



## MANAGEMENT

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### Learning Objectives

- **After studying the chapter, you should be able to:**
  - **Describe**
    - what management is,
    - why management is important,
    - what managers do, and
    - how managers utilize organizational resources efficiently and effectively to achieve organizational goals.
  - **Distinguish among *planning, organizing, leading, and controlling* (the four managerial functions), and explain how managers' ability to handle each one can affect organizational performance.**



### Learning Objectives (cont'd)

- Differentiate among three levels of management, and understand the responsibilities of managers at different levels in the organizational hierarchy.
- Identify the roles managers perform, the skills they need to execute those roles effectively and the way new information technology is affecting these roles and skills.



### What Is Management?

- **Management**
  - The planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently.
- **Managers**
  - The people responsible for supervising the use of an organization's resources to meet its goals.
- **Resources are organizational *assets***
  - Raw materials   ➤ Machinery   ➤ Financial capital
  - People   ➤ Skills   ➤ *Knowledge*   ➤ *Information*



### Planning

- **Identifying and selecting appropriate goals and courses of action for an organization.**
  - The planning function determines how effective and efficient the organization is and determines the strategy of the organization.
- **Three Steps in the Planning Process:**
  - Deciding which goals to pursue.
  - Deciding what courses of action to adopt.
  - Deciding how to allocate resources.



### Organizing

- Structuring *working relationships* in a way that allows organizational members to work together to achieve organizational goals.
- Organizational Structure
  - A *formal* system of task and reporting relationships that coordinates and motivates organizational members.
  - Creating organizational structure:
    - Grouping employees into *departments* according to the tasks performed.
    - Laying out lines of *authority* and *responsibility* for organizational members.

