

# Chapter One **1**

## The Changing Paradigm of Management

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# Definition of Management

- The attainment of organizational goals in an effective and efficient manner through Planning, Organizing, Leading and Controlling organizational resources.

# Two Key Ideas in Defining Management

- ① The four Management functions
  - Planning
  - Organizing
  - Leading
  - Controlling
- ② Attainment of organizational goals in an effective & efficient manner

# PLANNING

- **is the management function concerned with defining goals for future organizational performance and deciding on the tasks and resource use needed to attain them.**
- Planning defines where the organization wants to be in the future and how to get there.
- *Ex: over a period of less than one year, to transform a division making microwave test gear into a leader in the hot market for digital video.*
- **A lack of planning – or poor planning – can hurt an organization's performance.**

# ORGANIZING

- **is the management function concerned with assigning tasks, grouping tasks into departments and allocating resources to departments.**
- Organizing typically follows planning and reflects how the organization tries to accomplish the plan.
- *Ex: reorganizing into teams that have more responsibility for self-management.*

# LEADING

- **is the management function that involves the use of influence to motivate employees to achieve the organization's goals.**
- Leading is becoming an increasingly important management function.
- *Ex: exceptional leaders who are able to communicate their vision for the organization and energize employees into action.*
- **Leading means creating a shared culture and values, communicating goals to employees, motivating and encouraging employees. These are critical issues to business success.**

# CONTROLLING

- **is the management function concerned with monitoring employees' activities, keeping the organization on track toward its goals and making corrections as needed.**
- Managers must ensure that the organization is moving toward its goals..
- **New trends toward empowerment and trust of employees have led many companies to place less emphasis on top-down control (*reactive approach*) and more emphasis on training employees to monitor and correct themselves (*proactive approach*).**
- *But; managers should also know that works in one company or one situation may not work in another.*  
*Ex:performance controls, tourism vs. production industry*

# Management's Traditional Mind Set

- Tight top-down control
- Employee separation and specialization
- Management by impersonal measurements and analysis



# ‘Make a difference’

- **Making a difference** as a manager today and tomorrow requires **a different approach from yesterday.**
- Successful departments and organizations don’t just happen – they are managed to be that way.
- Managers in every organization today face **major challenges** and have the opportunity to **make a difference.**

# Changes Bringing About The Management Revolution



- Global competition
- Cutbacks in personnel
- World wide economic, political, and social shifts
- Diversity of the workforce
- Request for sharing of power
- New decision makers

# Results of Management Revolution

- Recognize no perfect answer(s)
- Do more with less
- Ask to create vision
- Ask to create cultural values



