

MANAGEMENT

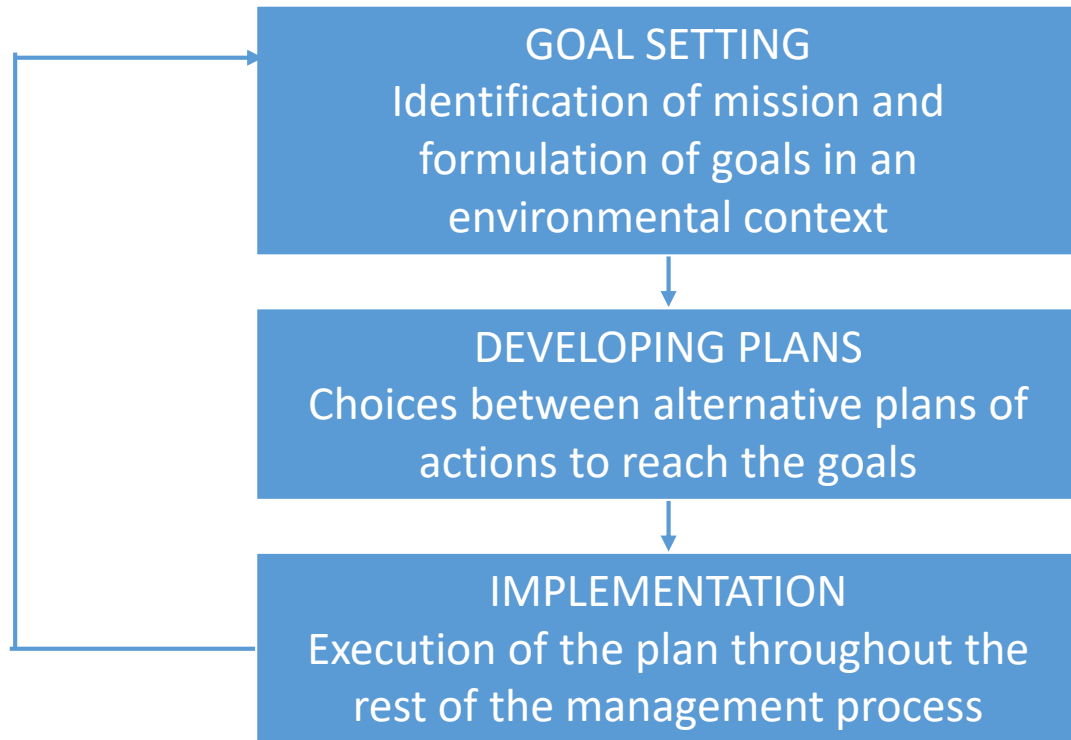
THE PLANNING PROCESS

MANAGEMENT LEVELS

HUMAN RESOURCE MANAGEMENT

ORGANISATIONAL STRUCTURE

The planning process



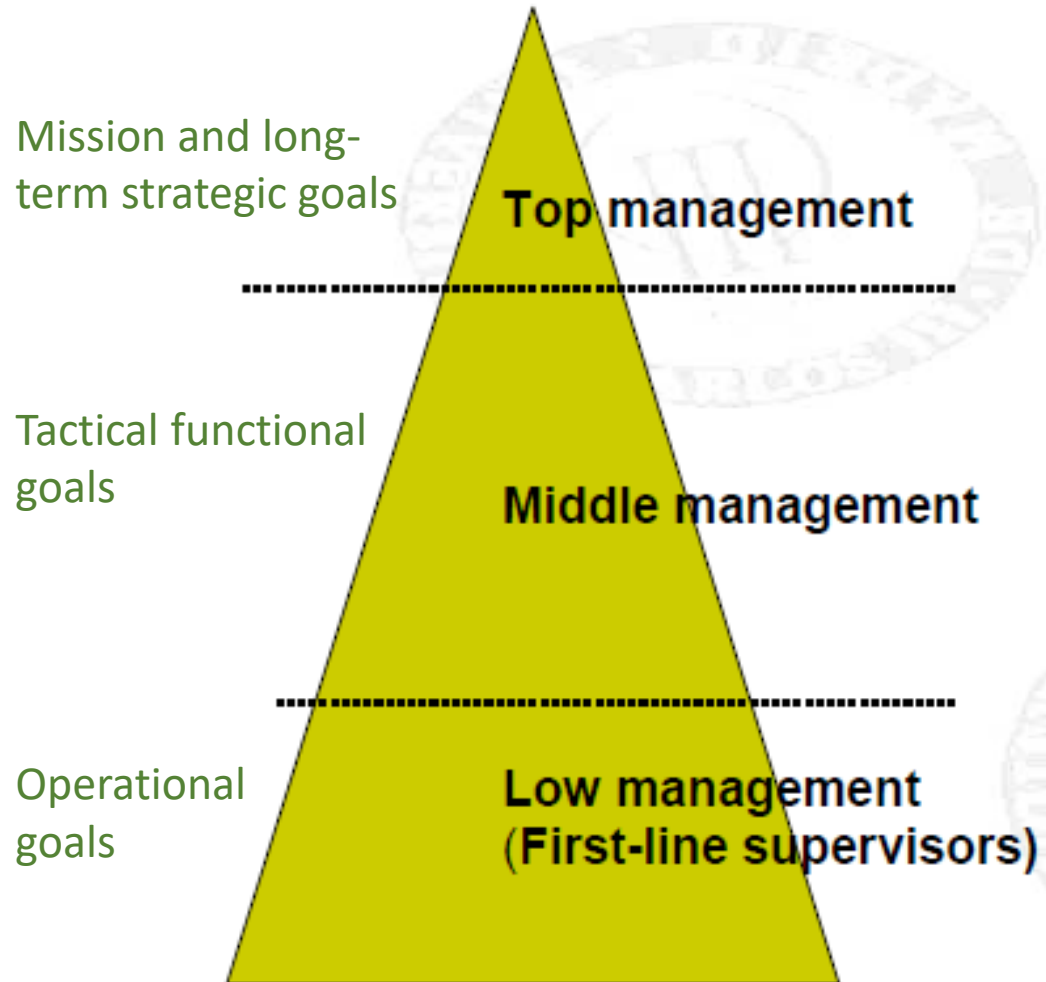
Goals are derived from the mission of the business organization

The right plan must be selected based on information about internal and external environment

The selected plan is put into operation by organising resources for the purpose, by leading subordinates and ultimately by exercising control

Management levels

“The management pyramid”