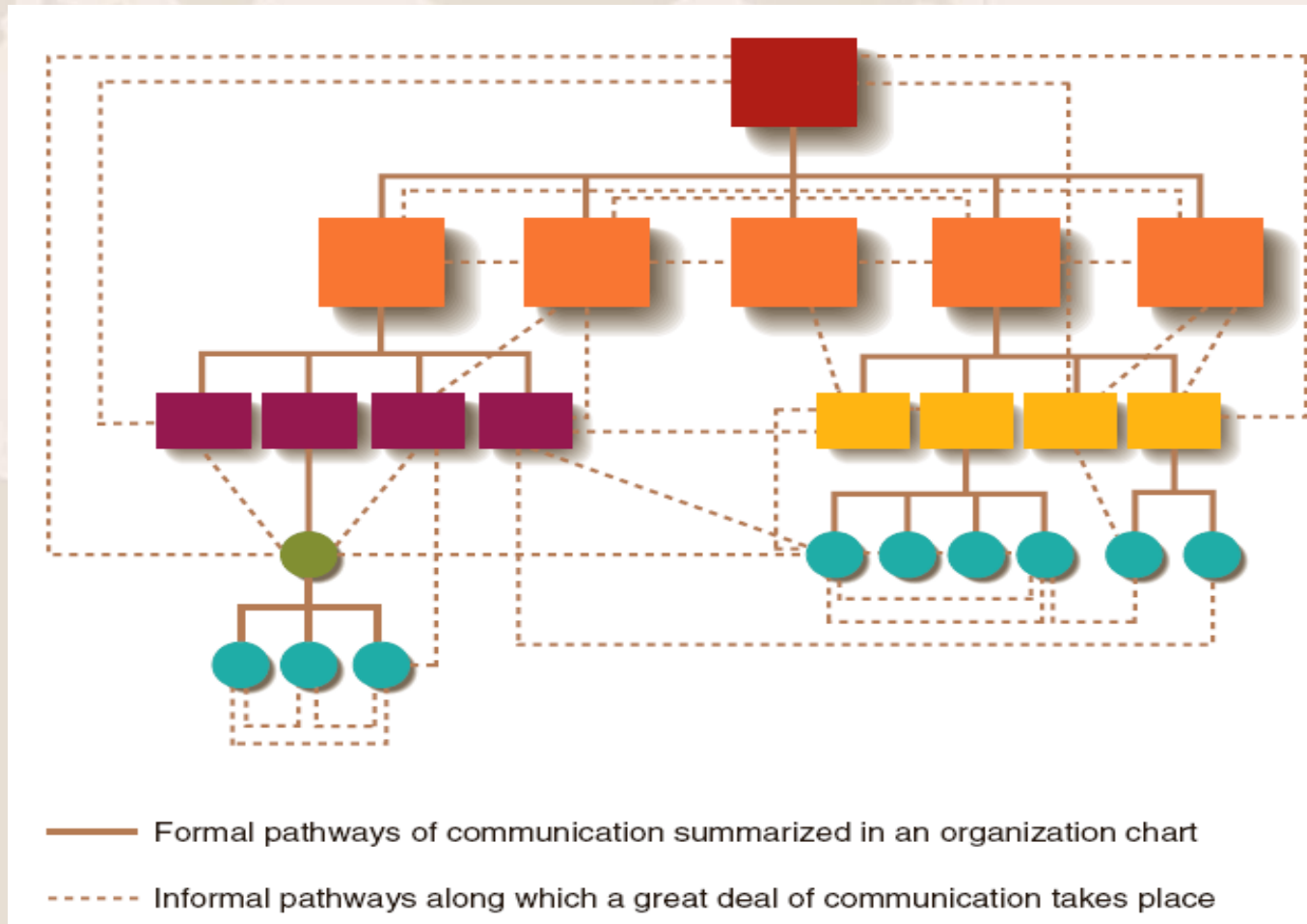




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## Management

### Formal and Informal Communication Networks in an Organization





### Leading

- **Articulating a clear *vision* to follow, and *energizing* and enabling organizational members so they understand the part they play in attaining organizational goals.**
  - **Leadership involves using power, influence, vision, and communication skills.**
  - **The outcome of leadership is highly motivated and committed organizational members.**





### Controlling

- Evaluating how well an organization is achieving its goals and taking action to maintain or improve performance.
  - *Monitoring* individuals, departments, and the organization to determine if desired performance standards have been reached.
  - Taking action to increase performance as required.
  - The outcome of control is the ability to measure performance accurately and to regulate the organization for efficiency and effectiveness.



### Four Functions of Management





### Types of Managers

- **Levels of Management**

- **First-line managers**

- Responsible for day-to-day operations. Supervise people performing activities required to make the good or service.

- **Middle managers**

- Supervise first-line managers. Are responsible to find the best way to use departmental resources to achieve goals.

- **Top managers**

- Responsible for the performance of all departments and have cross-departmental responsibility.
    - Establish organizational goals and monitor middle managers.
    - Form top management team along with the CEO.



