

WEEK 6: MANAGEMENT FUNCTIONS OF PLANNING, LEADING, ORGANISING AND CONTROLLING:

PLOC: Framework for thinking about management functions.

PLANNING: need effective leadership in their design and implementation.

-One of the most important activities that managers engage in as it deals with future activities. Planning (preparation; thinking ahead) is preparing for circumstances which many arise in the future, managers need to study their environment and appraise their organisation's capabilities. Is it prepared?

SWOT ANALYSIS: strengths, weaknesses, opportunities and threats. (SW: internal) (OT: external)
How does a business maximise strengths and minimise weaknesses.

Large companies find it useful to have a:

-Mission and vision: (single sentence) brief statements of why the company exists and what it aims to achieve.

-Value statement: set of values or guiding principles linking to mission statement.

THUS, planning has a lot to do with setting goals:

Qualities of good goals: (must be both qualitative and quantitative)

-The SMART acronym, specific, measurable, obtainable, relevant and time limited. Set a specific TARGET not a generalised ambition. Obtainable= within reach, otherwise it can result in demoralizing a person.

-BUT, Success depends on identifying what is important AND making it happen, some businesses make measurable goals which are not particularly important for success in the organisation and personally.

LEADING:

"The process of guiding and motivating people to work towards organizational goals"

-All managers are involved in leading people in some way.

-Managers have 'position power' (manager use their authority to direct people, empowers managers) but can be more effective with 'personal power' (abilities and skills as a manager to influence the people who report to them to encourage people to bring out the best of them; working with people in ways that are about influence and encouragement, empowering them to achieve to their best).

Important for managers who want to be more effective, to have emotional (being aware of our own emotional life and that of people around us → communication) and social (can we work in groups, can we influence a wider group of people beyond ourselves and respond appropriately), as well as 'cognitive' intelligence.

Leadership styles vary from autocratic or directive to very empowering (participative styles). This depends on the industry and the organisation itself.

Personal role-modelling is an important part of leadership, personal behaviour in front of all stakeholders is important to judge how we are perceived and how we are going to be believed. People will believe more on how you behave: what you DO, over, what you say.

ORGANISING: (very practical; must be followed in order to get anything done)

ORGANISING
Organising involves finding, allocating and managing resources to achieve goals
Management works through a hierarchy of positions or 'pyramid'



Pyramid is an example of a sort of chain of command in which people are coordinated horizontally and vertically to try and achieve certain business goals.

CONTROLLING: (imp. In finance, marketing, operations management and human resource management)

Closing the cycle –Have you reached your goals, are you leading and organising well?

Performance measurement is important – 'the control cycle': set standards; measure performance (performance standards are a set of specific statements that project what you aim to achieve); compare results with standard, take action, if needed.

-Financial control is critical to survival. Is it making sufficient/ financially stable profits?

CHAPTER 7: MANAGEMENT ROLES, FUNCTIONS, AND SKILLS:

MANAGEMENT: The process of planning, controlling, organizing, leading and controlling to meet organizational goals.

MANAGERIAL ROLES: Behavioural patterns and activities involved in carrying out the functions of management; includes intrapersonal, informational and decisional roles.

Management is one of the most vital professions in the contemporary economy. Managers who ethically and effectively guide their companies contribute greatly to our standard of living and economic security.

Managerial roles that leaders must play can be grouped as follows:

-**INTERPERSONAL:** Getting work accomplished through the efforts of other people. Managers must provide leadership to employees, help building relationships, and acting as a liaison between groups and individuals both inside and outside the company. In fact, the number of connections a person has become an increasingly important asset the higher he or she rises in an organisation.

-**INFORMATIONAL:** The higher up a manager is in a company, the more they rely on subordinates to collect, analyse, and summarize information for managers. Today's companies have devised powerful and clever ways to collect and process information for managers. A good example= EXECUTIVE DASHBOARD, which provides quick-read summaries of vital performance variables. Latest generation technology (software) makes it easy to customise screens to show each manager their specific summaries.

-**DECISIONAL:** Managers must have very strong long-term and short term decision making skills. One of the most significant changes occurring in business management in recent years is the effort to push decision making as far down the organisational pyramid as possible, giving whichever employees face a particular situation the authority to make decisions about it. This approach accelerates and improves work flow and customer service as well as freeing up higher level managers to work on more strategic matters.

