

CHAPTER ONE: A Brief Overview of Management

Introduction

1.1 Who is a manager?

A manager is a person responsible for the work performance of group members. A manager holds the formal authority to commit organizational resources, even if the approval of others is required. The concept of manager and managing are intertwined. The term management refers to the process of using organization resources to achieve organizational objectives through the function of planning, organizing and staffing, leading and controlling. In addition to being a process, the term management is also used as a label for a specific discipline, for the people who manage, and for a career choice,

1.1.1 Levels of management

1.1.1.1 Top level management

Most people who enter the field of management aspire to become top level managers at the top one or two levels in an organization, these managers usually have the word chief in their title, such as chief operating officer. Top – level managers are empowered to make major decisions affecting the present and future of the firm. Only a top level manager, for example, would have the authority to purchase another company, initiate a new product line, or hire hundreds of employees. Top – level managers are the people who give the organization its general direction; they decide where it is going and how it will get there. The term executive, top- level manager and c- level manager can be used interchangeably.

1.1.1.2 Middle level management

Middle level managers are managers who are neither executives nor first level supervisors, but who serve as a line between the two groups. Middle – level managers conduct most of the coordination activities within the firm and they are responsible for implementing programs and

policies formulated by top level management. Their jobs vary substantially in terms of responsibility and income.

1.1.1.3 First – level managers

Managers who supervise operatives are referred to as first level managers, first – line managers, or supervisors. The largest number of people is at the bottom organizational level.

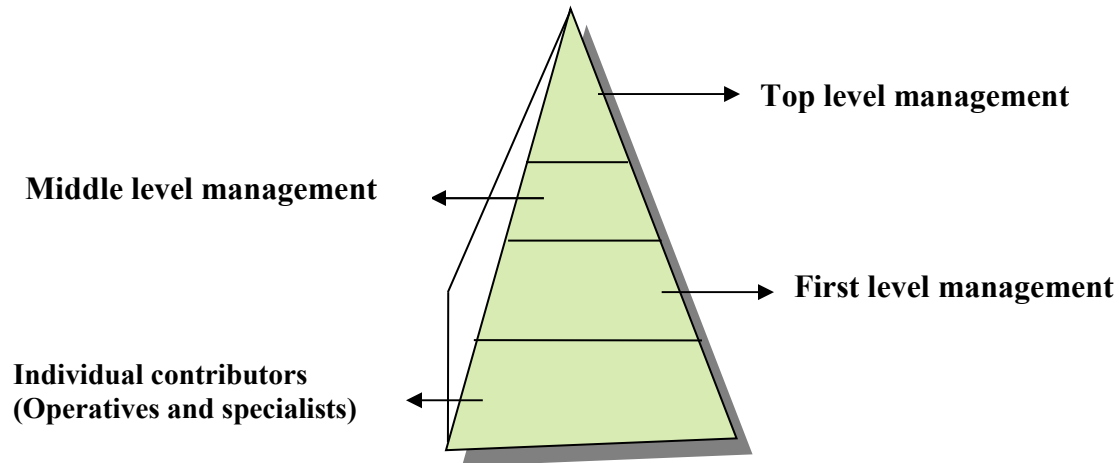


Figure 1: Levels of Management

Note: Many job titles can be found at each level of management

1.1.2 Types of Managers

The functions performed by managers can also be understood by describing different types of management jobs.

1.1.2.1 Functional and General Managers

Functional managers supervise the work of employees engaged in specialized activities such as accounting, engineering, information system, food preparation, marketing and sales. A functional manager is a manager of specialists and of their support teams such as office assistants.

General Managers are responsible for the work of several different groups that perform a variety of functions. The job title “plant general manager” offers insight into the meaning of general

management. Both specialized and generalized work departments report to general management company presidents are general managers.

1.1.2.2 Administrators

An administrator is typically a manager who works in a public (government) or nonprofit organization, including educational institutions, rather than in business firm. Among the managerial positions are hospital administrator and housing administrator. Managers in all types of educational institutions are referred to as administrators. The fact that individual contributors in nonprofit organizations are sometimes referred to as administrators often causes confusion. An employee is not an administrator in the managerial sense unless he or she supervises others.

1.1.2.3 Entrepreneurs and small business owners

An entrepreneur is a person who founds and operates an innovative business. After the entrepreneur develops the business into something bigger than he or she can handle alone or with the help of only a few people, that person becomes a general manager.

Similar to an entrepreneur, the owner and operator of a small business becomes a manager when the firm grows to include several employees; small business owners typically invest considerable emotional and physical energy into their firms.

A major characteristic of both entrepreneurs and small business owners is their passion for the work. Those types of managers will usually have a single minded drive to solve a problem. But you need to have an innovative idea to fit the strict definition of an entrepreneur.

1.1.2.4 Team Leaders

A manager in such a position coordinates the work of a small group of people while acting as a facilitator or catalyst. Team leaders are found at several organizational levels and are sometimes referred to as project managers, program managers, process managers, and task force leaders.