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## Levels of Management





### Managerial Functions

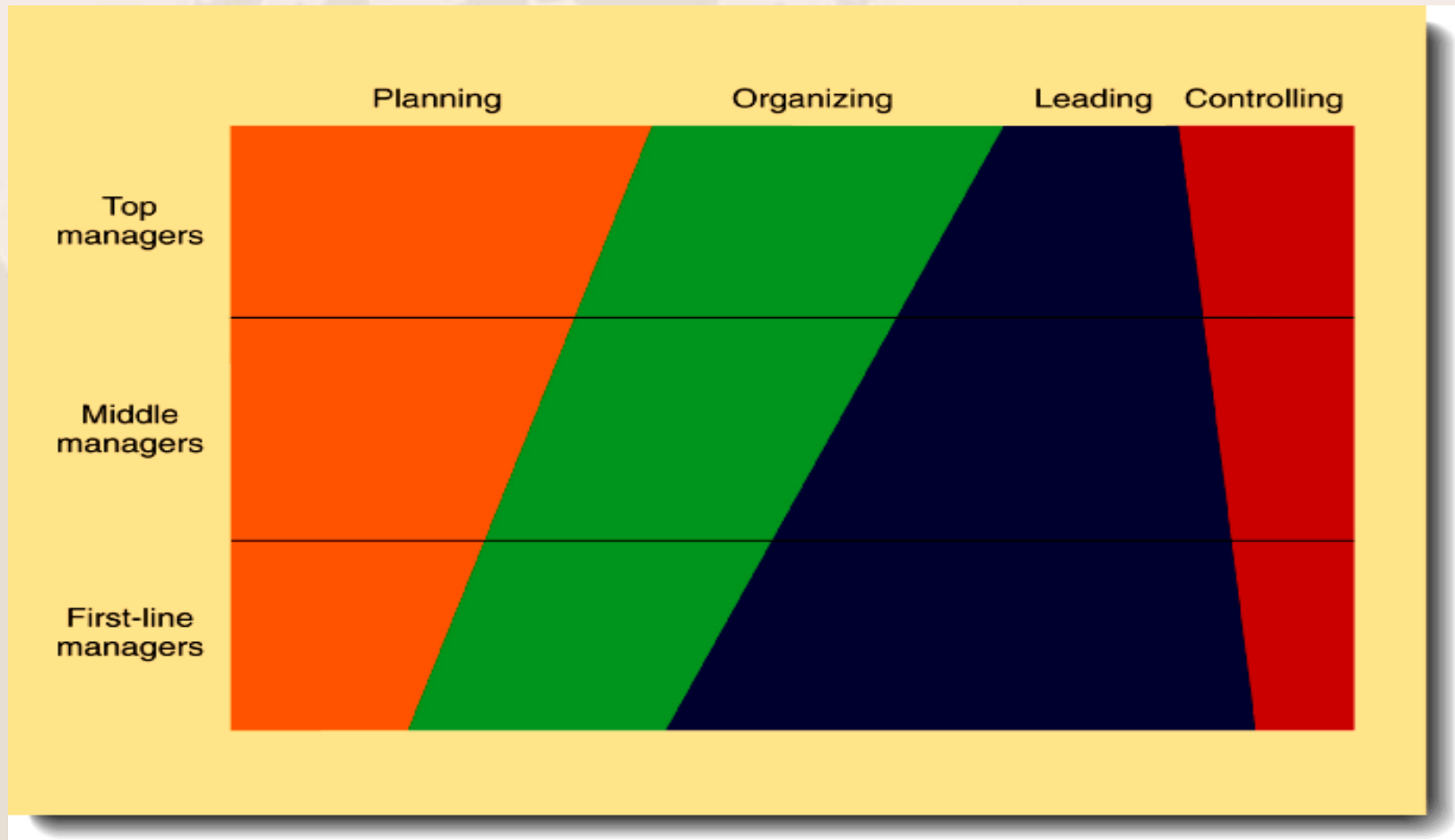
- **Henri Fayol**
  - First outlined the four managerial functions in his book *General Industrial Management*.
  - Managers at all levels in all organizations perform each of the functions of planning, organizing, leading, and controlling.



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### Relative Amount of Time That Managers Spend on the Four Managerial Functions





