

THE COPPERBELT UNIVERSITY
school of business

The Nature and Scope of Management

BS/BF/BSP/BEC/HRM/ IP 150

EB KASANDA

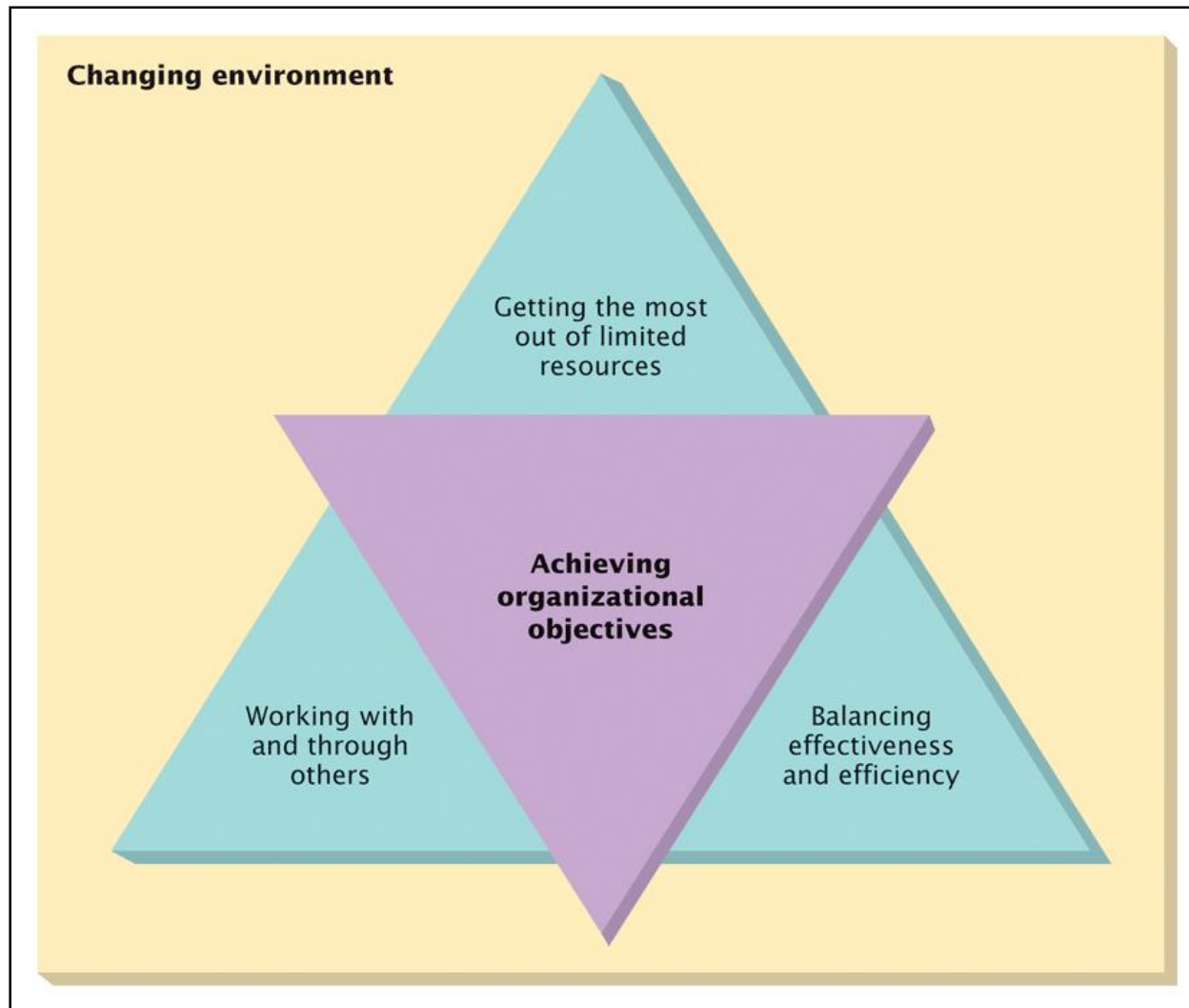
Learning Outcomes

- Define the term *management* and explain the managerial significance of the terms *effectiveness* and *efficiency*.
- Identify and summarize five major sources of change for today's managers.
- Distinguish between management functions and roles, and identify the eight basic managerial functions.
- Distinguish between managers and leaders, and classification of managers
- Explain how managers learn to manage.

