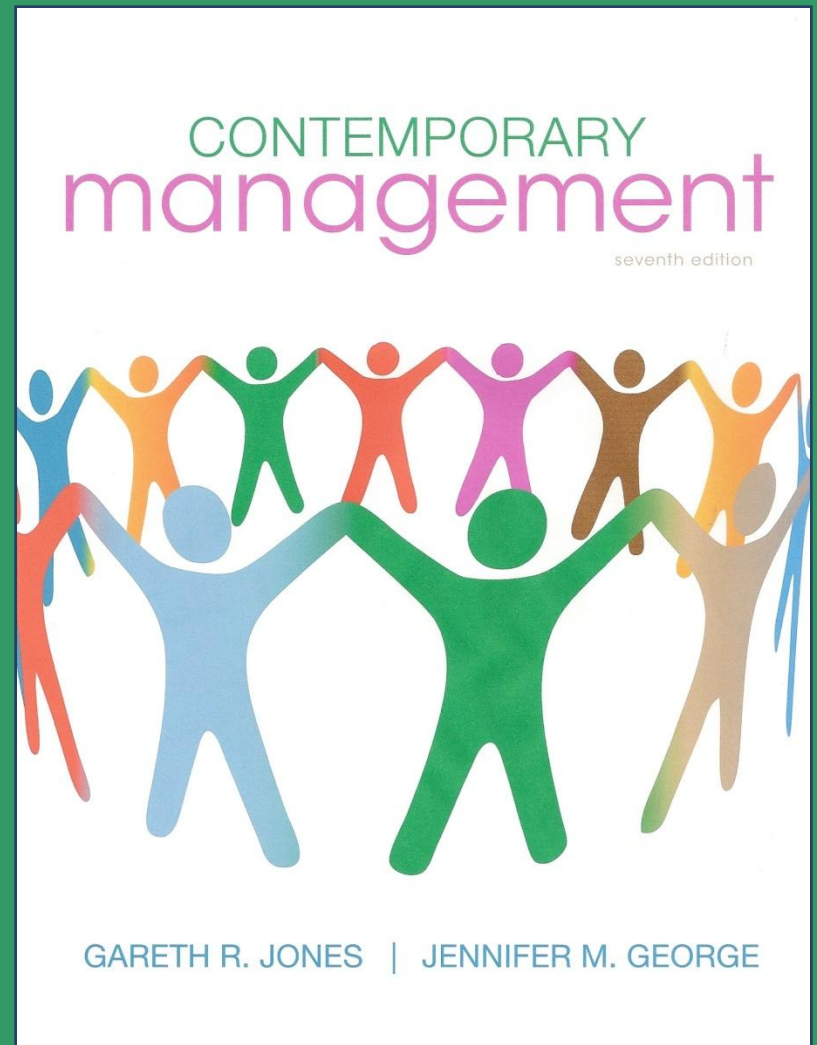


Managers and Managing

Chapter one



Learning Objectives

1. Describe what management is, why management is important, what managers do, and how managers use organizational resources **efficiently** and **effectively** to achieve organizational goals
2. Distinguish among planning, organizing, leading, and controlling (the four principal managerial tasks), and explain how managers' ability to handle each one affects organizational performance.
3. Differentiate among three **levels of management**, and understand the tasks and responsibilities of managers at different levels in the organizational hierarchy

Learning Objectives

4. Distinguish between three kinds of managerial skill, and explain why managers are divided into different departments to perform their tasks more efficiently and effectively.
5. Discuss some major changes in management practices today that have occurred as a result of globalization and the use of advanced information technology (IT).
6. Discuss the principal challenges managers face in today's increasingly competitive global environment

What is Management?

- All managers work in organizations
- **Organizations**
 - └ collections of people who work together and coordinate their actions to achieve a wide variety of goals or desired future outcomes

What is Management?

▣ Managers

- └ The people responsible for supervising the use of an organization's resources to meet its goals



What is Management?

□ Management

- └ The planning, organizing, leading, and controlling of human and other resources to achieve organizational goals **effectively** ((فعالیه)) and **efficiently** ((كفاءة))

What is Management?

□ Resources are organizational assets and include:

- People,
- Machinery,
- Raw materials,
- Information, skills,
- Financial capital.

□ Managers are the people responsible for supervising the use of an organization's resources to meet its goals.

