***MANAGERIAL SKILLS***

1. **Technical skills.** This is the ability to use specific knowledge, techniques and resources in performing work.
2. **Analytical skill**. Using scientific approaches of techniques to solve management problems.
3. **Decision making skill**.
4. **Human skill.** Ability to work with and understand others.
5. **Communication skill**. Effective communication.
6. **Conceptual skill**. Ability to know how each part of the organization interrelates and contributes to the overall objectives of the organization

***I. FUNCTIONS OF MANAGEMENT***

1. Planning
2. Staffing
3. Organizing
4. Delegating
5. Coordinating/controlling/directing
6. Motivating
7. Leadership
8. Evaluation
9. Communication
10. Budgeting
11. Decision making
12. Implementation
13. Problem solving/preventing

**PLANNING**

* Planning is concerned with the future impact of today's decisions. It is the fundamental function of management from which the other four stem. The need for planning is often apparent after the fact.
* The organizing, staffing, leading and controlling functions stem from the planning function.
* The manager is ready to organize and staff only after goals and plans to reach the goals are in place.
* The leading function, influencing the behavior of people in the organization, depends on the goals to be achieved.
* Finally, in the controlling function, the determination of whether or not goals are being accomplished and standards met is based on the planning function.
* The planning function provides the goals and standards that drive the controlling function.
* Planning is important at all levels of management. However, its characteristics vary by level of management.

**Planning Terminology**

* **Vision** Nonspecific directional and motivational guidance for the entire organization. Top managers normally provide a vision for the business. It is the most emotional of the four levels in the hierarchy of purposes.
* **Mission** An organization's reason for being. It is concerned with scope of the business and what distinguishes this business from similar businesses. Mission reflects the culture and values of top management.
* **Objectives-** Objectives refine the mission and address key issues within the organization such as market standing, innovation, productivity, physical and financial resources, profitability, management and worker performance and efficiency. They are expected to be general, observable, challenging, and untimed.
* **Goals-** Goals are specific statements of anticipated results that further define the organization's objectives. They are expected to be **SMART:** ***S***pecific, ***M***easurable, ***A***ttainable, ***R***ewarding, and ***T***imed.
* Development of tactics is a fifth level of planning. Tactics, the most specific and narrow plans, describe who, what, when, where and how activities will take place to accomplish a goal.

**Strategic Planning**

* Strategic planning is one specific type of planning. Strategies are the outcome of strategic planning.
* An organization's strategies define the business the organization is in, the criteria for entering the business, and the basic actions the organization will follow in conducting its business
* Strategies are major plans that commit large amounts of the organization's resources to proposed actions, designed to achieve its major objectives and goals. Strategic planning is the process by which the organization's strategies are determined. In the process, three questions are answered:

1. Where are we now?
2. Where do we want to be?
3. How do we get there?

* The "where are we now?" question is answered through the first three steps of the strategy formulation process: (1) perform internal and external environmental analyses, (2)review vision, mission and objectives, and (3)determine SWOT: ***S***trengths, ***W***eaknesses, ***O***pportunities and ***T***hreats. SWOT analysis requires managers to be honest, self-disciplined and thorough
* Strengths and weaknesses come from the internal environment of the firm. Strengths can be exploited, built upon and made key to accomplishment of mission and objectives. Strengths reflect past accomplishments in production, financial, marketing and human resource management.
* Weaknesses are internal characteristics that have the potential to limit accomplishment of mission and objectives. Weaknesses may be so important that they need to be addressed before any further strategic planning steps are taken.
* Opportunities and threats are uncontrollable by management because they are external to the firm. Opportunities provide the firm the possibility of a major improvement. Threats may stand in the way of a firm reaching its mission and objectives.