1.1.3 The Process of management

A helpful approach to understand what managers do is to regard their work as a process. A process is a series of actions that achieves something making a profit or providing a service, for example. To achieve an objective, the manager uses resources and carries out four major managerial functions. These functions are planning, organizing and staffing, leading and controlling.

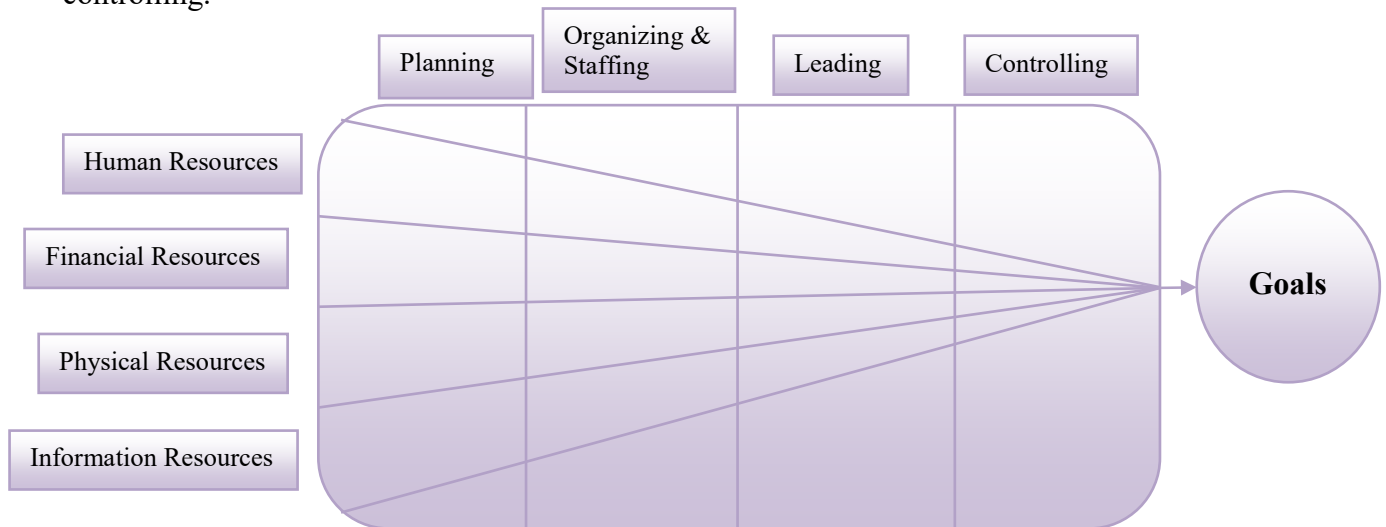


Figure 2: Process of Management

The manager uses resources and carries out functions

1.1.4 Resources used by Managers

Managers use resources to accomplish their purposes, just as a carpenter uses resources to build a terrace. A manager's resource can be divided into four types: Human, Financial, Physical and Informational.

- **Human Resources:** - are the people needed to get the job done. Manager's goals influence which employees they choose.
- **Financial Resources:** - are the money the manager and the organization use to reach organizational goals. The financial resources of a business organization are profits and investments from stockholders for community agencies from tax revenue, charitable contributions, and government grants.

- **Physical resources:-** are a firms' tangible goods and real-estate, including raw materials, office space, production facilities, office equipment, and vehicles.
- **Informational resources:-** are the data that the manager and the organization use to get the job done. For example, to supply leads to the firm's sales representatives, the sales manager of an office supply company reads local business newspapers and internet postings to learn about new firms in town.

Managers are knowledge workers; they rely heavily on information resources. They are quite skilled at obtaining data, but less skilled at converting their data into useful information.

1.1.5 The Four Managerial Functions

1.1.5.1 Planning

Planning involves setting goals and figuring out ways of reaching them. Planning, considered the central function of management, pervades everything a manager does. In planning, a manager looks to the future.

1.1.5.2 Organizing and staffing

Organizing is the process of making sure the necessary human and physical resources are available to carry out a plan and achieve organizational goals. Organizing also involves assigning activities, dividing work into specific jobs and tasks, and specifying who has the authority to accomplish certain tasks. Another major aspect of organizing is grouping activities into departments or some other logical subdivision. The staffing function ensures the availability of necessary human resources to achieve organizational goals hiring people for jobs is a typical staffing activity. Staffing is such a major activity that it is sometimes classified as a function separate from organizing.

1.1.5.3 Leading

Leading means influencing others to achieve organizational objectives. As a consequence, it involves energizing, directing, persuading others, and creating a vision. Leadership involves dozens of interpersonal processes; motivating, communicating, coaching and showing group

members how they can reach their goals. Leadership is such a key component of managerial work that management is sometimes seen as accomplishing results through people. The leadership aspect of management focuses on inspiring people and bringing about change, whereas the other three functions focus more on maintaining a stable system. Effective leaders develop the sense of community or shared purpose that is essential for cooperative effort in all organizations.

