

Introducing Modern Management

Chapter 1

CHAPTER LEARNING OBJECTIVES

- An understanding of a manager's task
- Knowledge about the management process and organizational resources
- An understanding of management skill as the key to management success
- Insights concerning what management careers are and how they evolve

IMPORTANCE OF MANAGEMENT

- Managers influence all phases of modern organizations
- Our society could not exist as it does today without the work of managers to guide its organizations
- Peter Drucker:
 - “Effective management is probably the main resource of developed countries and the most needed resource of developing ones”

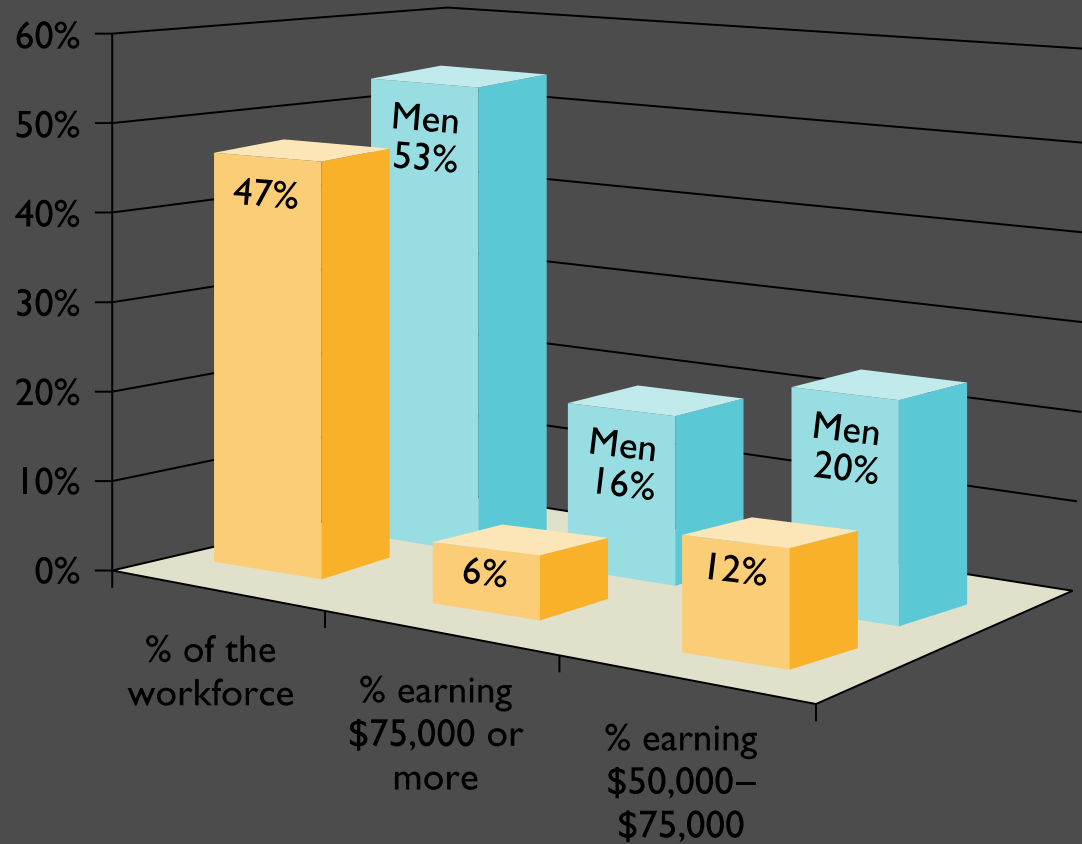
Top 10 Highest Compensated CEOs

TABLE 1.1 **The 10 Highest Compensated CEOs, 2013**

Ranking	CEO Name	Company Name	Paid (\$ millions)
1	Larry Ellison	Oracle	96.2
2	Richard M. Bracken	HCA	38.6
3	Bob Iger	Walt Disney	37.1
4	Mark G. Parker	Nike	35.2
5	Philippe P. Dauman	Viacom	33.4
6	John J. Donahoe	eBay	29.7
7	Howard Schultz	Starbucks	28.9
8	Stephen I. Chazen	Occidental Petroleum	28.5
9	Ken Chenault	American Express	28
10	Louis C. Camilleri	Philip Morris International	24.7

Source: "20 Top-Paid CEOs," 2013 *CNNMoney*, <http://www.money.cnn.com>.