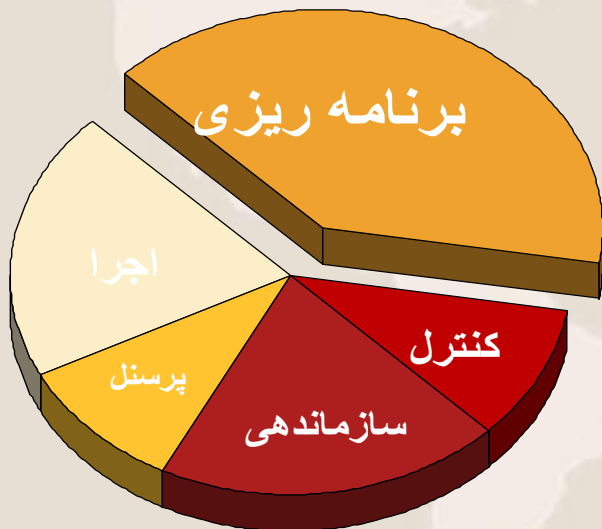


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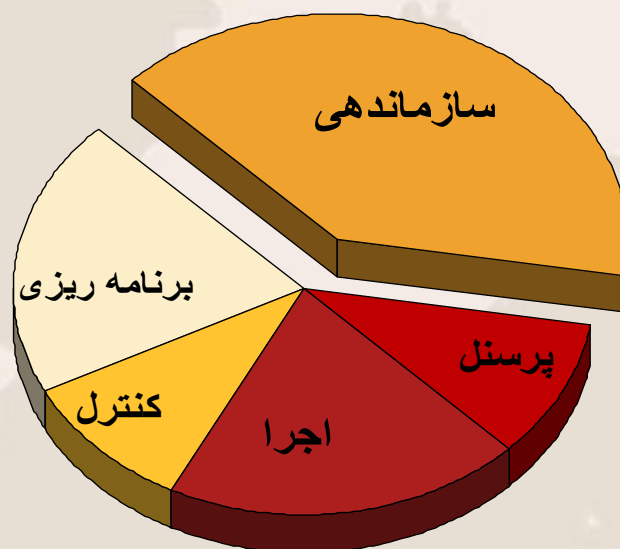
## Management

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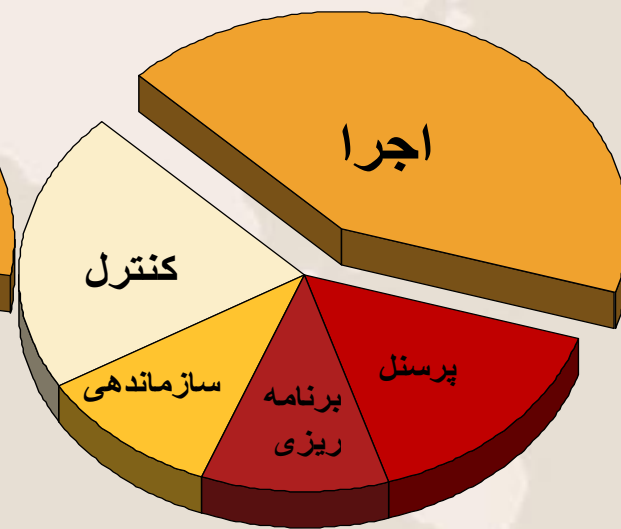
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### IT and Managerial Roles and Skills

- **Information Technology (IT) is increasingly used to help managers adopt a cross-departmental view of their organization.**
- **Managerial Role**
  - **The set of specific tasks that a person is expected to perform because of the position he or she holds in the organization.**
- **Roles are defined into three role categories (as identified by Mintzberg):**
  - **Interpersonal ➤ Informational ➤ Decisional**



### Decisional Roles\*

- **Roles associated with methods managers use in planning strategy and utilizing resources:**
  - **Entrepreneur**—deciding which new projects or programs to initiate and to invest resources in.
  - **Disturbance handler**—managing an unexpected event or crisis.
  - **Resource allocator**—assigning resources between functions and divisions, setting the budgets of lower managers.
  - **Negotiator**—reaching agreements between other managers, unions, customers, or shareholders.



### Informational Roles\*

- Roles associated with the tasks needed to obtain and transmit information in the process of managing the organization:
  - Monitor—analyzing information from both the internal and external environment.
  - Disseminator—transmitting information to influence the attitudes and behavior of employees.
  - Spokesperson—using information to positively influence the way people in and out of the organization respond to it.



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### Interpersonal Roles\*

- Roles that managers assume to provide direction and supervision to both employees and the organization as a whole:
  - Figurehead—symbolizing the organization’s mission and what it is seeking to achieve.
  - Leader—training, counseling, and mentoring high employee performance.
  - Liaison—linking and coordinating the activities of people and groups both inside and outside the organization/department.