Times Are Changing

# Management Process

**Planning**...select goals and ways to attain them

**Organizing**...assign responsibility for task accomplishment



**Performance** •Attain goals •Products •Services  
•Efficiency •Effectiveness

**Leading**...use influence to motivate employees

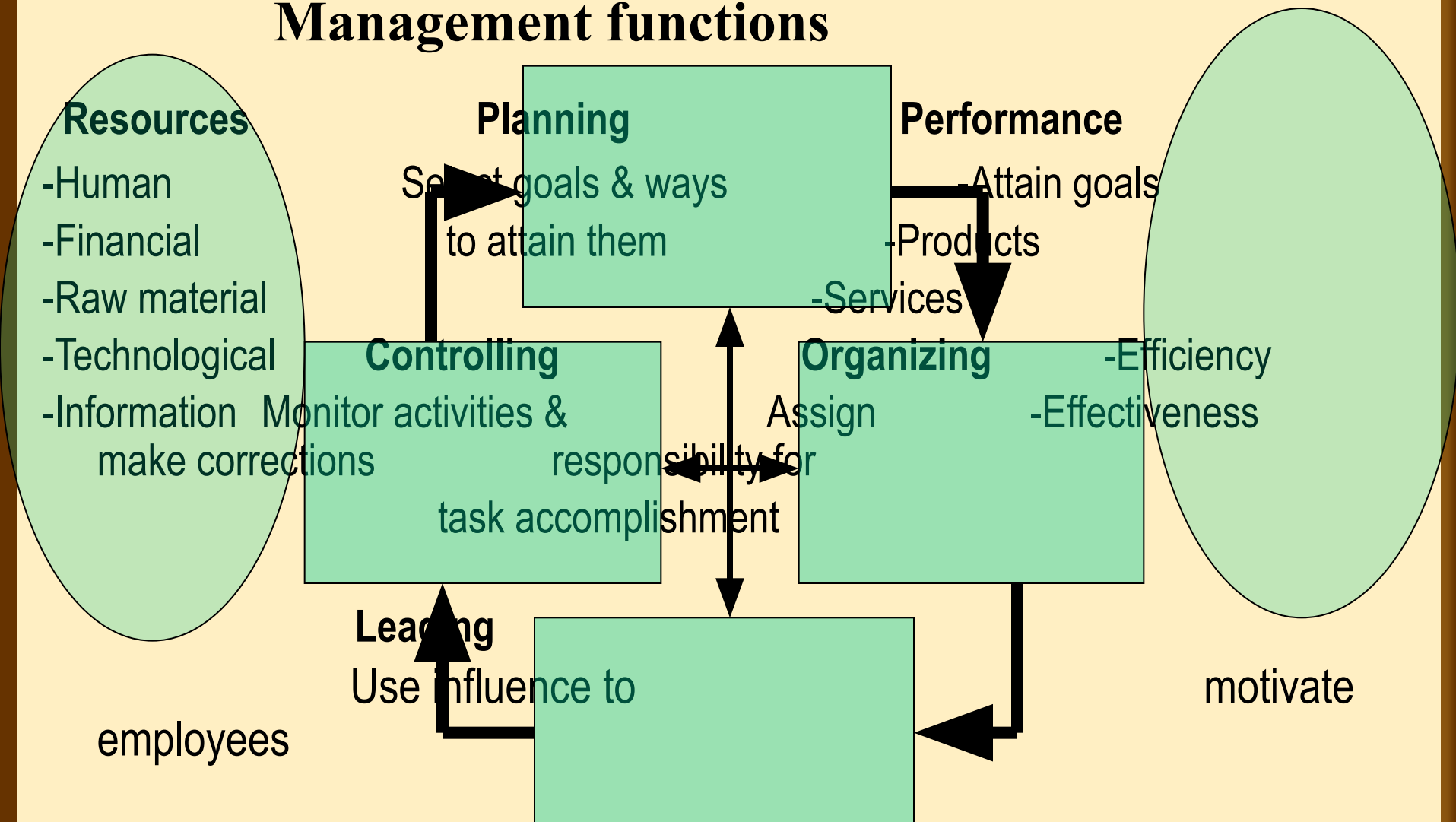
**Controlling**...monitor activities and make corrections



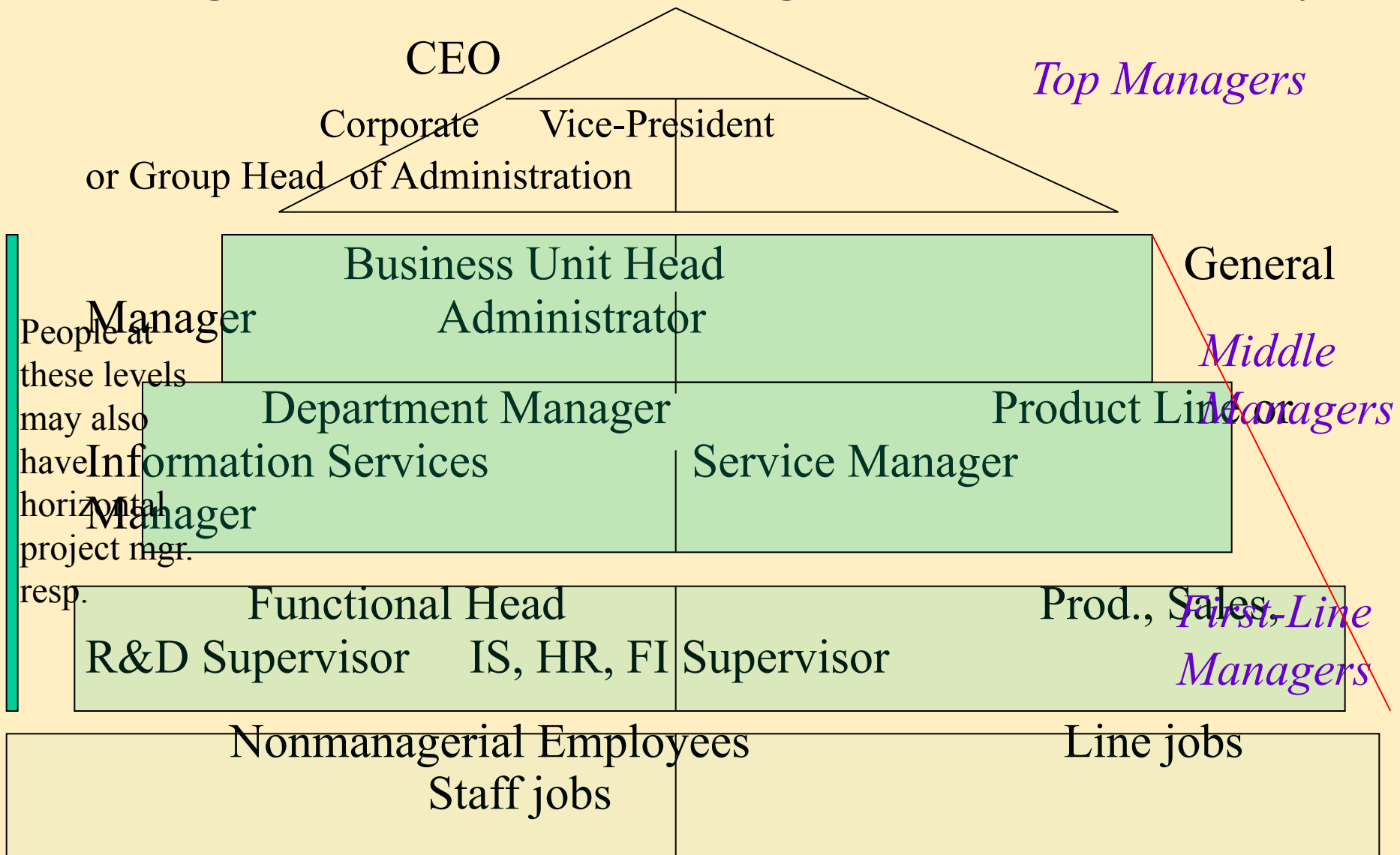
**Resources** •Human •Financial •Raw Materials  
•Technological •Information

