

An aerial photograph of a large, colorful geometric plaza. The plaza is composed of various colored rectangular sections in shades of light blue, dark blue, red, and green. A large, bright green rectangular area is the central focus, where several people are walking. Other people are scattered throughout the plaza, some walking along the light blue paths. The overall design is reminiscent of Piet Mondrian's abstract art style.

7th Asia-Pacific Edition

# MANAGEMENT

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The changing world of management

# CHAPTER 1



# CHAPTER 01

## The changing world of management

1

Understand the personal challenges involved in becoming a new manager, and discuss the future challenges for Australian managers in an organisation in today's fast-changing world

2

Describe the four management functions and the type of management activity associated with each, as well as the role of the manager in coordinating resources to accomplish the organisation's goals

3

Describe conceptual, human and technical skills, and their relevance for managers and employees

4

Describe management types and the horizontal and vertical differences between them

5

Understand the challenges of time management, and describe the managerial work related to informational, interpersonal and decision-making activities

6

Understand the particular challenges and opportunities faced by managers in small businesses and not-for-profit organisations



Priorities	High priority	Low priority
1 Spend 50 per cent or more of your time in the care and feeding of people.		
2 Make sure people understand that you are in control of the department.		
3 Use lunches to meet and network with peers in other departments.		
4 Implement the changes you believe will improve department performance.		
5 Spend as much time as possible talking with and listening to subordinates.		
6 Make sure jobs get done on time.		
7 Reach out to your boss to discuss his expectations for you and your department.		
8 Make sure you set clear expectations and policies for your department.		

Note: This questionnaire is adapted from research findings reported in Hill, L. A. (2003). *Becoming a Manager: How New Managers Master the Challenges of Leadership*, 2nd edn (Boston, MA: Harvard Business School Press); and Gabarro, J. J. (1987). *The Dynamics of Taking Charge* (Boston, MA: Harvard Business School Press)



# WHY INNOVATIVE MANAGEMENT MATTERS

- The world of management is changing
- Innovation is important to maintain competitive edge in a hypercompetitive global environment
- Organisations need to respond (more quickly than ever) to changing environment
- Innovation needed in products, services, management systems, production processes, corporate values and other aspects
- Without innovation, a company will NOT survive



# CURRENT CHALLENGES IN THE WORKPLACE

## Challenges for government

- Federal, state and municipal
- Limited resources and conflicting objectives entail trade-offs and other policy challenges
- Multiple responsibilities, at times conflicting

## Challenges for business

- Local and global competition
- Policy and other legal requirements
- Sustainability, consumer expectations changing

## Challenges for individual employees

- Skills; job insecurity; careers
- Faster changes (Industry 4.0)
- Demand for value adding for their employer



# MANAGERS WHO MAKE A DIFFERENCE

- Aware of the challenges in today's environment
- Less traditional approach to management through:
  - Flexibility and agility
    - Embracing change.
  - Creating vision and cultural values.
  - Fostering a collaborative workplace.

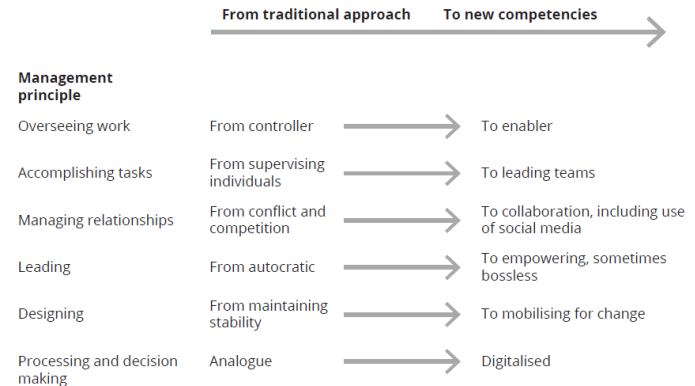


Exhibit 1.1 State-of-the-art management competencies for today's world



# MANAGEMENT

## Key Concept

- **Definition:** The attainment of organisational goals in an effective and efficient manner through planning, organising, leading and controlling organisational resources:
- Four functions of management
  - Planning
  - Organising
  - Controlling
  - Leading



