

# FUNDAMENTALS OF MANAGEMENT

---

REFERENCE: MANAGEMENT, A PRACTICAL INTRODUCTION  
KINICKI AND WILLIAMS, 9<sup>TH</sup> EDITION  
MC GRAW HILL, 2020

# ATTENDANCE

---

- 30 minutes late = Absent
- 3 allowable absences
- Classes start in 15 minutes (7:15am)
- A 20 minute break is provided (8:15 – 8:35)
- Mandatory attendance to free cut classes

# REFERENCES

---

- Management: A practical Introduction, 9<sup>th</sup> edition  
by: Angelo Kinicki and Brian Williams  
McGraw Hill Publication, 2020
- Microsoft Cloudswyft for the Excel Courses

# MANAGEMENT:WHAT IT IS,WHAT ITS BENEFITS ARE

---



# THE ART OF MANAGEMENT

---

- “ the art of getting things done through people”

Thus, managers are **task oriented, achievement oriented, and people oriented**. They operate within an organization – a group of people who work together to achieve some specific purpose.

- **More formally:** Management is defined as (1) the pursuit of organizational goals efficiently and effectively by (2) integrating the work of people) through (3) planning, organizing, leading and controlling the organization's resources.\*\*





# EFFICIENTLY AND EFFECTIVELY

---

- **Efficiency – the means:** It is the **means of attaining the organization's goals**. This means using resources (people, money, raw materials, e.g.,) – wisely and cost effectively.
- **Effectiveness – the end:** To be effective means to **achieve results**, to make the **right decision**, and to successfully carry them out so that they achieve the organization's goals.

Good managers are concerned with trying to achieve both qualities. Often, however, organizations will strive for efficiency without being effective. A retired US General, former commander of US Forces in Afghanistan suggests that effectiveness is a more important outcome in today's organizations.\*\*

# WHAT MANAGERS DO: THE 4 PRINCIPAL FUNCTIONS

---







## PLANNING

You set goals and decide how to achieve them.

# PLANNING, STRATEGY AND STRATEGIC MANAGEMENT

---

# PLANNING: COPING WITH UNCERTAINTY

---

- Planning is **setting goals and deciding how to achieve them**.
- Planning is **coping with uncertainty** by formulating future courses of actions to achieve a specified results.
- A plan **is a document that** outlines how goals are going to be met.
- The plan becomes the **blueprint for action** that describes what you need to do to realize your goals.

# A BUSINESS PLAN:

---

- A document that outlines the need the firm will fill, the **operations** of the business, its **components and functions**, as well as the expected **revenues and expenses**. It also describes the **industry** you're entering, how your **product** will be different, and **how you'll market** to customers, how you're **qualified** to run the business, and how you will **finance** your business.

# FUNDAMENTALS OF PLANNING

---



# VISION STATEMENT

---

- **A vision statement** describes where the company aspires to be upon achieving its mission. This statement reveals the "where" of a business -- but not just where the *company* seeks to be. Rather, a vision statement describes where the company wants a *community*, or the *world*, to be as a result of the company's services.



# MISSION STATEMENT

---

- **A mission statement** is, in some ways, an action-oriented vision statement, declaring the purpose an organization serves to its audience.

That often includes a general description of the organization, its function, and its objectives. Ultimately, a mission statement is intended to clarify the "what," the "who," and the "why" of a company. It's the roadmap for the company's vision statement.

# VALUES STATEMENT: WHAT VALUES DO WE WANT TO EMPHASIZE?

---

- Values statement, also called core values statements, expresses what the company stands for, its core priorities, the values its employees embody, and what its products contribute to the world.
- Values statements become the deeply ingrained principle and fabric that guide employee behavior and company decisions and actions.