Introduction Management (Defining management)

- Management is the process of working with and through others to achieve organisational objectives in the changing environment. Central to this process is the effective and efficient use of limited resources
- Management entails the effective and efficient use of limited resources.
- This definition has **five components**
- 1. Working with and through people
- 2. Achieving organisational objectives
- 3. Balancing effectiveness and efficient
- 4. Making the most of limited resources
- 5. Coping with a changing environment

Figure 1.1: Key Aspects of the Management Process



Working with and Through Others

- Management is a social process in which managers get things done by working with and through others.
- Shortcomings of “derailed” managers
 - Problems with interpersonal relationships
 - Failure to meet business objectives
 - Failure to build and lead a team
 - Inability to change and adapt during a transition

Achieving Organizational Objectives

- An objective is a target to be strived for and attained.
 - Challenging yet achievable objectives provide guidance for effective and efficient actions by individuals and organizations.
 - Objectives should be **SMART**.
 - S- SPECIFIC-
 - M- MEASURABLE
 - A- ATTAINABLE
 - REALISTIC
 - TIME BOUND

Balancing Effectiveness and Efficiency

- Effectiveness
 - “Doing the right things”
 - Attaining organizational goals”
 - Entails promptly achieving a stated organizational objective
 - Managers are held responsible for attaining objectives.
- Efficiency
 - “Doing things right” - Getting the most output for the least inputs
 - Entails balancing the amount of resources used to achieve an objective against what was actually accomplished

Balancing Effectiveness and Efficiency

- Effectiveness (doing the thing right) is the degree to which the goals of an organisation have been met. In essence, effective managers are those who select the correct approaches and achieve their goals. But given the reality of limited resources, effectiveness alone is not enough.

Balancing Effectiveness and Efficiency

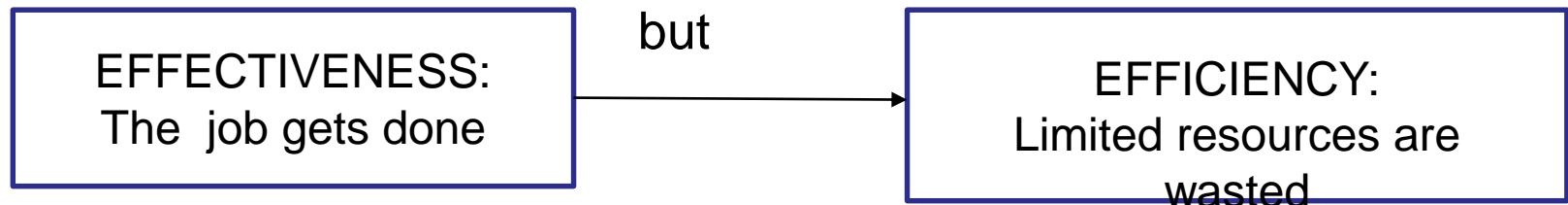
- Efficiency (doing the right thing) is an element in the process of management that balances the amount of resources used to achieve an objective against the outputs.
- It is based on the physical and engineering sciences and concerns the relationship between inputs and outputs. In organisations the inputs are the human, physical and financial resources available to the manager.

Balancing Effectiveness and Efficiency

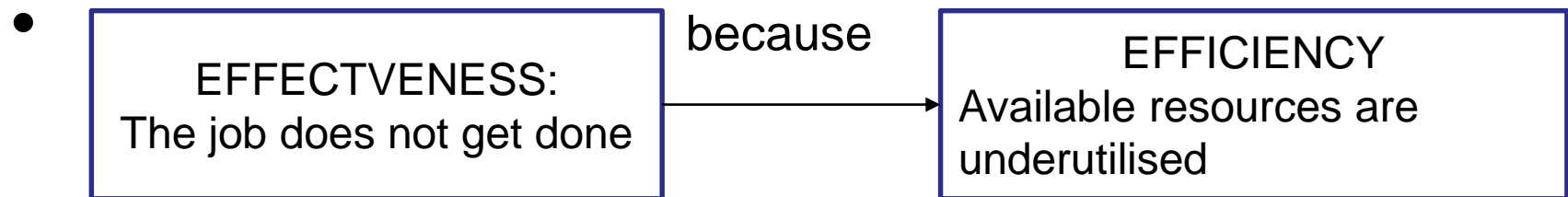
- Efficient managers achieve high levels of output (goal accomplishment) with a given base of inputs. When managers are able to minimise the cost of the resources that are used to attain goals, they are functioning efficiently.