### Managerial Skills

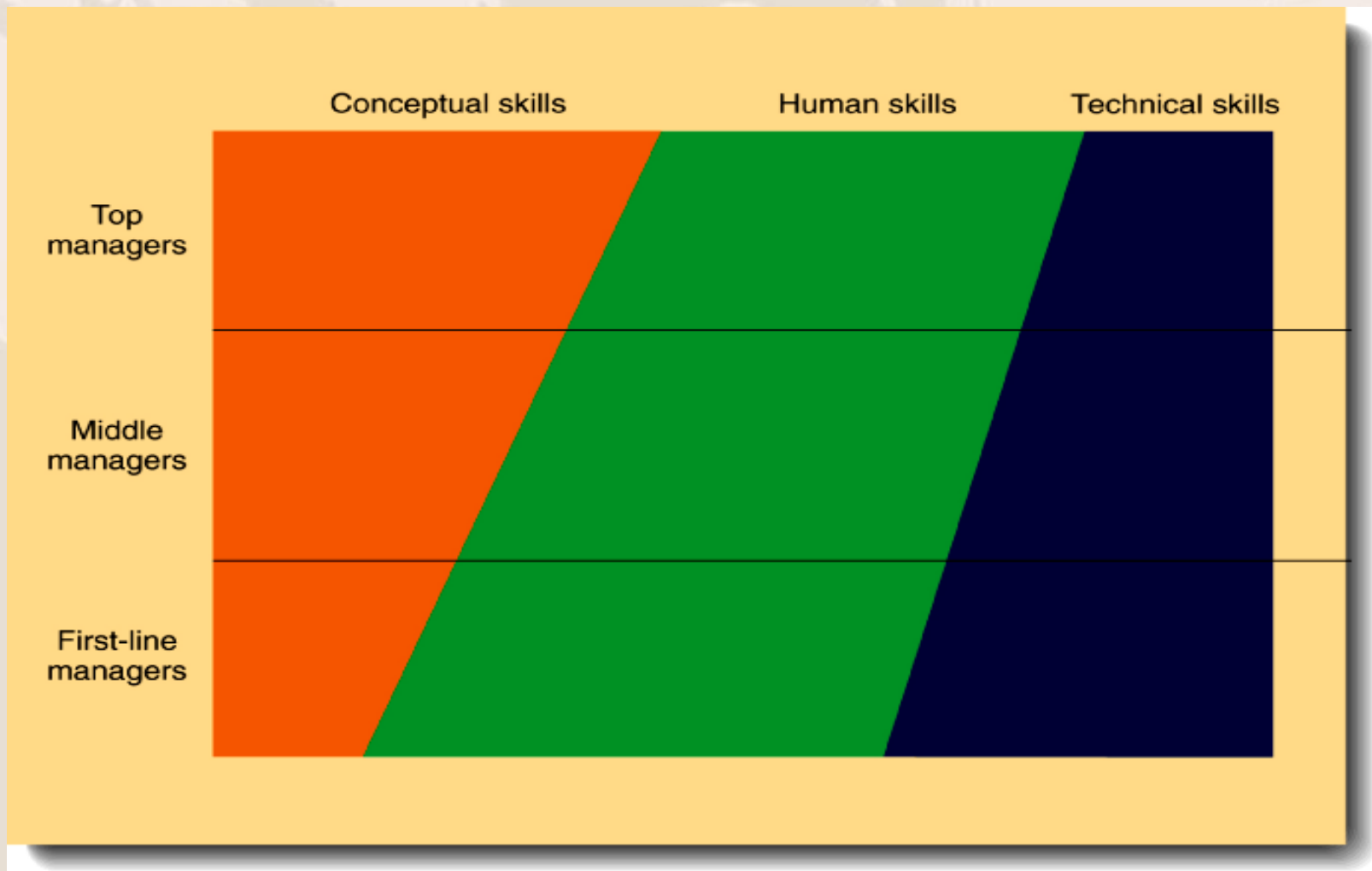
- **Conceptual Skills**
  - The ability to analyze and diagnose a situation and distinguish between cause and effect.
- **Human Skills**
  - The ability to understand, alter, lead, and control the behavior of other individuals and groups.
- **Technical Skills**
  - The specific knowledge and techniques required to perform an organizational role.