Salary Gap Between Genders



A MANAGER'S TASK

- **The Role of Management**

- Guide organizations toward goal accomplishment
- Combine and use organizational resources to ensure organizations achieve their purpose
- Encourage individual activities are focused on reaching organizational goals
- Focus on activities or other factors that may get in the way of goal achievement

Essentially, managers never take their minds off goal accomplishment

DEFINING MANAGEMENT

- A process/series of related activities
- Focused on reaching organizational goals
- Working with and through people and other organizational resources

THE MANAGEMENT PROCESS:

Managerial Functions

- **Planning**

- Setting organizational goals
- Identifying actions to achieve the goals

- **Organizing**

- Determining tasks and groupings of work
- Assigning tasks to individuals in the organization

THE MANAGEMENT PROCESS:

Managerial Functions

- **Influencing**
 - Working with people within organizations
 - Guiding the activities of organization members in appropriate directions
- **Controlling**
 - Monitoring and measuring organizational performance
 - Determining if organization should be modified to meet pre-established standards

Mistakes Managers Make in Carrying Out the Managerial Functions

Planning

Not establishing objectives for all important organizational areas

Making plans that are too risky

Not exploring enough viable alternatives for reaching objectives

Organizing

Not establishing departments appropriately

Not emphasizing coordination of organization members

Establishing inappropriate spans of management

Influencing

Not taking the time to communicate properly with organization members

Establishing improper communication networks

Being a manager but not a leader

Controlling

Not monitoring progress in carrying out plans

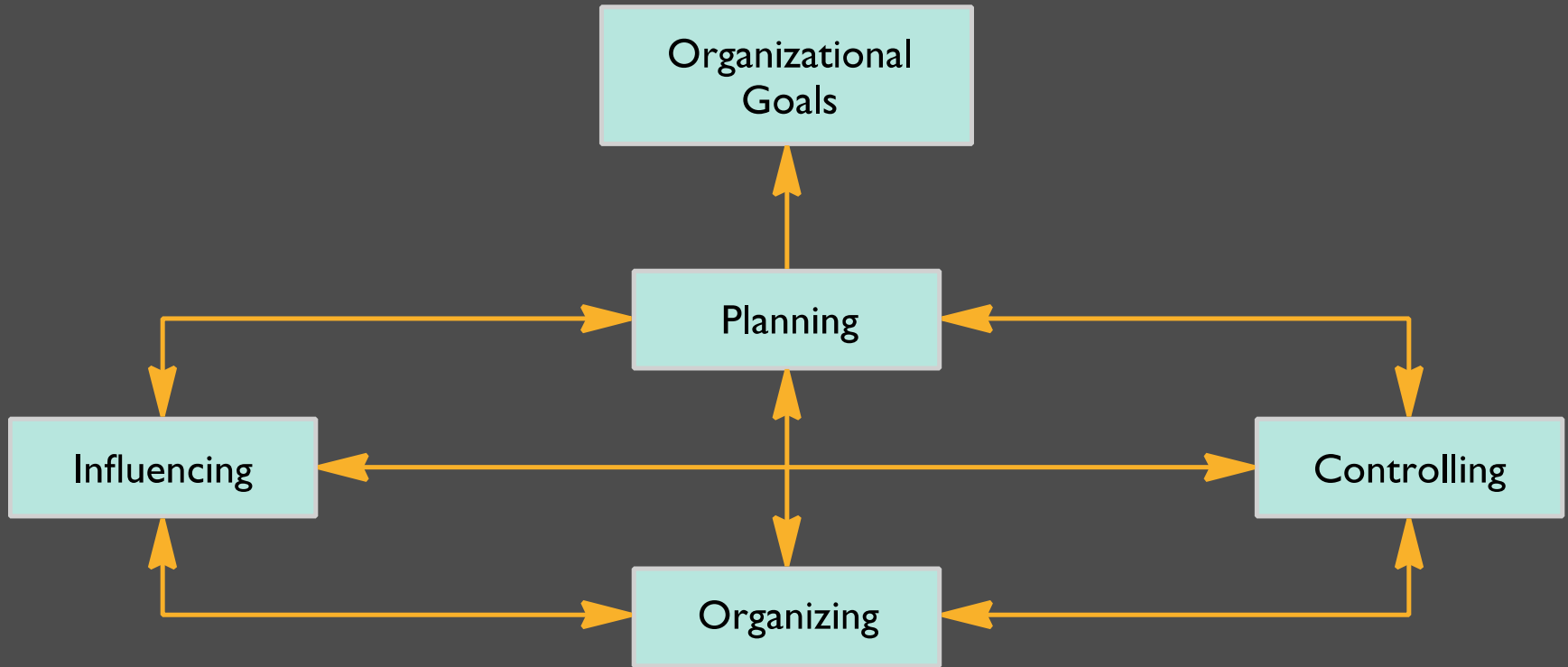
Not establishing appropriate performance standards