# SMART GOALS

---

- **SPECIFIC:** Specific, no vague terms
  - Example:
    - As many planes as possible should arrive on time. XX
    - To have 95% of planes should arrive within 15 minutes of the scheduled arrival in 6 months.
- **MEASURABLE:** As much as possible, goals should have a quantifiable statement
- **ATTAINABLE:** Goals should be challenging, but should be realistic and attainable.
- **RESULTS ORIENTED:** Goals should support the organization's vision
  - Example: To decrease by 10% the time to get passengers settled in their seats before departure
- **TARGET DATES/TIMELINE:** Goals should specify target dates of completion
  - Example:

## ORGANIZING

You arrange tasks, people,  
and other resources to  
accomplish the work.

# ALIGNING STRATEGY, CULTURE AND STRUCTURE

---

# ORGANIZING

---

- The study of organizing begins with the study of the **organizational culture and structure**, which managers must determine so as to implement a particular strategy. Organizational culture consists of the set of shared, taken-for-granted implicit assumptions that a group holds in the workplace. Organizational structure describes who reports to whom and who does what.



# STRATEGY

---

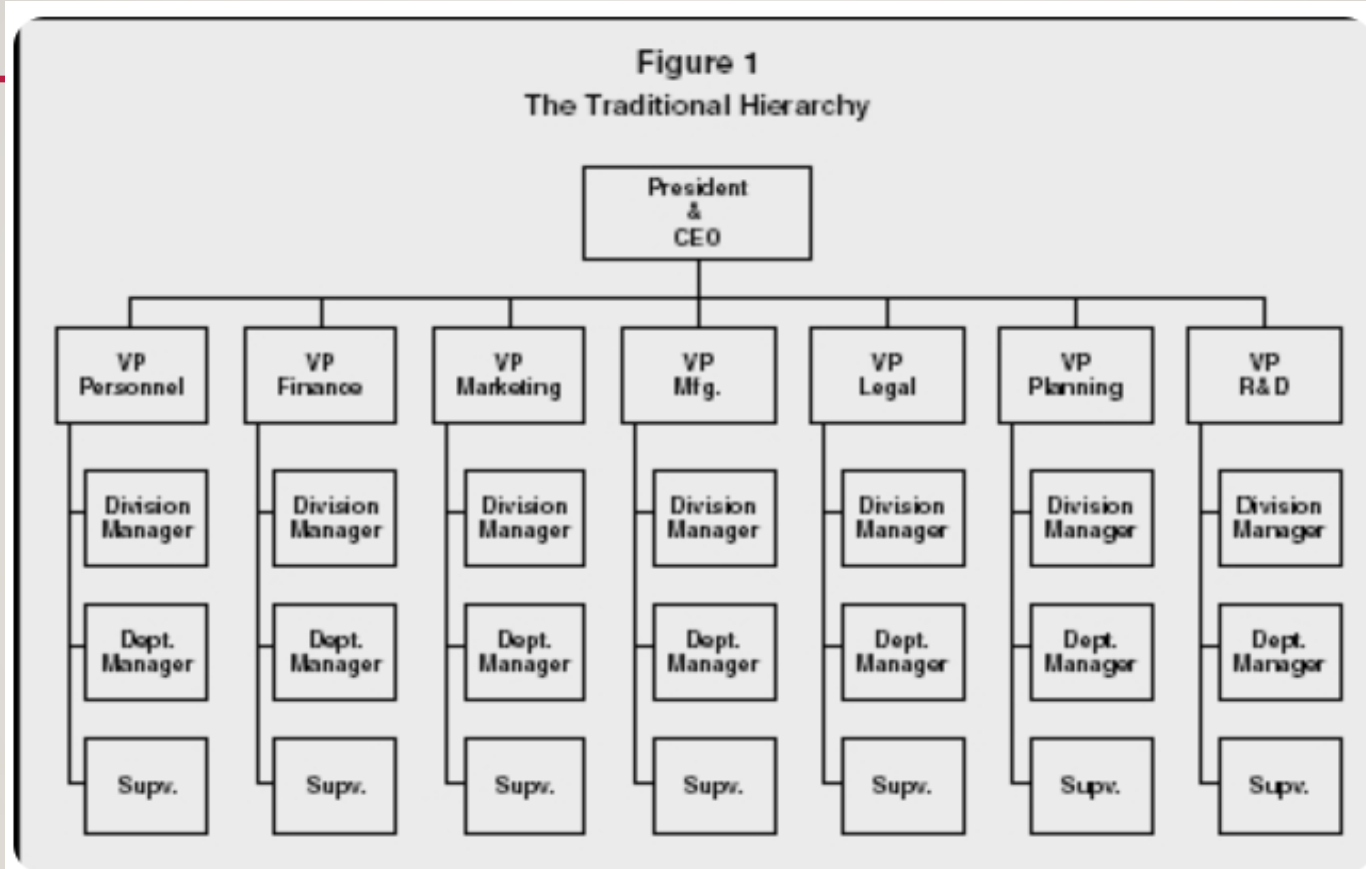
- Consists of the large scale action plans that reflect the organization's vision and are used to set the direction of the organization. To implement a particular strategy, managers must determine the right kind of organization culture and organization structure, which mutually influence each other.

