

The function of management

Managing In The New Era

- The Internet

- changes the way management must think and act

- chief Web officer will be one of the most important jobs

- will oversee information systems and strategies

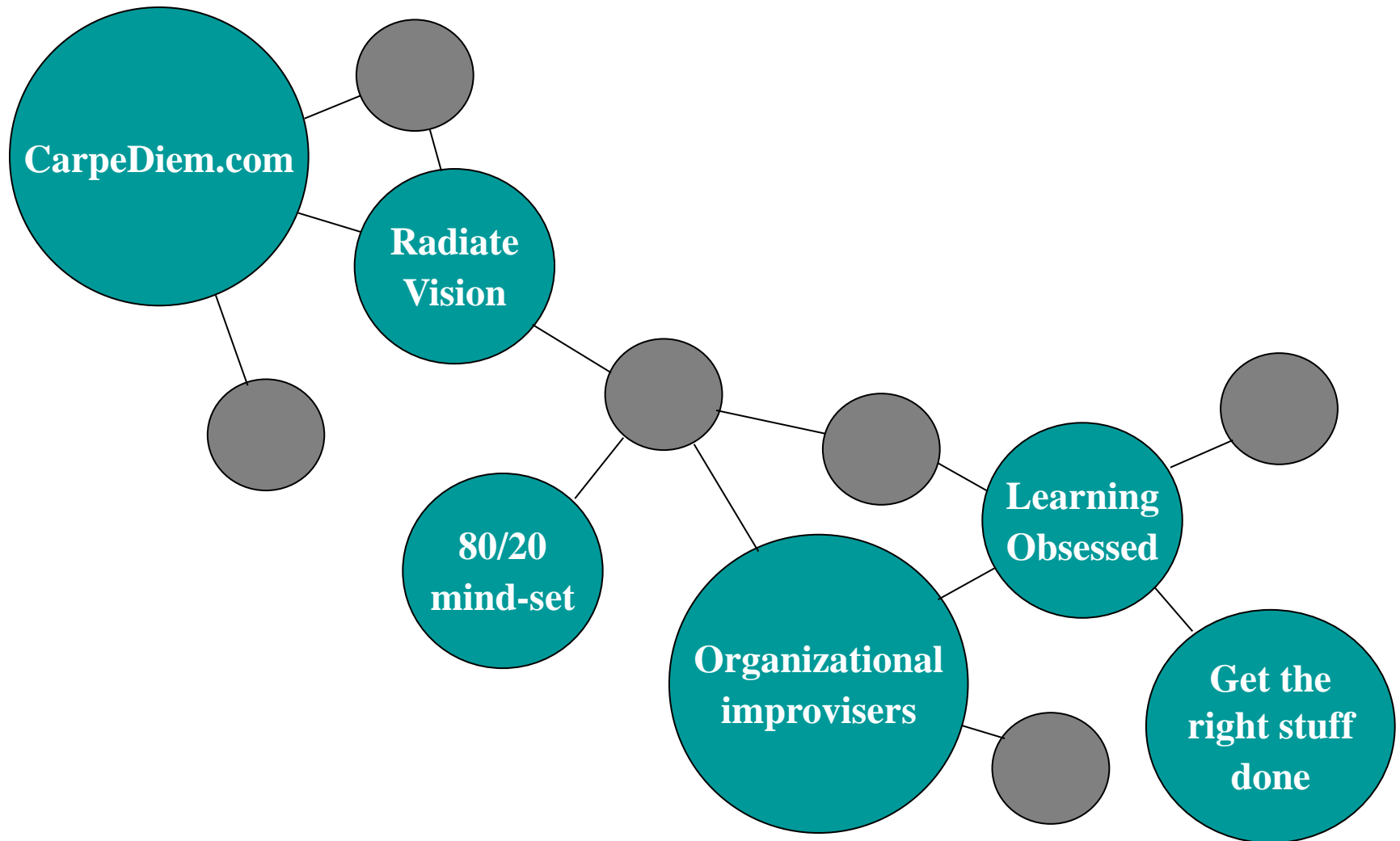
- will create and manage business relationships via new communications technologies

- Web DNA - personal characteristics considered to be the 'right stuff' for managers in Internet economy

- great companies will capitalize most fully on the Web's potential

- distinction between Internet and non-Internet companies is fading

“Web DNA”



Managing In The New Era (cont.)