Not measuring performance to see where improvements might be made

MANAGEMENT PROCESS AND ORGANIZATIONAL RESOURCES

- The four functions of management are interrelated
- Performance of one function depends on performance of the others
- Managers use these activities solely for reaching organizational goals

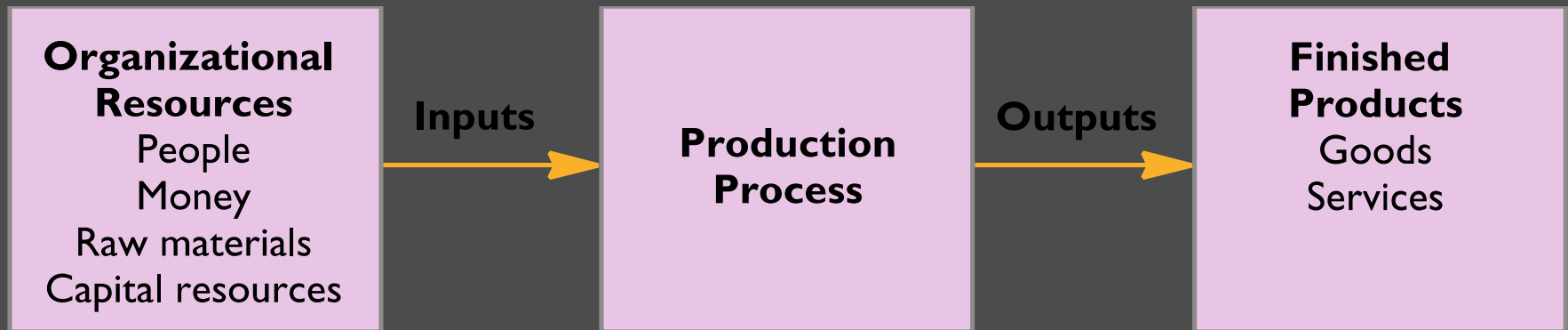
MANAGEMENT PROCESS AND ORGANIZATIONAL RESOURCES



MANAGEMENT PROCESS AND ORGANIZATIONAL RESOURCES

- **Organizational Resources**
 - Human
 - Monetary
 - Raw Materials
 - Capital
- **Managerial Effectiveness**
 - When resources are used to achieve goals, managers are effective
- **Managerial Efficiency**
 - When resources contribute to productivity, managers are efficient

MANAGEMENT PROCESS AND ORGANIZATIONAL RESOURCES



Combining Effectiveness & Efficiency



UNIVERSALITY OF MANAGEMENT

- Principles of management are universal
- Functions of management are universal
- **Theory of Characteristics**
 - Henry Fayol – All managers should possess certain characteristics
 - B. C. Forbes – Emphasized importance of personal qualities