# BASIC TYPES OF ORGANIZATION STRUCTURE

---



# TRADITIONAL ORGANIZATON CHART



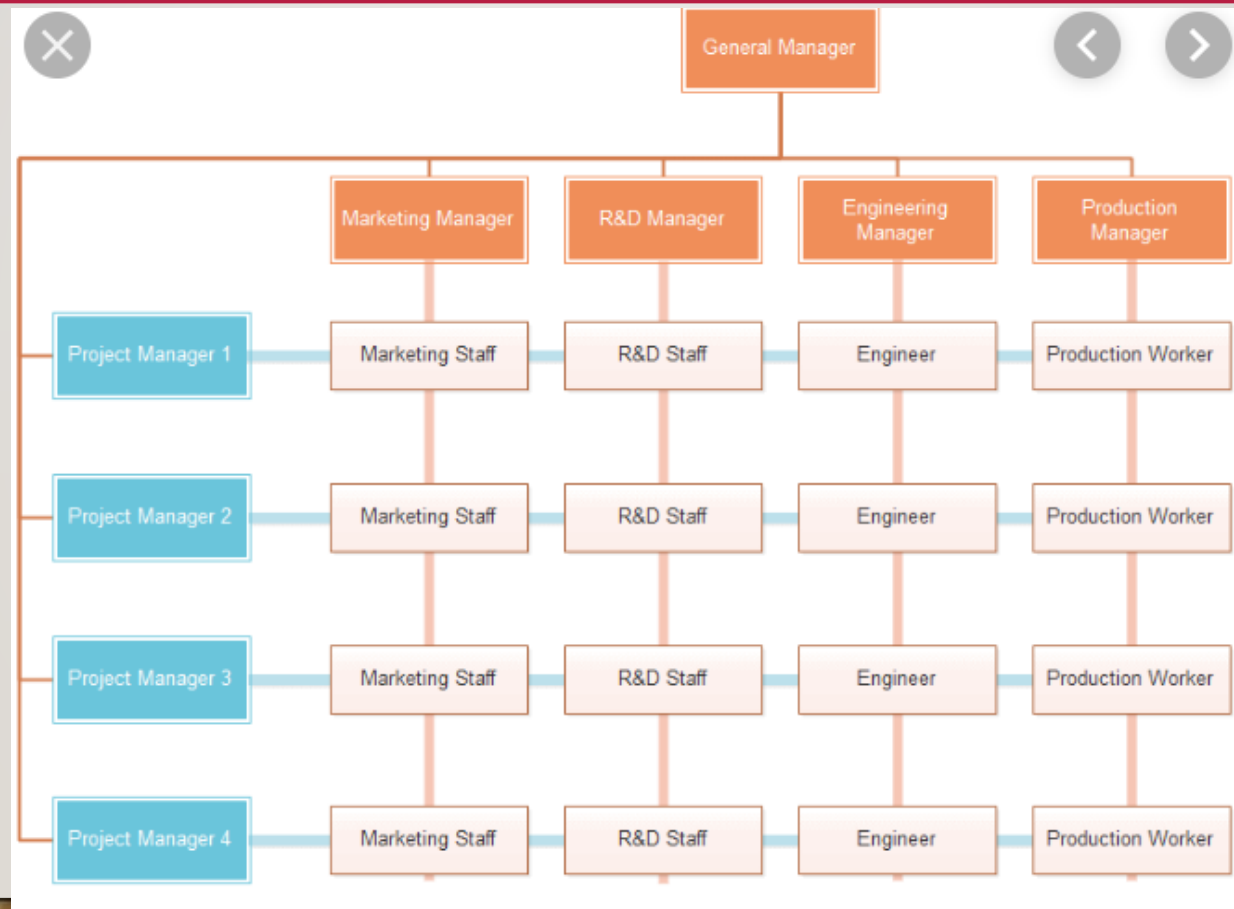
### Figure 1

#### The Traditional Hierarchy

# FUNCTIONAL ORGANIZATION CHART

