Management-Models

By management models, we mean **concepts** or **theories** that provide us with **approaches to corporate or human resource management**. The goal of a management model is to **provide practical strategies** that allow a **company to implement change** within its organization. Management models **can be applied to long-term planning** for the company as well as to **short-term personnel planning**. In the following we distinguish between Management by Projects (MbProjects), Management by Programs (MbProgrammes) and Management by Objectives (MbObjectives).

What is Management by Projects?

➔ Management by Projects is a management concept that **is inspired by classic project management**. However, it does not deal with a single project, instead it **deals with the entire company** and its goals. The **strategic corporate goals** are **systematically implemented** with the help **of individual projects. Teams** are **responsible for the individual projects** (or corporate goals), which work in a **goal-oriented manner** to systematically achieve the strategic goals. The company has delegated the achievement of the goals to the project teams and only intervenes in a guiding manner. This system offers a high degree of flexibility and **requires a transparent strategic orientation within the company**.
This creates a **sense of community**, as everyone works together to achieve the company's goals. The approach demands a **high level of trust from the management** in the project managers, as they make the decisions for the individual company goals. This enables a very **flat hierarchy** and a **result- and goal-oriented** way of working among the employees.
The challenge lies in the company-wide introduction of project management methods and the correct planning and control of projects, as these are synonymous with the strategic goals. For this purpose, it is advisable to involve an experienced expert. Management by Projects is especially popular with smaller companies or start-ups.

    https://www.simprovise.de/blog_management-by-projects/
    https://www.betriebswirtschaft-lernen.net/erklaerung/management-by-projects/
    https://ceopedia.org/index.php/Management_by_projects
    https://www.projektmagazin.de/glossarterm/management-projects

What is Management by Programs?

➔ Program Management is a **strategic oversight of multiple similar projects**. Management by programs includes management by projects, where the **individual projects are grouped into a program** and are therefore under the control of a **program manager**, who has **the task of maintaining an overview** and ensuring that the **projects** are handled in a **balanced manner** or according to their urgency. These program managers form an important intermediate layer between the management and the project managers, as they **focus** more on the **overall goal** and **not only on the individual strategic goals**.

    https://www.productplan.com/glossary/program-management/
    https://asana.com/de/resources/what-is-program-management

What is Protfolio Managment?

Portfolio Management is the selection, prioritisation and control of an organisation's programmes and projects, in line with its strategic objectives and capacity to deliver.

The goal is to balance the implementation of change initiatives and the maintenance of business-as-usual, while optimising return on investment.

Portfolios contain the totality of programs and/or projects. In portfolio management, the right **projects** or programs are **selected**, **analysed** and **classified**. **Risks are assessed**, **gaps are sought**, and **priorities** are assigned in order to find the ideal balance. **Resources** are **allocated as efficiently as possible** to achieve the optimum goals. This also means that **project sponsors** often have to sacrifice their priorities for certain projects **to the overall portfolio**.

However, if the portfolio creation is not done by the management, it should be **carefully agreed upon and balanced.**

https://www.apm.org.uk/resources/what-is-project-management/what-is-portfolio-management/

The Management-by-… Concepts (for leadership):

- Management by Objectives,

- Management by Exception,

- Management by Results

- Management by Delegation

➔ *What is Management by Objectives?*

Management by objectives is a **strategic management model that aims to improve the performance of an organization** by clearly defining **objectives** that are **agreed to by both management and employees**. MbO is the **most important management concept** in practice. The essential feature of this concept is that the **catalog of measures for achieving the goals is freely left to the responsible employees to decide**. The condition is that **the general objective** of the company **can be broken down** into contradiction-free individual objectives/goals and remains transparent in the targets derived. Changes in the company's environment, especially in the competitive situation, **require permanent review, addition, and revision of objectives.** This **requires** a sophisticated **planning** and **control system**. The desired motivational effect, however, can be diminished or completely called into question by the incessant pressure to perform and be judged. This is particularly true if there is only a low level of participation.

