

Chapter 1

Introduction to management

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Objectives

- After study this chapter, you should be able to:
 - Explain the four functions of management and other major elements in the management process
 - Describe 10 major roles managers play
 - Describe major types of management skills
 - Distinguish between effectiveness and efficiency
 - Explain how managerial jobs differ by hierarchical level

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The society today

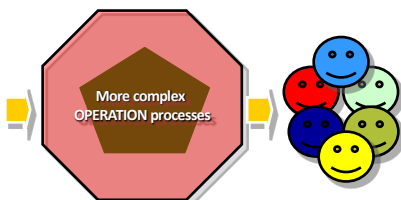
Diversification of needs and high demand

Shortage/scarc and difficulties of finding the inputs for the production

Fierce competition

IT development (Industry 4.0)

Risks



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What's an organization?...

"Two or more persons engaged in a systematic effort to achieve common goals" - Chester I. Barnard

"A group of people working together in structured & coordinated fashion to achieve a set of goals" - Ricky. W. Griffin



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[illegible]

What's an organization?...

Key characteristics of an organization

A common goal



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What's an organization?...

Characteristics of an organization

- The definite structure of an organizations is now changing to:
 - flexible work arrangements
 - open or multiple ways of communication
 - adaptable with changes

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What's an organization?...

Characteristics of an organization

Traditional organization	Learning Organization
Stable	Dynamic
Inflexible	Flexible
Focus on jobs	Focus on skills
Work identification based on position	Work identification based on mission/goals
Individual oriented	Group oriented
Stable and long time job	Temporal job
Command oriented	Participation oriented
Managers made decisions	Staff involve in decision making
Principles oriented	Customer oriented
Identical labor force	Various labor force
8 working hours/day	Unlimited working hours/day
Hierarchical relationships	Closed and network relationships
Working in a premise within a given time	Working everywhere at anytime

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Distinguish an Organization and a system

What's a system?

A set of interrelated parts operating as a whole in pursuit of common goals

Two types of system:

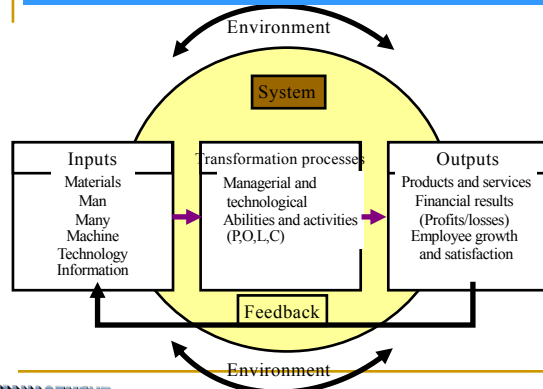
- A closed system is a system doing little or no interacting with its environment and receiving little feedback.
- An open system is a system operating in continual interaction with its environment.

➔ An organization is considered as an open system that has continuously interactions with its environment

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A system view of organizations



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Organization as an open system

- An organization is formed by interdependent elements including: *individuals, groups, attitudes, motivations, official structure, interactions, goals, positions and power.*

The manager should:

- Coordinate different works, tasks, ensure that interdependent units can work together to achieve the organizational goals.
- Recognize the decisions and actions of a unit/department of an organization that will impact to activities of other units (eg. Production and marketing department)
- Find out and study the impacts from external environment



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Definitions of management

What's management?

"...Methods used to achieve organizational goals with **high efficiency** by **work with or get things done through others...**"

".....Management is important activities that need to be carried out through engaging efforts of individuals within **an organization to achieve organizational goals...**"

"...Management is a **work process with and get things done through others** in order to achieve **organizational goals in continuous change environment...**"

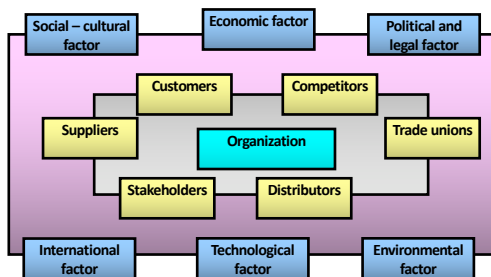
"...Management is a **set of activities (Planning, Organizing, Leading & Controlling)** directed at an organization's resources with the aims of **achieving organizational goals in an effective and efficient manner...**"

- *Organization and its goals*
- *Work with and get things done through others*
- *Effectiveness and Efficiency*
- *Environment*



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Environment of organizations



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Definitions of management.....