Organizational Performance

□ Organizational Performance

- └ A measure of how **efficiently** and **effectively** managers use available resources to satisfy customers and achieve organizational goals

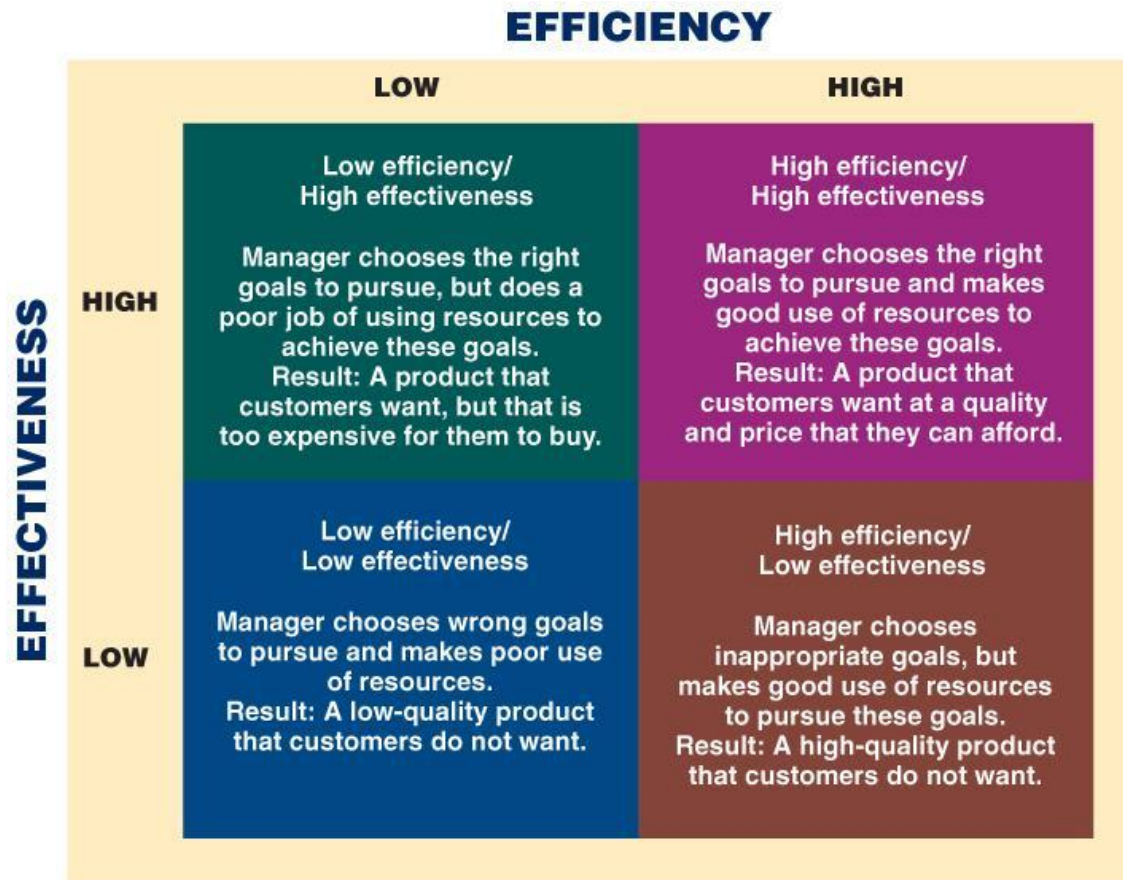
Organizational Performance

- Measures how efficiently and effectively managers use resources to satisfy customers and achieve goals.
 - ↳ **Efficiency:** A measure of how well resources are used to achieve a goal.
 - Usually, managers must try to minimize the input of resources to attain the same goal.
 - ↳ **Effectiveness:** A measure of the appropriateness of the goals chosen (are these the right goals?), and the degree to which they are achieved.
 - Organizations are more effective when managers choose the correct goals and then achieve them.

Organizational Performance

- **Efficiency** (كفاءة) “Doing things right”
 - └ A measure of how well or how productively resources are used to achieve a goal
- **Effectiveness** (فعالیه) “Doing the right things”
 - └ A measure of the suitability of the organization goals and the degree to which they are achieved.