Depending on the scope of activities

General

Functional

Management levels

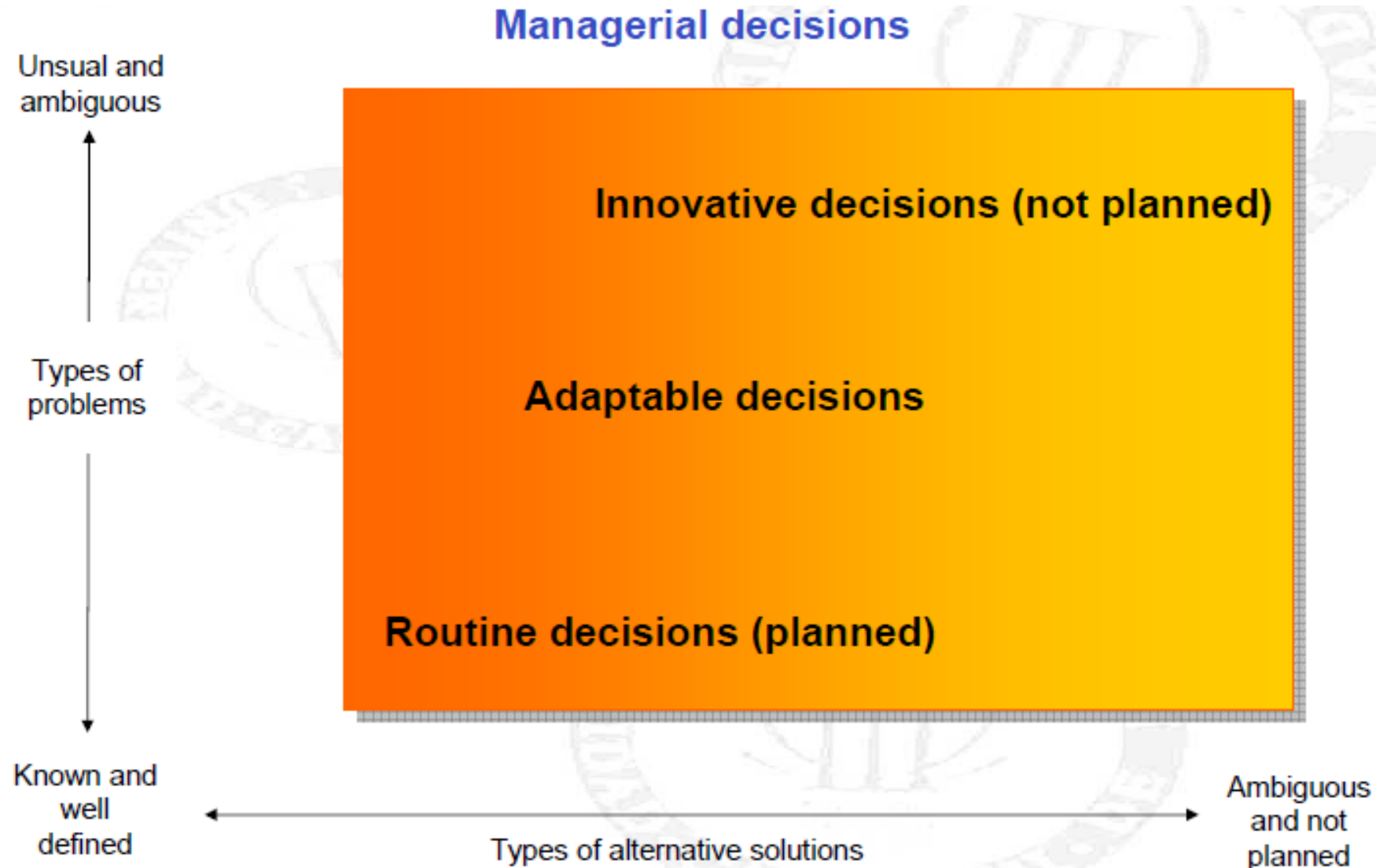
- **Strategic plans/goals:** focus on the organisation as a whole and not on a specific function or operation. They are referred to a period of more than 5 years

Corporate strategies (internationalisation, innovation, diversification, ...)

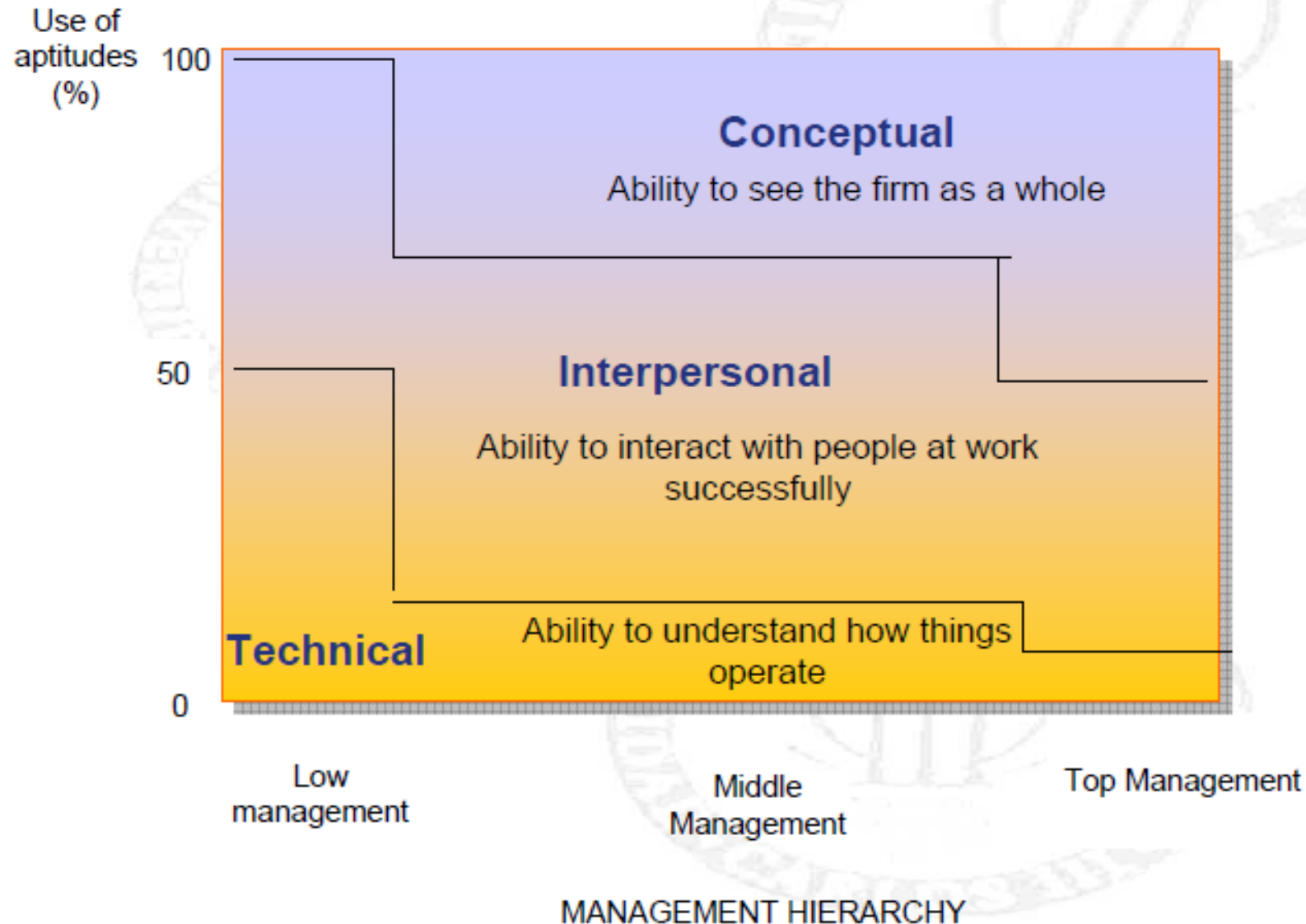
Business strategies (low cost/differentiation)

- **Tactical plans/goals:** middle managers formulate them in each functional area. They focus on how to carry out those tasks necessary for the achievement of strategic goals
- **Operational plans/goals:** they refer to a period no longer than one year. They deal with day-to-day activities and the allocation of resources

Managerial decisions



Managerial skills



Managerial roles. Mintzberg roles



INTERPERSONAL

The Figurehead: symbolic leadership (social and legal events)

The Leader: responsibility for motivating and encouraging employees, exercising their formal authority.

The Liaison: build and maintain relationships

INFORMATIONAL

The Monitor: scans the environment for new information to collect.

The Disseminator: Passing on privileged information directly to other members in the organization