# PROCESS OF MANAGEMENT

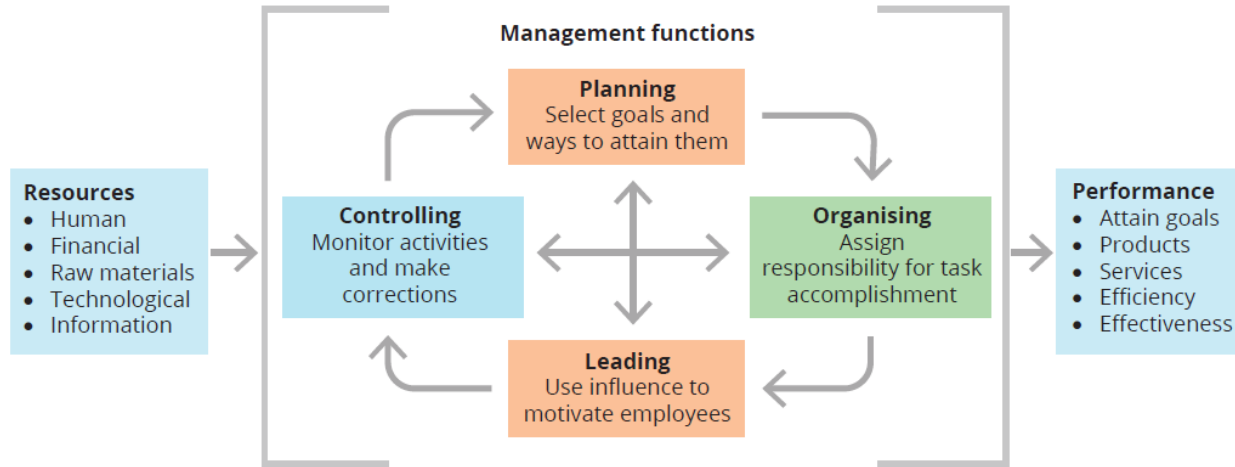


Exhibit 1.4 The process of management

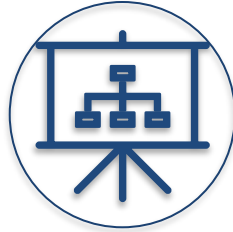


# FUNCTIONS OF MANAGEMENT



## Planning

- Identifying future goals for the organisation, tasks required and resources needed to attain them.



## Organising

- Assigning tasks, grouping of tasks into departments and allocating resources to departments.



## Leading

- Involves the use of influence to motivate employees to achieve organisational goals.
- Creating a shared culture and values.



## Controlling

- Monitoring employees' activities, determining if the organisation is moving towards its goals, and making corrections as needed.



# ORGANISATIONAL PERFORMANCE

The organisation's ability to attain its goals by using resources in an efficient and effective manner

## – Organisation

- A social entity that is goal-directed and deliberately structured

## – Effectiveness

- The degree to which the organisation achieves a stated goal

## – Efficiency

- The use of minimal resources, raw materials, money and people, to produce a desired volume of output



# MANAGEMENT SKILLS

## Conceptual skills

- Cognitive ability to see the organisation as a whole and the relationship among its parts.

## Human skills

- Ability to work with and through other people and to work effectively as a group member.

## Technical skills

- The understanding of and proficiency in the performance of specific tasks.

- 1 Be a good coach.
- 2 Empower your team and don't micromanage.
- 3 Express interest in team members' successes and personal wellbeing.
- 4 Don't be a sissy: be productive and results-oriented.
- 5 Be a good communicator and listen to your team.
- 6 Help your employees with career development.
- 7 Have a clear vision and strategy for the team.
- 8 Have key technical skills so you can help advise the team.

Exhibit 1.6 Google's rules: eight good behaviours for managers

Source: Bryant, A. (12 March 2011). 'Google's Quest to Build a Better Boss'. *The New York Times*. Courtesy of Google, Inc.



# THE RELATIONSHIP OF SKILLS

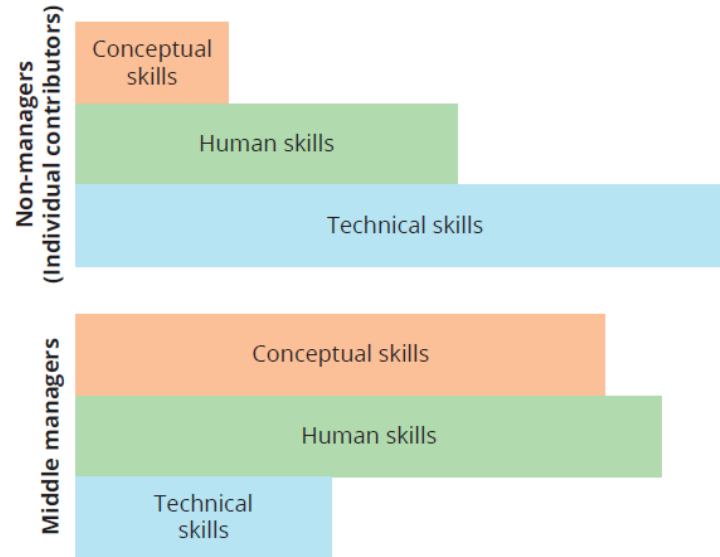


Exhibit 1.5 Relationship of conceptual, human and technical skills to management



# WHEN SKILLS FAIL

- Failure can be devastating for both organisations and individuals or groups:
  - See example of Tony Hayward and the mishandling of BP oil spill into the Gulf of Mexico.
- Managers often make mistakes due to a variety of reasons:
  - Demands of the rapidly changing environment
  - Poor interpersonal skills.