Efficiency, Effectiveness, and Performance in an Organization

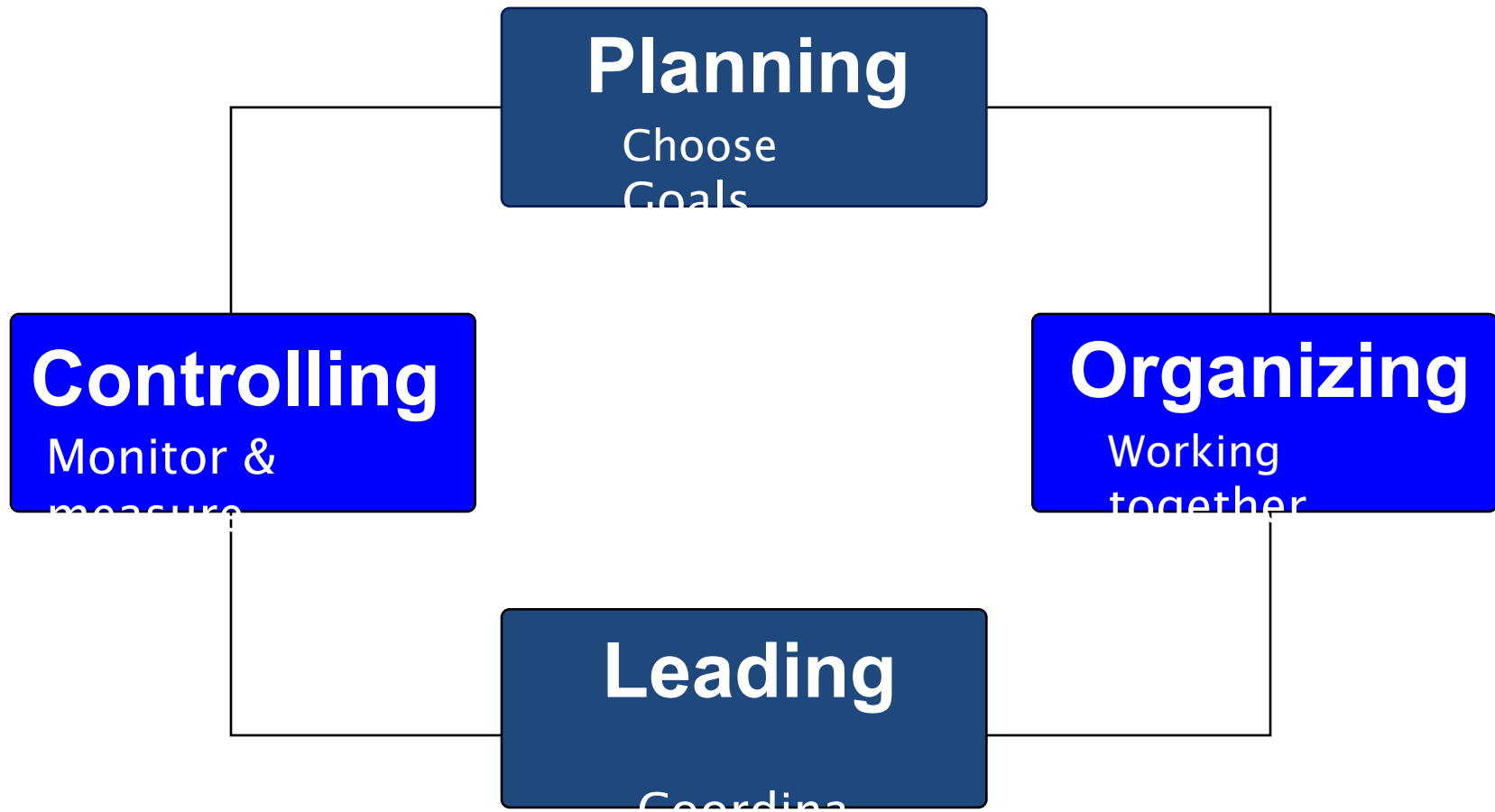


High-performing organizations are efficient *and* effective.