The Spokesperson: Sharing information with people outside the organization

DECISIONAL

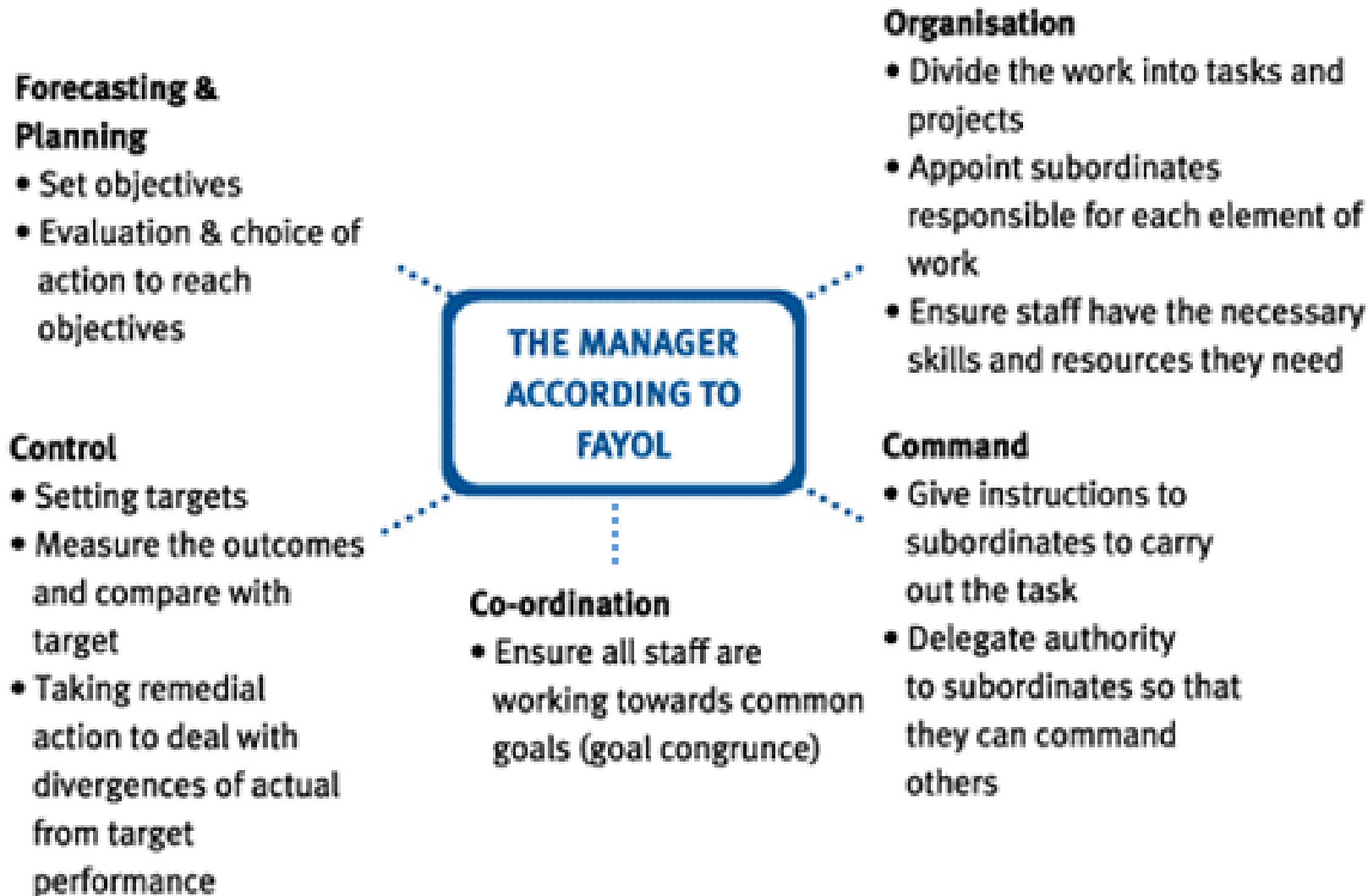
The Entrepreneur: Seeks to improve the unit by initiating projects; foster creativity and innovation

The Disturbance Handler: manage organizational problems and crisis

The Resource Allocator: Decides who gets what.

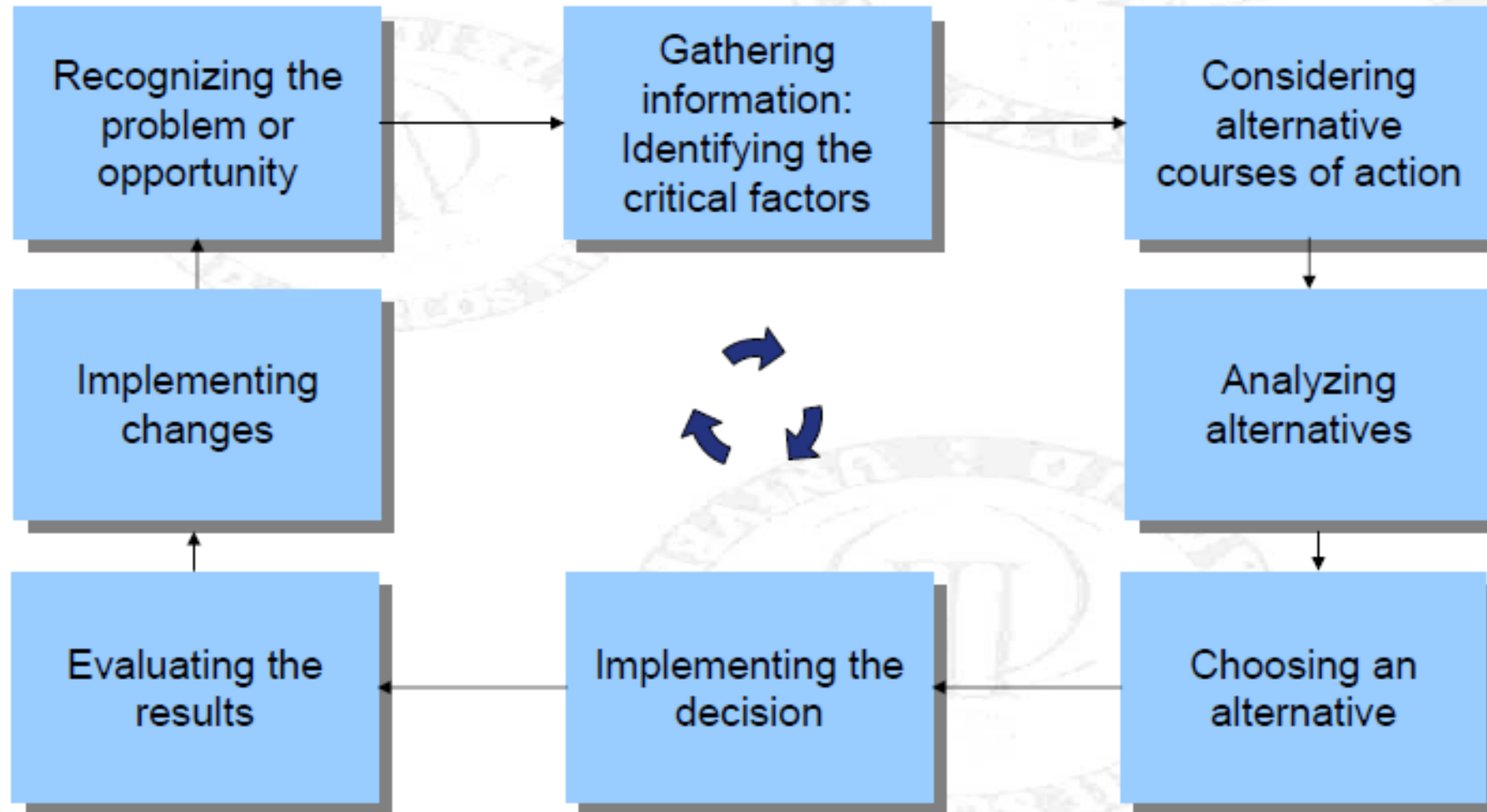
The Negotiator: represent the organization in negotiations

Manager functions. Fayol's five functions



The decision making-process

It is the eight steps that one goes to make a decision



Human Resource Management

Human resources are a firm's employees, including workers and managers

Human resources management is the process of recruiting, selecting, training, appraising and compensating employees. It is one of the basic functions that all managers perform.

