

Introduction to Management

University of Cassino and Southern Lazio

A.A. 2020/2021

Prof. Ylenia Cavacece

Introduction to the course



The aim of the course

Understanding how companies work, how they are organized, managed, how business strategies are formulated and competitive advantages are achieved.

Be ready to work in a company, regardless of tasks, role and managerial level

Why Study Management?

- The study of management builds the skills needed in today's workplace to succeed in:
 - Becoming a partner in managing your organization through participative management.
 - Working in a team and sharing in decision making and other management tasks.
- The study of management also applies directly to your personal life in helping you to:
 - Communicate with and interact with people every day.
 - Make personal plans and decisions, set goals, prioritize what you will do, and get others to do things for you.
- Society Needs Leaders and Team Players
 - Be Successful in our Community, Religious, Social, Professional, Recreational and Other Organizations.
 - Become Leaders for a “Just and Humane World”

The Program of the course

- Principles of Management
- The internal and external environment
- SWOT Analysis
- Porter's five forces
- Abell model and competitive advantage
- Stakeholder theory
- Competitive strategies
- International strategies
- Organizational structure
- Break even point
- The business functions:
 - ✓ Production
 - ✓ Logistics
 - ✓ Marketing
 - ✓ Human resources
 - ✓ Research & Development

The structure of the course

- Frontal lessons
- Seminars
- Case studies
- Project works
- Exercises

Material

- Slides
- Lecture notes provided by the professor

Suggested book:

Charles W.L. Hill and Steven L. McShane, PRINCIPLES OF MANAGEMENT, McGraw-Hill/Irwin.

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Principles of Management



What is Management?

Management involves coordinating and overseeing the work activities of others so that their activities are completed efficiently and effectively.

Coordinating and overseeing the work of others is what distinguishes a managerial position from a non-managerial one.

Efficiency is getting the most output from the least amount of inputs in order to minimize resource costs. Efficiency is often referred to as “doing things right”.

Effectiveness is completing activities so that organizational goals are attained and is often described as “doing the right things”.

What is Management?

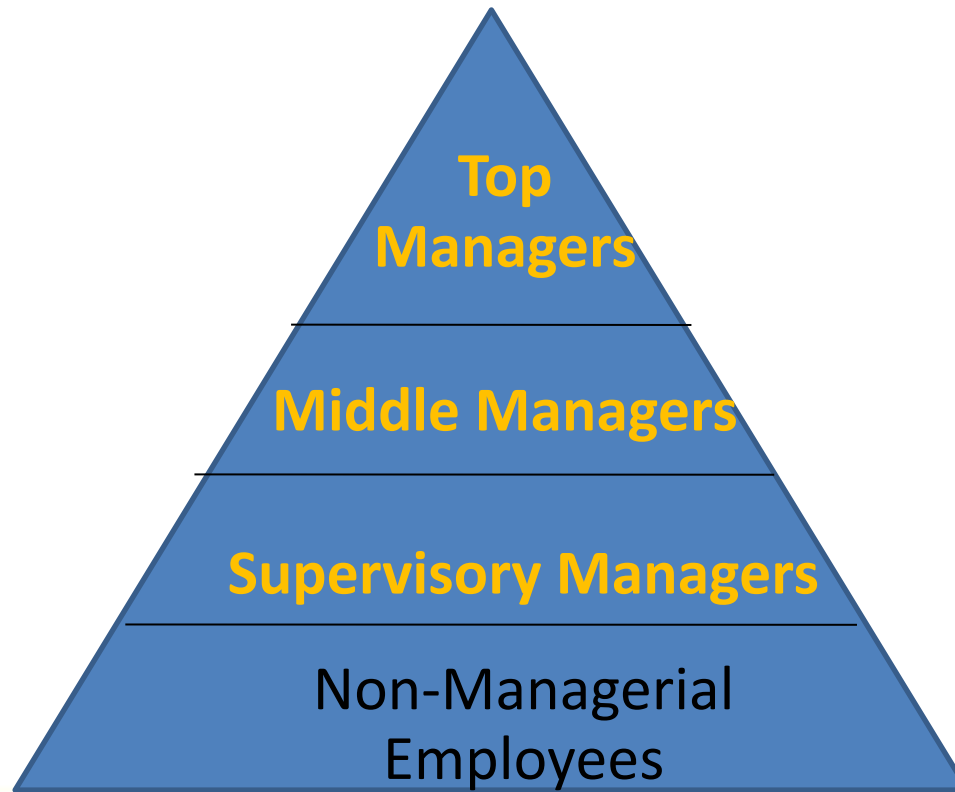
The process of deciding how best to use a business's resources to produce goods or provide services

- Employees
- Equipment
- Money

Who are managers?