Figure 1.1

Four Functions of Management

Figure 1.2



Steps in the Planning Process

1. Deciding which goals the organization will achieve.
2. Deciding what courses of action to implement to reach those goals
3. Deciding how to allocate organizational resources

Organizing

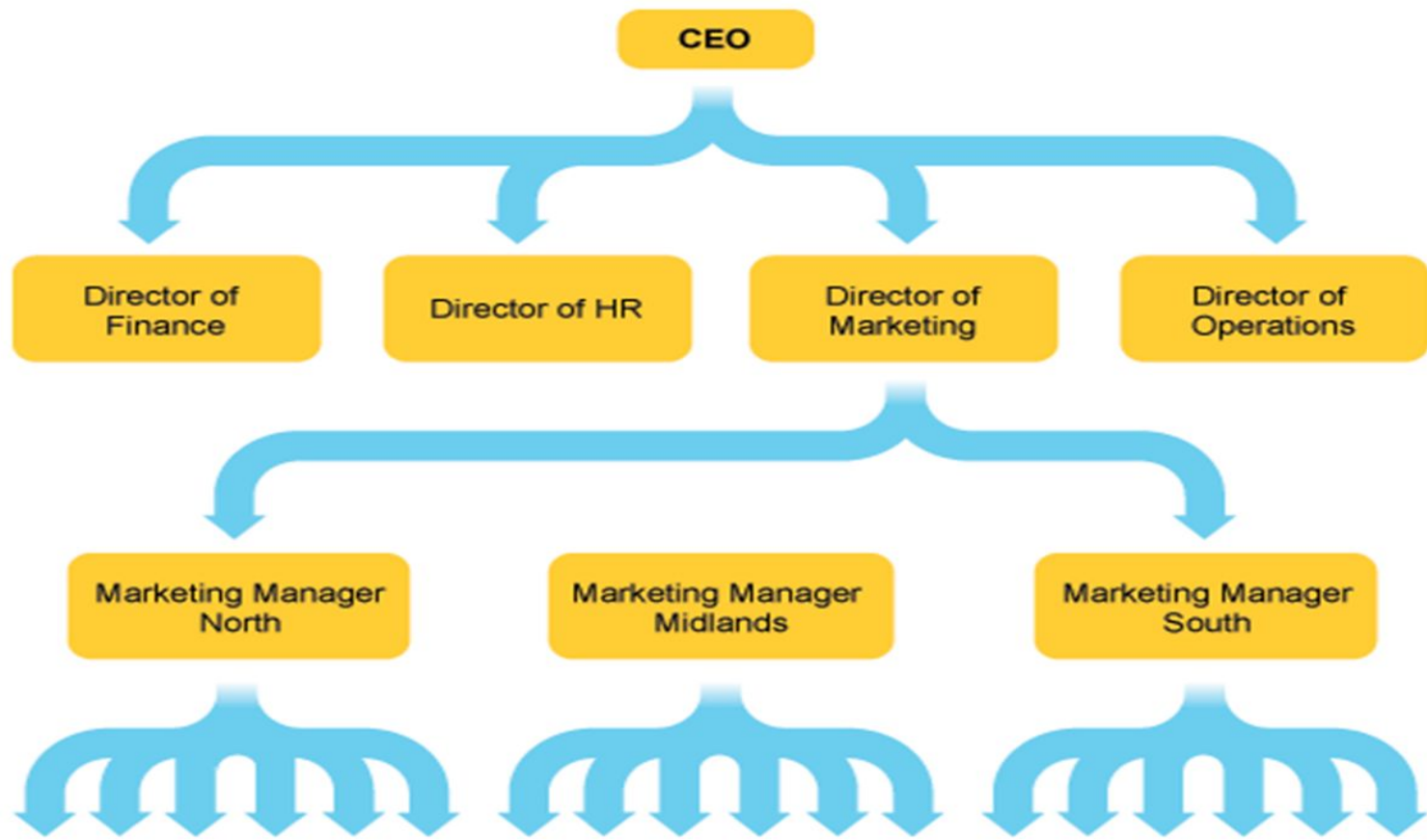
- Involves grouping people into departments according to the kinds of job-specific tasks they perform
- Managers lay out lines of authority and responsibility
- Decide how best to organize resources, particularly human resources