- Globalization

- isolationism is a thing of the past

- multinational enterprises have sales offices all over the world

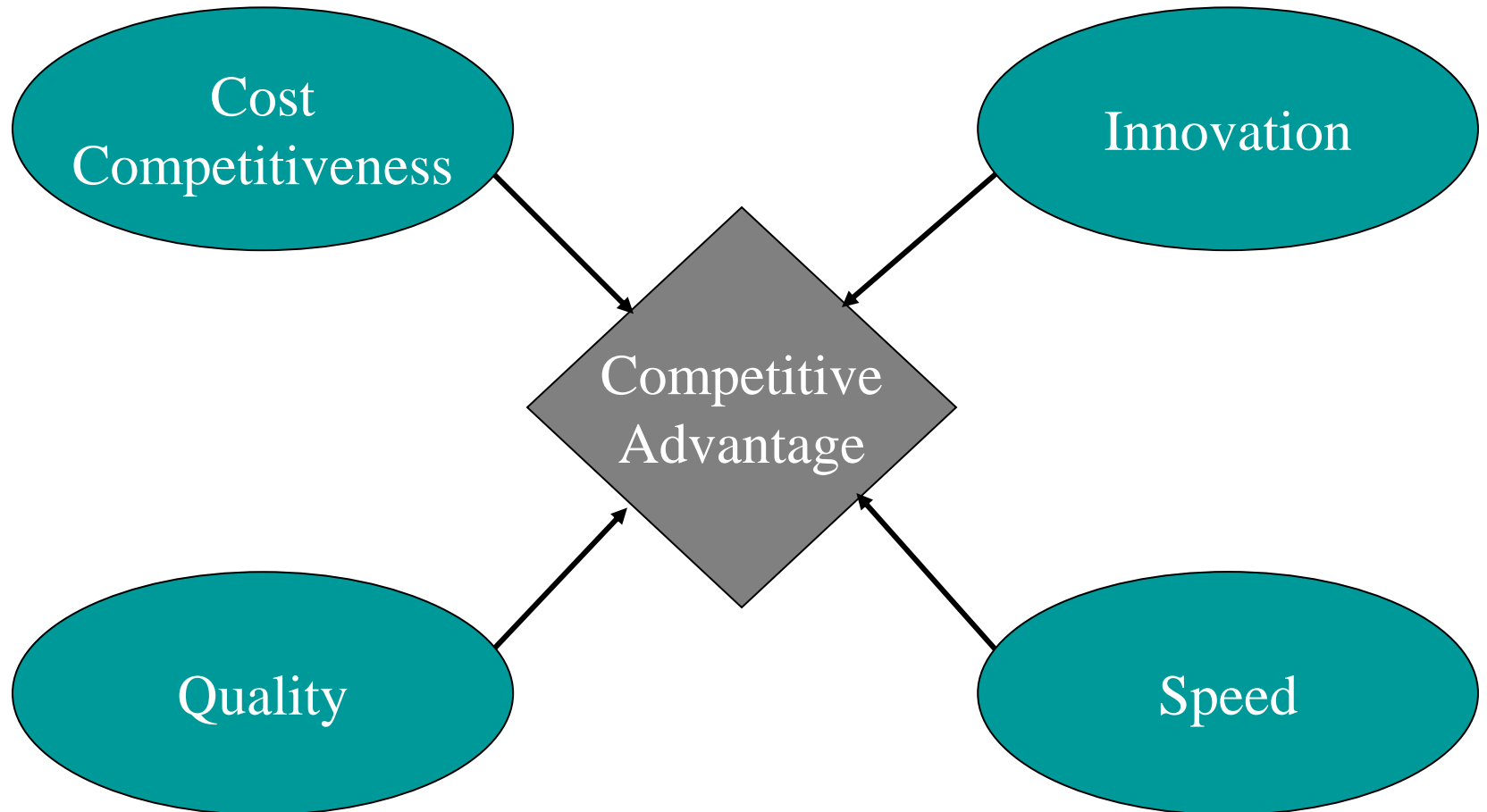
- corporations use their transnational status to operate beyond the control of national governments

- even small firms that do not operate on a global scale must make strategic decisions based on international considerations

Managing In The New Era (cont.)

- Knowledge management
 - set of practices aimed at discovering and harnessing an organization's intellectual resources
 - unlock people's expertise, skills, wisdom, and relationships
 - intellectual capital is the collective brainpower of the organization
- Collaboration across “boundaries”
 - capitalize on the ideas of people outside the traditional company “boundaries”
 - must effectively capitalize on customers' brains
 - get customers to think creatively to identify new product and service ideas

Managing For Competitive Advantage



Managing For Competitive Advantage

- Quality

- excellence of a product, including its attractiveness, lack of defects, reliability, and long-term durability
- importance of quality has increased dramatically
- must identify specific elements of quality to correct problems, target needs, and deliver world-class value

- Innovation

- the introduction of new goods and services
- important to adapt to changes in consumer demands and to new sources of competition

Managing For Competitive Advantage (cont.)