Balancing Effectiveness and Efficiency

- Too much emphasis on effectiveness results into:

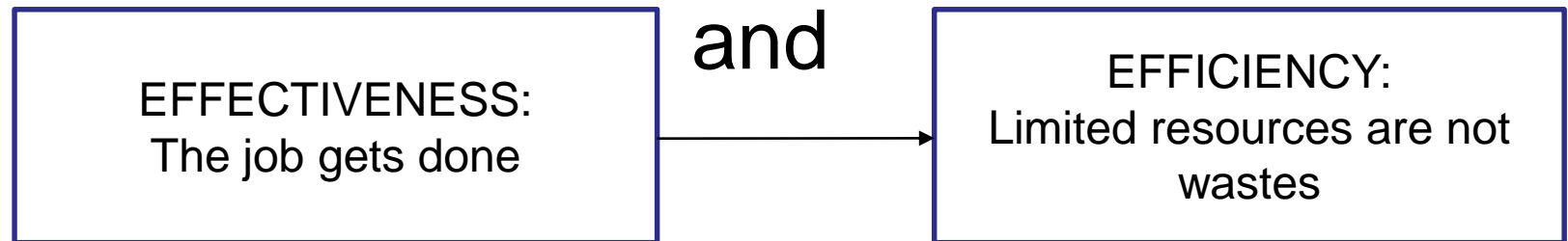


- Too much emphasis on efficiency results into:



Balancing Effectiveness and Efficiency

- Balanced emphasis on effectiveness and efficiency leads to:



- In productive organisations, managers are the trustees of limited resources and it is their job to see that the basic factors of production, land labour and capital are use efficiently as well as effectively.

Making the Most of Limited Resources

- We live in a world of scarcity.
- There is a lopsided use of resources.
- Our planet is becoming increasingly crowded.
- Over 80% of the world's population lives in poor and less-developed countries.
- Managers are responsible for the efficient and effective use of the basic factors of production—land, labor, and capital.

Coping with a Changing Environment

- Coping with a changing Environment – successful managers are the ones who anticipate and adjust to changing circumstances rather than being passively swept along or caught unprepared. There are FIVE sources of change namely:
- **Major Sources of Change for Today's Managers**
 - Globalization
 - Environmentalism
 - An ethical reawakening
 - The Internet and the e-business revolution
 - The evolution of product quality

Major Sources of Change for Today's Managers

- Globalisation – Networks of transportation and Communication have tied the peoples of the world together. Business and job opportunities show little regard for international borders these days.
- The evolution of product quality – global competition has awakened managers to quality issues. Today's model managers should focus on continuous improvement of personnel, processes, and product.

Major Sources of Change for Today's Managers

- Environmentalism – this calls for a healthy environment. Managers are challenged to develop creative ways to make a profit without unduly harming the environment.
- Business Ethics – managers are under pressure from the public to ensure that their organisations reflect high standards of ethical behaviour.

Table 1.1 The Twenty-First-Century Manager:
Ten Major Changes

	Moving away from	Moving toward
Administrative role	Boss/superior/leader	Team member/facilitator/ teacher/sponsor/advocate/ coach
Cultural orientation	Monocultural/monolingual	Multicultural/multilingual
Quality/ethics/ environmental impacts	Afterthought (or no thought)	Forethought (unifying themes)
Power bases	Formal authority; rewards and punishments	Knowledge; relationships; rewards
Primary organizational unit	Individual	Team
Interpersonal dealings	Competition; win-lose	Cooperation; win-win
Learning	Periodic (preparatory; curriculum-driven)	Continuous (lifelong; learner-driven)
Problems	Threats to be avoided	Opportunities for learning and continuous improvement
Change and conflict	Resist/react/avoid	Anticipate/seek/channel
Information	Restrict access/hoard	Increase access/share

Functions of Managers (What Do Managers Do?)