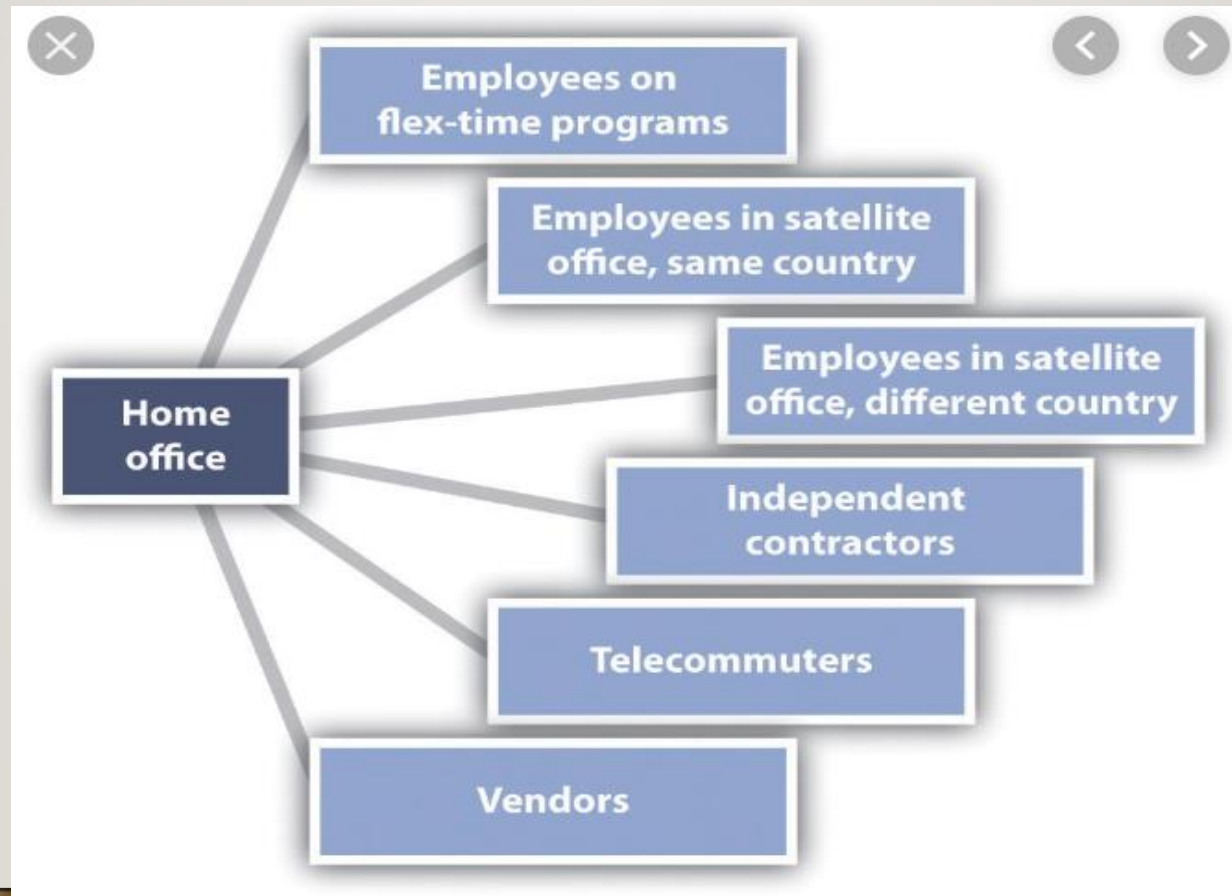


# MATRIX ORGANIZATON CHART





# VIRTUAL ORGANIZATION CHART



## LEADING

You motivate, direct and otherwise influence people to work hard to achieve the organization's goals.