# THE PROCESS OF MANAGEMENT

## Management functions



# Management Levels in the Organizational Hierarchy

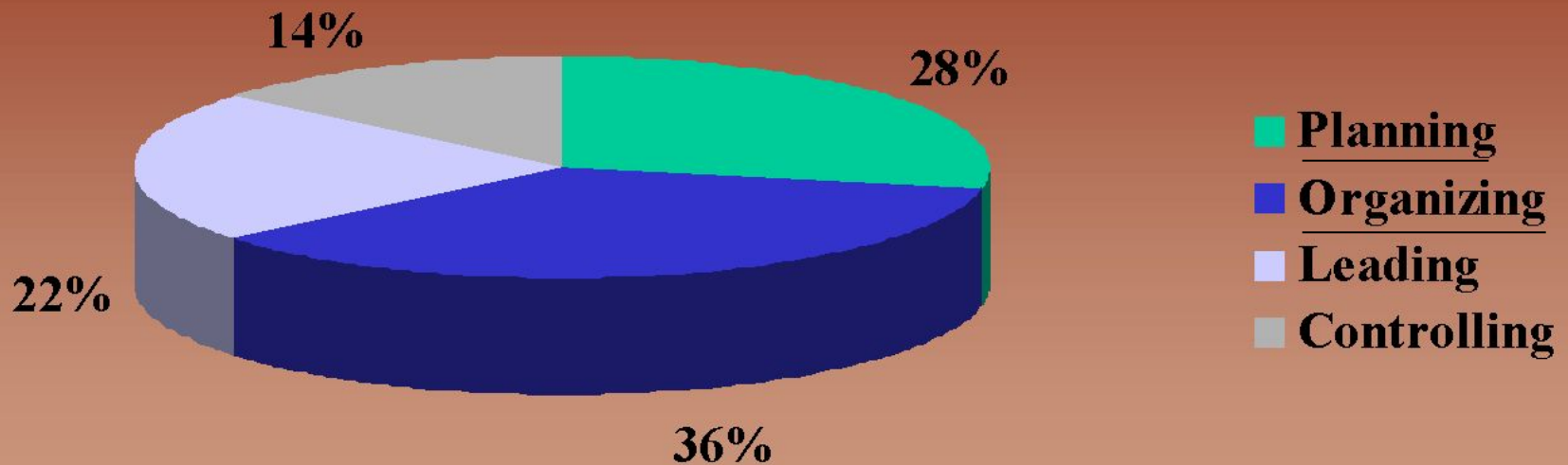


# Definitions of Management Levels

- **Top manager** : is at the top of the organizational hierarchy & responsible for the entire organization
- **Middle manager** : works at the middle levels of the organization & is responsible for major departments
- **Project manager** : is responsible for a temporary work project that involves the participation of other people at a similar level in the company
- **First-line manager** : is at the 1st or 2nd management level & directly responsible for the production of goods & services
- **Functional manager** : is responsible for a department that performs a single functional task & has employees with similar training and skills
- **General manager** : is responsible for several departments that perform different functions