In Management various Models are used to explain what managers do

- The most popular approach to describing what managers do has been the functional view.
- It has been popular because it characterizes the management process as a sequence of rational and logical steps.
- **(1) Functional Approach by Henri Fayol** focuses on managerial functions these functions are:
- Fayol claimed that these five functions were the common denominators of all managerial jobs, whatever the purpose of the organization.
- **Planning**
- **Organising**
- **Command**
- **Coordination**
- **Controlling**

Functions of Managers (What Do Managers Do?)

There are now 8 different managerial functions after updating and expanding the original list: planning, decision making, staffing, organizing, communicating, motivating, leading and controlling.

- **Planning** -determine organisation's goals, establishing an overall strategy for achieving goals, and developing a comprehensive set of plans to integrate and coordinate activities.
- **Organising** - includes determining what tasks are to be done, who is to do them, how tasks are grouped, who reports to whom, and where decisions are to be made. It is the process of designing jobs, grouping jobs into managerial units, and establishing patterns of authority between jobs and units. And establishing patterns of authority between jobs and units.

Functions of Managers (What Do Managers Do?)

- **Leading** - every organisation contains people who need to be directed and coordinated. Leading is the process of motivating members of the organisation to work together towards the organisation's goals. Major components of leading include motivating employees, managing group dynamics, and the actual process leadership.
- **Controlling** - is the process of monitoring and correcting the action of the organisation and its people to keep them headed towards their goals. Controlling ensures that things are going as they should. Actual performance is compared with previously set goals.
- **Decision making** - managers choose among alternative courses of action when they make decisions. Decisions are required on people, equipment, planning, money, co-ordination, control, etc.
- **Staffing** - Recruiting, training, and developing people who can contribute to the organization

Functions of Managers (What Do Managers Do?)

- **Motivating** - this involves satisfying the needs of individuals and meeting their expectations with meaningful work and valued rewards. Management is about motivating people to perform at a higher level to achieve the goals of the organisation.
- Motivation is about balancing the needs and wants of the individual with that of the organisational. People have their own desires and goals, and will seek to achieve them.
- An environment must be created where the individual can achieve their goals while still attaining that of the organisation.
- **Communicating** - Providing information, direction, and feedback
- managers are responsible for communicating to their employees the technical knowledge, instructions, rules and information required to get the job done. Recognising that communication is a two way process, managers should be responsive to feedback and upward communication.

What Do Managers Do?

(3) Managerial Role Model by Henry Mintzberg

- Mintzberg criticized the traditional functional approach as unrealistic and vague about what managers actually do.
- The functional approach is believed to portray the management process as far more systematic and rational and less complex than it really is.
- The average manager is not the reflective planner and precise “orchestra leader” that the functional approach suggests.
- Mintzberg characterizes the typical manager as follows: “The manager is **overburdened** with obligations; yet he cannot easily **delegate** his tasks. As a result, he is driven to **overwork** and is forced to **do many tasks superficially**. Brevity, **fragmentation and verbal communication characterize his work.**” **Constant interruptions are the order of the day.**
- Mintzberg has isolated ten roles he believes are common to all managers and are grouped into three major categories: interpersonal, informational and decision roles.

What Do Managers Do?

- Mintzberg suggested fruitful way of studying what managers do is to focus on the key roles they play.
- These roles are grouped into three major categories: interpersonal, Informational and Decisional roles

Role	Description
<i>Interpersonal</i>	
Figurehead	– Formal, representational and symbolic duties
Leader	– Relationship with subordinates – motivating, communicating, coaching, etc.
Liaison	– Contacts with others outside work unit, for assistance, information, etc.
<i>Informational</i>	
Monitor	– Ensuring acquisition of information necessary for work
Disseminator	– Distributing information throughout organisation and outside
Spokesperson	– Formal provision of information on behalf of organisation
<i>Decisional</i>	
Entrepreneur	– Initiating, developing and facilitating change and innovation
Disturbance handler	– Trouble shooting problems as and when they arise
Resource allocator	– Distributing and arranging use of resources (staff, finance, materials, time)
Negotiator	– Representing organisation in negotiations within area of responsibility

Merging Functions and Roles

- Both the functional and role approaches to explaining management are valuable to the student of management.
- Managerial functions are a useful categorization of a manager's tasks, tasks which require different techniques and perspectives.
- The role approach is valuable because it injects needed realism.