- Cost competitiveness
 - costs are kept low enough so that you can realize profits and price your products at levels that are attractive to consumers
 - key is **efficiency** - accomplishing goals by using resources wisely and minimizing waste
- Speed
 - often separates winners from losers in world competition
 - speed became a vital requirement in the 1990s
 - requirement has increased exponentially

Best managers and companies delivering all four

The Functions Of Management

- Management

- process of working with people and resources to accomplish organizational goals

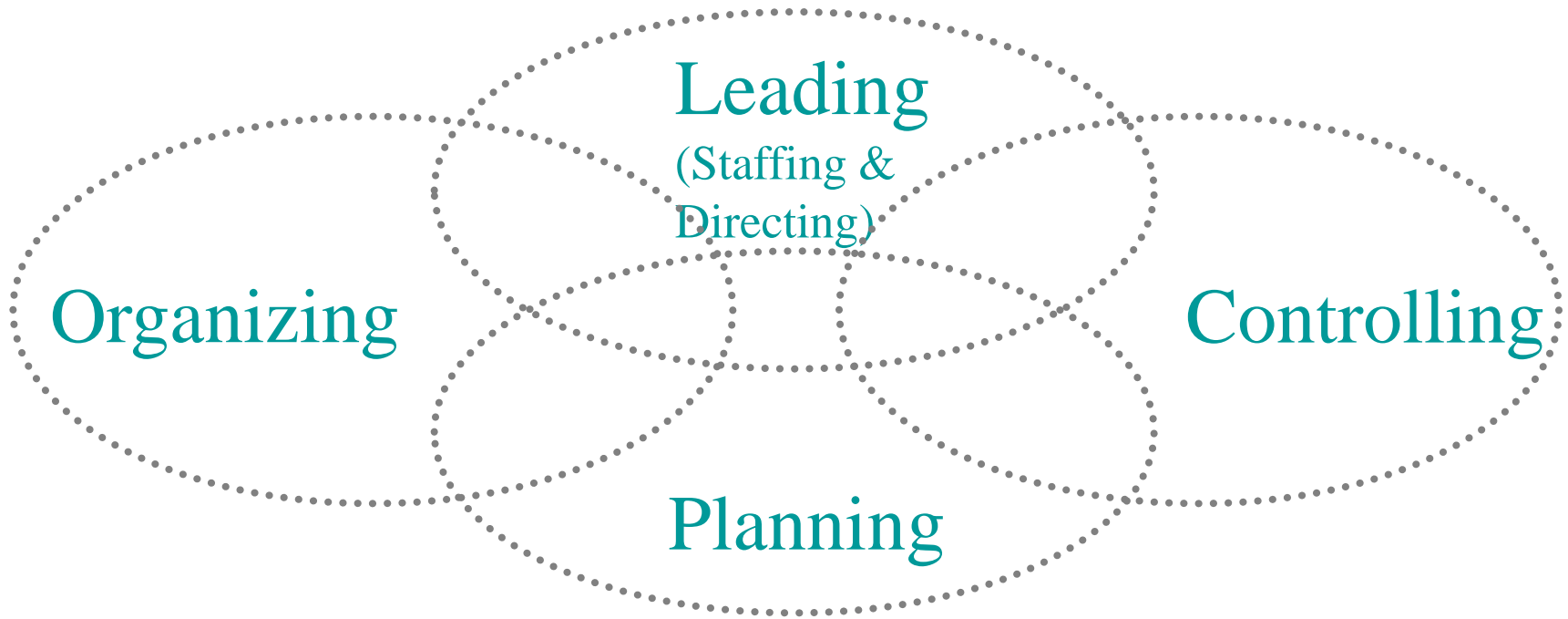
- effective - achieve organizational goals

- efficient - achieve goals with minimum waste of resources

- there are timeless principles of management

- still important for making managers and companies great

The Functions Of Management



The Functions Of Management (cont.)

