TRƯỜNG ĐẠI HỌC BÁCH KHOA HÀ NỘI
HANOI UNIVERSITY OF SCIENCE AND TECHNOLOGY



CHAPTER 1: OVERVIEW OF ORGANIZATIONAL MANAGEMENT

SCHOOL OF ECONOMICS AND MANAGEMENT– HUST
DR. NGUYEN THANH HUONG

BRIEF PROGRAM OVERVIEW

- Chapter 1: Overview of Organizational Management
- Chapter 2: Planning Function
- Chapter 3: Organizing Function
- Chapter 4: Leadership Function
- Chapter 5: Controlling Function
- Chapter 6: Information in Operational Management
- Conclusion and Review

CLASS MATERIALS

[1] Textbook

Ricky W. Griffin, 2008. Fundamentals of Management, 5th Edition, South Western, Cengage Learning, ISBN-13: 978-1-4390-3790-4, ISBN-10: 1-4390-3790-6

[2] More books

Tài liệu tham khảo (*References*)

In Vietnamese

1. Nguyễn Quang Chương, Bài giảng Quản trị học đại cương, Nhà xuất bản Bách khoa, 2013

In English

1. **Robbins, S.P. & Coulter, M. (2017), Management, 11th edition, Pearson Education Inc.**
2. **John R.Schermerhorn, Introduction to Management, 14th edition, John Wiley & Sons, Inc, 2020.**
3. **Kinicki/Williams, Management: A practical introduction, 9th edition, McGraw- Hill, 2020.**

[3] Related papers

COURSE EVALUATION METHODS

Điểm thành phần Grade Breakdown	Phương pháp đánh giá Assessment Methods	Mô tả Description	Tỷ trọng %
A1. Điểm quá trình **Mid-term (*)**	Đánh giá quá trình Progress		50%
	A1.1. Chuyên cần/ Attendance	Kiểm tra (Test)	10%
	A1.2. Bài tập trên lớp nhóm In- class Exercises	Thảo luận (Discussion)	5%
	A1.3. Bài tập tiểu luận Group Essay Assignment	Tự luận / Bài tập lớn (Essay)	15%
	A1.4. Thi giữa kỳ Midterm Exam	Hỗn hợp (Mix)	20%
A2. Điểm cuối kỳ **Final**	A2.1. Thi cuối kỳ Final exam	Trắc nghiệm (Multiple- choice exam)	50%

LEARNING GOALS

After chapter 1, students may be able to understand:

- **The concept, essence and the roles of management in organizational efficiency**
- **Levels of management and their functions in an organization**
- **Principles of management**
- **Managerial roles and skills**
- **Orgnizational environonment**

CONTENT

Level 1	Level 2	Level 3
1. The necessity and concept of management	1) The social division of labor	
	2)Why do we need management?	
2. Definition and principles of management	1) General definition of management	
	2) Definition of organizational management	An organization and its characteristics
		The systems approach to management
		The process approach to management
		Results and efficiency
	3) Principles of management	
3. Definition of a manager, the managerial roles and skills	1) Definition of a manager	Who are managers?
		Levels of management
	2) The Managerial roles	Interpersonal roles
		Informational roles
		Decisional roles
	3) The Managerial skills	Technical skills
		Human skills
		Conceptual skills
4. Organizational environment		

KEYWORDS

System	a set of connected things or parts forming a complex whole
Organization	An “open” system, includes or more people who work together in a structured way to achieve a specific goal or set of goals
Effectiveness	the final consequence of a sequence of actions or events
Efficiency	An input- output concept
Managerial roles	03 categories: informational (managing by information), interpersonal (managing through people), and decisional (managing through action).
Managerial skills	03 managerial skills essential to successful management: technical, human , and conceptual.
Organizational environment	All the factors and forces existing within and outside the organization that can directly or indirectly affect organizational performance and managerial decision- making.

1. The necessity and concept of management

1) The social division of labor

2)Why do we need management?