MANAGEMENT SKILL

THE KEY TO MANAGEMENT SUCCESS

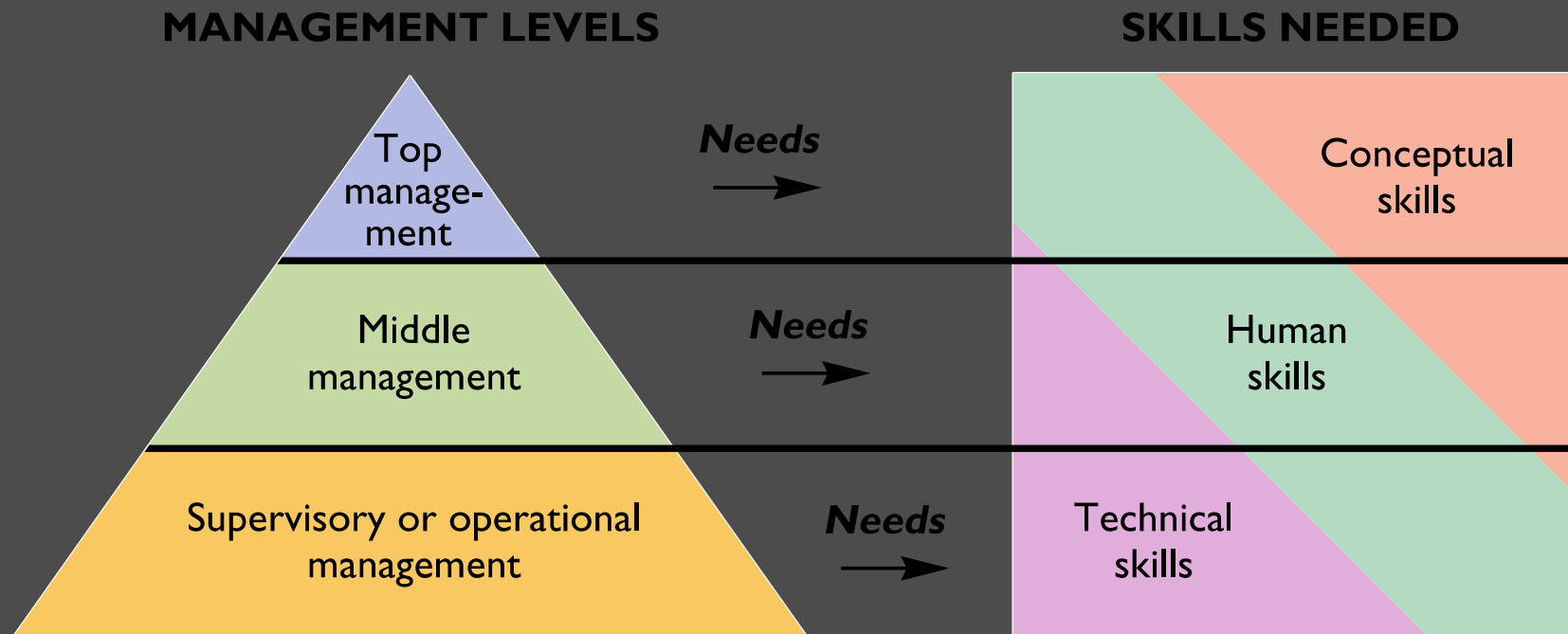
- **Defining Management Skill**
 - Ability to carry out process of reaching organizational goals by working with and through people and other organizational resources
 - Companies focus on developing managerial skills to enhance the manager's and organization's abilities to achieve goals

MANAGEMENT SKILL:

A Classical View

- **Technical**
 - Ability to apply specialized knowledge and expertise to work-related procedures
- **Human**
 - Building cooperation with team being led
- **Conceptual**
 - Ability to see the organization as a whole

MANAGEMENT SKILL: A Classical View



MANAGEMENT SKILL: A Contemporary View

- **Task-Related**
 - Efforts aimed at carrying out critical management-related duties
- **People-Related**
 - Efforts aimed at managing people in the organization
- **Change-Related**
 - Efforts aimed at modifying organizational components

MANAGEMENT SKILL: A Contemporary View

To increase the probability of being successful, managers should have competence in ...

- ... Clarifying roles: assigning tasks and explaining job responsibilities, task objectives, and performance expectations
- ... Monitoring operations: checking on the progress and quality of the work, and evaluating individual and unit performance
- ... Short-term planning: determining how to use personnel and resources to accomplish a task efficiently, and determining how to schedule and coordinate unit activities efficiently
- ... Consulting: checking with people before making decisions that affect them, encouraging participation in decision making, and using the ideas and suggestions of others
- ... Supporting: acting considerate, showing sympathy and support when someone is upset or anxious, and providing encouragement and support when there is a difficult, stressful task
- ... Recognizing: providing praise and recognition for effective performance, significant achievements, special contributions, and performance improvements
- ... Developing: providing coaching and advice, providing opportunities for skill development, and helping people learn how to improve their skills

MANAGEMENT SKILL: A Focus of this Book

TABLE 1.2 **Management Functions and Challenges Covered in This Text and Corresponding Management Skills Emphasized to Help Address Them**