Organizing

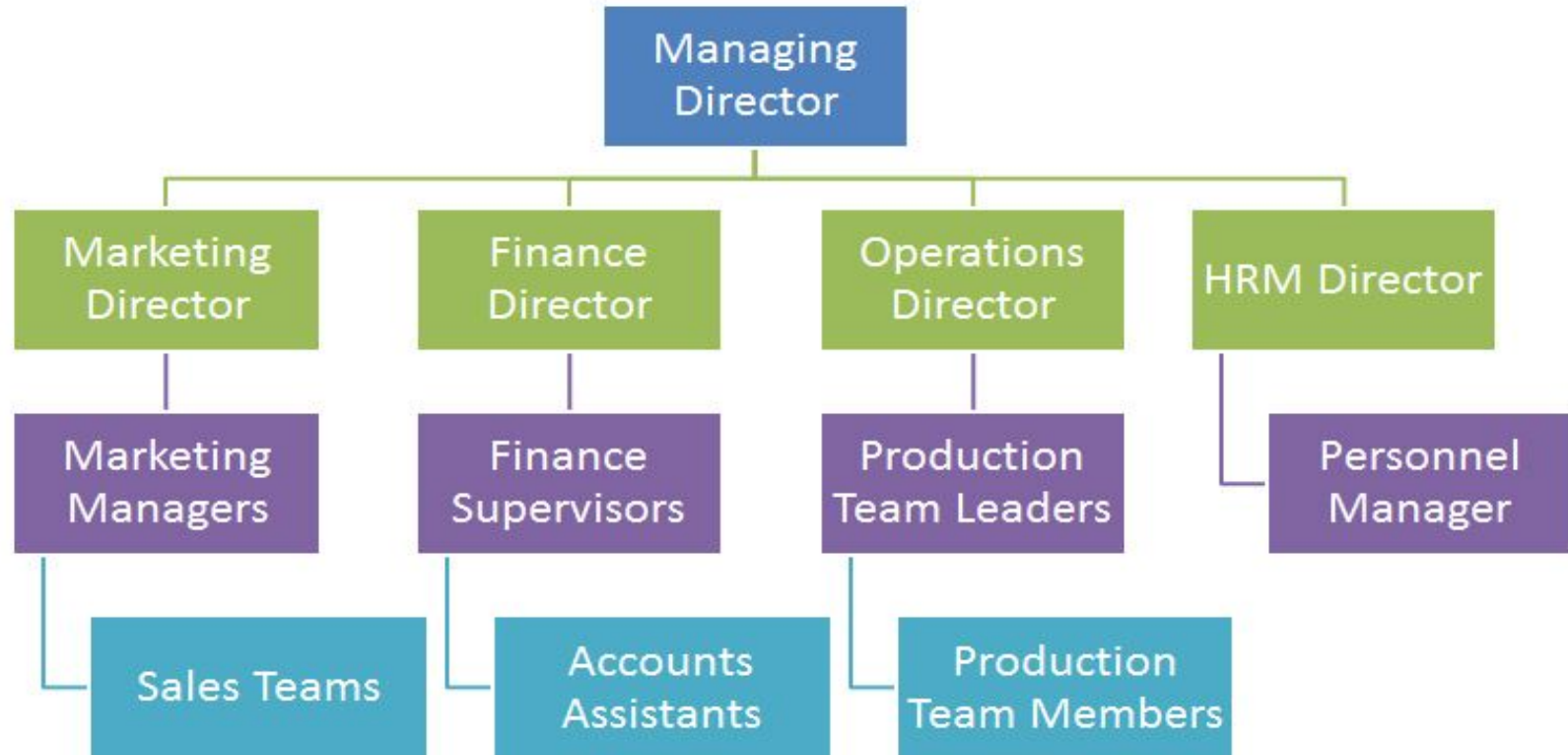
□ **Organizational structure**

- └ A formal system of task and reporting relationships that coordinates and motivates members so that they work together to achieve organizational goals

Organizational structure



Organizational structure



Leading

- Leadership involves using power, personality, and influence, persuasion, and communication skills
- It revolves around encouraging all employees to perform at a high level
- Outcome of leadership is highly motivated and committed workforce

Controlling

- The outcome of the control process is the ability to measure performance accurately and regulate organizational efficiency and effectiveness
- Managers must decide which goals to measure

Areas of Managers

□ Department

- └ A group of managers and employees who work together and possess similar skills or use the same knowledge, tools, or techniques



Levels of Managers



Figure 1.3

Levels of Management

□ First-line managers

- └ responsible for the daily supervision of the nonmanagerial employees

□ Middle managers

- └ Supervises first-line managers
- └ responsible for finding the best way to use resources to achieve organizational goals