# LEADING ORGANIZATIONS

---

# DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT

---

By: Renalyn A. Dario

<https://www.slideshare.net/renalyndario/difference-between-leadership-and-management>

Leaders are...

INSPIRING



CHARISMATIC



MANAGERS  
ARE NOT!

# MANAGEMENT



Efficiency



Control



Procedures



- Managers make sure **details** are taken care of.



- Leaders set broad purposes and **directions**.



Managers exercise **control** to make sure that things work well.



Leaders create **commitment** that things may work together.



Managers solve **today's** problems by addressing difficulties caused by changing events.



Leaders create a better **future** by seizing opportunities stimulated by changing events.



► Managers focus on the **process**.



► Leaders focus on the **product**.



- ▶ Managers focus on **problem** behavior and try to improve it through counseling, coaching and nurturing.



- ▶ Leaders focus on what is **right** and praise it.



- Managers make sure people put in an honest day's work for their pay.



- Leaders inspire people to do their best.



- Managers **organize and plan** to meet this year's objectives.



- Leaders create **a vision** of the years down the road.



- Managers create efficient policies and standard operating procedures.

Policies &  
Procedures

- Leaders go beyond the need for standard procedures and create a more efficient system.



## CONTROLLING

You monitor performance, compare it with goals and take corrective action when needed.