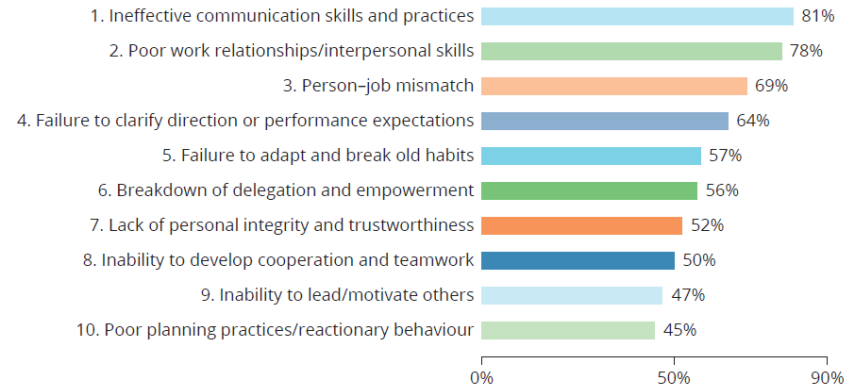


Exhibit 1.7 Top causes of manager failure

Source: Adapted from Longenecker, C. O., Neubert, M. J. and Fink, L. S. (2007). 'Causes and Consequences of Managerial Failure in Rapidly Changing Organizations', *Business Horizons*, 50: 145–55, Table 1, with permission from Elsevier.



# MANAGEMENT TYPES

## Vertical differences

- Top managers
- Middle managers
- Project managers
- First-line managers

## Horizontal differences

- Functional managers
- General managers



# LEVELS OF MANAGEMENT

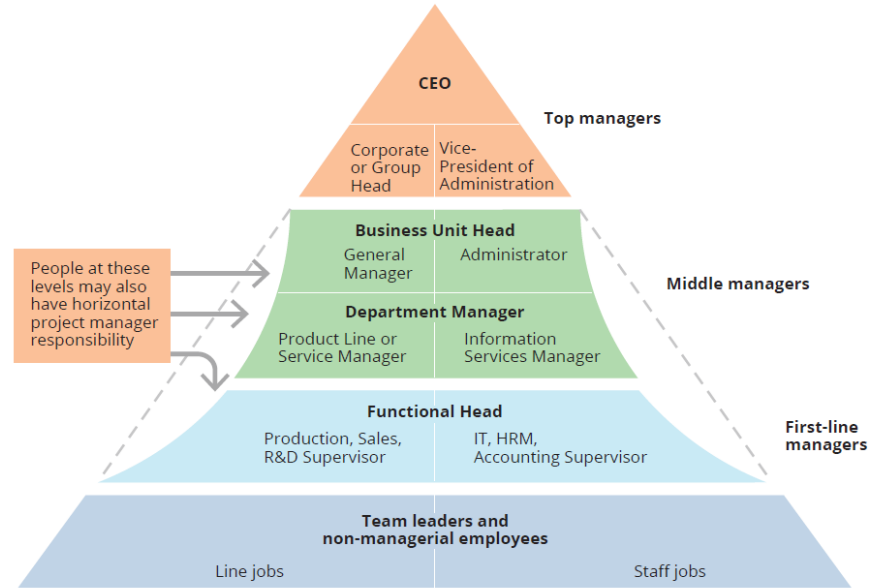


Exhibit 1.8 Management levels in the organisational hierarchy

Source: Adapted from Bonoma, T. V. and Lawler, J. C. (Spring 1989). 'Chutes and Ladders: Growing the General Manager'. *Sloan Management Review*, 27–37.