- Planning

- specifying the goals to be achieved and deciding in advance the appropriate actions taken to achieve those goals
- **delivering strategic value** - planning function for the new era
 - a dynamic process in which the organization uses the brains of its members and of stakeholders to identify opportunities to maintain and increase competitive advantage
 - process intended to create more value for the customer

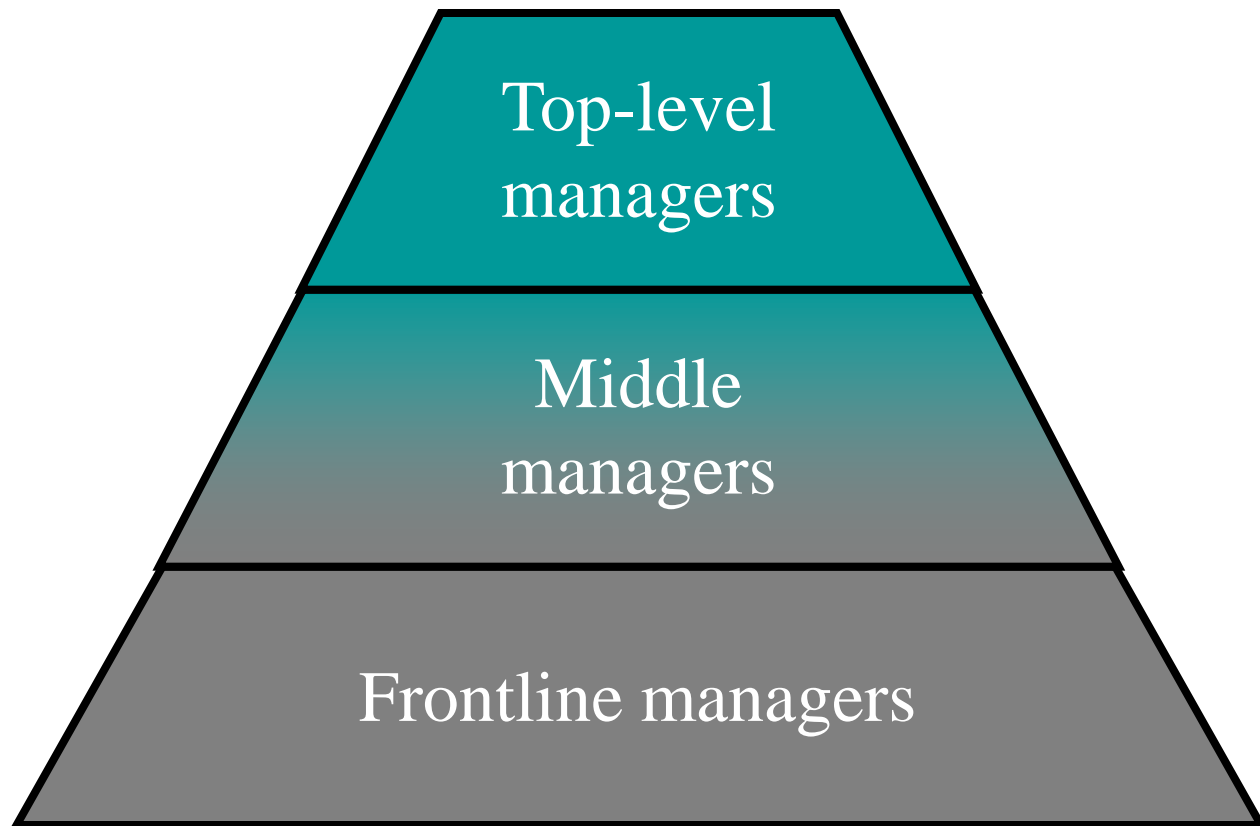
- Organizing

- assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals
- the future requires building flexible organizations

The Functions Of Management (cont.)

- Leading
 - stimulating people to be high performers
 - managers must be good at *mobilizing people* to contribute their ideas
- Controlling
 - monitors progress and implements necessary changes
 - makes sure that goals are met
 - new technology makes it possible to achieve more effective controls
- Managers must devote attention to all four management functions

Management Levels



Management Levels And Skills

- Management level
 - Top-level managers (*strategical* managers)
 - senior executives responsible for overall management of an organization
 - focus on long-term issues
 - emphasize the survival, growth, and effectiveness of the firm
 - concerned with the interaction between the organization and its external environment

Management Levels And Skills (cont.)

- Management level (cont.)
 - Middle-level managers (*tactical* managers)
 - located between top-level and frontline managers in the organizational hierarchy
 - responsible for translating strategic goals and plans into more specific objectives and activities
 - traditional role was that of an administrative controller who bridged the gap between higher and lower levels
 - evolving role is that of a developmental coach to the people who report to them

Management Levels And Skills (cont.)