Levels of Management

□ Top managers

- └ responsible for the performance of all departments
- └ establish organizational goals
- └ decide how different departments should interact
- └ monitor how well middle managers utilize resources to achieve goals

Relative Amount of Time That Managers Spend on the Four Managerial Functions

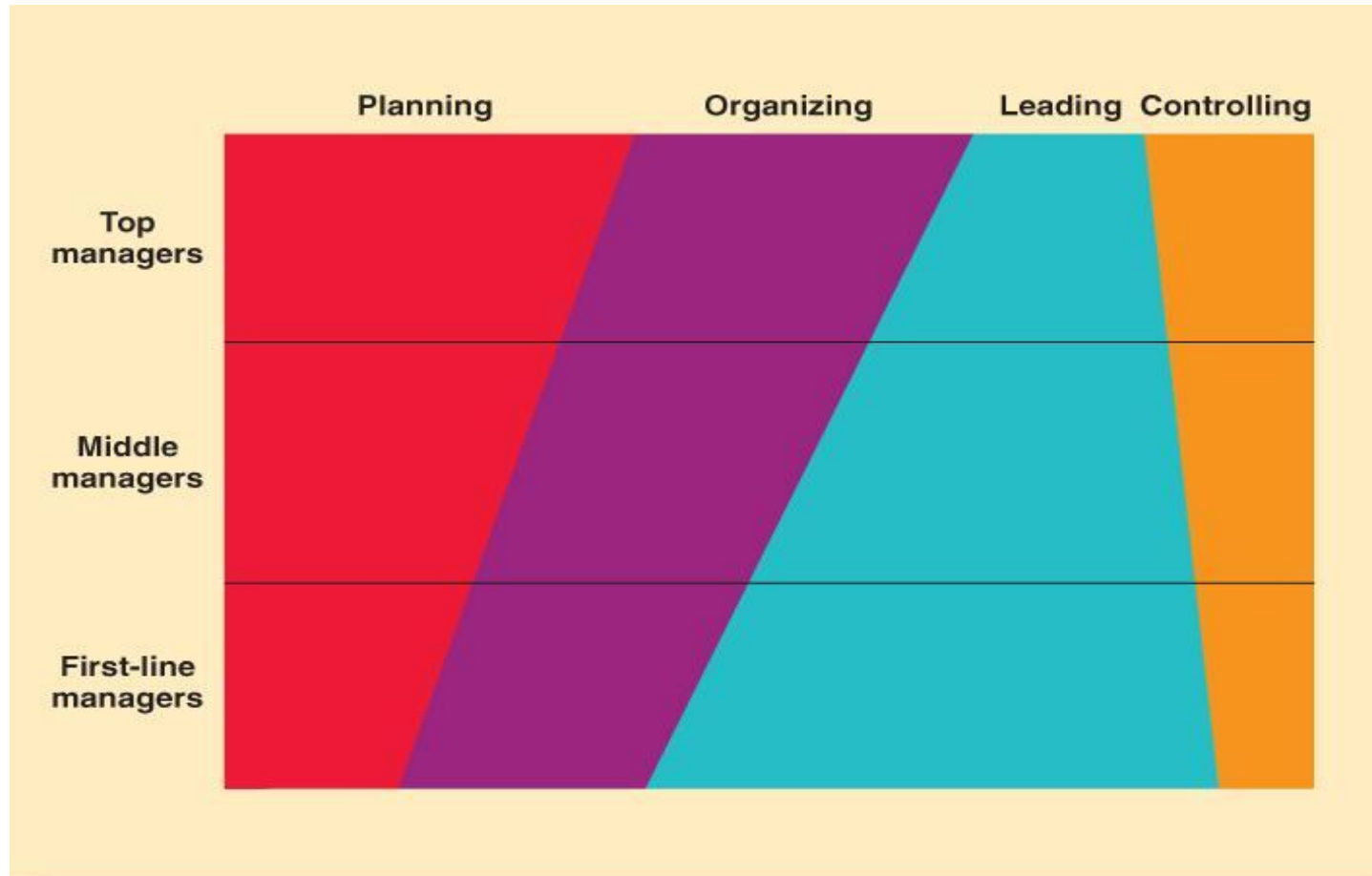


Figure 1.4 1-24

Managerial Skills

□ Conceptual skills

- └ The ability to analyze and diagnose a situation and distinguish between cause and effect.