A manager is someone who coordinates and oversees the work of other people so that organizational goals can be accomplished.

Managers can be classified by their level in the organization, particularly in traditionally structured organizations—those shaped like a pyramid



Top Management

- Establishes the goal/objectives of the business
- Decides how to use the company's resources
- Not involved in the day-to-day problems
- Set the direction the company will follow
- Chairperson of the company's board of directors, CEO, COO, senior vice presidents

Middle Management

- Responsible for meeting the goals that senior management sets
- Sets goals for specific areas of the business
- Decides which employees in each area must do to meet goals
- Department heads, district sales managers

Supervisory Management

- Make sure the day-to-day operations of the business run smoothly
- Responsible for the people who physically produce the company's products or services
- Forepersons, crew leaders, store managers

Non-Managerial Employees

The changing nature of organizations and jobs often requires employees in formerly non-managerial jobs to perform managerial activities.

Students who are preparing for careers on any organizational level can benefit from acquiring management skills.

Today's employees need to be cross-trained and multiskilled.

The management process

The management process is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead, and control.

4 functions:

1. **Planning** involves defining goals, establishing strategies for achieving those goals, and developing plans to integrate and coordinate activities.
2. **Organizing** involves arranging and structuring work to accomplish the organization's goals.
3. **Leading** involves working with and through people to accomplish organizational goals.
4. **Controlling** involves monitoring, comparing, and correcting work performance.

Planning

Decides company goals and the actions to meet them

Ex. CEO sets a goal of increasing sales by 10% in the next year by developing a new software program

Organizing

Groups related activities together and assigns employees to perform them

Ex. A manager sets up a team of employees to restock an aisle in a supermarket

Staffing

Decides how many and what kind of people a business needs to meet its goals and then recruits, selects, and trains the right people

Ex. A restaurant manager interviews and trains servers

Leading

Provides guidance employees need to perform their tasks

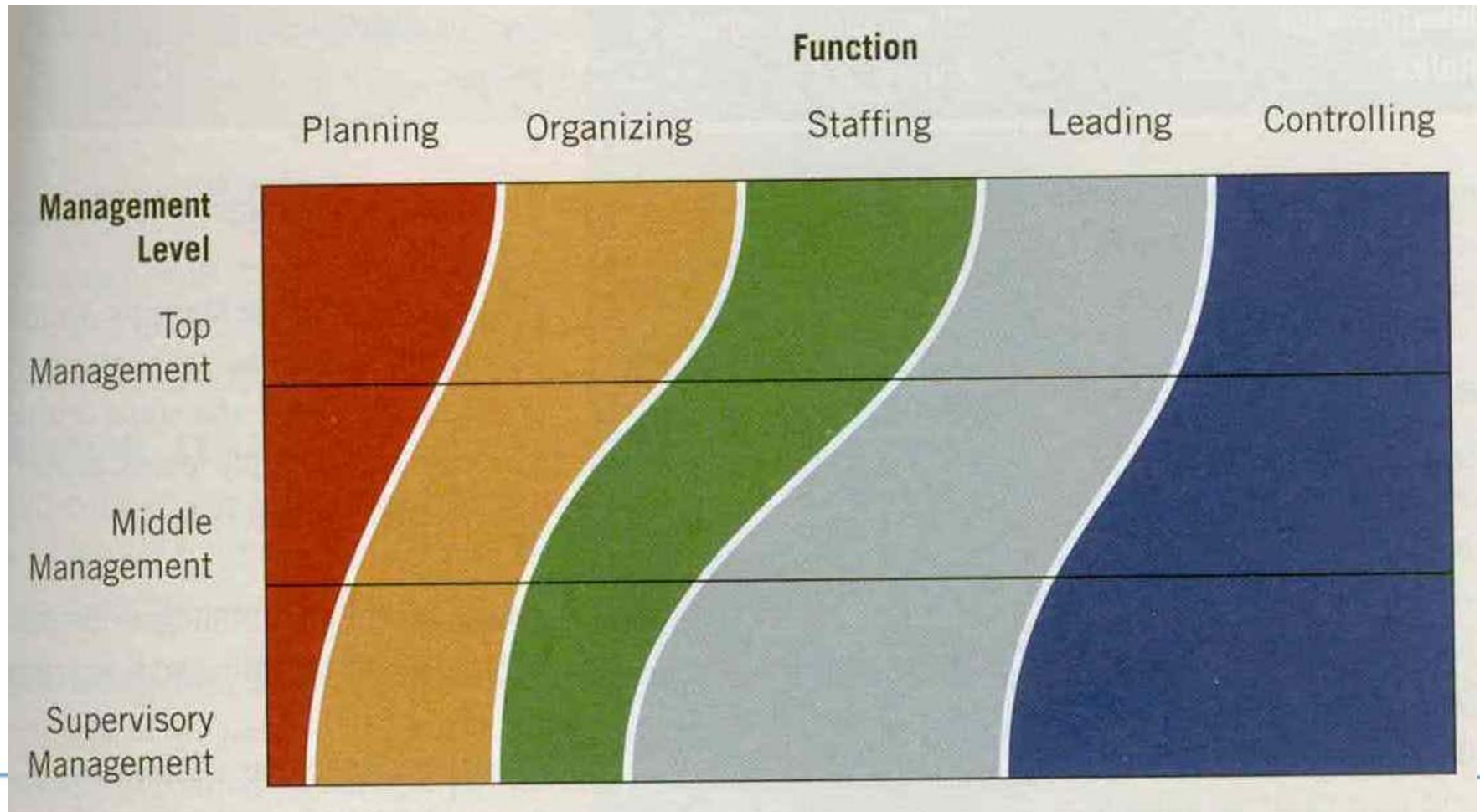
Ex. Keeping the lines of communication open and holding regular staff meetings