- Management level (cont.)
 - Frontline managers (**operational** managers)
 - lower-level managers who supervise the operational activities of the organization
 - directly involved with non management employees
 - increasingly being called on to be innovative and entrepreneurial
 - Working leaders with broad responsibilities
 - in leading small companies, managers have strategic, tactical, **and** operational responsibilities
 - have a knowledge of all business functions, are accountable for results, and focus on internal and external customers

Management Levels And Skills

(cont.)

- Management skills

- skill - specific ability that results from knowledge, information, and aptitude

- **1, technical skill** - ability to perform a specialized task that involves a certain method or process

- managers at higher levels rely less on technical skills

- **2, conceptual and decision skills** - ability to identify problems, resolve problems for the benefit of the organization

- necessary when considering the overall objectives and strategy of the organization and the interactions among its different parts

- assume greater importance as manager acquires more responsibility

Management Levels And Skills (cont.)

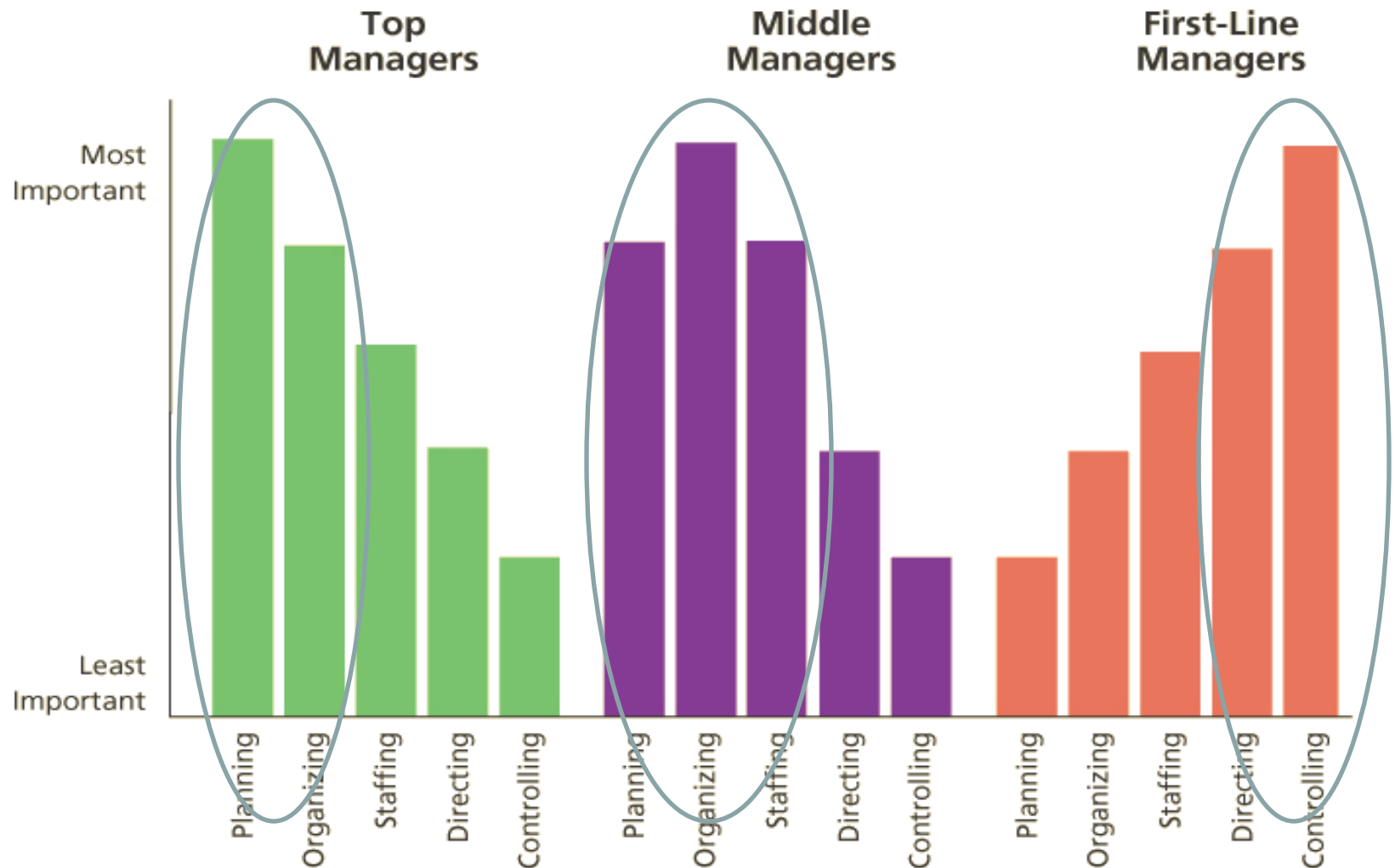
- Management skills (cont.)