# Top Managers

## Time Spent On Management Functions

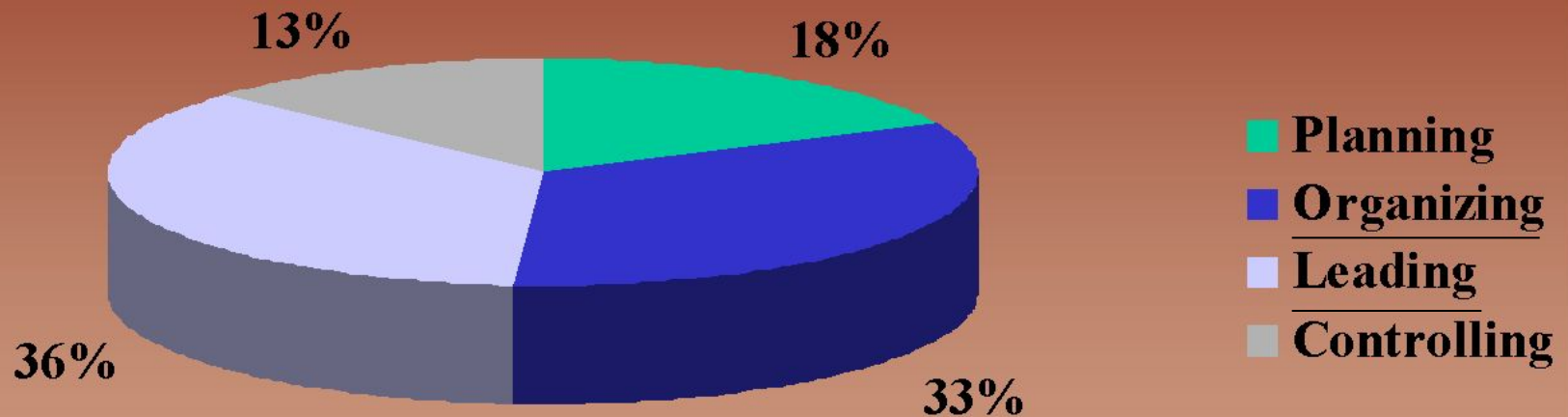


Source: T.A.Mahoney, T.H.Jerde, & S.J.Carroll, "The Jobs Of Management"