Controlling

Measures how the business performs to ensure that financial goals are being met

Ex. Analyzing accounting records and making changes if financial standards not being met

Relative Amount of Emphasis Placed on Each Function of Management



The management roles

Management roles refer to specific categories of managerial behavior:

- a. Interpersonal roles include figurehead, leadership, and liaison activities.
- b. Informational roles include monitoring, disseminating, and spokesperson activities.
- c. Decisional roles include entrepreneur, disturbance handler, resource allocator, and negotiator.

Interpersonal roles

A manager's relationships with people

Providing leadership with the company

Interacting with others outside the organization

Senior managers spend much of their time on interpersonal roles

They represent the company in its relations with people outside the company, interacting with those people, and providing guidance and leadership to the organization

Determine a company's culture

Information-related roles

Providing knowledge, news or advice to employees

Holding meetings

Finding ways of letting employees know about important business activities

Decision-making roles

Making changes in policies, resolving conflicts, deciding how to best use resources

Middle and supervisory managers spend more time resolving conflicts than senior managers

The management skills

Managers need certain skills to perform the challenging duties and activities associated with being a manager.

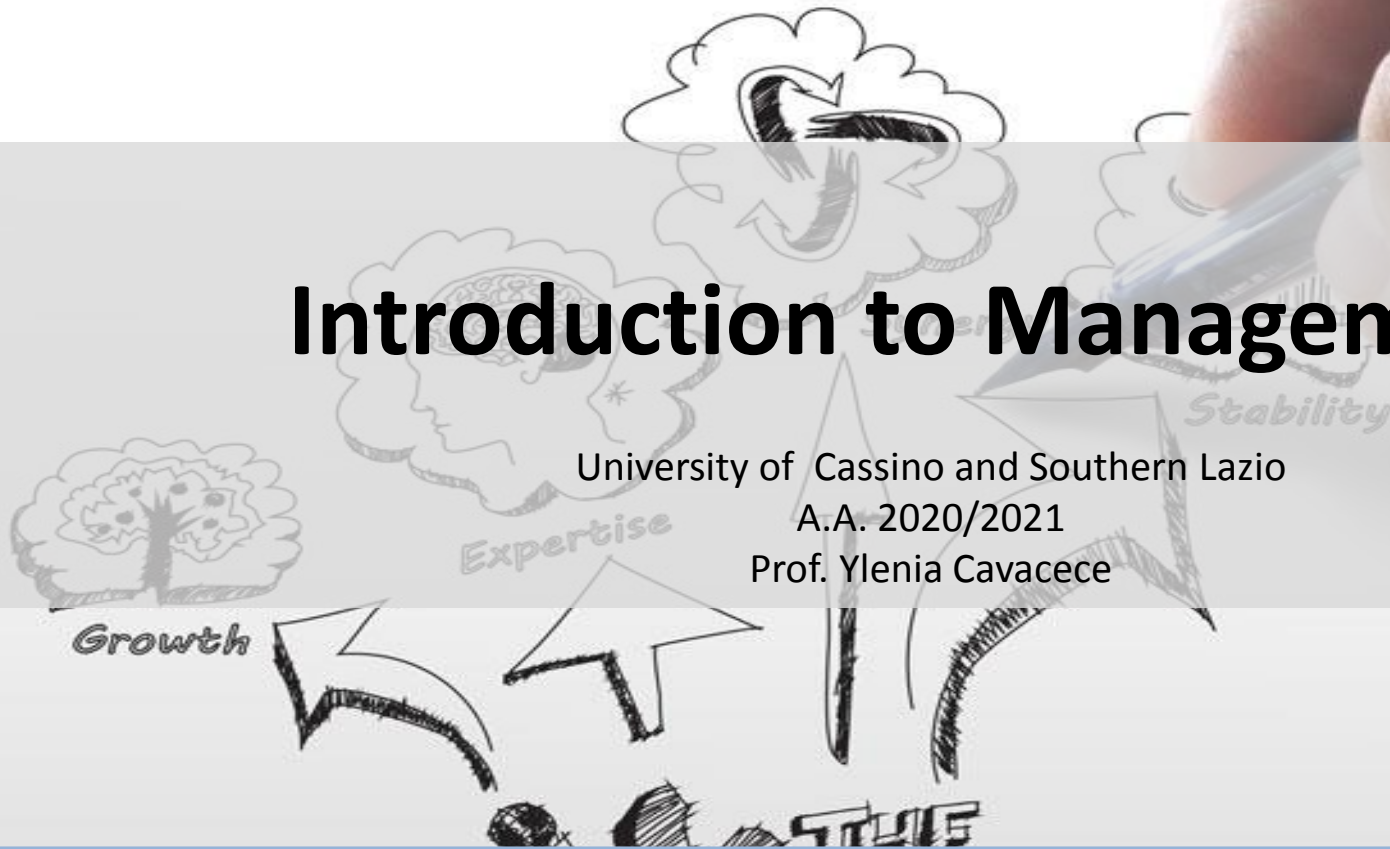
- a. Technical skills are job-specific knowledge and techniques needed to proficiently perform specific tasks.
- b. Human skills are the ability to work well with other people individually and in a group.
- c. Conceptual skills are the ability to think and to conceptualize about abstract and complex situations.

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Micro & Macro Environment



What are organizations?

Organizations need managers. An organization is a deliberate arrangement of people to accomplish some specific purpose.

Organizations share three common characteristics: (1) each has a distinct purpose; (2) each is composed of people; and (3) each develops some deliberate structure so members can do their work.