1.1.5.4 Controlling

Controlling generally involves comparing actual performance to a predetermined standard. Any significant difference between actual and designed performance would prompt a manager to take corrective action. He or She might, for example, increase advertising to boost lower than anticipated sales.

A secondary aspect of controlling is determining whether the original plan needs, revision, given the realities of the day. The controlling function sometimes causes a manager to return to the planning function temporarily or fine tune the original plan.

One important way in which the jobs of managers differ is in the relative amount of time spent on planning, organizing and staffing, leading and controlling. Executives ordinarily spend much more time on strategic (high level and long – range) planning than do middle or first level managers. Lower – level managers are more involved with day-by-day and other short-range planning. Also, lower level managers spent the most time in face-to-face leadership such as coaching and disciplining workers. This is true because entry level workers are likely to need more assistance than those workers who have advanced higher in the organization.

1.1.6 Managerial Roles currently emphasized

Managerial work has shifted substantially away from the controller and director role to that of motivator and coach, facilitator, and supporter. As reflected in the position of team leader, many managers today deemphasize formal authority and rank. Instead, they work as partners with team members to jointly achieve results. Managers today emphasize horizontal relationships and

deemphasize vertical (top–down) relationships. We encourage you not to think that traditional (old) managers are evil, while new managers are good.

1.1.7 Five key managerial skills

Whatever the level of management, a manager needs a combination of the following five skills:

1.1.7.1 Technical skill

Technical skill involves an understanding of and proficiency in a specific activity that involves methods, processes, procedures, or techniques. Technical skills include the ability to prepare a budget, layout a production schedule, prepared a spread sheet analysis, upload information onto a social net work site, and demonstrate a piece of electronic equipment. Intricate knowledge of the business such as developing a marketing campaign for a product can also be regarded as a technical skill. Technical skills are frequently referred to as hard skills. A well developed technical skill can facilitate the rise into management. For example, Bill Gates of Microsoft Corp. launched his career by being a competent programmer.

1.1.7.2 Interpersonal skill

Interpersonal (or human relations) skill is a manager's ability to work effectively as a team member and to build cooperative effort in the unit. Communication skills are an important component of interpersonal skills. They form the basis for sending and receiving messages on the job. Although interpersonal skills are often referred to as soft skills, it does not mean these skills are easy to learn or insignificant, interpersonal skills are more important than technical skills in getting to the top and providing leadership to people. Many managers at all levels ultimately fail because their interpersonal skills do not much the demands of the job. For example, some managers intimidate, bully, and swear at group members. In the process, they develop such a poor reputation that it may lead to their being replaced. Have you ever worked for a manager who was to rude and insensitive that he or she damaged morale and productivity?

Another important subject of interpersonal skills for managers is multiculturalism, the ability to work effectively and conduct business with people from different cultures. Closely related is the important asset in today's global and multicultural work environment.

1.1.7.3 Conceptual skill

Conceptual skill is the ability to see the organization as a total entity. It includes recognizing how the various units of the organization depend on one another and how changes in any one part affect all the others. It also includes visualizing the relationship of the individual business to the industry, the community, and the political, social, and economic forces of the nation as a whole. For top level management, conceptual skill is a priority because executive managers have the most contact with the outside world.

The famous management thinker Peter Drucker emphasized that the only comparative advantage of the developed countries is the number of knowledge workers (People who work primarily with concepts). Educated workers in underdeveloped countries are just as smart as those in developed countries, but their numbers are smaller. According to Drucker and many other authors, the need for knowledge workers and conceptual knowledge will continue to grow.

1.1.7.4 Diagnostic skill

Managers are frequently called on to investigate a problem and then to decide on and implement a remedy. Diagnostic skill often requires other skills, because managers must use technical, human, conceptual, or political skills to solve the problems they diagnose. Much of the potential excitement in a manager's job centers on getting to the root of problems and recommending solutions. An office supervisor, for example, might attempt to understand why productivity has not increased in his office despite the installation of the latest office technology.

1.1.7.5 Political Skill

An important part of being effective is the ability to obtain power and prevent others from taking it away. Managers use political skills to acquire the power necessary to reach objectives. Other political skills, includes establishing the right connections and impressing the right people.

Furthermore, managers high in political skill possess an astute understanding of people, along with a fundamental belief that they can control the outcomes of their interactions with people. This feeling of mastery often reduces the stress associated with interacting with people.

Political skill should be regarded as a supplement to job competence and the other basic skill. Managers who over emphasis political skill at the expense of doing work of substance focus too much on pleasing company insiders and advancing their own careers. Too much time invested in office politics takes time away from dealing with customer problems and improving productivity. Experience is obviously important in developing management skills. Yet experience is likely to be more valuable if it is enhanced with education.

A key reason for continuing to develop managerial skills is that the manager's job is more demanding than ever, and the work place keeps changing. A manager is likely to work in and intense, pressure – filled environment requiring many skills. Companies forced to keep up with competition are driving the demand for managers with updated skills. Rapid changes, such as the need for e-commerce and a social networking presence, require managers to continually develop new skills.