# Middle Managers

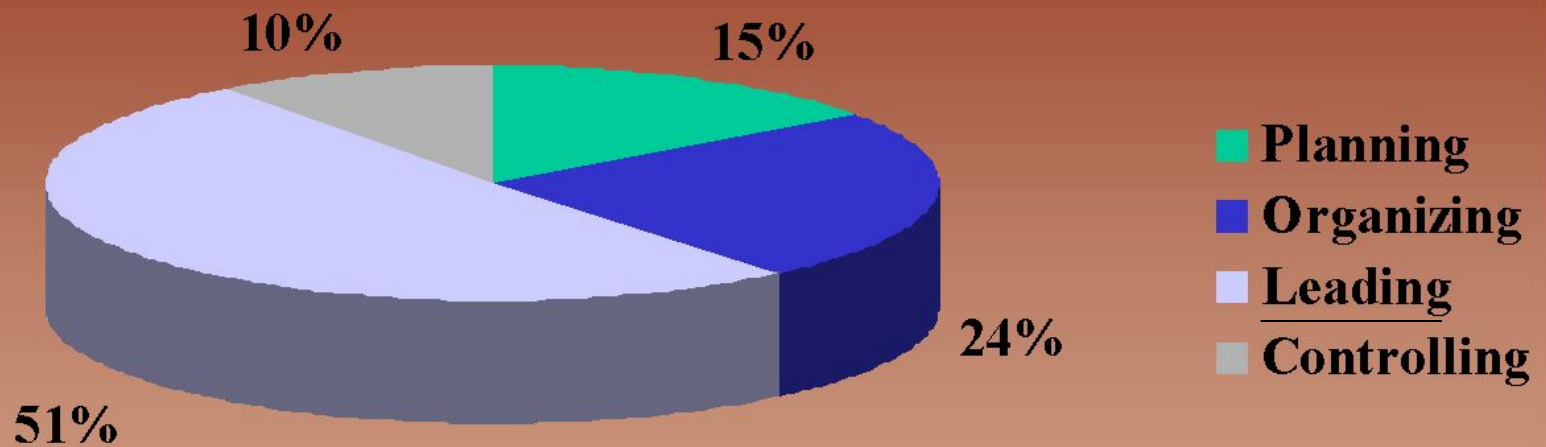
## Time Spent On Management Functions



Source: T.A.Mahoney, T.H.Jerde, & S.J.Carroll, "The Jobs Of Management"

# First Level Managers

## Time Spent On Management Functions



Source: T.A.Mahoney, T.H.Jerde, & S.J.Carroll, "The Jobs Of Management"

# Organizational Performance

- The other part of our definition of management is the attainment of organizational goals in an efficient and effective manner.
- Management is so important because organizations are so important.

*Without organizations how could many airline flights a day be accomplished without an accident, millions of automobiles manufactured?*

# Formal definition of an ‘Organization’

- **Organization** is a social entity that is goal directed and deliberately structured.
- **Social entity** means being made up of 2 or more people.
- **Goal directed** means designed to achieve some outcome, such as make a profit, win pay increases for members, meet/provide some social needs/satisfaction.
- **Deliberately structured** means that tasks are divided and responsibility for their performance assigned to organization members.

# Organizational Performance

- **Organizational effectiveness** is the degree to which the organization achieves a stated goal. *It means also providing a product or service that customers value.*
- **Organizational efficiency** is the use of minimal resources – *raw materials, money & people* – to produce a desired volume of output. *(Can be calculated as the amount of resources used to produce a product or service)*
- **Organizational performance** is the organization's ability to attain its goals by using resources in an efficient and effective manner.
- The ultimate responsibility of managers is to achieve high performance, which is the attainment of organizational goals by using resources in an efficient & effective manner.

# Management Skills



Dun & Bradstreet

- Conceptual Skills
- Human (relations) Skills
- Technical Skills

# Management Skills



Dun & Bradstreet

- **Conceptual Skill**: ability to see the organization as a whole and the relationship among its parts (*'think strategically', long-term view*).
- **Human Skill**: ability to work with and through other people and to work effectively as a group member (*motivate, lead, facilitate, coordinate, resolve conflicts*).
- **Technical Skill**: understanding of & proficiency in the performance of specific tasks (*know-how, analytical ability, mastery of methods / equipment. Less important than human and conceptual skills as managers move up the hierarchy*).

# Managerial Roles In Business

## Small Firm Managers

## Large Firm Managers

Spokesperson

Entrepreneur

Figurehead  
Leader

Disseminator

High



Moderate



Low

Resource Allocation

Liaison

Monitor

Disturbance handler

Negotiator

Entrepreneur



# 10 Manager Roles

Category	Role	Activity
Informational	Monitor	Seek & receive information, scan reports & periodicals, maintain personal contacts
	Disseminator	Forward data to other company members; send memos & reports, make phone calls
Informational	Spokesperson	Transmit data to outsiders through reports, memos, speeches
	Figurehead	Perform ceremonial & symbolic duties like greeting visitors, signing legal documents
Interpersonal	Leader	Direct & motivate subordinates; train, counsel & communicate with subordinates
	Liaison	Maintain information links both inside and outside organization; use mail, phone calls, meetings

*(to be continued)*

# 10 Manager Roles

<b>Category</b>	<b>Role</b>	<b>Activity</b>	<b>(c.)</b>
Decisional	Entrepreneur	Initiate improvement projects; identify new ideas, delegate idea responsibility to others	
	Disturbance handler	Take corrective action during disputes or crises; resolve conflicts among subordinates and adapt to environmental crises	
	Resource allocator	Decide who gets resources; schedule, budget, set priorities	
	Negotiator	Represent department during negotiation of union contracts, sales, purchases, budgets; represent departmental interests	

# PREPARING FOR THE NEXT FEW YEARS

- PARADIGM SHIFTS. Changing one's management paradigm is not easy, but it is becoming increasingly important in a world of rapidly changing products, technologies and management techniques.
- CHAOS THEORY. Day-to-day events for most organizations are random and unpredictable.
- WORKPLACE DIVERSITY. Managers must learn to motivate & lead different types of people (male/female, from diverse ethnic & cultural backgrounds) & to attract the best people from these groups.
- GLOBALIZATION. Foreign competitors, suppliers & customers... Successful managers of tomorrow will be able to cross borders, will be good at languages & will understand cultural differences.