Problem

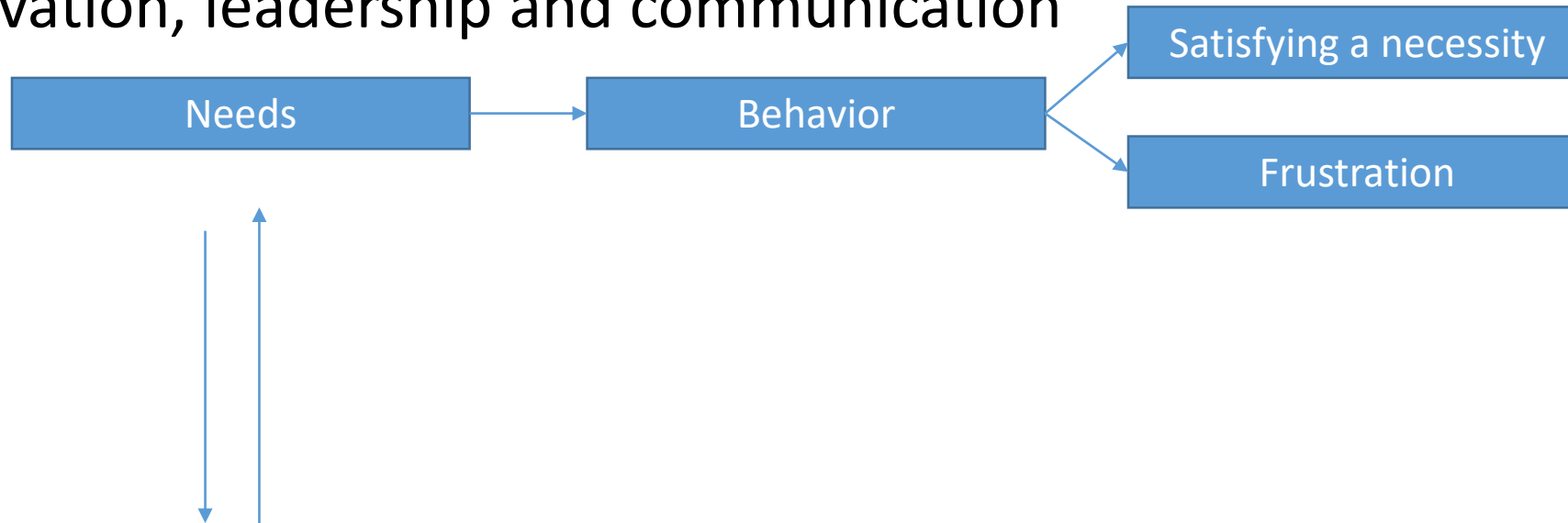
Align the individual interests with the objectives of the company

Human resource
management sequence
(Solution)

{ Motivation, leadership and communication
Recruiting, selecting and training
Performance appraisal systems,
compensation and incentive programmes

Human Resource Management

- Motivation, leadership and communication



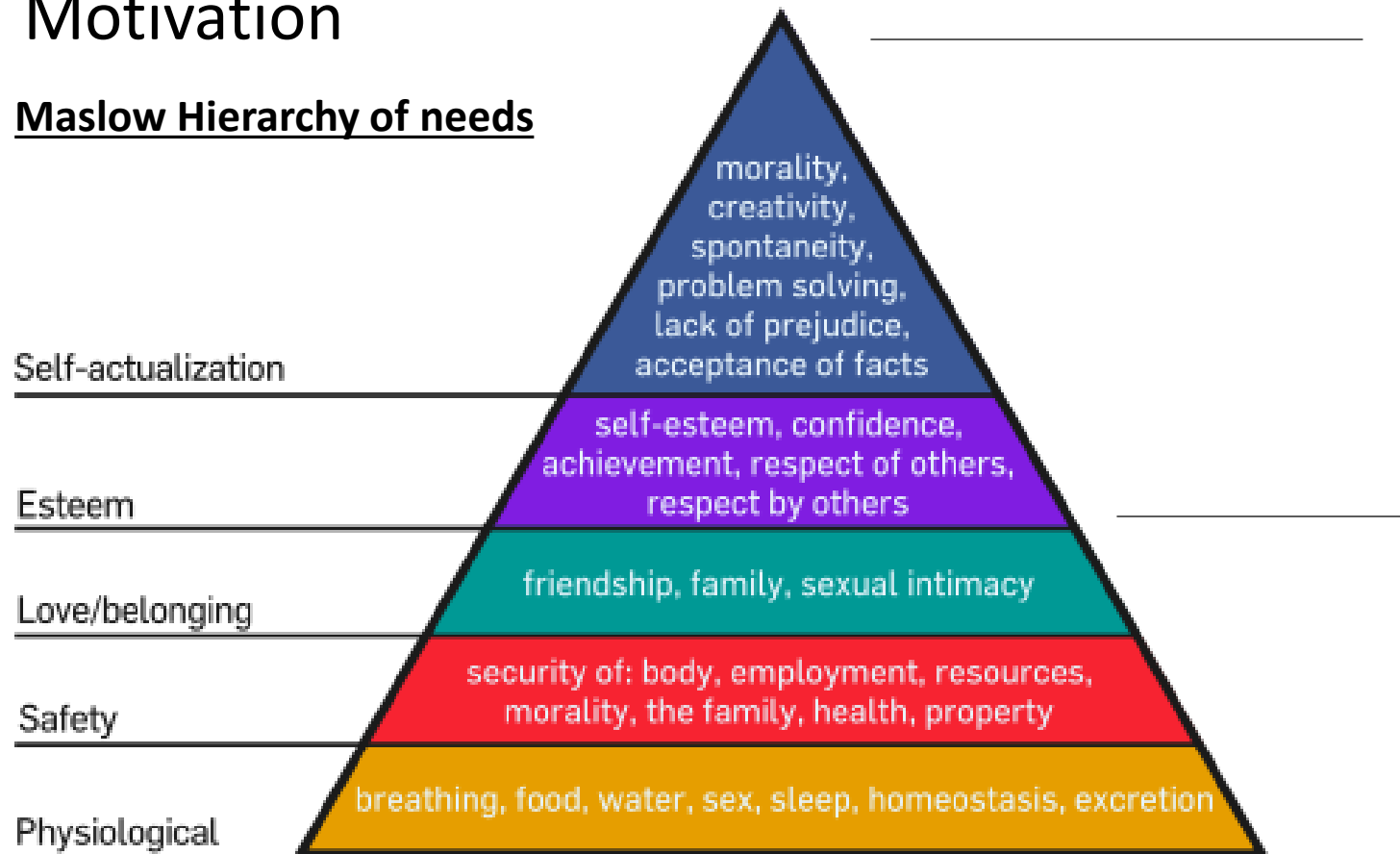
Identify and recognise needs and desires from employees

THEORIES ABOUT MOTIVATION

Human Resource Management

- Motivation

Maslow Hierarchy of needs



Herzberg's Two Factors

Motivators

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement

Hygiene Factors

- Interpersonal relations
- Company policy/ administration
- Supervision
- Salary
- Working conditions

Human Resource Management

Harvard
Business
Review

DEVELOPING EMPLOYEES

Motivating Your Most Creative Employees

by Tomas Chamorro-Premuzic and Reece Akhtar

NOVEMBER 12, 2018

SUMMARY SAVE SHARE COMMENT 2 TEXT SIZE PRINT \$8.95 BUY COPIES



- <https://hbr.org/2018/11/motivating-your-most-creative-employees>

Human Resource Management

- **Recruiting, selecting and training**

Recruiting is the process of ensuring that a sufficient number of applicants apply for the job offer

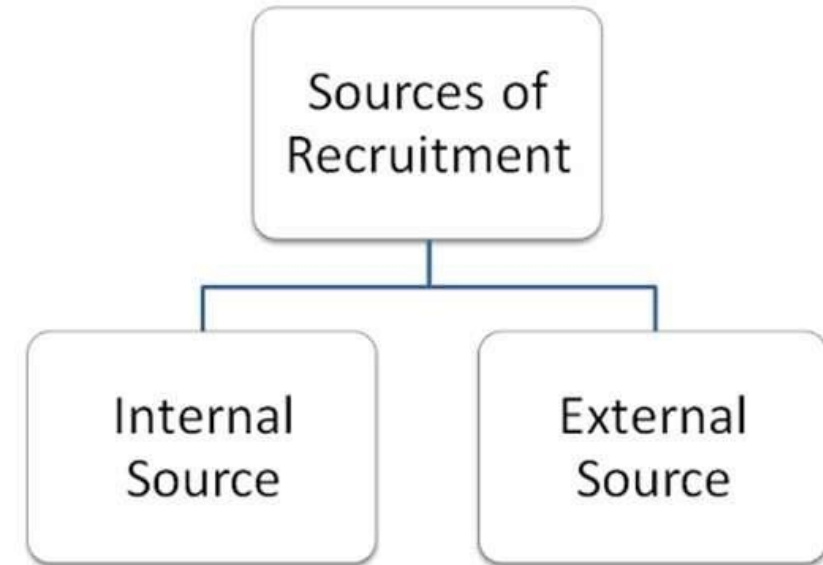
Advantages and disadvantages from the internal source

