**MANAGEMENT**

**SOME MANAGEMENT DEFINITIONS**

**George R. Terry:** ''Management is a distinct process consisting of planning, organising, actuating and controlling; utilising in each both science and art, and followed in order to accomplish pre-determined objectives."

**Peter Drucker**: Management is a multipurpose organ that manage a business and manages Managers and manages Workers and the Work.

**Peterson and Plowman:** "Management may be defined as the process by means of which the purpose and objectives of a particular human group are determined, clarified and effectuated"

**Harold Koontz:** "Management is the art of getting things done through others and with formally organized groups."

**Mary Parker Follett:**Management is the "art of getting things done through people."

**F.W. Taylor:** "Management is the art of knowing what you want to do and then seeing that they do it in the best and the cheapest way."  
  
**Henry Fayol:**  "To manage is to forecast and to plan,organize,to command, to co-ordinate and to control." 

**Louis Allen:** “Management is what a manager does.”

**Michael Nolty:**  "Management is the process of getting activities completed efficiently with and through other people."

**ORGANIZATION:** A group of people with a specific common goal.

**MANAGEMENT:** The process of reaching organizational goals by working with and through people and other organizational resources.

**ORGANIZATIONAL EFFECTIVENESS *versus* ORGANIZATIONAL EFFICIENCY**

**MANAGERIAL FUNCTIONS / MANAGERIAL SKILLS / MANAGERIAL ROLES**

**MANAGERIAL FUNCIONS: 1.** PLANNING **2.** ORGANIZING **3.** LEADING **4.** CONTROLLING

**MANAGERIAL SKILLS: 1.** CONCEPTUAL SKILLS 2. HUMAN (INTERPERSONAL) SKILLS **3.** TECHNICAL SKILLS

**MANAGERIAL ROLES**

INFORMATIONAL ROLES

INTERPERSONAL ROLES

DECISIONAL ROLES

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| **MANAGERIAL ROLES (Henry Mintzberg)** | | | |
| **Category** | **Role** | **Activity** | **Examples** |
| **Informational** | *Monitor* | Seek and acquire work-related information | Scan/read trade press,  periodicals, reports; attend seminars and training; maintain personal contacts |
|  | *Disseminator* | Communicate/ disseminate information to others within the organization | Send memos and reports; inform staffers and subordinates of decisions |
|  | *Spokesperson* | Communicate/transmit information to outsiders | Pass on memos, reports and informational materials; participate in conferences/meetings and report progress |
|  |  |  |  |
| **Interpersonal** | *Figurehead* | Perform social and legal duties, act as symbolic leader | Greet visitors, sign legal documents, attend ribbon cutting ceremonies, host receptions, etc. |
|  | *Leader* | Direct and motivate subordinates, select and train employees | Includes almost all interactions with subordinates |
|  | *Liaison* | Establish and maintain contacts within and outside the organization | Business correspondence, participation in meetings with representatives of other divisions or organizations. |
|  |  |  |  |
| **Decisional** | *Entrepreneur* | Identify new ideas and initiate improvement projects | Implement innovations; Plan for the future |
|  | *Disturbance Handler* | Deals with disputes or problems and takes corrective action | Settle conflicts between subordinates; Choose strategic alternatives;  Overcome crisis situations |
|  | *Resource Allocator* | Decide where to apply resources | Draft and approve of plans, schedules, budgets; Set priorities |
|  | *Negotiator* | Defends business interests | Participates in and directs negotiations within team, department, and organization |

**HOW TO RESTRUCTURE NOKIA?**

Nokia once dominated the worldwide mobile phone market but its influence has waned against strong competition in the smartphone sector. Thinking that they should downsize or resize, and serve a totally different customer base than the competition, they first created a Restructuring Unit outside of the Headquarters. Professors Michael Porter of Harvard University and Mustafa Ozel of Istanbul Şehir were transferred at quite high costs, and then were appointed as co-chairs of the new department. They were assisted by a large body of theoretical as well as practical people the world over.

In his first public appearance, Porter stated the goal of the Unit being not only a restructuring of Nokia, but the rediscovery of a whole sector. His conversation style not only convinced the journalists, but also flamed the hearts of the Nokia people. In a very short period, he learned almost all major media figures by their names. He is now the person at the two extremes of the enterprise: all major moves start with his announcements and are overseen by his meticulous examination. He uses every tool and opportunity to get rid of unnecessary costs. He has been acting as the public face of Nokia. He is present in all kinds of high-society ceremonies like film galas, ballet shows, fashion fairs, and high level socio-political events.

İcatcızade Mustafa or “Mustafa the Inventor” became the spiritual motivator of the Nokia community at every level. He is fond of people as much as phones. He openly shares his ideas, plans, and even his dreams with the fellow inventors. Like Messi of Barcelona, he is a team-builder and a game-developer before being an inventor himself. Mustafa is also a quick reader of top electronic journals, collecting whatever of value for his community and transmitting it through various channels to the prospective inventors of the company.