- **3. interpersonal and communication skills** -
ability to work well with people

- increasingly important in today's organizations

- greater reliance on teams, information sharing, and coaching

Importance of Management Functions to Managers in Each Level



MANAGER'S ROLES

- INTERPERSONAL

- *FIGUREHEAD* : perform symbolic duties
- *LIAISON* : maintaining a network of outside contact who provide information and favors
- *LEADER* : staffing, training, and motivating people

- INFORMATIONAL

- *MONITOR* : seeking & receiving information to develop a thorough understanding of the organization and environment
- *DISSEMINATOR* : transmitting information from source to source, sometimes interpreting and integrating diverse perspective
- *SPOKESPERSON* : speaking on behalf of the organization about plans, policies, actions, and results

MANAGER'S ROLES

- DECISIONAL

- *ENTREPRENEUR* : searching for new business opportunities and initiating new project to create changes
- *DISTURBANCE HANDLER* : taking corrective action during crisis or other conflict
- *RESOURCE ALLOCATOR* : providing funding and other resources to unit or people include : making or approving significant organizational decision
- *NEGOTIATOR* : engaging in negotiation with parties outside the organization as well as inside

Areas of Management

- Financial management
- Production and operations management
- Human resources management
- Marketing management
- Administrative management

Did You Know?

Women represent only 15.7 percent of corporate officers and just 5.2 percent of all top earners.

Skills Needed by Managers

- Leadership skills
- Technical expertise
- Conceptual skills
- Analytical skills
- Human relations skills