SPEAKER NOTES

Now, let’s go into the first part of our session, where we explore the importance of management. In this section, we'll address two key aspects:

Quản lý và quản trị
Quản lý là làm tốt việc được giao
quản trị là làm đúng việc, đúng người, đúng thời điểm và địa điểm.
Giáo sư Phan Văn Trường, chuyên gia cao cấp về đàm phán quốc tế, cố vấn cho Chính phủ Pháp

Có hai con thuyền cùng xuất phát từ Hải Phòng đến Kuala Lumpur. Con tàu thứ nhất của Việt Nam, thuyền trưởng và thuỷ thủ người Việt. Con tàu thứ hai của Malaysia, thuyền trưởng và thuỷ thủ đều là người Malaysia. Trước khi tàu rời bến, thời tiết rất đẹp nhưng cả hai đều biết được rằng sẽ có bão đổ bộ trên đường đi trong 6 tiếng nữa.

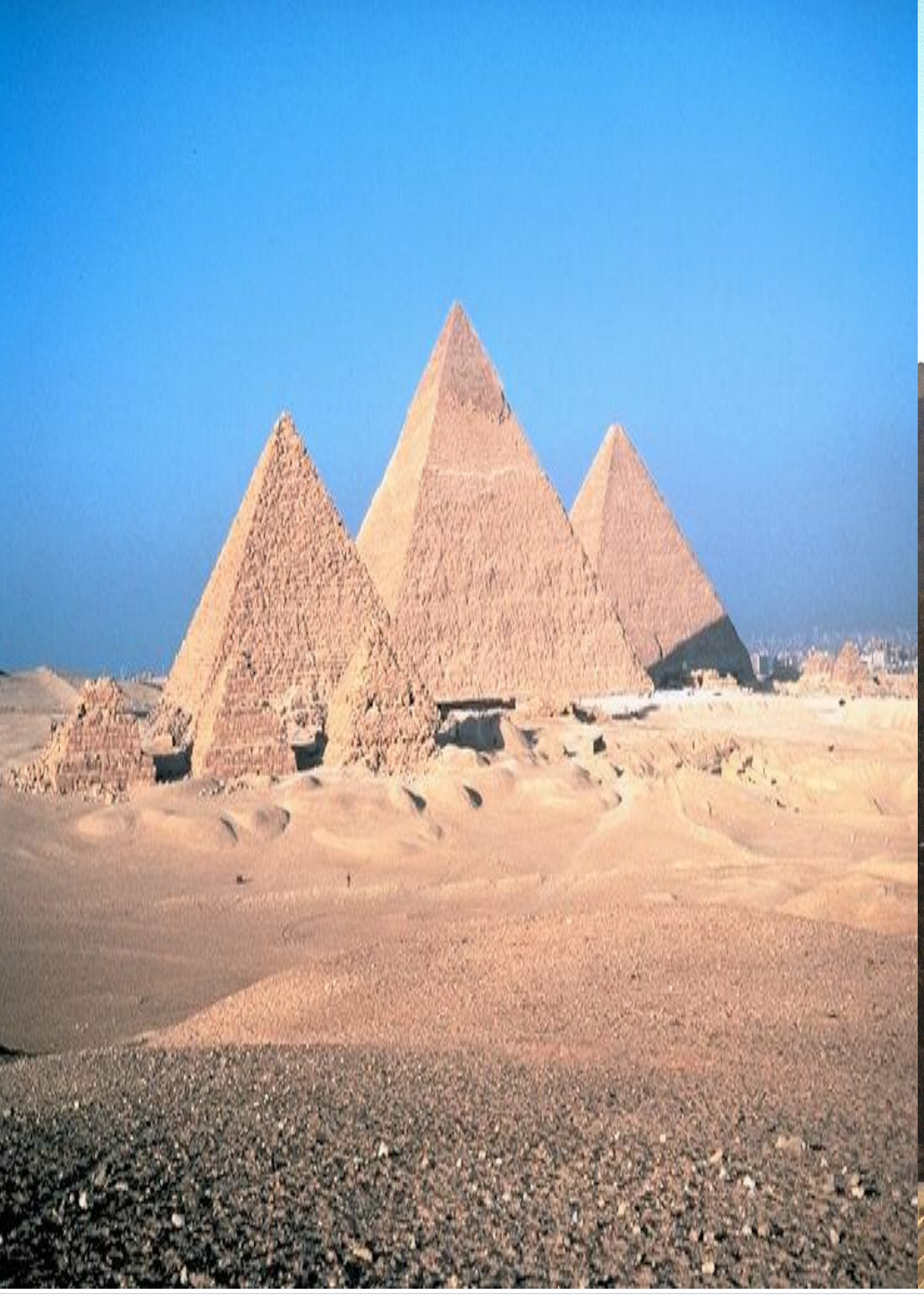
Thuyền trưởng Việt Nam vội vàng hô hào anh em lên đường may ra mới thoát bão
trong khi thuyền trưởng Malaysia quyết định chưa đi vội, chờ xác định được chính xác đường đi của bão rồi quyết định lên đường.