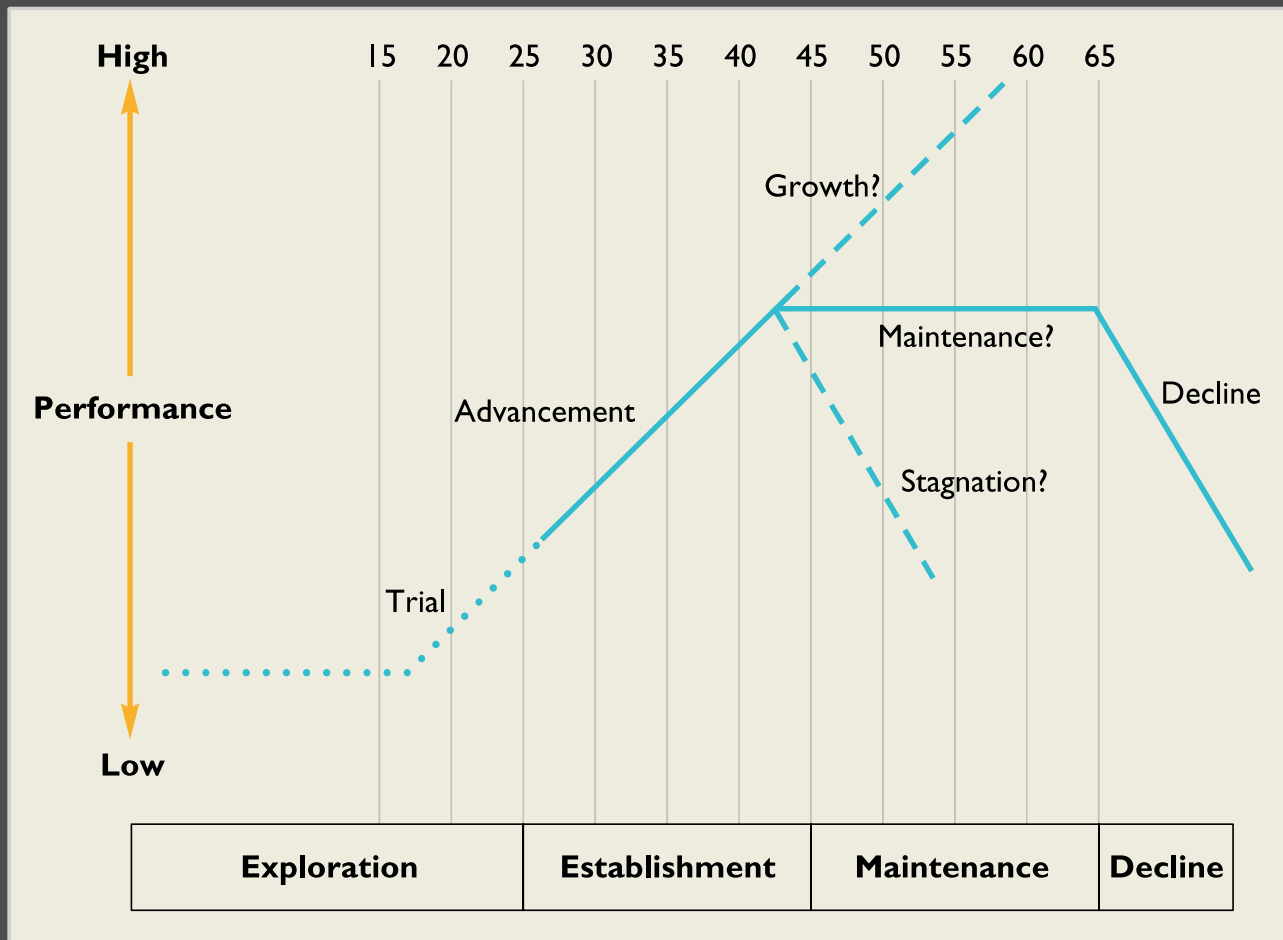
Introduction to Modern Management <i>Chapter 1—Management Skill:</i> The ability to work with people and other organizational resources to accomplish organizational goals. <i>Appendix 1—Comprehensive Management Skill:</i> The ability to collectively apply concepts from various major management approaches to perform a manager's job.	Organizing <i>Chapter 8—Organizing Skill:</i> The ability to establish orderly uses for resources within the management system. <i>Chapter 9—Responsibility and Delegation Skill:</i> The ability to understand one's obligation to perform assigned activities and to enlist the help of others to complete those activities. <i>Chapter 10—Human Resource Management Skill:</i> The ability to take actions that increase the contributions of individuals within the organization. <i>Chapter 11—Organizational Change Skill:</i> The ability to modify an organization in order to enhance its contribution to reaching company goals.
Modern Management Challenges <i>Chapter 2—Corporate Social Responsibility Skill:</i> The ability to take action that protects and improves both the welfare of society and the interests of the organization. <i>Chapter 3—Diversity Skill:</i> The ability to establish and maintain an organizational workforce that represents a combination of assorted human characteristics appropriate for achieving organizational success. <i>Chapter 4—Global Management Skill:</i> The ability to manage global factors as components of organizational operations. <i>Appendix 2—Entrepreneurship Skill:</i> The identification, evaluation, and exploitation of opportunities.	Influencing <i>Chapter 12—Communication Skill:</i> The ability to share information with other individuals. <i>Chapter 13—Leadership Skill:</i> The ability to direct the behavior of others toward the accomplishment of objectives. <i>Chapter 14—Motivation Skill:</i> The ability to create organizational situations in which individuals performing organizational activities are simultaneously satisfying personal needs and helping the organization attain its goals. <i>Chapter 15—Team Skill:</i> The ability to manage a collection of people so that they influence one another toward the accomplishment of an organizational objective(s). <i>Chapter 16—Organization Culture Skill:</i> The ability to establish a set of shared values among organization members regarding the functioning and existence of their organization to enhance the probability of organizational success. <i>Appendix 3—Creativity and Innovation Skill:</i> The ability to generate original ideas or new perspectives on existing ideas and to take steps to implement these new ideas.
Planning <i>Chapter 5—Planning Skill:</i> The ability to take action to determine the objectives of the organization as well as what is necessary to accomplish these objectives. <i>Chapter 6—Decision-Making Skill:</i> The ability to choose alternatives that increase the likelihood of accomplishing objectives. <i>Chapter 7—Strategic Planning Skill:</i> The ability to engage in long-range planning that focuses on the organization as a whole.	Controlling <i>Chapter 17—Controlling Skill:</i> The ability to use information and technology to ensure that an event occurs as it was planned to occur. <i>Chapter 18—Production Skill:</i> The ability to transform organizational resources into products.