MBO (Management by Objectives) outlines five steps that organisations should use to put the management technique into practice:

- Review organizational goals
- Set worker objective
- Monitor progress

- Evaluation
- Give reward

Companies that use MBO often report grater sales rates and productiveness within the organization. It is used by the management between employees and the leadership.

https://wiki.hslu.ch/controlling/Management_by_Objectives
https://en.wikipedia.org/wiki/Management_by_objectives

➔ *What is Management by Exception?*

Management by Exception (MbE) means that **all tasks** that do not serve the exercise of management functions are **delegated to lower hierarchical levels**. **Interventions** by the supervisor are **reduced** to **exceptional cases**. Within **clearly defined tolerance limits**, the **employee** can make his or her **own decisions**. If these limits are touched or **overstepped**, the higher **authority** must be **informed** and prompted to make a decision. A requirement for working according to the MbE concept is that the **decisions** to be made in day-to-day business are for the most part **predictable**, **routine** and management work can be clearly separated, and **responsibilities** are **regulated**. Since many employees are thus reduced to routine tasks, the motivation required for committed action is rather low in this management concept.

➔ *What is Management by Results?*

Management by Results (MbR) focuses **on results-oriented leadership**. Efficient leadership is achieved by focusing on results. The prerequisite is a **well-developed goal planning system** that can transform goals into results.

➔ *What is Management by Delegation?*

Management by Delegation (MbD) emphasizes leadership by **delegating tasks** and the **responsibility** associated with them. Its goals are to relieve the workload of the supervisor, independent completion of tasks and, associated with this, a **boost** in **motivation**, which should result in an **increase** in **performance. Clearly defined organizational regulations**, e.g., in the form of job descriptions, are a prerequisite for working according to the MbD concept. Therefore, if management is strictly based on this concept, there is a **risk of bureaucratization** and stiffness. MbD, especially in combination with MbR, models MbProjects.

https://www.controlling-wiki.com/de/index.php/Management-by-Konzepte

Item D

➔ *Management by Projects*
- flat hierarchies
- great trust of the management
- independent work of the teams -> high responsibility
- different speed of progress of the teams (goals)

➔ *Management by Programms*
- subdivision of the organization into sense sections (grouping of projects)
- new intermediate layer of management (program manager)
- decisions are delegated, however, the overview of subarea is kept

➔ *Portfolio Management*
- value is placed more on the big picture than on individual projects
- resource allocation is based on needs, not on support or interest
- central selection, analysis, ranking of projects / programs

ITEM E

➔ MBIT -> Managment by Projects
- few projects with only little contact to each other
- small company -> clear overview
- project manager -> can take responsibility
- Little hierarchy is desired

Assignment

Gather knowledge of different management models.

Instruction

„management-by-…" refers to leadership styles for companies as well as for humans. In general, MbProjects and MbProgrammes define management concepts applied to companies („how to lead a company?"). In contrast, MbObjective refers to leadership of persons.

Read different definitions found in the www; you could even come accross funny definitions (especially in DE, e.g. management by helicopter). Try to assign definitions you found to company-related and person-related management styles. What are the consequences of MbProjects/MbProgrammes for a company in terms of e.g. organisation?

(D) what consequences does MbProjects/MbProgrammes have for a company e.g. regarding organisation if the company is currently lead in a matrix/hierarchical/… style?

Goals

In the end, you have to be able to
- (B) know what Management by Projects is
- (B) know what Management by Programs is
- (B) know what Portfolio-Management is
- (B) distinguish between leadership of companies and leadership of humans

Effort: approximately 2 lessons

in addition, you could be able to
- (D) explain the implications of certain management model on companies
- (E) choose an appropriate management model for a company in a given situation

Material

See Moodle section, as well as other ressources (e.g. internet, books,...)

Result expected

A learnable and well eaid out summary of your knowledge of this topic, e.g. by using Mind Maps, Graf-iz,...