- Work with and get things done through others
 - Due to socialization of work processes, division of labor, coordination of labor,... works have to be done through many steps and many people
 - An organization is formed by several people who have a common goal therefore it is needed to coordinate the efforts from these individuals to achieve given common goals.



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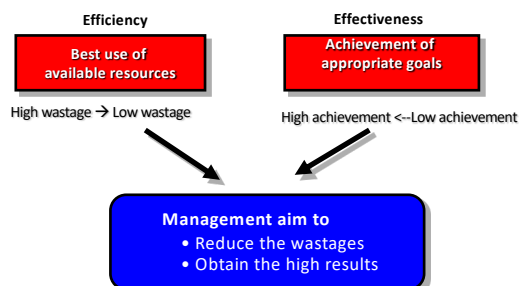
Definitions of management.....

- *Effectiveness and efficiency*
 - Effectiveness is a final product of activities that are implemented to achieve organizational goals. Example....
 - doing the right things – làm ®úng viÖc.
 - Efficiency: is one of important parts of management. This is a comparison between outputs and inputs. Example...
 - doing things right – làm viÖc ®úng.
 - These two dimensions are so closely linked in management. Simply, in this course the term “effectiveness” is used for both effectiveness and efficiency



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The nature of Management



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The nature of Management

- Management is a process of coordinating and combining activities and works so that these activities and works can be achieved with **highest efficiency and effectiveness** through working with and get things done through others → maximize the efficiency of using resources to achieve expected goals.
- "Process" engages the continual and essential functions that are carried out frequently by manager. They are
 - Planning
 - Organizing
 - Leading
 - Controlling

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The functions of Management

What are the manager's duties?

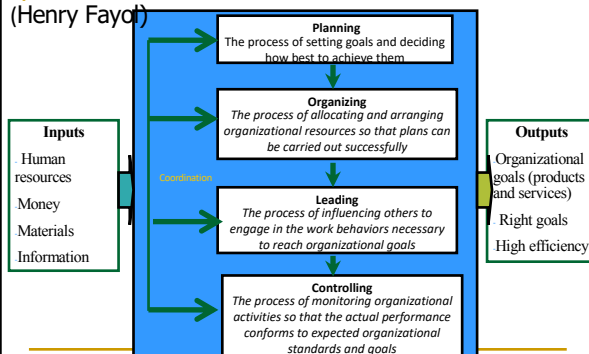


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The functions of Management

(Henry Fayol)

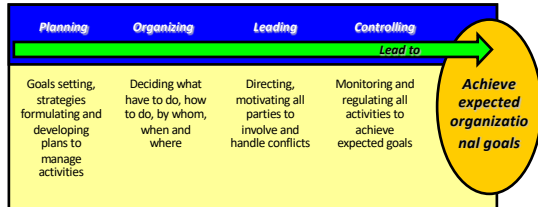


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The functions of Management...

■ Functions and process of management



- Process of management is a set of important decisions and works which are implementing by managers (planning, organizing, leading and controlling)



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Who is manager?

In one organization, it always consists of

1. **Implementer:** person who directly carries out works, tasks and don't have a responsibility to supervise the work of other people
2. **Manager:** person who direct other people

In the past

- A member of the organization, he/she have a thorough view and orient works for other people
 - Manager
 - Implementer

At present

- A manager is a member of the organization. He/she gather and coordinate works for other people.



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Who is manager?

A person who work with and get things done through other people by coordinating their activities and works to achieve organizational goals.

- Coordinate works of one department/unit (s),

or

- oversee/supervise one individual (s),

or

- Coordinate works of one team which consists of employees from other departments or from outside organizations (eg. employees of suppliers,...)



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Who is manager?.....

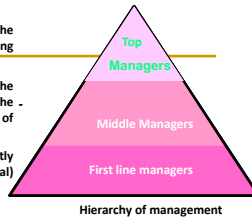
- Carry out four functions of management to achieve organizational goals
- Have a position in organization with given power
- Have responsible and professional for making decisions to implement partly or totally operation processes of an organization

Management positions:

+ **Top managers:** who are ultimately responsible for the entire organization, deciding strategies, policies, leading relationships of organization and other organizations

+ **Middle managers:** who are directly responsible for the work of managers at lower levels, guide to conduct the strategies, policies and create working environment of organization

+ **first line managers/supervisors:** who are directly responsible for the work of operating (non-managerial) employees



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Roles of managers

■ Roles of manager (Henry Mintzberg, 1980)