Pros

- Career planning becomes possible. Employees see future within the firm
- Assessment of applicants is easier
- Lower cost of the recruitment process

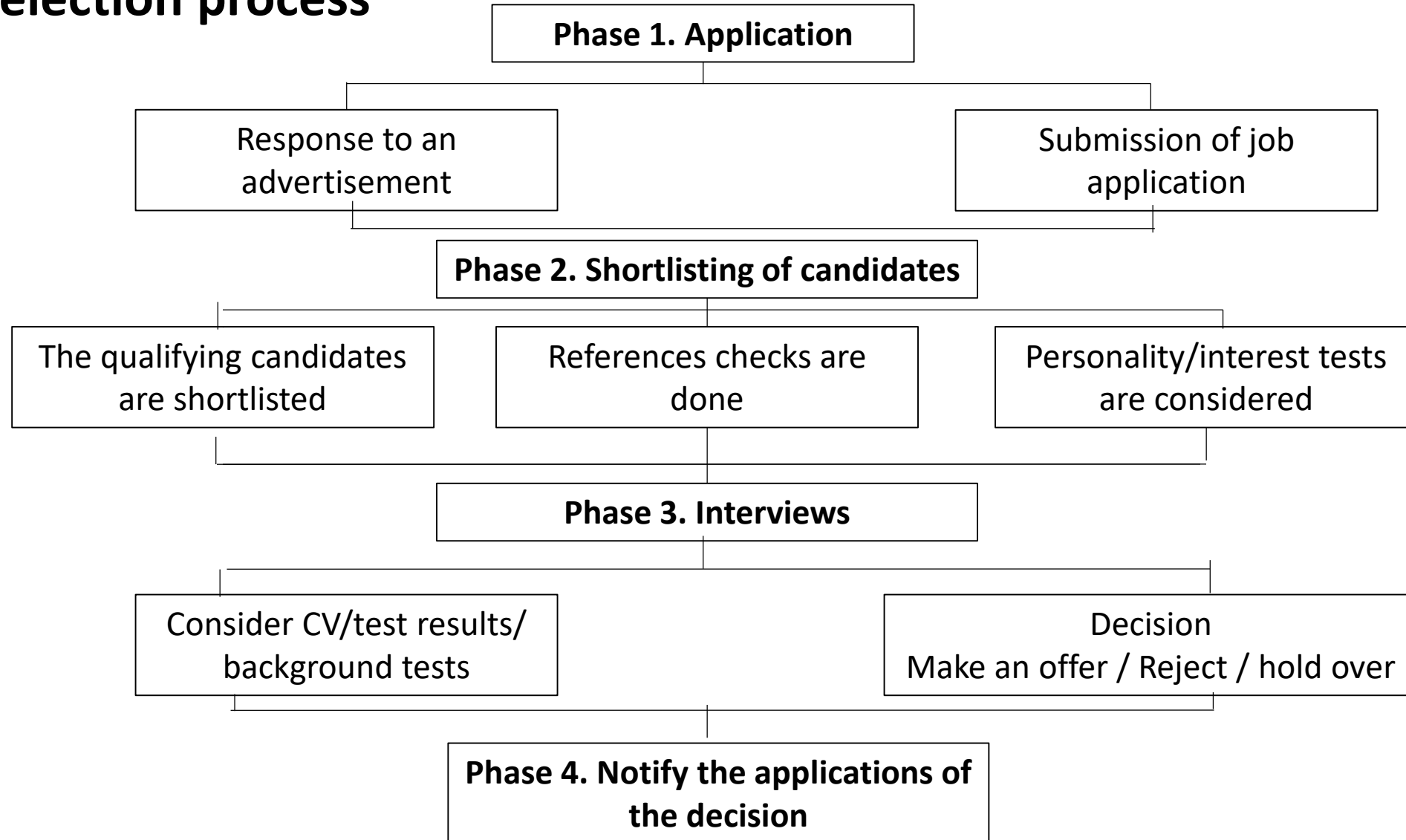
Cons

- The business may stagnate (no new ideas)
- Personal competition among colleagues (detriment of cooperation)
- Not getting the best people



Human Resource Management

- **Selection process**



Human Resource Management

- **Performance appraisals systems, compensation and incentives**

Compensation refers not only to extrinsic rewards (such as salary and benefits) but also to intrinsic rewards (such as achieving personal goals and more challenging job opportunities)

- ***Direct***: salary or wage
 - ***Indirect***: benefits that an employee receives (holidays, studies, medical aid, pension scheme, insurances....)
-
- **Rewards:**
 - Salary increase based on individual work performance
 - Financial bonuses for those that have performed exceptionally well
 - Paid holidays, overseas trip with all expenses paid

Human Resource Management

Harvard
Business
Review

SALES

Rethinking Sales Compensation

by Frank V. Cespedes

FEBRUARY 23, 2018, 12:00PM - 1:00PM EST

Harvard Business School's Frank Cespedes has looked closely at sales compensation and has discovered why so many companies have sales compensation plans that don't work. He has found that companies often turn into conventional wisdom, which holds that:

- <https://hbr.org/webinar/2018/02/rethinking-sales-compensation>

- Money is the only motivator
- Comp plans must be simple
- We pay for results, not process

- Min.15

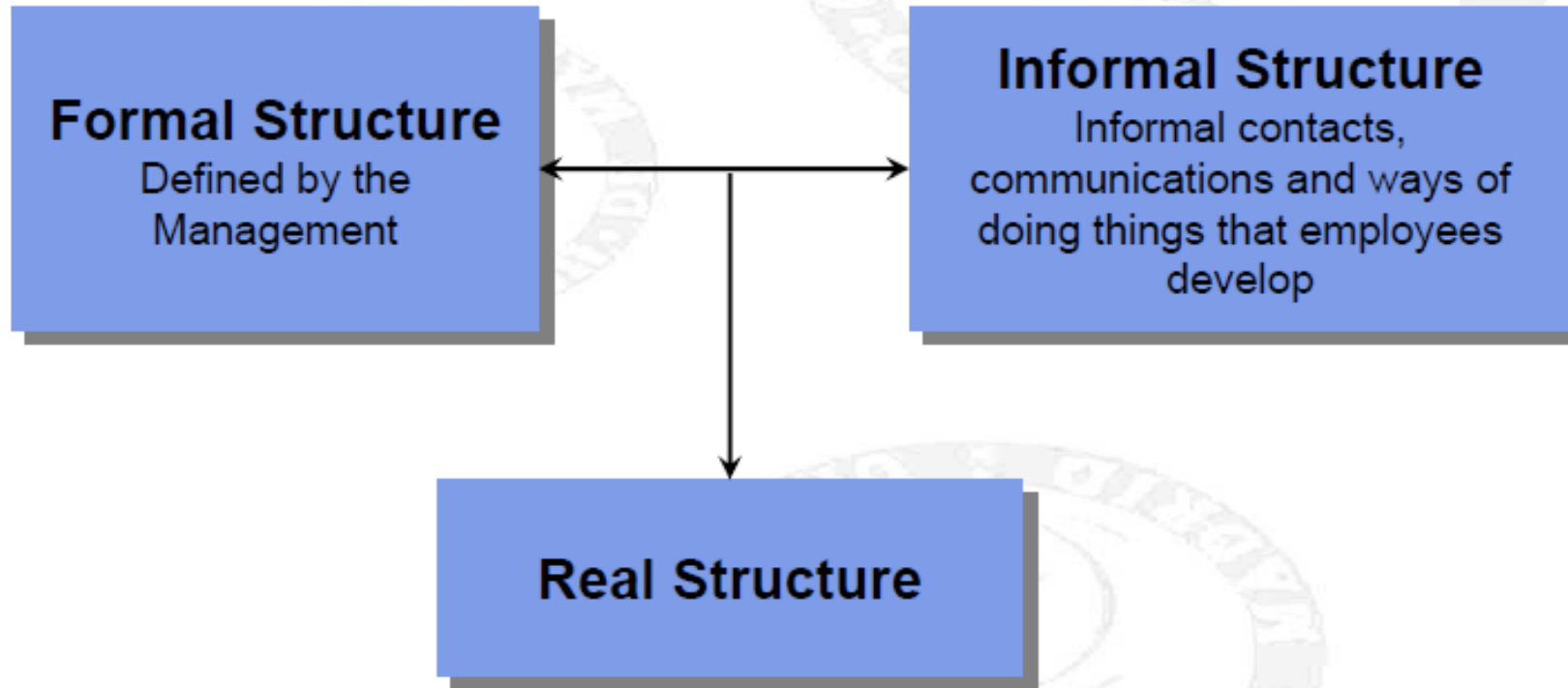
However, these assertions are false, can be damaging, and need to be reexamined. Compensation is just one part of strategic sales performance management; without the link to a bigger strategic plan, even the best compensation plans won't pay off.