**Directing**

* Directing is influencing people's behaviour through motivation, communication, group dynamics, leadership and discipline.
* The purpose of directing is to channel the behaviour of all personnel to accomplish the organization's mission and objectives while simultaneously helping them accomplish their own career objectives.
* It has a variety of names, ie leading, influencing, coaching, motivating, interpersonal relations, and human relations.
* The directing function gives the manager an active role in employee performance, conduct and accomplishments. Managers accomplish their objectives through people. In blaming others for her or his human resource problems, a manager is denying the management responsibilities in the directing function.
* Helping people in the organization with career planning and professional development is an integral part of the directing function.

**Organizing**

* Organizing is establishing the internal organizational structure of the business.
* The focus is on division, coordination, and control of tasks and the flow of information within the organization.
* Managers distribute responsibility and authority to job holders in this function of management.

**Organizational Structure**

* Each organization has an organizational structure. By action and/or inaction, managers structure businesses.
* Managers' decisions should reflect the mission, objectives, goals and tactics that grew out of the planning function. Specifically, they decide:

1. Division of labor
2. Delegation of authority
3. Departmentation
4. Span of control
5. Coordination

**Division of Labor**

Division of labor is captured in an organization chart, a pictorial representation of an organization's formal structure. An organization chart is concerned with relationships among tasks and the authority to do the tasks. Eight kinds of relationships can be captured in an organization chart:

1. The division/specialization of labor
2. Relative authority
3. Departmentation
4. Span of control
5. The levels of management
6. Coordination centers
7. Formal communication channels
8. Decision responsibility

**Delegation of Authority**

* Authority is legitimized power.
* Power is the ability to influence others.
* Delegation is distribution of authority.
* Delegation frees the manager to use his or her time on high priority activities.
* Delegation of authority does not free the manager from accountability for the actions and decisions of subordinates.

***Delegation of authority is guided by several key principles and concepts:***

***Exception principle*** - Someone must be in charge. A person higher in the organization handles exceptions to the usual. The most exceptional, rare, or unusual decisions end up at the top management level because no one lower in the organization has the authority to handle them.

***Scalar chain of command*** - The exception principle functions in concert with the concept of scalar chain of command - formal distribution of organizational authority is in a hierarchial fashion. The higher one is in an organization, the more authority one has.

***Decentralization*** - Decisions are to be pushed down to the lowest feasible level in the organization. The organizational structure goal is to have working managers rather than managed workers.

***Parity principle*** - Delegated authority must equal responsibility. With responsibility for a job must go the authority to accomplish the job.

***Span of control*** - The span of control is the number of people a manager supervises. The organizational structure decision to be made is the number of subordinates a manager can effectively lead. The typical guideline is a span of control of no more than 5-6 people. However, a larger span of control is possible depending on the complexity, variety and proximity of jobs.

***Unity principle*** - Ideally, no one in an organization reports to more than one supervisor. Employees should not have to decide which of their supervisors to make unhappy because of the impossibility of following all the instructions given them.

***Line and staff authority*** - Line authority is authority within an organization's or unit's chain of command. Staff authority is advisory to line authority. Assume a crew leader reports to the garden store manager who in turn reports to the president. Further assume that the crew leader and store manager can hire and fire, and give raises to the people they supervise. Both the crew leader and store manager have line authority. To contrast, assume that the president has an accountant who prepares monthly financial summaries with recommendations for corrective action. The accountant has staff authority but not line authority.

**Departmentation**

 Departmentation is the grouping of jobs under the authority of a single manager, according to some rational basis, for the purposes of planning, coordination and control. The number of departments in an organization depends on the number of different jobs, i.e., the size and complexity of the business.