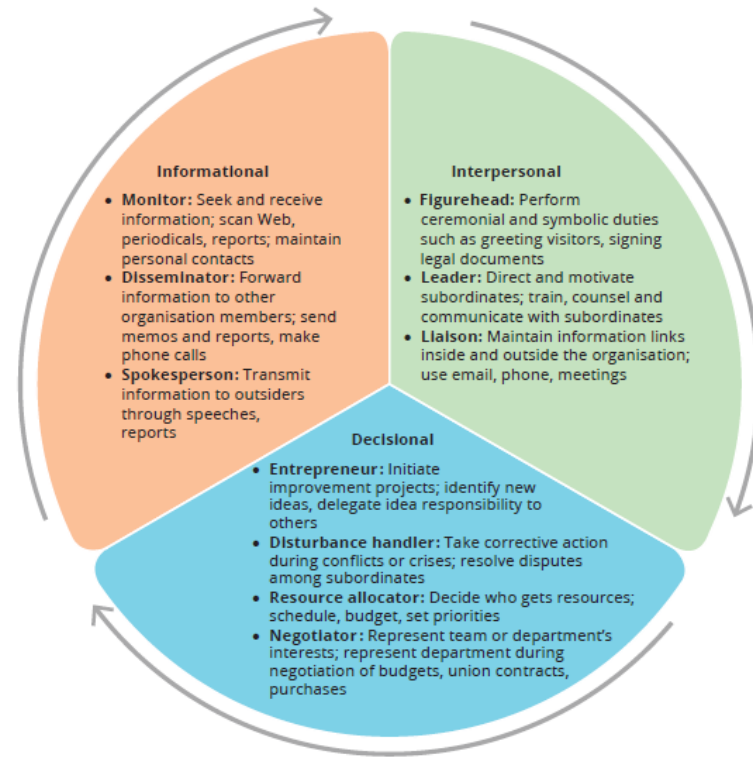
# MANAGERIAL ACTIVITIES

- Many new managers unprepared for:
  - Extensive variety of tasks that may be **fragmented** and often brief
- Managers require:
  - **Multitasking** skills
  - **Time management** to deal with unrelenting pace of work

## Tips for new managers



# TEN MANAGER ROLES



Based on the research  
of Henry Mintzberg

Exhibit 1.9 Ten manager roles

Sources: Adapted from Mintzberg, H. (1975). *The Nature of Managerial Work* (New York: Harper & Row), pp. 92-3; and Mintzberg, H. (1971). 'Managerial Work: Analysis from Observation'. *Management Science*, 18, B97-B110.



# INFORMATIONAL ROLES

- **Informational roles** describe the activities used to maintain and develop an information network.
- General managers spend about 75 per cent of their time communicating with other people.
- The **monitor** role involves seeking current information from many sources:
  - manager acquires information from others and scans written materials to stay well informed.
- The **disseminator** and **spokesperson** roles are just the opposite:
  - manager transmits current information to others, both inside and outside the organisation, who can use it.



# DECISIONAL ROLES

- **Decisional roles** pertain to those events about which the manager must make a choice and take action.
- **entrepreneur** role involves the initiation of change.
  - managers are constantly thinking about the future and how to get there.
- **disturbance handler** role involves resolving conflicts among subordinates or between departments
- **resource allocator** role pertains to decisions about how to assign people, time, equipment, money and other resources
  - budget allocations, what task receives priority, and even how time is spent.
- **negotiator** role represents the team interests in negotiations for resources or tasks.



# INTERPERSONAL ROLES

- **Interpersonal roles** pertain to relationships with others.
- The **figurehead** role involves handling ceremonial and symbolic activities
  - manager represents the organisation in his or her formal managerial capacity as the head of the unit.
- The **leader** role encompasses relationships with subordinates, including motivation, communication and influence.
- The **liaison** role pertains to the development of information sources both inside and outside the organisation.



# MANAGING IN SMALL BUSINESS AND NOT-FOR-PROFIT ORGANISATIONS

- Importance of small business is growing
- The need for effective and efficient management practices are needed in all organisations
- Mintzberg's roles equally apply but emphasis may shift
- **Profit-making organisations** direct efforts towards earning money
- **Not-for-profit organisations** focus on less tangible aspects that improve society in some way
  - May have more emphasis on the spokesperson



# CHAPTER – BRIEF SUMMARY

- 1.1 Becoming a new manager requires a shift in thinking from individual performer to playing an interdependent role.
- 1.2 Management is defined as the attainment of organisational goals in an effective and efficient manner through planning, organising, leading and controlling organisational resources.
- 1.3 Managers have complex jobs that require a range of abilities and skills, often classified as conceptual, human and technical.
- 1.4 Many types of managerial work, depending on the level of the manager in the organisation
- 1.5 Managers undertake a series of roles to effectively plan, organise, lead and control.
- 1.6 Good management is just as important for small businesses and not-for-profit organisations as it is for large corporations.