Organizations change because the world around them changes continuously. These societal, economic, global, and technological changes have created an environment in which successful organizations must embrace new ways of getting their work done.

Systems Thinking

Companies are open systems that interact and exchange resources with their environment in which there are a lot of actors and forces that influence the business activities and results.

Environment → a synthesis of supra-systems that are able to express and project expectations and pressures on the firm. Supra-systems can place constraints on the way the firm works when their expectations are not adequately met, or they can facilitate the evolution of the firm when their expectations are satisfied.

Hence, the survival of the company depends on its capacity to satisfy the supra-systems expectations and to create and maintain high levels of consonance and resonance with the context.

Complexity of the environment

Variety: high number of elements to consider → competitors, customers, suppliers, distributors, financiers, socio-economic and political context

Variability: each of these elements changes over time

Indeterminacy: it is impossible to have a complete knowledge of these elements and predict their evolution

Complexity of the environment

Internal complexity: depends on the size of the company, the number of its components, the variety of social roles and personalities

External complexity: depends on the variety and variability of the environment in which a company operates → it is the hardest to manage because it depends on variables that are not under the control of managers

Complexity of the environment

Complexity is subjective, each observer perceives different levels of complexity at different moments.

It depends on the level of information and knowledge each observer has about the phenomena.

Company in front of a complex phenomenon needs to increase its knowledge of the same phenomenon

How it does? Through researches, analysis, analytical tools.

The analyses provide the acquisition and the processing of all the information necessary to better frame the environment in which the enterprise operates.