Three Basic Styles of Leadership

- Democratic
- Autocratic
- Free-rein



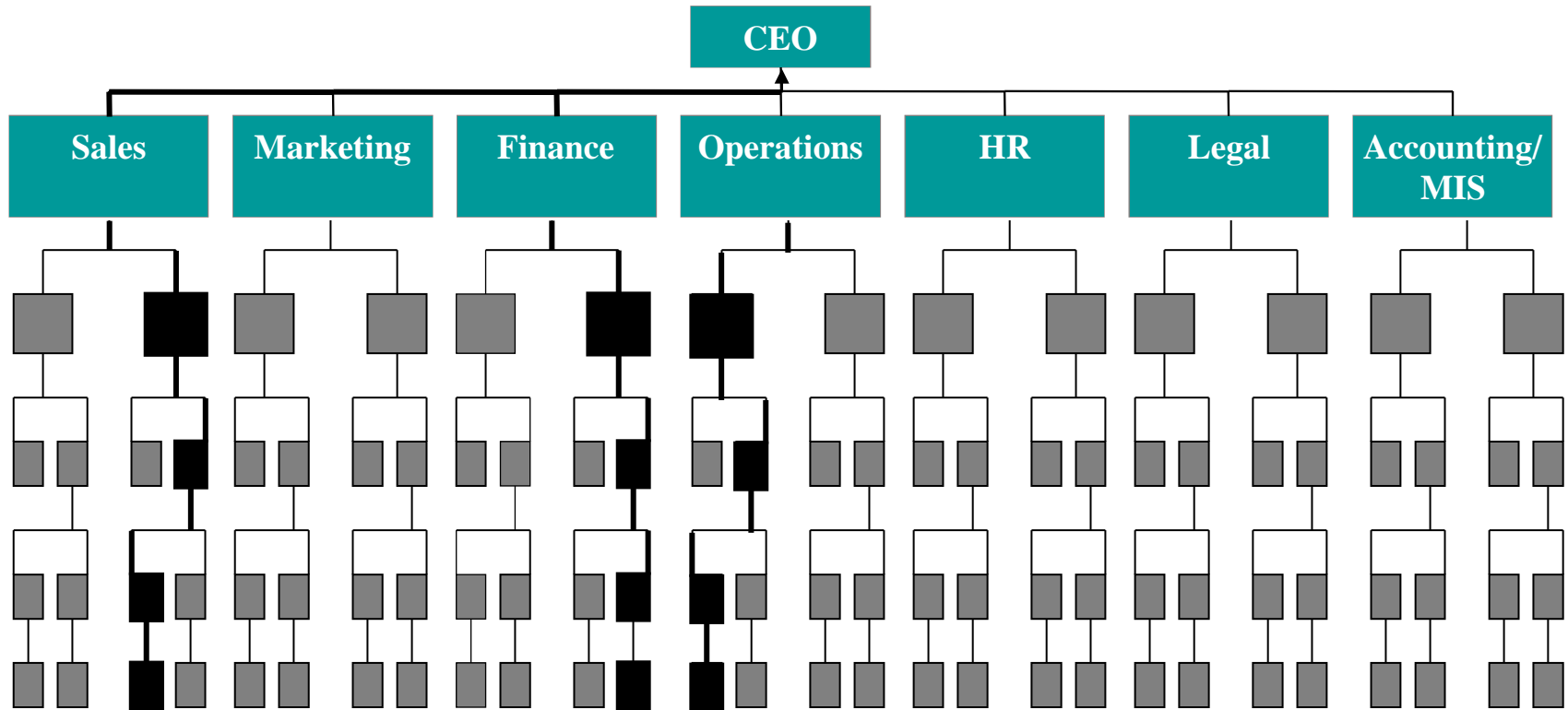
You And Your Career

- Jobs are no longer as secure for managers as they used to be
 - organizations still try to develop and retain good employees
 - employee loyalty and commitment are still important
- Companies offering “employability” to workers tend to be more successful
 - provide training and other learning experiences
 - employees perform work with greater responsibility

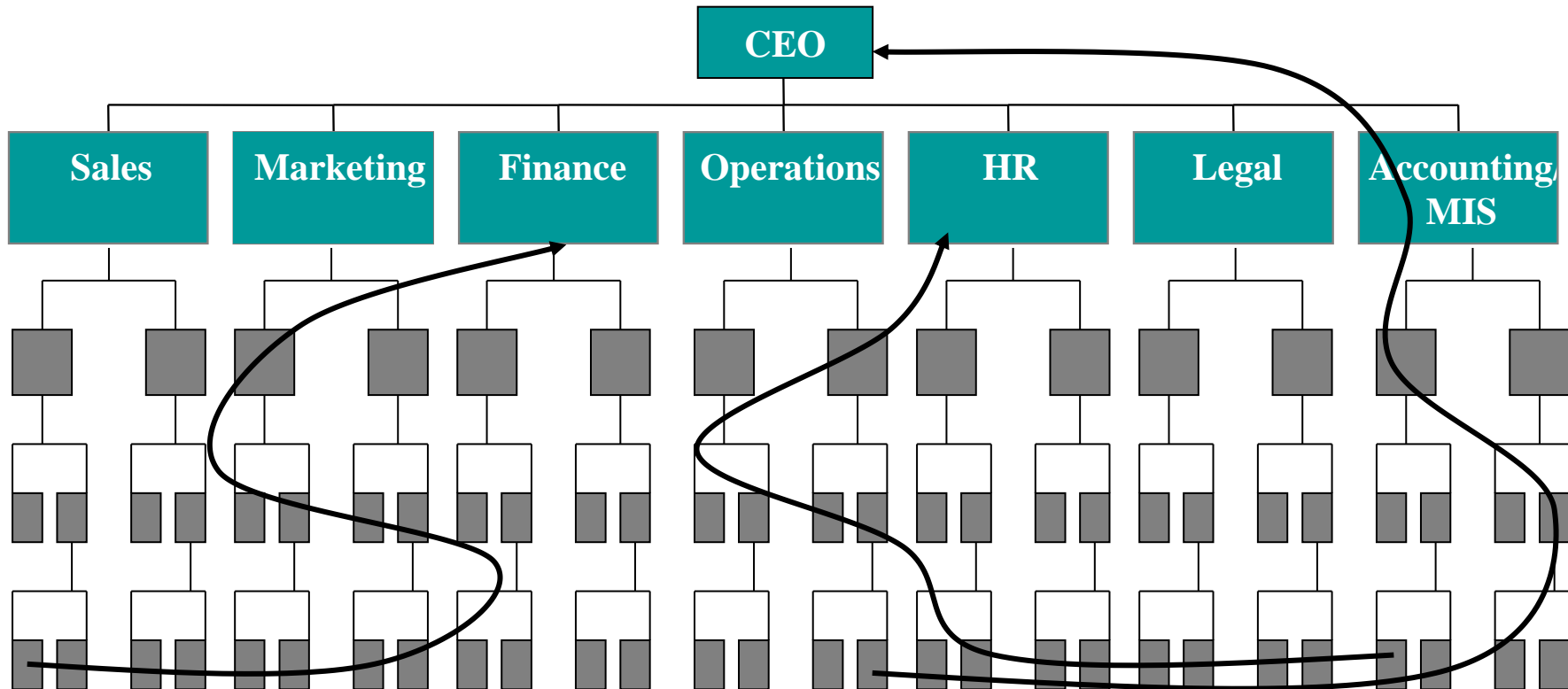
You And Your Career

- Two models of career paths
 - traditional model - people's careers advanced through promotions up the hierarchy within a single business function
 - current model - career progress likely to include lateral moves across functions
- Be both a specialist and generalist
 - **specialist** - expert in something
 - provide concrete, identifiable value to the firm
 - **generalist** - knowing about a variety of business functions so that you can understand work with different perspectives

