## Lesson Proper for Week 1

**What is Management?**

Management may be defined as the achievement of organizational objectives through people and other resources. It consist of several functions, which may be briefly defined as follows:

1.      **Decision making**is the process by which a decision maker determines the available alternatives and chooses the best solution that suits a given problem.

2.      **Planning**is the process of establishing objectives and suitable courses of action before taking action.

3.      **Organizing**is the process of arranging an organiza practices and use of resources to achieve its goals.

4.      **Staffing**refers to the process of recruiting, placing, training, and developing personnel.

5.      **Communicating**refers to transferring information from one communication to another.

6.      **Motivating**refers to the act of giving employees reasons or incentives to work in order to achieve organizational objectives.

7.      **Leading**is the process of directing and influencing task-related activities of organization members.

8.      **Controlling**is the process of monitoring and organizational activities to see that they conform to planned activities and correcting deviations or flaws.

Effectiveness and Efficiency: A Basic Requirement

An organization can only survive if its activities are effective and efficient. It is the responsibility of the manager to see that his organization will achieve its objectives effectively and efficiently. This is so even is such objectives are parts of a bigger objective.

ª ***Effectiveness***is a central element in the managerial process, which requires the achievement of an objective. For instance, a manufacturer chooses a supplier who provides needed materials at the required time and quantity. The action qualifies as effective.

ª ***Efficiency***is also a central element in the management process, which requires that the minimum amount of resources is used to achieve an objective. In the example cited above, the manufacturer may be able to get supplies from his chosen source, but if the costs associated with the purchase are too excessive, the operation will be inefficient and may be placed the organization in a disadvantageous position. This is especially true if profitability is comprised.

Too much emphasis on efficiency, however, may be affect effectiveness rendering any productive effort useless. An example is the trader who regularly delivers his products to customers. If the tires of his delivery van are of the lowest price but of the poorest quality, he may not be able to fulfill his commitments on time, making his service ineffective and eventually jeopardizing his business will be in trouble.

It appears that the secret is to have a nice balance of both effectiveness and efficiency. To emphasize one and disregard the other is not in keeping with good management practices.

**What is a Manager?**

A manager is one who plans, organizes, leads, and controls other individuals in the process of pursuing organizational goals. Managers are vested titles like president, department head, dean, administrator, supervisor, team leader and the like. The manager is the one responsible for accomplishing the objectives of his particular unit, which could be a whole organization, a particular department, or a work group. Managers are responsible for using materials and talents in the most economical and productive manner. As such, they are regarded as very important, if not the most important factor in the economic development of the nation.

**The Levels of Managers**

Managers function according to the levels they arise they are in. In small organization, there would normally be adjust a single manager who is expected to perform all the managerial roles and tasks. In the transition from a small to a large organization, there may be two levels of managers, who divide among themselves the managerial roles and tasks.

There are times when the size of the organization justifies setting up three levels of managers: the top management, the middle management, and the lower management.

\*       **Top managers**are responsible for the overall performance of the organization. They have to formulate strategies,  provide leadership, evaluate and shape the method of organizing, and control the direction of the organization in

the efforts to accomplish goals. Top managers usually hold titles such as chief executive officer, president, chairman or senior vice-president.

\*       **Middle managers**direct the activities of other managers and sometimes also those of operating employees. They work with top managers and coordinate with peers to develop and implement action plans to accomplish.

\*       **Lower managers**are responsible for leading employees in the day-to-day tasks, which contribute to the organization.

**Types of Managers**

The effective and efficient performance of management functions such as planning, organizing, leading, and controlling are possible only if the manager is well-equipped with the necessary management skills. Such requirements may be briefly described as follows:

1.      Technical skills are referred to the abilities to use special proficiencies or expertise in performing special tasks. They refer to the use of tools, techniques, and specialized knowledge. Examples of technical skills are an accountant preparing a financial report, an architect working on a building plan, and a professor writing a book.

2.      Human skills refer to the abilities to work well in cooperation with other persons; whether they are subordinates, peers, or superiors. A person with good human skills will have a high degree of self-awareness and a capacity for understanding or empathizing with the feelings of others.

**The Required Management Skills at Different Levels of Management**

The application of various management skills differs from level to level in the management hierarchy. As shown in figure 2.0, the first-line manager needs less conceptual skills in the performance of his work and more human and technical skills. Compared to the first-line managers, middle managers need more conceptual skills, the same degree of human skills as that of first-line managers, but less on technical skills. The biggest concern of top management is on conceptual skills, the same degree of human skills as these first lines and middle managers, and with the list concern about technical skills.

**Managerial Roles**

The manager is expected to lead his unit or department in achieving its objectives. As such, he is bound to interact with people and deal with processes. In the attempt to produce results, the manager assumes roles as varied as the following:

**Decision Role of Management**

Managers should be able to make decisions such as deciding which new projects to invest in, handle unexpected events or crises, and assign resources between divisions of the company.

Example:

·       The Board of Directors considers whether to invest $3 million in research and development of a new online game for young adults.

·       How will the management of an online game development company do when they are facing a lawsuit from their competitor regarding the infringement of a patent of a well-known game?

**Informational Role of Management**

Managers are required to receive and transmit both internal and external information for analysis and decision-making.

Example:

·       The CEO of the online game developing company announces the financial performance and future development of the company in its annual general meeting.

·       The Finance Manager reviews the financial report for announcement and explains it to the CEO.

·       The Accounting Supervisor supervises the accounting staff to prepare the financial report for Finance Manager’s review.

**Interpersonal Role of Management**

Manager’s-ordinate tasks different people are off to the company. i.e. to build relationships with subordinates and outsiders.

Examples

·       The manager guides the subordinates and resolves disputes or grievances.

·       The manager also represents the company to interact with suppliers, customers, and investors.

**What is an Organization?**

An organization is a collection of people working together to achieve a common purpose. It is the means used by people to achieve certain objectives. A mere grouping of people will not qualify as an organization unless it has some objectives to achieve. In order to do this, people in a group must interact, use knowledge and techniques, and work together in patterned relationships.

**Types of Organization Structure**

1.      **Formal Organization Structure**: The organizational structure of jobs and positions, with specified activities and relationships, is known as formal organization structure. It is created by management, to attain the objectives of the company.

§  **Line Organization**: Line organization is the oldest and simplest pattern of organization, wherein the supervisor has outright supervision over the subordinate. The flow of authority is from the top-level executive to the person at the lowest level.