MANAGEMENT CAREERS

- Career

- Sequence of work-related positions occupied by a person over a period of their lifetime
- Careers are cumulative
- Management positions at one level are stepping stones to management positions in a higher level

Career Stages, Life Stages, & Performance



Planning Your Career Path

TABLE 1.3 **Manager and Employee Roles in Enhancing Employee Career Development**

Dimension	Professional Employee	Manager
Responsibility	Assumes responsibility for individual career development	Assumes responsibility for employee development
Information	Obtains career information through self-evaluation and data collection: What do I enjoy doing? Where do I want to go?	Provides information by holding up a mirror of reality: How manager views the employee How others view the employee How “things work around here”
Planning	Develops an individual plan to reach objectives	Helps employee assess plan
Follow-through	Invites management support through high performance on the current job by understanding the scope of the job and taking appropriate initiative	Provides coaching and relevant information on opportunities

Special Career Issues

- **Women**

- Growth in proportion of men to women in management ranks seems to have changed very little in 10 years

- **Dual-Career Couples**

- Equal work and shared responsibilities of spouses
- Whose career takes precedence?

Women in Management

TABLE 1.4 **Seven Steps Management Can Take to Encourage the Advancement of Women in Organizations**

1. <i>Make sure that women know the top three strategic goals for the company.</i> Knowing these goals will help women focus their efforts on important issues. As a result, they'll be better able to make a meaningful contribution to goal attainment and become more likely candidates for promotion.
2. <i>Make sure that women professionals in the organization have a worthwhile understanding of career planning.</i> Having a vision for their careers and a career planning tool at their disposal will likely enhance the advancement of women in an organization.
3. <i>Teach women how to better manage their time.</i> The most effective managers are obsessed with using their time in the most valuable way possible. Helping women know where their time is being invested and how to make a better investment should better ready them for promotion.
4. <i>Assign outstanding mentors to women within the organization.</i> Women continually indicate that mentors are important in readying themselves for promotion. Assigning outstanding leaders in an organization to women organization members should accelerate the process of readying women for management positions.
5. <i>Have career discussions with women who have potential as managers.</i> Career discussions involving both managers and women with the potential to be managers should be held regularly. Helping women to continually focus on their careers and their potential for upward mobility should help them to keep progressing toward management positions.
6. <i>Provide opportunities for women organization members to make contributions to the community.</i> In today's environment, managers must be aware of and contribute to the community in which the organization exists. Experience within the community should help ready women for management positions.
7. <i>Encourage women to take the initiative in obtaining management positions.</i> Women must be proactive in building the skills necessary to become a manager or be promoted to the next level of management. They should set career goals, outline a plan to achieve those goals, and then move forward with their plans.