The organization structure

- Organizing is the process of **arranging the human resources of the firm so that their activities contribute to the firm's goals**
- The purpose is **to give each person a distinct task** and to ensure that these tasks are coordinated in such a way that the firm accomplishes its goals
- **Organization chart** is a graphic representation of the organization structure

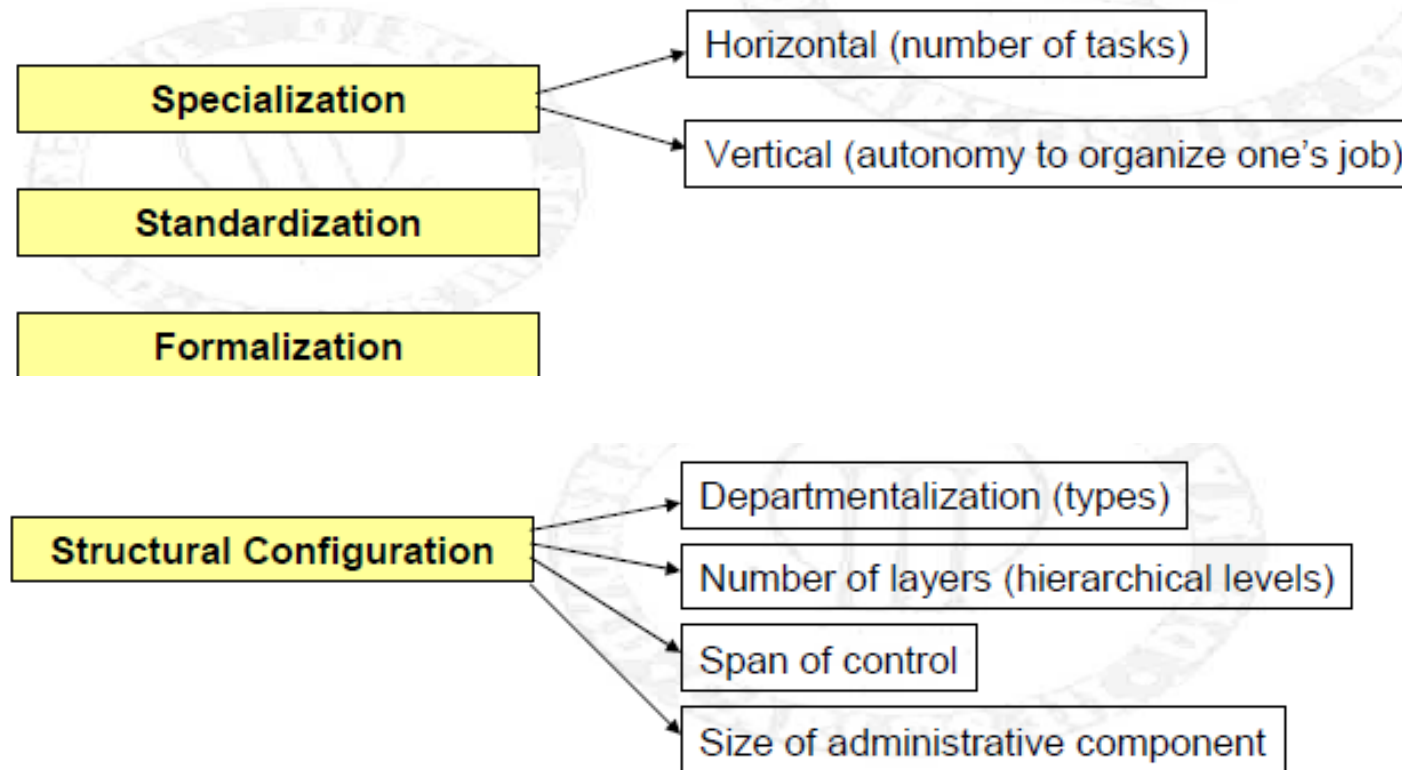
The organization structure

Formal and Informal structures



The organization structure

Factors determining the organizational structure



The organization structure

Types of formal structures

Common parts in any
formal organizational
structure

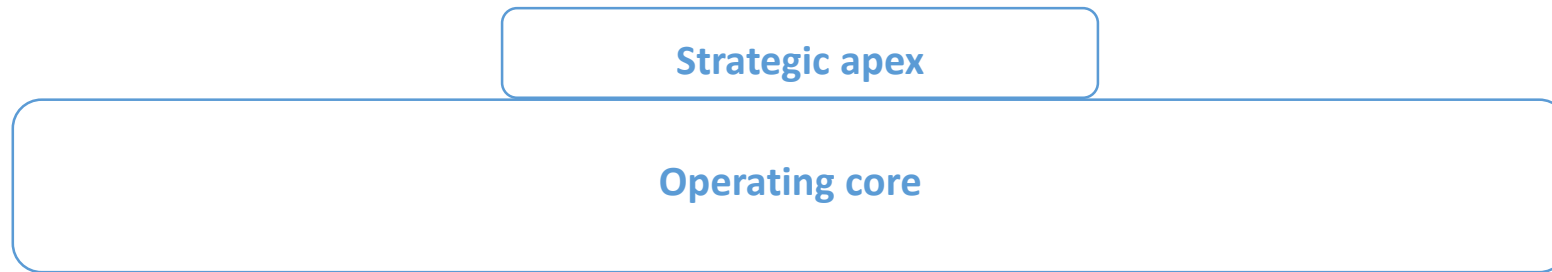
Strategic Apex (Top management)

Middle Line (Middle management)

Operating Core (Employees)

The organization structure

- Simple structure
 - Strategic apex is the key part of the structure (direct supervision)
 - Only strategic apex and operating core
 - Start-ups or very small business



The organization structure

- Departmentalization:

- At a given size, it becomes imposible for the owner-manager to superivse all the employees

→Tasks specialization

Benefits of specialization	Limitations of specialization
<i>Workers performing small and simple tasks become very proficient at tasks</i>	<i>Workers who perform highly specializaed jobs become bored, which may lead to absenteeism and lower quality of work</i>
<i>The transfer time between tasks decreases. If employees perform several different tasks, some time is lost as they stop doing a task and move to the next task</i>	<i>The anticipated benefits of specialization do not always occur. For example, the time spent on moving work in process from worker to worker can be greater than the time needed for the same individual to change from job to job</i>
<i>The more narrowly defined a job is, the easier is to develop specialized equipment to assist that job</i>	
<i>When an employee who perfoms a highly specialized job is absent or resigns, the manager is able to train somebody new at relatively low cost</i>	