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### Skill Types Needed by Managerial Level





### Management Roles (Adizes Model)

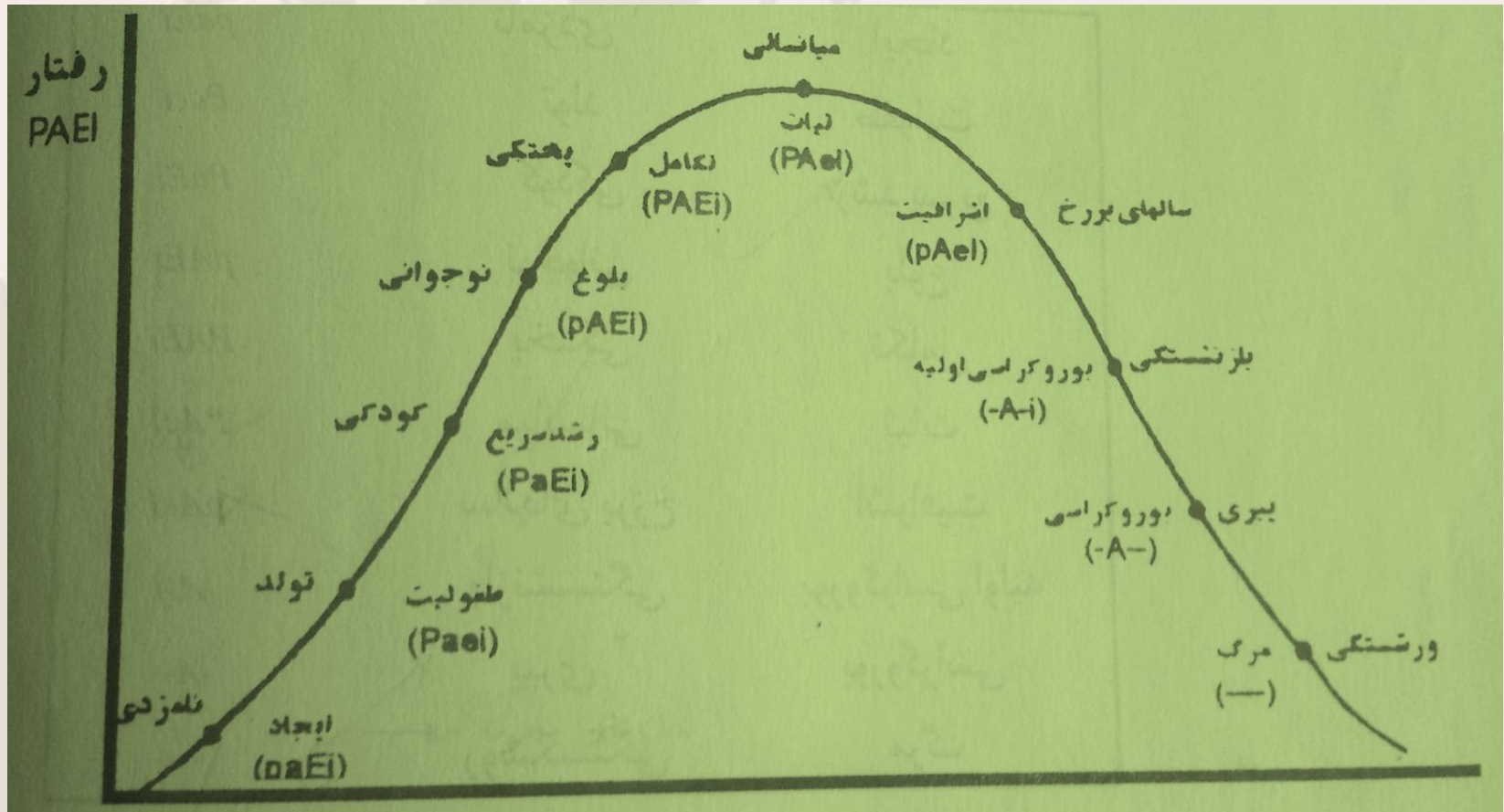
- **Production**
- **Administration**
- **Entrepreneurship**
- **Integration**
  - **PAEI**
- **Example: Game**
- **CEO**



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### Organization Life Cycle (Adizes Model)





### Organizational Performance\*

- **Organizational Performance**
  - A measure of how efficiently and effectively managers are using organizational resources to satisfy customers and achieve goals.
- **Efficiency**
  - A measure of how well or productively resources are used to achieve a goal.
- **Effectiveness**
  - A measure of the appropriateness of the goals an organization is pursuing and the degree to which they are achieved.