Managerial Skills

- 1. Clark L. Wilson conducted 30 years of research involving tens of thousands of managers, creating a clear picture of what it takes to be a manager.
- 2. It takes three skill categories—technical, teambuilding and drive—that branch into the 12 specific managerial skills listed in Figure below
- 3. According to Wilson's research, about 1/3 of managers at all levels do not achieve an appropriate balance of these skills and are thus ineffective.

Wilson's Managerial Skills

SKILL CATEGORY

SKILLS

DESCRIPTION

TECHNICAL

Applying your education, training, and experience to effectively organize a task, job, or project

1. Technical expertise

Skills you have acquired by education and experience; to understand and communicate key technical details

2. Clarification of goals and objectives

Your ability to organize and schedule the work of your unit so it is achieved when expected, and meets established standards

3. Problem solving

Your ability to resolve issues you confront in the day's work; to develop team collaboration in facing problems

4. Imagination and creativity

You demonstrate an ability to originate ideas, to correct and develop ways to improve productivity

Wilson's Managerial Skills

SKILL CATEGORY

SKILLS

DESCRIPTION

TEAMBUILDING

Listening carefully and communicating clearly to develop and coordinate an effective group or team

5. Listening for insights

Keeping aware of activities of your team and units close to you; underpinning your ability to continue being a manager

6. Directing and coaching

Meeting your goals and standards; keeping your team's skills up to target levels

7. Solving problems as teams

An important role is helping your team contribute ideas to improve their performance

8. Coordinating and cooperating

Demonstrating a willingness to work with others: your group, individuals, and units close to you

Wilson's Managerial Skills

SKILL CATEGORY

SKILLS

DESCRIPTION

DRIVE

Setting goals, maintaining standards, and evaluating performance to achieve effective outcomes involving costs, output, product quality, and customer service

9. Standards of performance

Your effort to keep your part of the organization moving, your willingness to be busy and keep aimed toward new accomplishments

10. Control of details

Overseeing the performance of work at a close level, to meet performance goals and standards

11. Energy

Demonstrating to your team and colleagues a readiness and willingness to work and that you expect their cooperation

12. Exerting pressure

Urging others to perform, by shaping your activity to be perceived as teamwork, not domination

Classification of Managers

- Managers can be classified by their degree of specialization and by their organisational level.
- Within an organisation, managers differ in their degree and type of specialization. Those who have the least amount of specialization are known as general managers. A general manager has responsibility for the overall performance of an organisation, including the performance of several functions.
- Those who have job duties in a particular functional area of an organisation are known as functional managers. Every organisation performs certain functions in order to achieve its goals. These functions include finance, marketing, production, engineering etc.

Levels Of Management

TOP LEVEL MANAGEMENT

- Decision of Objectives.
- Framing Plan and Policies.
- Creation of positions for doing activities.
- Appointing middle level employees.

MIDDLE MANAGEMENT

- To Link between top and lower management.
- co-ordinate with top level managers for activities.
- To appoint lower level staff.
- To understand policies of top level managers.

LOWER MANAGEMENT

- To work according to the instructions of middle management.
- To conduct quality check of the product .
- To check service of the product time to time.
- To assign works to the sub-ordinates.

Levels of Managers

- Managers can be classified according to the level of the organisation where their job is. There are three organisational levels:
- **Lower Level Managers** – managers at the first or lowest, managerial level of an organisation often called supervisors or foremen. Supervisors and foremen usually manage employees who are not managers. First-level managers are primarily concerned with managing the day-to-day operations of a section or a department of an organisation. Their jobs can be very demanding because they spend most of their time with subordinates and their work is full of interruptions and they often have to switch tasks.

Levels of Managers

- **Middle - Level Managers** – this level is also referred to as the executory level. This level consists of general managers, branch managers and department managers. They play a major role in implementing the policies of the top-management group and in making decisions that affect business success. The subordinates of middle-level managers are almost always other managers or supervisors.

Levels of Managers

- **Top-Level Managers** – consists of the board of directors, chief executive officer, chief financial officers. They are responsible for the overall direction and operations of the organisation. They not only select the basic aims and goals of the organisation, but also formulate the major strategies by which the organisation hopes to achieve these goals. They provide leadership essential to organisational success. They play the critical role in establishing the organisation's culture and climate. Top-level managers are accountable to the shareholders for the performance of the organisation.