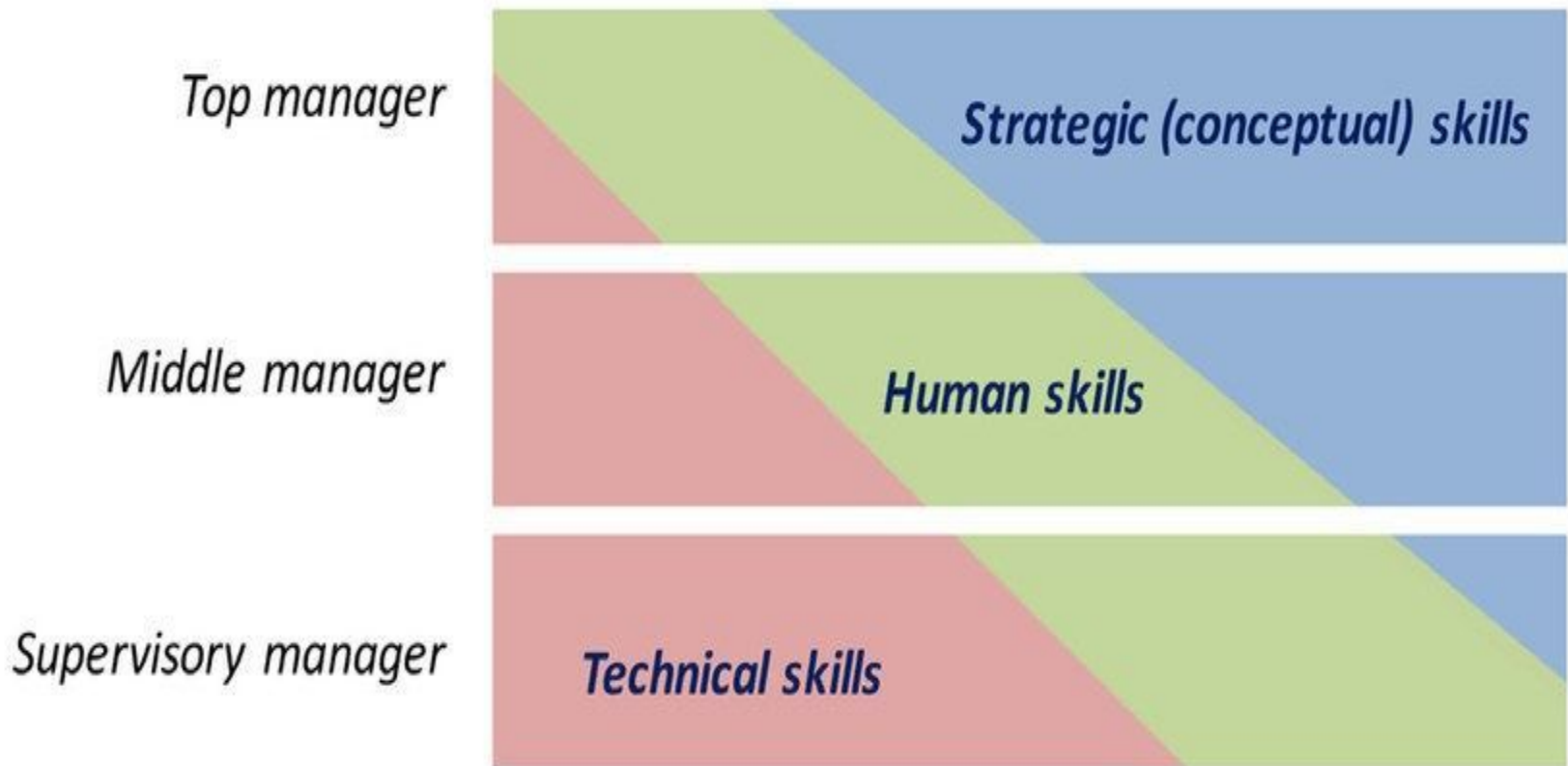
□ Human skills

- └ The ability to understand, alter, lead, and control the behavior of other individuals and groups.

□ Technical skills

- └ Job-specific skills required to perform a particular type of work or occupation at a high level.