***Informal Structure***

*The formal structure in each organization that has been put in place by management has an accompanying informal structure. Management does not and cannot control the informal structure.*

*The informal structure has no written rules, is fluid in form and scope, is not easy to identify, and has vague or unknown membership guidelines.*

*For management, the informal structure may be positive or negative. Positive qualities include the ability to quickly spread information and provide feedback to the information. The informal structure gives people a sense of being in the know. Management can feed information into the informal structure at very low cost. The informal structure can also help satisfy employees' social needs.*

*The negative qualities of the informal structure mirror the positive qualities in several ways. The more juicy a rumor, the more likely is the informal structure to repeat it, expand it and make it into the "truth." Management may not know what information is flowing through the informal structure. Employees can waste a great deal of time nurturing and participating in the informal structure. Finally, the informal structure can fence out new employees, "rate breakers," and change agents no matter the extent to which the formal structure makes them a part of the organization.*

**Controlling**

* Controlling is a four-step process of establishing performance standards based on the firm's objectives, measuring and reporting actual performance, comparing the two, and taking corrective or preventive action as necessary.
* Performance standards come from the planning function.
* Standards should be established for every important task.
* Corrective action is necessary when performance is below standards. If performance is anticipated to be below standards, preventive action must be taken to ensure that the problem does not recur. If performance is greater than or equal to standards, it is useful to reinforce behaviors that led to the acceptable performance.

**Characteristics of the Control Process**

* The control process is cyclical which means it is never finished. Controlling leads to identification of new problems that in turn need to be addressed through establishment of performance standards, measuring performance etc.
* Employees often view controlling negatively.
* The process anticipates problems and takes preventive action. With corrective action, the process also follows up on problems.
* The organizational culture should prevent a person walking away from a small, easily solvable problem because "that isn't my responsibility."
* Controlling builds on planning, organizing and leading.

**Disadvantages of Control**

 Managers expect people in an organization to change their behavior in response to control. Employee resistance can easily make control efforts dysfunctional. The following behaviors demonstrate means by which the manager's control efforts can be frustrated:

1. Game playing--> control is something to be beaten, a game between the "boss and me and I want to win."
2. Resisting control
3. Providing inaccurate information
4. Following rules to the letter
5. Sabotaging --> stealing, discrediting other workers, chasing customers away, gossiping about the firm to people in the community
6. Playing one manager off against another

**1. LEADERSHIP**

It is a dynamic process in a group whereby one individual influences the others to contribute voluntarily to the achievement of group tasks in a given situation.

The activities of managers cover many areas but the most important function as a leader is to encourage employees to produce the best work in order to improve the performance.

**A leader:**

* Plans
* Makes policies
* Organizes
* Controls
* Coordinates

**TYPES OF LEADERS.**

1. **Charismatic leader**

Has influence due to the strength of personality e.g. Napoleon, Hitler, Churchill etc

1. **Traditional leader**

By birth or inheritance

1. **Situational leader**

Provides temporary leadership- being at the right place at the right time.

1. **Appointed leader**

Influence arises from his position in the hierarchy e.g. managers, supervisors etc

**5. Functional leader**

Acquires leadership by what he does. Determined by the expertise or skills.

**Types of leaders can also be divided into the formal and informal:**

 Informal- chosen by the group i.e. social group, church, political party etc

 Formal- appointed or chosen

**LEADERSHIP APPROACHES**

**1. The quality approach** **Qualities suggested are:**

* Good personality.
* Intelligent.
* Self-confident.
* Courage.
* Initiative.
* Imaginative.

**2. The situational approach**

This suggests that authority flows from one who knows. A person with appropriate ability for group’s task is likely to make a better leader.

**3. The functional approach.**

The leadership process is a function of the leader, the followers and the situations. Therefore the basic elements of leadership are:

1. The leader- skills, knowledge, personality
2. Tasks or goals of the organization.
3. Group members i.e. subordinate- skills and motivation.
4. The environment or situation.

**QUALITIES OF A LEADER (By Stodgill)**.

1. Self-confidence with a sense of identity.
2. Strong drive for responsibility.
3. Ability to complete a task.
4. Energy.
5. Willingness to accept consequences of decisions and actions.
6. Acceptance of interpersonal stress.
7. Tolerance of frustration and delay.
8. Ability to influence behavior.
9. Ability to structure social interactions to accomplish purpose.
10. Venturesomeness and originality.
11. Excessive initiative in social situations.