PLANNING: Establishing objectives and goals for an organisation determining the best ways to accomplish them.

STRATEGIC PLANS: Plans that establish the actions and resource allocation required accomplishing strategic goals, they're usually defined for periods of 2-5 years and developed by top managers.

MISSION STATEMENT: A brief statement of why an organisation exists; in other words, what the organization aims to accomplish for its customers,... and other stakeholders.

VISION STATEMENT: A brief and inspirational expression of what a company aspires to be

VALUES STATEMENT: A brief articulation of the principles that guide a company's decisions and behaviours.

WHILE PLANNING, the managers must:

- Form a SWOT analysis
- Develop forecasts (both qualitative and quantitative in nature)
- Analyse competition
- Establish goals and objectives
 - Goal: broad, long range target or aim
 - Objective: A specific, short range target or aim
- Develop action plans

ORGANISING: The process of arranging resources to carry out the organisation's plans.

MANAGEMENT PYRAMID:

-**TOP MANAGERS:** Those at the highest level of the organisations management hierarchy; they are responsible for setting strategic goals, and they have the most power and responsibility in the organisation.

-**MIDDLE MANAGERS:** Develop plans to implement the goals of top managers and coordinate the work of first-line managers.

-**FIRST-LINE MANAGERS:** At the lowest level of the managerial hierarchy, they supervise the operating employees and implement the plans set at the higher management levels.

LEADERSHIP:-MANAGER TYPES:

-AUTOCRATIC: Manager makes the decisions without consulting others.

-DEMOCRATIC: Managers share decision making authority, seeking input and inviting subordinates to participate in the planning process.

-LAISSEZ-FAIRE: Manager acts as advisor and supporter, offering input when asked but generally letting subordinates chart and adjust their own course toward meeting agreed-upon goals and objectives.

-PARTICIPATIVE MANAGERS: A philosophy of allowing employees to take part in planning and decision making.

-EMPLOYEE EMPOWERMENT: Granting decision making and problem solving authorities to employees so they can act without getting approval from management.

-COACHING: Helping employees reach their highest potential by meeting with them, discussing problems that hinder their ability to work effectively, and offering suggestions and encouragement to overcome these problems.

-MENTORING: A process in which experienced manager's guide less experienced colleagues in nuances of office politics, serving as a role model for appropriate business behaviour, and helping to negotiate the corporate structures.

MANAGING CHANGE: -Change presents a major leadership challenge for one simple reason: Many people don't like it, or at least they don't like being told they need to change. They may fear the unknown they may be unwilling to give up current habits or benefits, they may not trust the motives of the people advocating change, or they may simply have experienced too many change initiatives that didn't yield the promised results. To improve the chances of success when the organizations needs to change, managers can follow these steps:

1. Identify everything that needs to change
2. Identify the forces acting for and against a change
3. Choose the approach best suited to the situation
4. Reinforce changed behaviour and monitor continued progress.

ORGANISATIONAL CULTURE: A set of shared values and norms that support the management system and that guide management and employee behaviour.

CONTROLLING: The process of measuring progress against goals and objectives and correcting deviations if results are not as expected.

STANDARDS: Criteria against which performance is measured.

BENCHMARKING: Collecting and comparing process and performance data from other companies.

QUALITY: A measure of how closely a product conforms to predetermined standards and customer expectations.

BALANCE SCORECARD: A method of monitoring the performance from 4 perspectives: FINANCES, OPERATIONS, CUSTOMER RELATIONSHIPS, AND THE GROWTH AND DEVELOPMENT OF EMPLOYEES AND INTELLECTUAL PROPERTY.

-CRISIS MANAGEMENT: Procedures and systems for minimizing the harm that might result from some unusually threatening situations.

ESSENTIAL MANAGEMENT SKILLS:

INTERPERSONAL: Skills required to understand other people and to interact effectively with them.

TECHNICAL: The ability and knowledge to perform the mechanics of a particular job.

ADMINISTRATIVE SKILLS: Technical skills in information gathering, data analysis, planning, organizing, and other aspects of managerial work.

CONCEPTUAL: The ability to understand the relationship of parts to the whole.