The organization structure

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→Tasks specialization

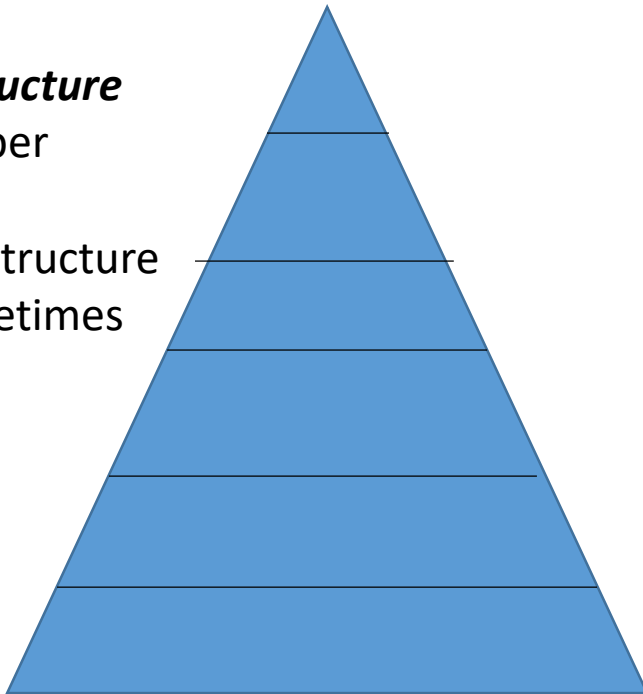
- Different departments are created. Depending on the size and kind of business, and nature of its acivities....
 - Functional departmentalization
 - Product departmentalization
 - Location departmentalization
 - Customer departmentalization
 - Matrix organizational structure

The organization structure

- Span of management / control
 - How many people will report to one manager

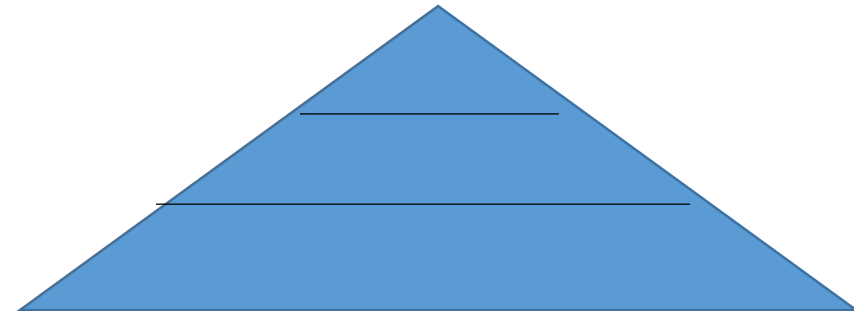
Narrow or high structure

Few subordinates per manager
More hierarchical structure
More control (sometimes excessive)

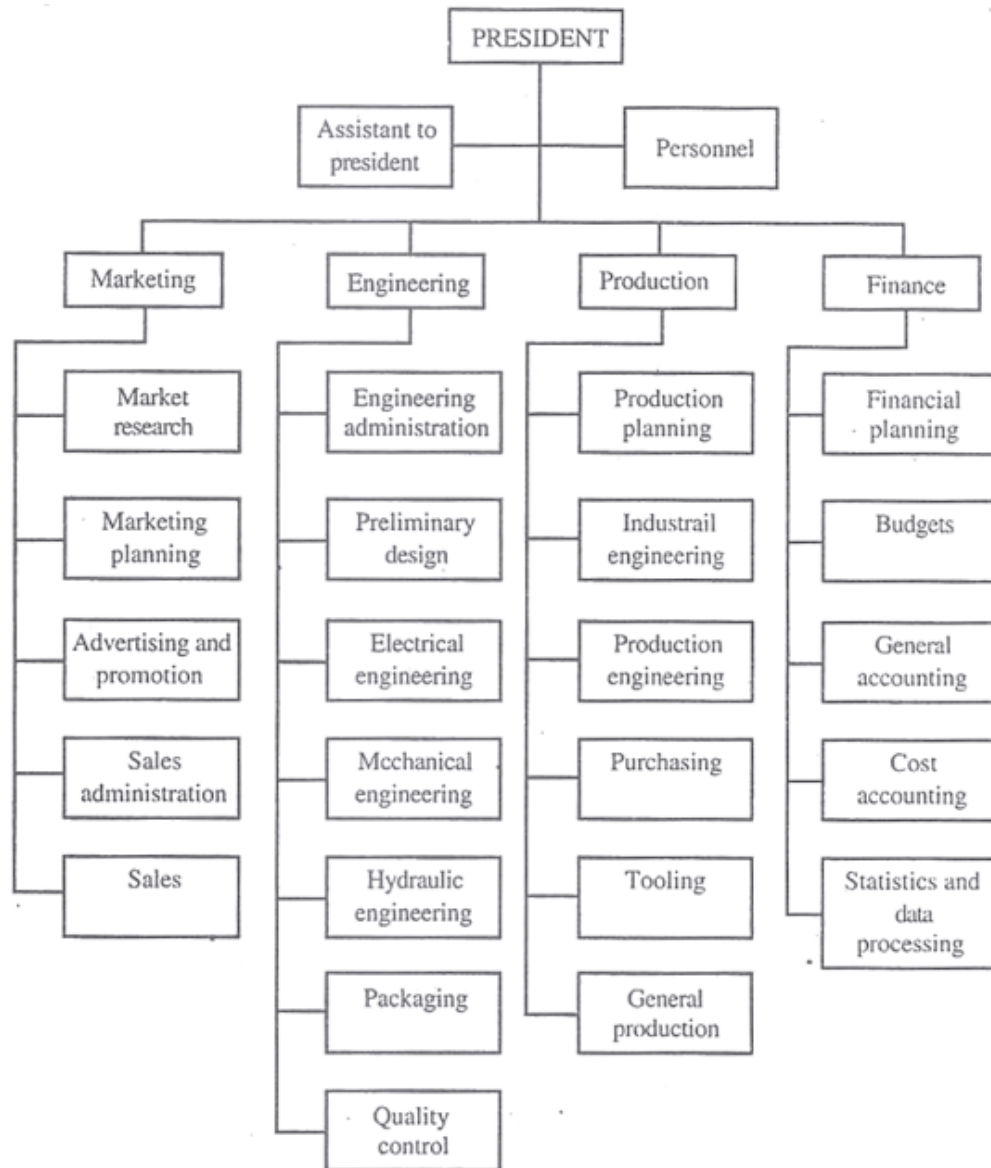


Broad or flat structure

Many subordinates per manager
Problems in control and coordinate the tasks of a large number of subordinates