Leadership and Management

Leadership

- Leadership is ability to influence a group towards the achievement of a vision or goals
- Leading is one of the function of management, ideally, all managers should be leaders
- A leader is someone who can influence others. They are individuals: (i) who establish direction for a group, (ii) who gain group member's commitment; and (iii) who motivate group members achieve goals

Leadership

- A leader is someone who can influence others. They are individuals: (1) who establish direction for a group, (ii) who gain group member's commitment; and (iii) who motivate group members achieve goals
- Leadership is ability to influence a group towards the achievement of a vision or goals
- Leading is one of the function of management, ideally, all managers should be leaders

Follower's Expectations

- Followers expect four characteristics of their leaders:
- **Integrity** (being truthful, trustworthy, consistency in word and deed, having character and convictions).
- **Competence** (being capable, productive and efficient)
- **Forward looking** (having a sense of direction and a concern for the future)
- **Inspiring** (being enthusiastic, energetic and, positive about the future).
- A **leader's credibility** is determined by a combination of the four characteristics.

The distinction between management and Leadership

No.	Activity	Management	Leadership
1.	<ul style="list-style-type: none"> PLANNING (Creating an agenda) 	<ul style="list-style-type: none"> PLANNING Establishing goals & formulating strategies & plans to reach the goals 	<ul style="list-style-type: none"> ESTABLISHING DIRECTION: Developing a vision, mission, and strategies for change
2.	<ul style="list-style-type: none"> ORGANISING Developing a human network to achieve the agenda 	<ul style="list-style-type: none"> ORGANISING & STAFFING Developing a structure for the assignment of tasks & resources 	<ul style="list-style-type: none"> ALIGNING PEOPLE Motivating people & teams to follow a vision
3.	<ul style="list-style-type: none"> LEADING: Executing the agenda 	<ul style="list-style-type: none"> MANAGING the complexities of policies, processes, and procedures 	<ul style="list-style-type: none"> DEALING WITH CHANGE:
4.	<ul style="list-style-type: none"> CONTROLLING: Checking if the agenda is achieved 	<ul style="list-style-type: none"> CONTROL MEDIA: Comparing the plan and the outcome of the process or project & taking corrective action 	<ul style="list-style-type: none"> STEERING PEOPLE in the right direction through motivation and checking control mechanisms; checking that subordinates follow new direction

Leaders and Managers

Leaders

- Establish vision
- Focus on imaginative ideas
- Spend time and effort aligning people so that they understand and accept their visions and strategy
- Motivate and inspire others
- Tend to produce change

Managers

- Plan and budget, organise, direct
- Focus on processes and systems
- Focus on organising and staffing
- Take a control and problem-solving approach
- Tend to produce order, predictability and key results expected by stakeholders

Leaders and Managers

Being a leader means

- Influencing & changing behaviour
- Inspiring & articulating a vision
- Managing people
- Being charismatic
- Being visionary
- Understanding & using power and influence
- Acting decisively
- Putting people first

Being a manager means

- Directing & being held accountable for resources
- Executing plans, delivering svc
- Managing resources
- Being conscientious
- Planning, organising, direct, Ctrl
- Understanding & using authority and responsibility
- Acting responsibly
- Putting customers first

Review Questions

- Define the term *management*, and explain the significance of the major aspects of this definition.
- How do managerial skills enable managers to handle the eight basic managerial functions?
- Explain the differences between managers and leaders.
- Why is it that a leader is defined by a following?

Learning to manage: Approaches to the study of Management

- How Do Managers Learn to Manage?
- 1. A survey of 3,600 Honeywell managers asked them to explain how they learned to manage. The distribution of sources was as follows:
 - • Job assignments: 50 percent
 - • Relationships: 30 percent
 - • Formal training and education: 20 percent

How Managers Learn to Manage

- 2. Many indicated that they learned about management in the “school of hard knocks.” A study of British managers provided this list of *hard knocks* learning experiences:
- How Do Managers Learn to Manage?
 - By attending the school of “hard knocks”
 - Making a big mistake
 - Being overstretched by a difficult assignment
 - Feeling threatened
 - Being stuck in an impasse or dilemma
 - Suffering an injustice at work
 - Losing out to someone else
 - Being personally attacked

How Can Future Managers Learn to Manage?

- Future managers can learn by
 - Integrating management theory (i.e., formal training and education) and managerial practice (e.g., work-study and internships)
 - Observing role models
 - Learning from experiences in the school of hard knocks

END