# THE LEARNING ORGANIZATIONS

- VISION & CULTURE. Top managers must be leaders who create a purpose, vision, mission, core cultural values for the future
- EMPOWERED WORKERS. Not so much giving people power but recognizing the power they have & unleashing it to help the company operate more effectively.
- NEW STRUCTURES. Move from top-down hierarchial organizations to flatter organizations, SBU, self-directed teams (*QA instead of QC*).
- OPEN-BOOK MANAGEMENT. Information sharing. Without complete information workers cannot identify needs & solve problems. In the new paradigm, managers believe that too much information sharing is better than too little. (*budgets, profits, departmental expenses, etc*)
- NEW CAREER PATHS. In a learning organization, managers will more often move horizontally.

# Summary & Management Solution

- Introduced a number of important concepts
- Described the changing nature of management
- High performance requires the efficient & effective use of organizational resources with 4 management functions...
- To perform these functions, managers need 3 skills...
- Managers are also expected to perform activities associated with 10 roles...
- Management revolution is changing management toward the concept of the learning organization.
- Creating learning organizations is the challenge that will face leaders in the future.

# MANAGEMENT APTITUDE QUESTIONNAIRE p.1

Rate each of the following questions according to this scale:

5 I always am like this

4 I often am like this

3 I sometimes am like this

2 I rarely am like this  
like this

1 I never am

1. When I have a number of tasks or homework to do, I set priorities & organize the work around the deadlines. C
2. Most people would describe me as a good listener. H
3. When I am deciding on a particular course of action for myself (such as hobbies to pursue, languages to study, which job to take, special projects to be involved in), I typically consider the long-term (3 years or more) implications of what I would choose to do. C
4. I prefer technical or quantitative courses rather than those involving literature, psychology or sociology. T
5. When I have a serious disagreement with someone, I hang in there and talk it out until it is completely resolved. H

6. When I have a project or assignment, I really get into the details rather than the “big picture” issues. \* C
7. I would rather sit in front of my computer than spend a lot of time with people. T
8. I try to include others in activities or when there are discussions. H
9. When I take a course, I relate what I am learning to other courses I have taken or concepts I have learned elsewhere. C
10. When somebody makes a mistake, I want to correct the person and let her or him know the proper answer or approach. \* H
11. I think it is better to be efficient with my time when talking with someone, rather than worry about the other person’s needs, so that I can get on with my real work. T
12. I know my long-term vision for career, family and other activities and have thought it over carefully. C
13. When solving problems, I would much rather analyze some data or statistics than meet with a group of people. T
14. When I am working on a group project and someone doesn’t pull a full share of the load, I am more likely to complain to my friends rather than confront the slacker. \* H

## MANAGEMENT APTITUDE QUESTIONNAIRE p.3

15. Talking about ideas or concepts can get me really enthused and excited. C
16. The type of management course for which this book is used is really a waste of time. T
17. I think it is better to be polite and not to hurt people's feelings. \* H
18. Data or things interest me more than people. T



**Scoring key**

**\* : reverse scoring item**

**Add the total points for the following sections. Note that starred items (Q # : 6, 10, 14 and 17) are reverse scored, as such:**

- |                                     |          |  |          |
|-------------------------------------|----------|--|----------|
| <b><i>I always am like this</i></b> | <b>1</b> | <b><i>I often am like this</i></b>     | <b>2</b> |
|                                     | <b>3</b> | <b><i>I sometimes am like this</i></b> |          |
|                                     | <b>4</b> | <b><i>I rarely am like this</i></b>    |          |
|                                     | <b>5</b> | <b><i>I never am like this</i></b>     |          |

**1, 3, 6, 9, 12, 15    Conceptual skills total score : \_\_\_\_\_**

**2, 5, 8, 10, 14, 17    Human skills total score : \_\_\_\_\_**

**4, 7, 11, 13, 16, 18    Technical skills total score : \_\_\_\_\_**

**The above skills are 3 abilities needed to be a good manager. Ideally, a manager should be strong (though not necessarily equal) in all 3. Anyone noticeably weaker in any of the skills should take courses and read to build up that skill. For further background on the 3 skills, please refer to the model in Chapter 1.**