# Chapter 1 Introduction to Management

### **Learning Objectives**

- Explain the meaning of organizations
- Know the types of organizations
- Define the meaning of management
- Differentiate between managers and nonmanagers
- Explain management skills

### 1) Organizations

Managers work in organizations (companies). So we need to define what is an organization and have information of the place in which they work.

### **Definition of Organizations**

An organization is a group of individuals who work together to achieve common goals and objectives, often with a structured approach and defined roles.

Organizations are an arrangement of people brought together to accomplish a specific motive.

### **Organizations have three main characteristics:**

- 1) Organization have a distinct purpose, which is typically expressed in terms of a set of goals. For example, *Hyundai CEO*, has said his company's goal is to "focus on what creates the most value for shareholders by delivering high-quality".
- 2) In organizations people make decisions and engage in work activities to achieve goals. The purpose or goal can only be achieved with people.

**Organizations have three main characteristics:** 

3) Organizations develop a systematic structure that defines and limits the behavior of its members. That structure consists of rules and regulations that guides people.

### **Organizations**



Organizations could be classified according to size, nature of businesses, local or international, and the ownership pattern.

**Public organizations** are state owned, non profit seeking and are funded by the state budget, e.g Helwan University, and the Ministry of Health.

**Business organizations** are profit seeking and privately owned such as CIB, QNB, and Orange.

### 2) Managers and Nonmanagerial Employees

**Nonmanagerial employees**: Nonmanagerial employees are employees who have no responsibility and work directly on the job or task. Examples of nonmanagerial employees are team members, and associates.

**Managers**: Managers are people who supervise the activities of other people in the organization. Some have managers work duties not only related to supervising the activities of others. For example, regional sales managers for BMW service customer accounts in addition to supervising the activities of the other sales associates.

### 3) Management Titles /Levels

Managers have three main titles which are top, middle, and first-line.

### **Top managers**

Top managers are responsible for **making decisions and determining the direction of the organization**. They are those at the top of an organization which establish **policies** and philosophies that affect organizational members. Examples of top managers are vice presidents, presidents, chancellors, managing directors, chief executive officers, or chairperson of the board.

### 3) Management Titles

### Middle managers

Middle managers manage other managers and are typically responsible for translating the goals set by top managers into specific details. They are found between the lowest and top levels of the organization. They clarify goals so that lower-level managers understand them.

Examples of middle managers may include project leader, district manager, division manager, or store manager.

### 3) Management Titles

### First-line managers

First line managers are responsible for directing the day-to-day activities of nonmanagerial employees. Examples of first-line managers are supervisors, team leaders, coaches and shift managers.

### 3) Management Titles



### 4) Definition of Management

- -Management is the art of getting things done by a group of people with effective utilization of available resources.
- -According to F.W Taylor, Management is the art of knowing what you want to do then seeing that it is done in the cheapest way.
- -Management includes the activities of setting the strategy of an organization and coordinating the efforts of its employees to accomplish its objectives through the application of available resources, such as financial, natural, technological, and human resources.

### 4) Definition of Management

- -Management is the coordination and administration of tasks to achieve a goal. Such administration activities include setting the organization's strategy and coordinating the efforts of staff to accomplish these objectives through the application of available resources.
- -Management is the process of getting things done, effectively and efficiently through people. A process refers to a set of interrelated activities.

### **Efficiency and Effectiveness**

Efficiency and effectiveness have to do with the work being done and how it's being done.

Efficiency means doing a task correctly (doing things right) and getting the most output from the least amount of inputs. Because managers deal with scarce inputs—including resources such as people, money, and equipment—they're concerned with the efficient use of those resources. Managers want to minimize resource usage and thus resource costs.

### **Efficiency and Effectiveness**

Effectiveness means "doing the right things" by doing those work tasks that help the organization reach its goals.

Whereas efficiency is concerned with the means of getting things done, effectiveness is concerned with the ends, or attainment of organizational goals. Efficiency and effectiveness are different, but in spite of this are interrelated.

### **Efficiency and Effectiveness**

**Effectiveness** is the capability of producing a desired result or the ability to produce desired output.

**Efficiency** is defined as the ability to achieve something with the least amount of wasted time, money, and effort or competency in performance.

Management is essential for an organized life. Good management is essential of successful organizations.

# 5) Functions of Management

There are basically four primary functions of management. These are:

- -Planning
- Organizing
- -Directing
- Controlling

# 5.1)Planning:

Planning includes defining goals, establishing strategy, and developing plans to coordinate activities. This ensures that work is kept in proper focus and helps members keep their attention on what is most important.

Planning is future-oriented and determines an organization's direction.

# 5.2)Organizing:

Managers are also responsible for arranging and structuring work to accomplish the organization's goals. This function is called Organizing, this includes determining what tasks are to be done and by whom, how tasks are to be grouped, who reports to whom, and who will make decisions.

Organizing also includes a formal structure of authority and the direction and flow of such authority through which work subdivisions are defined, arranged and coordinated so that each part is related to each other so as to attain the objectives.

## 5.3) Directing:

The directing function is concerned with leadership, communication and motivation so that the employees perform their activities in the most efficient manner possible, in order to achieve the desired goals.

The leadership element involves guiding the subordinates about procedures and methods.

Part of a manager's job is to direct and coordinate the work activities of those people. This is the leading function.

The communication must be open both ways so that the information can be passed on to the subordinates and the feedback received from them.

Motivation is very important since highly motivated people show excellent performance with less direction from superiors.

# 5.4)Controlling:

Controlling involves monitoring, comparing, and correcting work performance. Discovering any significant deviations and correcting it means that managers get work back on track.

The function of control consists of those activities consist of establishing standards for work performance, measuring performance and comparing it to these set standards and taking corrective actions as and when needed, to correct any deviations.

# Management Skills

Management skills refer to the experience of managers by doing managerial tasks and assignments. Examples of managerial skills include, preparing reports, and motivating employees. There are four basic skills identified they are needed by all managers, conceptual, interpersonal skill, technical and political skills.

Conceptual skills are the skills managers use to analyze and diagnose complex situations. They help managers see how things fit together and facilitate making good decisions.

# Management Skills

Interpersonal skills are those skills involved with working well with other people both individually and in groups. Because managers get things done with and through other people, they must have good interpersonal skills to communicate, motivate, and delegate.

Managers also need technical skills, which are the job-specific knowledge and techniques needed to perform work tasks. For top-level managers, these abilities tend to be related to knowledge of the industry and the organization's processes. For middleand lower-level managers, these abilities are related to the specialized knowledge required in the areas where they work for e.g finance, human resources, marketing, and production.

# Management Skills

Finally, managers need and use political skills to build a power base and establish the right connections.



# Thank you...,