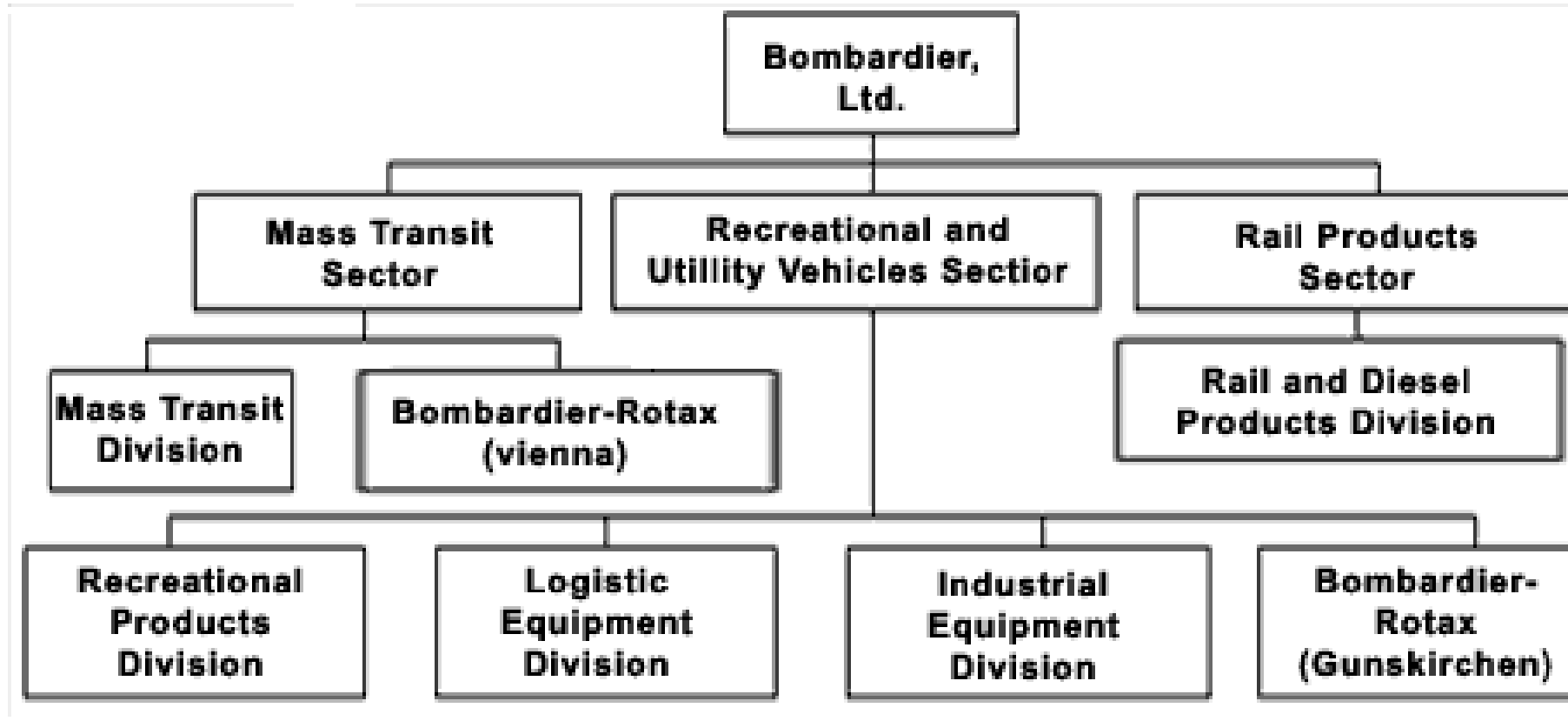


The organization structure



Functional departmentalization

The organization structure

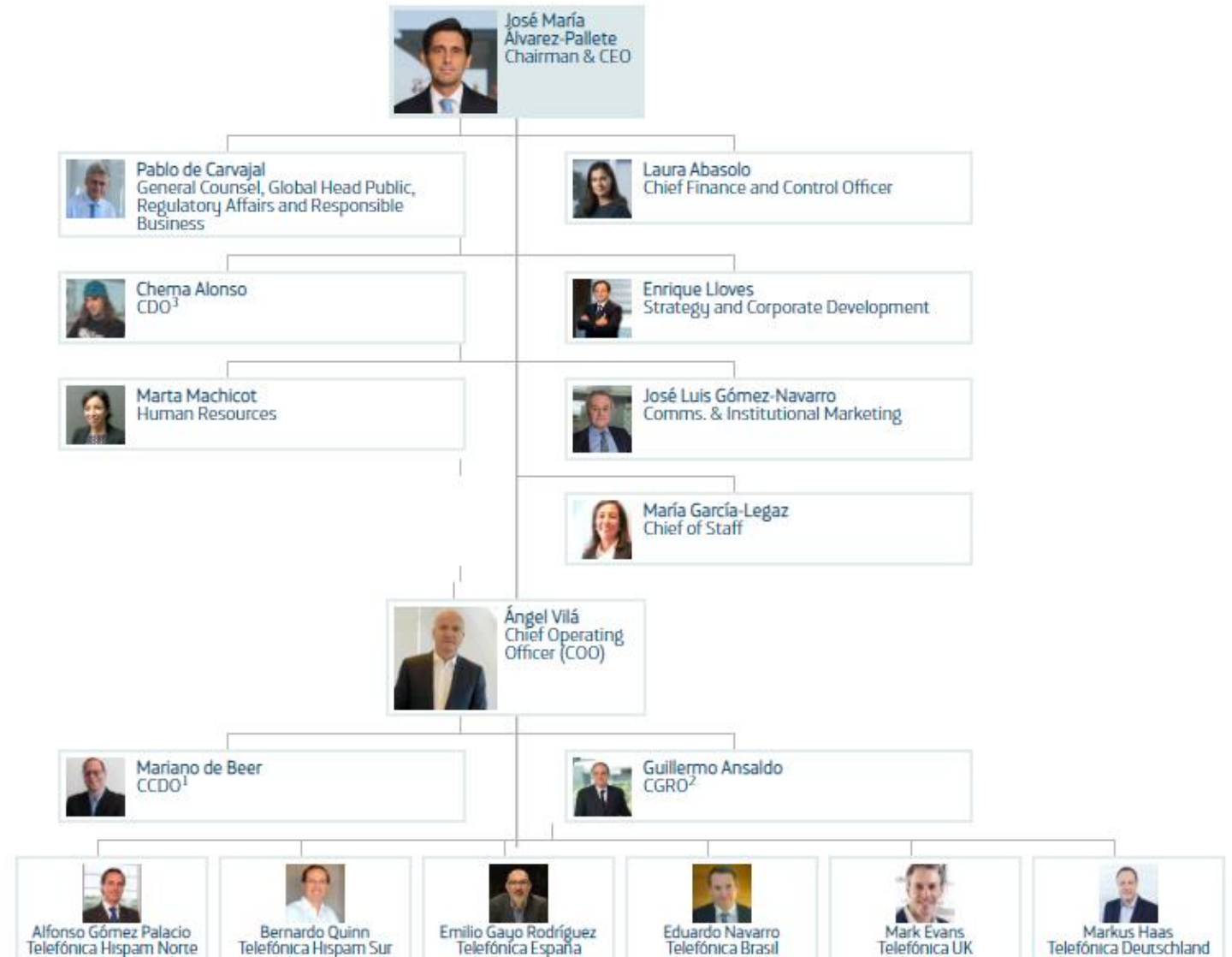


Product departmentalization

The organization structure

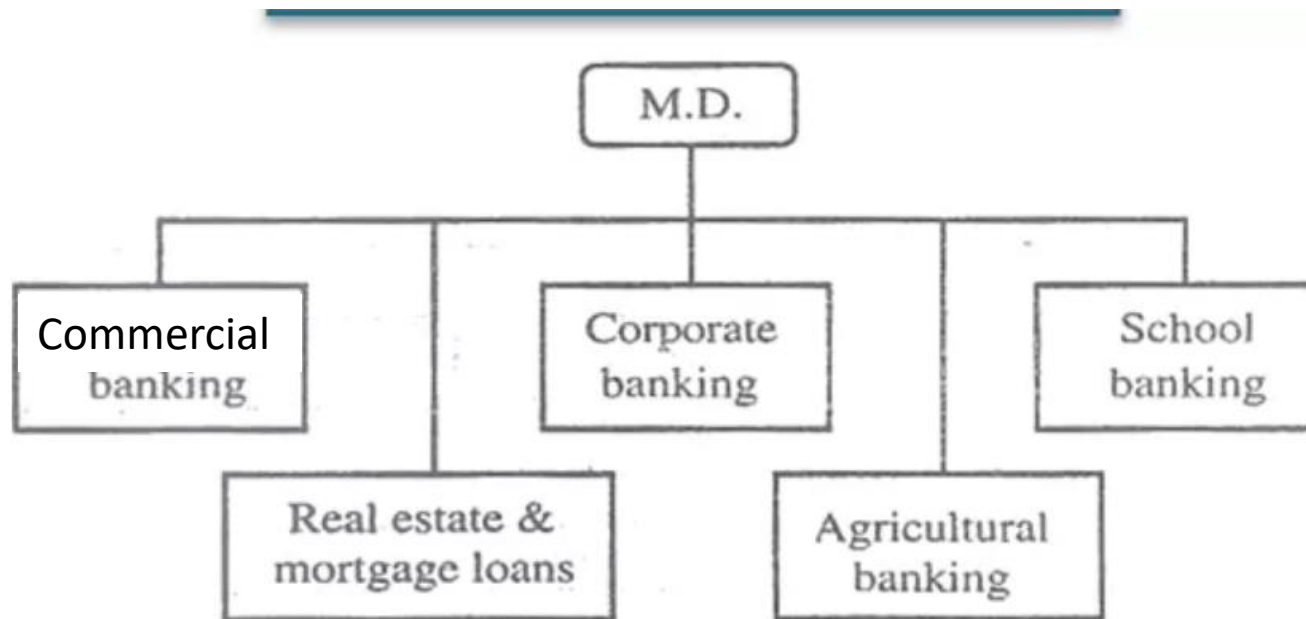
- Location organization

https://www.telefonica.com/en/web/about_telefonica/organisation/executive-team



The organization structure

- Customer departmentalization



The organization structure

- Matrix departmentalization