# CONTROLLING

---



# JUST A REVIEW:

---

**PLANNING:**  
You set goals and  
decide how to  
achieve them.



**ORGANIZING:**  
You arrange  
tasks, people, and  
other resources  
to accomplish  
the work.



**LEADING:**  
You motivate  
people to work  
hard to achieve  
the organization's  
goals

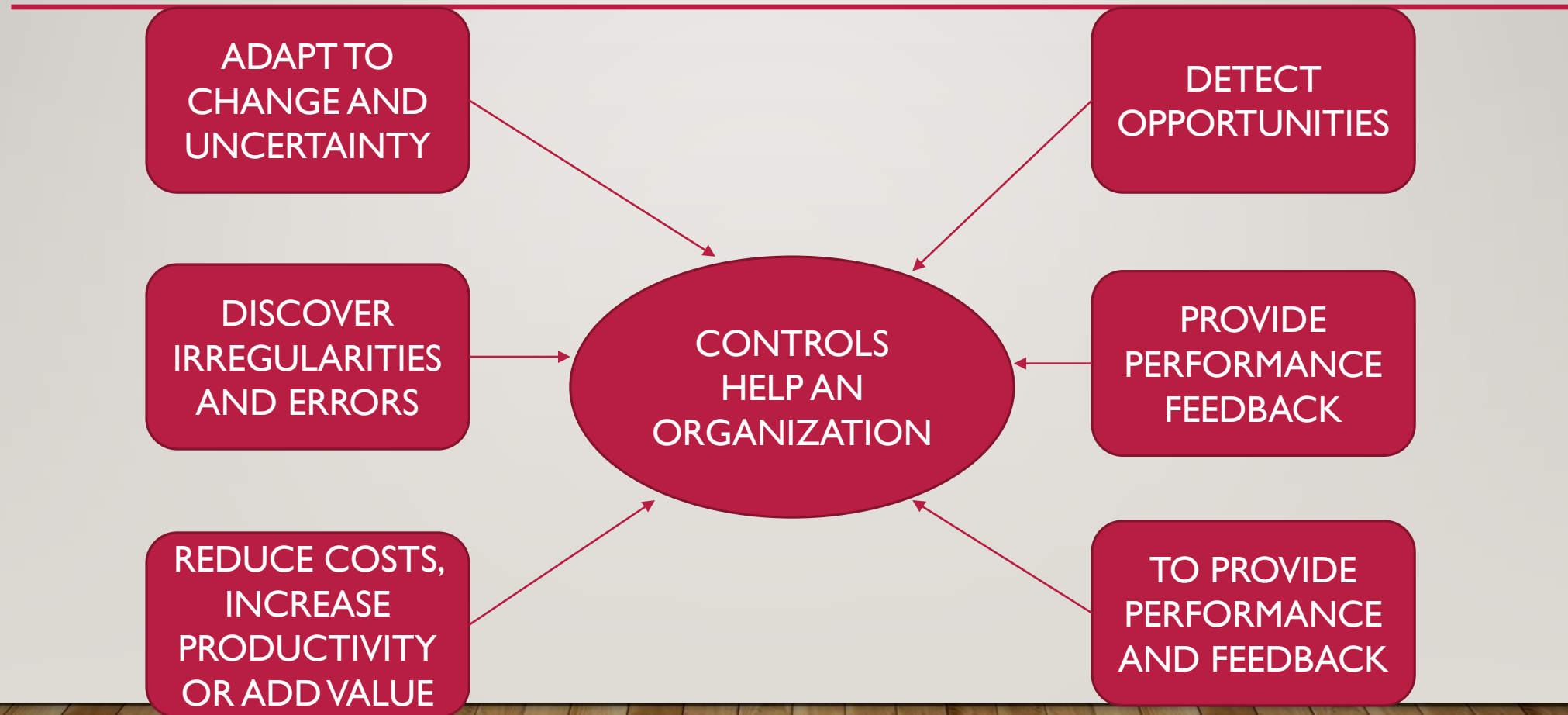


**CONTROLLING**  
:  
You monitor  
performance,  
compare it with  
goals, and take  
corrective action  
as needed



**FOR EFFECTIVE  
PERFORMANCE**

# WHY DO WE NEED CONTROL?



# STEPS IN THE CONTROL PROCESS

---

STEP 1:  
ESTABLISH  
STANDARDS

STEP 2:  
MEASURE  
PERFORMANCE

STEP 3:  
COMPARE  
PERFORMANCE  
TO  
STANDARDS

STEP 4: TAKE  
CORRECTIVE  
ACTION, IF  
NECESSARY

If yes, take  
corrective  
action: perhaps  
revise  
standards

If no, continue  
work progress  
and recognize  
success

# STEPS IN THE CONTROL PROCESS

---

Establish standards: What is the outcome we want? The desired performance level for a given goal.

EXAMPLE:

- Number of new customers served
- Number of customers satisfied
- Staff Retention Rate
- YOY Growth of 30%