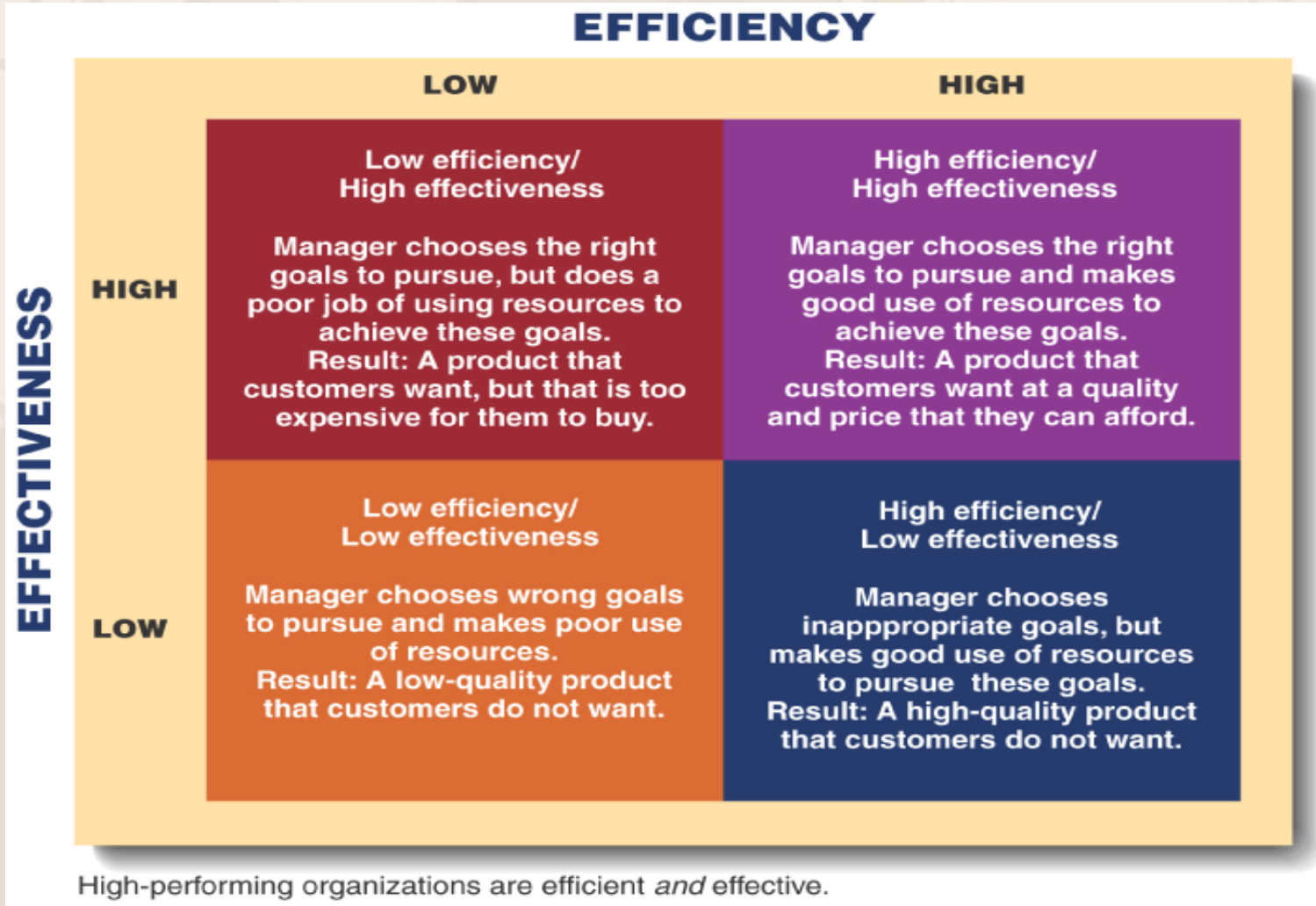




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### Efficiency, Effectiveness, and Performance in an Organization\*







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