The restructuring brought about a real boom in new, creative products, leading to accelerated sales growth during the following five years. Porter and Mustafa were appointed as board members now, and their places filled by new generation managers. Thus, the number of board members, including the President, increased to five. The previous three being the original partners of the company who still hold 30 percent of the shares.

The President of Nokia, Attila Yokia, acts like a public conscience for the group, oh no, for the whole Finnish nation! Being a harsh critique of the global capitalism, he fiercely militates against monopolist concentration of capital. He always bargains trade terms with the commodity sellers, and, although now a capitalist himself, backs the workers in their discussions even against the Nokia management. He acts like a magic-doctor between the labor and the capital and settles all kinds of disputes among workers themselves. He is called Yokia Abi by the community as a whole.

**QUESTIONS:**

1. Which managerial **functions** and what managerial **roles** seem to be performed well by Porter, Mustafa, and Attila?
2. Write a **vision** statement, a **mission** statement and three major **strategies** for the new NOKIA.

**LEADERSHIP AND MOTIVATION**

Leadership is the process of directing the behavior of others toward the accomplishment of the organizational objectives.

Leadership starts with finding the right people to work with (Staffing) and then continues with educating, training, motivating, influencing, and coordinating them with other people within the organization.

In order to better influence and motivate people, managers have to understand the basic facts of human nature. The following are two basic approaches, one American, the other Japanese, developed in the second part of the 20th century:

**McGregor’s Theory X and Theory Y**

In his 1960 book *The Human Side of Enterprise*, MIT Sloan Management School professor Douglas McGregor outlined two sets of beliefs a manager might hold about the origins of human behavior: **Theory X** and **Theory Y**.

McGregor proposed that a manager’s beliefs affected how he or she treated employees and how employees responded in terms of motivation and performance.

McGregor called the more pessimistic view **Theory X,** which holds that employees inherently dislike work, prefer laziness, avoid responsibility, and must be coerced into working hard.

Alternatively, McGregor’s **Theory Y** describes the view that people innately enjoy work, like being creative, desire responsibility, and are capable of directing their own actions.

A manager who embraces **Theory X** will tend to adopt an authoritarian management style, whereas a manager who accepts **Theory Y** will be likely to adopt a participatory and empowering style.

**Ouchi’s Theory Z**

Business professor and author William Ouchi introduced **Theory Z** in his 1981 book *Theory Z: How American Management Can Meet the Japanese Challenge*.

**Theory Z** management combined what Ouchi saw as the best of American and Japanese management practices. **Theory Z** advocates a management style and organizational culture that promotes:

* A commitment to long-term employment
* Group and consensus decision-making
* Slow and qualitative evaluation of employees
* An implicit and informal control of employees
* Holistic concern for the employee, including family

Ouchi’s **Theory Z** assumes that workers want to build co-operative and intimate working relationships.

### STRATEGIC MANAGEMENT

Strategic management is what managers do to develop an organization’s long term ***competitive*** strategies.

#### Steps in the Strategic Management Process

* + 1. A seven-step process that involves strategic planning, implementation, and evaluation.
    2. **Strategic planning** encompasses the first four steps.
       1. *Identify the organization’s current mission, objectives, and strategies.* **(Step 1)**
          1. Every organization has a ***mission statement*** that defines its purpose and answers the question, “What business or businesses are we in?”
          2. Determining the nature of one’s business is as important for not-for-profits as it is for business firms.
          3. Once its mission has been identified, the organization can begin to look outside to ensure that its strategy aligns well with the environment.
       2. *Analyze the external environment.* **(Step 2)**
          1. Organizations need an accurate grasp of the environment and important trends that might affect the organization’s operations.
          2. Opportunities are positive external environmental factors. Threats are negative ones.
          3. The same environment can present opportunities to one organization and pose threats to another.
       3. *Evaluate the organization’s internal resources.* **(Step 3)**
          1. This involves asking specific questions and analyzing the available information.
          2. What skills and abilities do the organization’s employees have; human resources?
          3. What is the organization’s cash flow; financial resources?
          4. Has it been successful at developing new and innovative products?
          5. How do customers perceive the image of the organization and the quality of its products or services?
    3. **Strengths** are internal resources or things that the organization does well.
       1. ***Core competencies*** are any of those strengths that represent unique skills or resources that can determine the organization’s competitive edge.
       2. When an organization lacks certain resources or identifies activities the firm does not do well, these are called **Weaknesses.**
    4. A merging of the externalities (Step 2) with the internalities (Step 3) results in an assessment of the organization’s opportunities.
    5. This merging is called **SWOT Analysis** because it brings together the organization’s Strengths, Weaknesses, Opportunities, and Threats in order to:
       1. exploit an organization’s strengths and external opportunities,
       2. buffer or protect the organization from external threats,
       3. correct critical weaknesses.
    6. Having completed the SWOT analysis, the organization reassesses its mission and objectives. **(Step 4)**

#### Step 5 is formulating strategies with three main types - corporate, competitive, and functional.

* + 1. Implementing strategies is **Step 6.**
    2. The final step is evaluating the results to determine the effectiveness or whether changes need to be made. **(Step 7)**