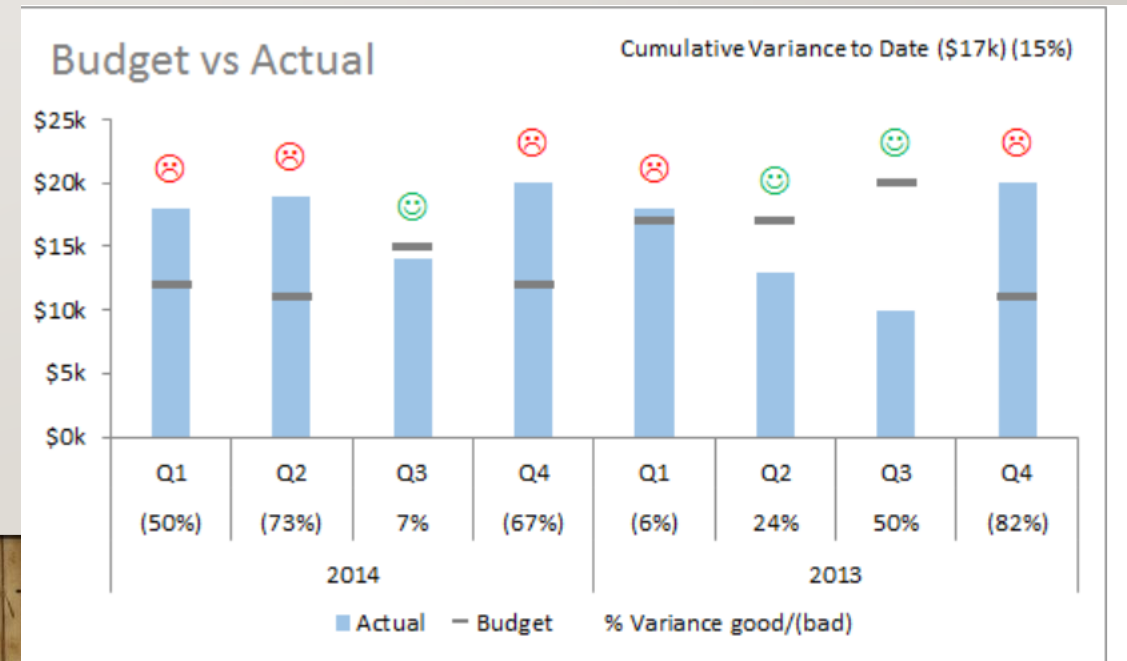
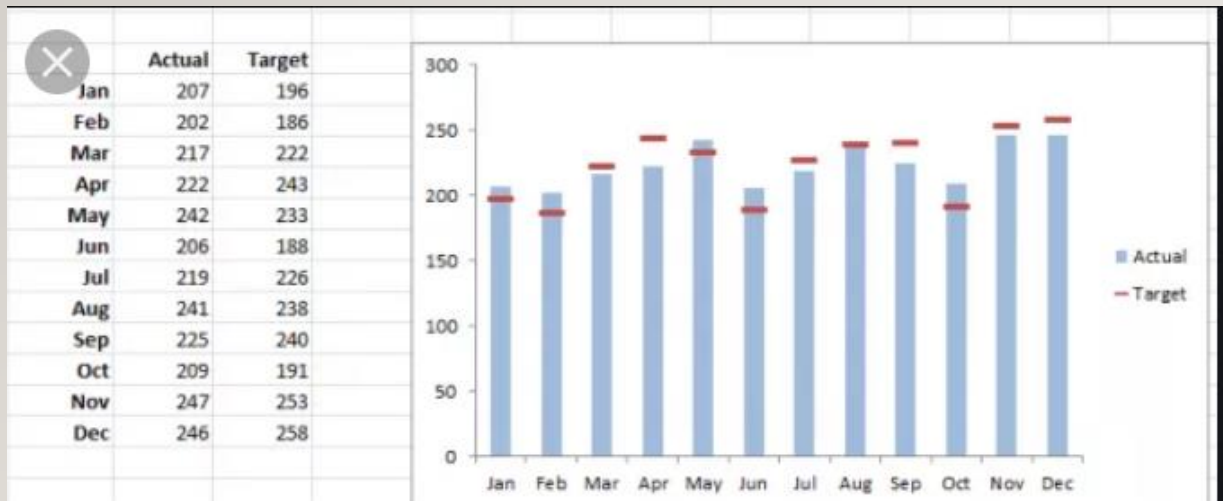
STEP 1:  
ESTABLISH  
STANDARDS

# STEPS IN THE CONTROL PROCESS

STEP 2:  
MEASURE  
PERFORMANCE

- 2) Measure Performance: What is the actual outcome we got?
- 3) Compare Actual to Performance

STEP 3:  
COMPARE  
PERFORMANCE  
TO STANDARDS





# STEPS IN THE CONTROL PROCESS

---

- 4) Take corrective action: What changes should we make to obtain desirable outcome.

This step concerns feedback – modifying, if necessary, the control process according to the results or effects. This might be dynamic process that will produce different effects every time you put the system to use. **There are 3 possibilities:**

- a) Make no changes
- b) Recognize and reinforce positive performance
- c) Take action to correct negative performance

**STEP 4: TAKE  
CORRECTIVE  
ACTION, IF  
NECESSARY**