- Managerial role is an organized set of behaviors associated with a particular office or position.
 - **Interpersonal** – making good relationships with people (subordinates and outsiders) and implementing symbolic tasks
 - **Informational** – receive, gather and disseminate information
 - **Decisional** – how to give a good decision/selection
- Concerns from managers for each role are various depending on the level of these managers



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Figure 1: MINTZBERG' s 10 Managerial roles

Roles	Description	Behavioral example
Interpersonal		
<i>Figurehead</i>	Performs symbolic duties of a legal or social nature	Receiving visiting guests; signing legal documents
<i>Leader</i>	Builds relationships with subordinates, communicates with, motivates and coaches them	Implementing all tasks related to subordinates/employees
<i>Liaison</i>	Maintains networks of contacts outside individuals, organizations who provide help and information	Sending letters to customers and related ones, finding the supports from customers, suppliers, authorities, etc.

Source: H. Mintzberg. *The Nature of Managerial Work*. (New York: Harper & Row. 1973), pp.93-94

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Figure 1: MINTZBERG's 10 Managerial roles ...

Roles	Description	Behavioral example
Informational		
<i>Monitor</i>	Seeks internal and external information about issues affecting organization	Reading reports and newspaper regularly; maintain individual relationship
<i>Disseminator</i>	Transmits information internally obtained from either internal or external sources	Organizing meetings, phone conversations, making notices
<i>Spokesperson</i>	Transmits information about the organization to outsiders on planning, policy, actions and results, v.v.	Organizing steering meeting, board of directors, inform to media organization

Source: H. Mintzberg. *The Nature of Managerial Work*. (New York: Harper & Row. 1973), pp.93-94

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Figure 1: MINTZBERG's 10 Managerial roles

Roles	Description	Behavioral example
Decisional		
<i>Entrepreneur</i>	Acts as initiator, designer and encourager of change and innovation	Organizing meetings to approve the strategic plans of new projects
<i>Disturbance handler</i>	Takes corrective action when organization faces important, unexpected difficulties	Organizing meetings to review the problems occurred (bankruptcy of suppliers, economic crisis, etc.)
<i>Resource allocator</i>	Distributes resources: time, funding, equipment and human resource	Scheduling, request on power, budgeting, programming of subordinates.
<i>Negotiator</i>	Represents the organization in major negotiations affecting the manager's areas of responsibility	Participating in negotiation of labor contracts

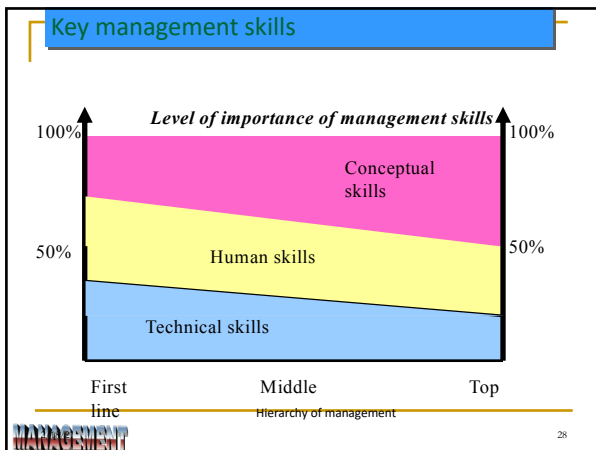
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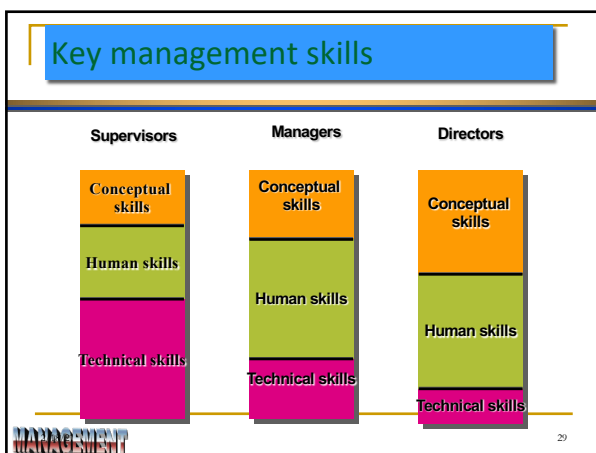
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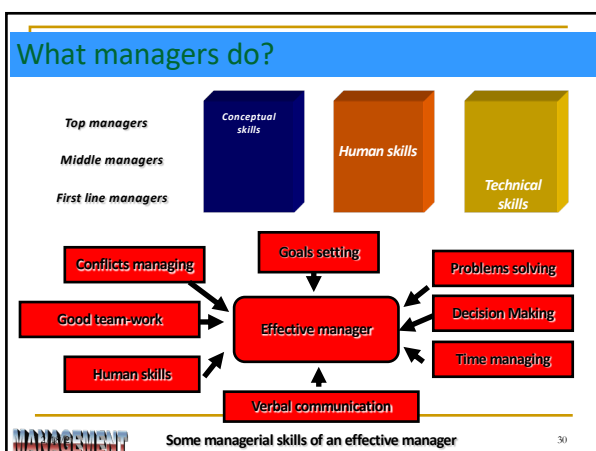
What skills does she/he need?