Sau 6 tiếng lênh đênh, thuyền Việt Nam gặp bão, thuỷ thủ phải đánh lộn với bão. Cuối cùng cũng tới được Kuala Lumpur mà không hề có tổn thất về người và tài sản nhưng ai cũng mệt nhoài.
Trong khi đó, thuyền của Malaysia do có sự tính toán kỹ nên trên đường không gặp bão, thuỷ thủ nghỉ ngơi thảnh thơi trên boong tàu và cũng chỉ tới muộn hơn nửa ngày.

Thủy thủ của Việt Nam kiểm soát được khủng hoảng, không để bị thiệt hại, đó là quản lý giỏi. Thế nhưng thuyền trưởng người Việt lại quản trị kém vô cùng do chọn sai việc nên trong bão táp đã gây nên vấn đề mà nhân viên phải quản lý một cách khó khăn. Sau khi đến nơi, thuỷ thủ ngủ 2 ngày 2 đêm vì quá mệt.
Ngược lại, tàu của Malaysia không gặp bão, thuỷ thủ không mất sức là do thuyền trưởng rất giỏi, chọn đúng việc, làm đúng việc và đúng thời điểm.

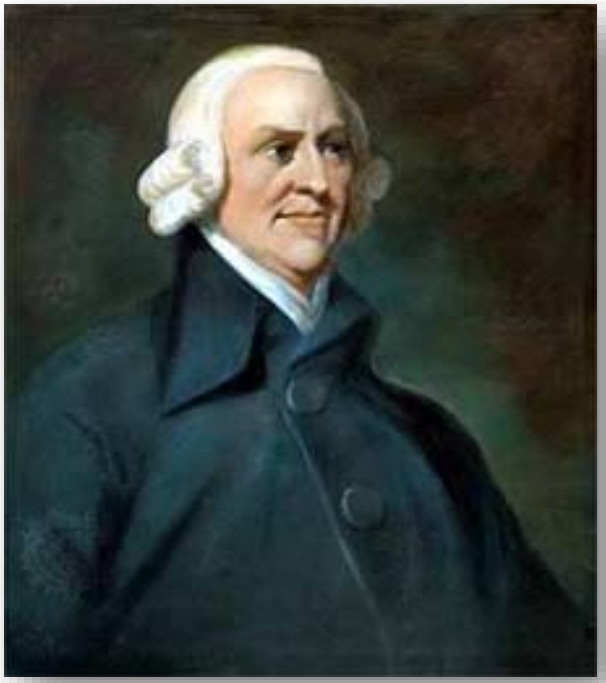
Người Malaysia chậm hiểu hơn mình nhiều lắm, giải thích tới 4 lần có khi có người cũng không hiểu trong khi người Việt nói nửa câu đã hiểu rồi nhưng hiểu xong lại lao đầu vào bão, đôi khi chỉ là muốn chứng tỏ rằng rất giỏi đấu tranh với bão”, ông Trường nói.
“Lấy ví dụ đó tôi mới thấy thương người Việt mình, vô cùng sắc sảo và giỏi nhưng lúc nào cũng hớt hải, vất vả trong khi người Malaysia nhẹ nhàng dù không chăm chỉ, là vì họ quản trị đúng”, ông nhận định thêm.

