can serve as a form of advertisement