**By Louis Lundberg:**

People will follow the leader who they feel:

1. Knows where they are going and how to get there.
2. Exercises courage and persistence even in the face of danger, opposition or discouragement.
3. Are believable.
4. Do not exploit others for personal advantage.
5. Makes goals seem important, attainable and exciting.
6. Instils confidence in workers.
7. Is articulate.
8. Maintains morale.

**AUTHORITY AND POWER.**

Leadership in an organization requires authority and power to influence the thoughts and actions of other people.

* Authority is the legitimate right to give commands, to act in the interest of an organization, it can be delegated.
* Power is the ability to impose the will of one person or group to bring about certain behaviors in other persons or groups.
* In organizations power is the capacity to influence another through the control over needed resources.
* Power can originate from a variety of sources.
* Responsibility- is an obligation to perform certain functions on behalf of the organization. Commonly called accountability, it can be delegated.

**There are five kinds of power bases, which generally make an effective leader;**

**1. Legitimate power**

Power given to the manager by the organization because of the manager’s position in the hierarchy e.g. director.

**2. Expert power**

Most professionals rely on this power. It is derived from, special ability, skill or knowledge demonstrated by an individual. It makes the leader to be believed because of superior knowledge and skills.

**3. Reward power**

A leader gives rewards such as money, praise, promotion to subordinates.

1. **Referent power**

It is based on:

1. A certain attractiveness or appeal of one person to another e.g. one who is able to influence others easily to agree with his or her views.
2. Also based on a person’s connection or relationship with another powerful individual.

**5. Coercive power**

Gives the leader ability to discipline or reprimand subordinate or punish for non-compliance with management.

**COMPARISON BETWEEN LEADERS AND MANAGERS**

|  |  |
| --- | --- |
| **LEADERS** | **MANAGERS** |
| **1.** May or may not be appointed | **1**. Appointed officially |
| **2.** Have power to enforce decisions as Long as followers are willing to be led. | **2.** Have power and authority to enforce  Decisions. |
| **3.** Influence others toward goal setting Either formally or informally. | **3.** Carry out predetermined policies, rules, and regulations. |
| **4.** Interested in risk taking and exploring new ideas. | **4.** Maintain an orderly control, rational and equitable structure. |
| **5.** Relate to people personally in an  empathic manner. | **5.** Relate to people according to their role |
| **6.** Feel rewarded from personal achievement | **6.** Feel rewarded when fulfilling organizations mission or goal. |
| **7.** May or may not be successful as managers. | **7.** Are managers as long as the appointment holds. |

**LEADERSHIP STYLES.**

* A style is a way in which something is said or done.
* It is a particular forma of behaviour directly associated with an individual.
* There are three types:
  1. Authoritarian/ autocratic
  2. Democratic or consultative
  3. Laissez-Faire or Free reign

**1. AUTHORITARIAN OR AUTOCRATIC**

He is a boss and others are there to follow his instructions. He can have any of the following:

1. **Coercive autocracy.** He orders or threatens.
2. **Benevolent autocracy.** Tell and explains utilizing positive reinforcement if behavior is forthcoming.
3. **Manipulative autocracy.** Cons subordinates in that they are significantly participating as he pulls strings behind the scenes.

o The autocratic leader has no trust in subordinate’s ability. Everything is centralized, there is no delegation.

**2. DEMOCRATIC OR CONSULTATIVE.**

* Employees feel and believe that their inputs are desired and can influence a decision.
* The subordinates are encouraged to participate in decision making. But the leader knows he is accountable for whatever is going to be produced.

**3. LAISSEZ FAIRE OR FREE REIGN.**

* The leader joins as a fellow participant.
* He delegates work to subordinates and all that he wants at the end are results. He only assists where there are major problems.