Organizational Careers: Vertical Path



Organizational Careers: Horizontal Path



You And Your Career (cont.)

- **Be self-reliant**
 - take responsibility for yourself, your actions, and your career regardless of where you work
 - think and act like an entrepreneur
 - look for opportunities to contribute in new ways
 - generate constructive change
- **Be connected**
 - establish many good working relationships
 - be a team player with strong interpersonal skills
 - all business is a function of human relationships
 - competitive advantage depends upon you and other people

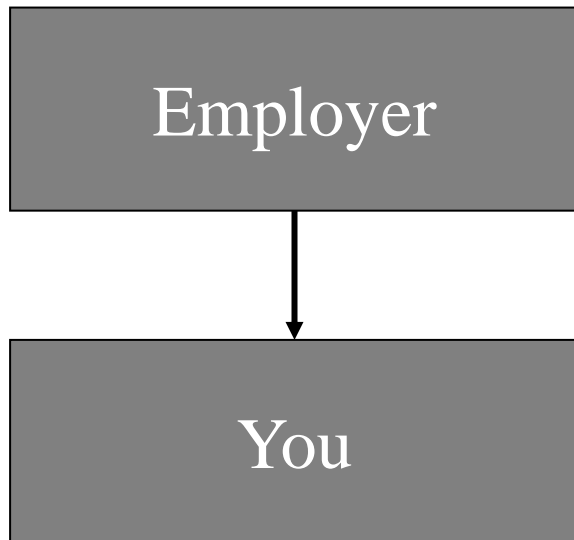
You And Your Career (cont.)

- Actively manage your relationship with your organization
 - two ways to think about the nature of the relationships between you and your employer
 - view yourself as an employee
 - model for just getting by
 - contributions likely to be minimal
 - two-way, mutually-beneficial exchange relationship
 - think about how you can contribute and act accordingly
 - » figure out new ways to add value
 - organization likely provide full and fair rewards, support further personal development, and offer more gratifying work environment

Two Relationships: Which Will You Choose?

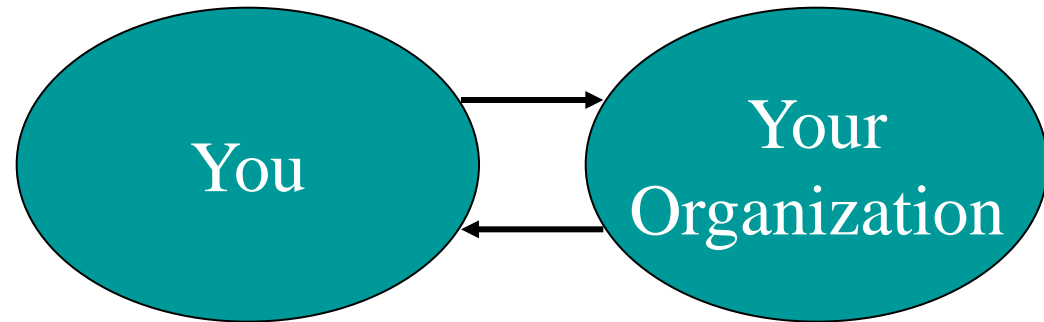
#1

You as a passive employee



#2

You as an active contributor
in a productive relationship



Managerial Action Is Your Opportunity To Contribute



You And Your Career (cont.)

- Survive and thrive
 - be prepared to move from project to project, team to team
 - be a master at something that the world values
 - develop a strong network of colleagues who can help with current and future projects
 - have entrepreneurial skills that help you act as if you were running your own business
 - love technology
 - market yourself
 - be willing to constantly improve and even reinvent yourself

Seven Tips for Successful Leadership

1. Build effective and responsive interpersonal relationships
2. Communicate effectively—in person, print, e-mail, etc
3. Build the team and enable employees to collaborate effectively
4. Understand the financial aspects of the business
5. Know how to create an environment in which people experience positive morale and recognition
6. Lead by example
7. Help people grow and develop

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