Managerial Skills



Core Competency

□ Core competency

- └ Specific set of departmental skills, abilities, knowledge and experience that allows one organization to outperform its competitors
- └ Skills for a competitive advantage

Restructuring

□ Restructuring

- └ Involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs

□ Outsourcing

- └ Contracting with another company, usually in a low cost country abroad, to perform a work activity the company previously performed itself

Empowerment

□ Empowerment

- └ Involves giving employees more authority and responsibility over the way they perform their work activities

Challenges for Management in a Global Environment

Building a Competitive Advantage

Maintaining Ethical Standards

Managing a Diverse Workforce

Utilizing Information Technology

Global Crisis Management

Building Competitive Advantage

□ **Competitive Advantage**

- └ ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors

□ **Innovation**

- └ The process of creating new or improved goods and services or developing better ways to produce or provide them.

Building Blocks of Competitive Advantage

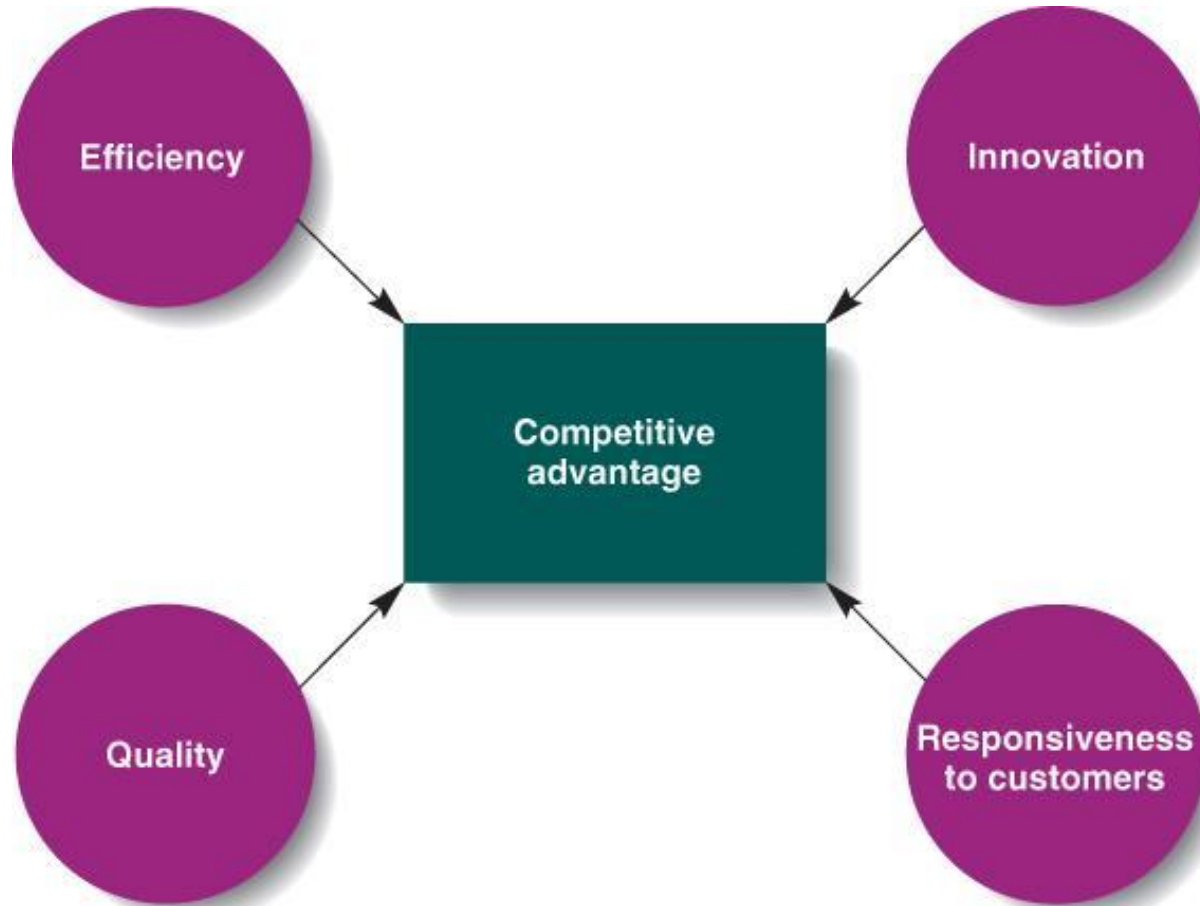


Figure 1.6

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