- Technical skills
 - Skills reflecting both an understanding of and a proficiency in a specialized field
- Human skills
 - Skills associated with a manager's ability
 - to work well with others, both as a member of a group and as a leader who get things done through others
 - To develop a friend working environment in which the employees feel safe to express their ideas
 - To motivate and handle the conflicts
- Conceptual skills
 - The ability
 - To visualize the organization as a whole and discern interrelationships between units and
 - To understand how the organization fits into the wider context of the industry, community and world

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Management in different and changing situations

- ❑ **Contingency perspective**– Different management approaches are needed for different organizations and situations.
 - There is no simple and common rules and regulations for every situation
 - **contingency variables**
 - ❑ **Size of organization**
 - ❑ **Regularity of technology**
 - ❑ **Instability of environment**
 - ❑ **Difference of individuals**



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Management in different and changing situations

- **Size of organization:** number of employees is one of the important factors for the manager's tasks. Size of organization is increasing, coordination is more complicated. For example: structure for the organization of 50,000 employees vs. the structure for the organization of 50 employees.
- **Regularity of technology.** Organization that applies the regular technology requires the management differs with the one applies the irregular technology. Example.....
- **Instability of environment.** Changes of politics, technology, cultures and economics influences on management process. The best actions in the stable environment are not applicable in the fast changed environment.
- **Differences of individuals.** Individuals are different in growth, autonomy, needs, and expectations. These differences are base for managers to choose the motivation methods, to form management styles and to design works



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Roles of Management

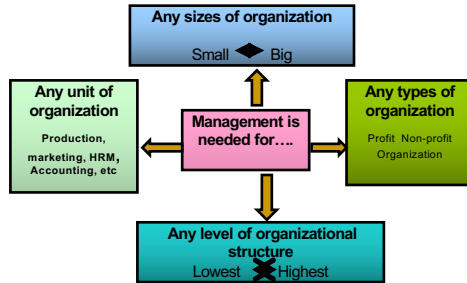
- Help the organizations and individual understand clearly their objectives and missions. It is a most important factor that help the organization achieves its short term and long term goal, exist and develop efficiently.
- Help in using and allocating resources more efficient
- Help the organization to react better with the change of environment and randomly, risky factor in future.
- Help Vietnamese organizations to operate in the condition of integration of economics, cultures, society in the region and over the world



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Why you need to study the management?

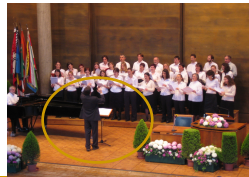
■ Popularity of management



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Why the management is needed?



⇒ Socialization of work process

Management is a natural result of transforming the independent, fragmented, separate work processes into coordinated work processes

... division of labor and cooperation of labor

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Why the management is needed?...

◆ Increasing of objective factors made the management is more important

- Increasing the risks, unforeseen, random. Therefore management is needed to reduce, minimize or transfer these factors to others. Example: @risk, crystalball software,...
- Shortage of available resources and increasing the people's needs and these needs have an intention to be over the supply capability. Therefore, management is needed to allocate and use these resources more appropriately and efficiently
- Great creativeness of management. Some countries have not have the favor of natural resources but they developed strongly and became leading countries in the world. Example: Germany, South of Korea, Japan, etc.

➡ In order to integrate with global economics, it is needed to improve Vietnamese management capability and qualification

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Questions for review

1. The different between the manager and staff?
2. Compare the differences between three management levels
3. Distinguish the effectiveness and efficiency
4. Explain why both of effectiveness and efficiency are important to management.
5. Describe shortly of four functions of management
6. Describe 10 managerial roles of Mintzberg and the way of using these roles to explain the manager' s work.
7. What is a process of management?
8. What is an organization?
9. What are characteristics of an organization?
10. What is a popular definition of management?
11. Why the study of management is very important even you don' t want to be a manager?

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