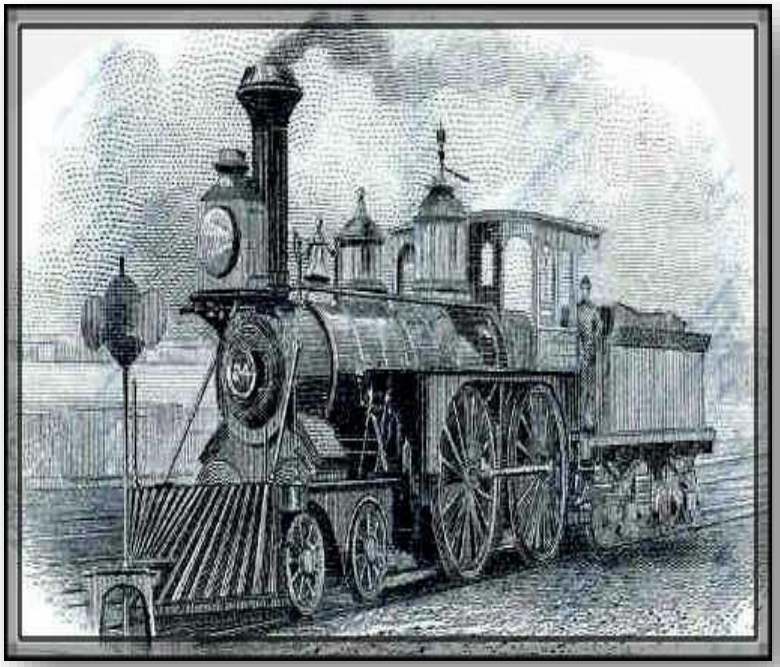
Theo ông Trường,
quản lý là làm tốt việc được giao
còn quản trị là làm đúng việc nhưng phải chọn đúng người, làm đúng thời điểm và địa điểm.
Tuy nhiên, rất khó để có thể quản trị tốt.
Nếu làm quản trị tốt, chọn đúng người, đúng việc, đúng thời điểm và địa điểm thì công ty vận hành trơn tru, nhân viên nhàn hạ. Trong khi đó, phần đông những công ty ông Trường quen biết đều có nhân viên làm việc rất vất vả, đấu đá nhau mọi nơi và toàn làm những việc không phải của mình.





- **Adam Smith, (1776) author of the classical economics doctrine, *The Wealth of Nations,* argued about the economic advantages that division of labor**
- **The Industrial Revolution: The introduction of machine powers, combined with the division of labor, made large, efficient factories possible. Planning, organizing, leading, and controlling became necessary.**
- **The development of management theories has been characterized by differing beliefs about what managers do and how they should do it.**





1.1. THE SOCIAL DIVISION OF LABOR

Eg: In order to finish a lesson

- **Learners**
- **Lecturer**
- **Infrastructure**
- **Other factors**



Co-operate individual activities with the overall aim of achieving common objectives efficiently

1.2. WHY DO WE NEED MANAGEMENT?

Due to work allocation and collaboration

Nowadays, management becomes more and more important:

- Randomness and other risk factors
- Resource exhaution because of increasing need.
- A good and creative management can make up for the shortage of resources and preferential natural conditions
- On the tendency of global economic integration, Vietnamese organizations need to improve managerial capacity, besides technology, labour…

2. DEFINTION AND PRINCIPLES OF MANAGEMENT

1) General definition of management

2) Definition of organizational management

3) Principles of management

2.1 General definition of management

Management is the cooperation between activities of individuals with the overall aim of achieving common objectives efficiently



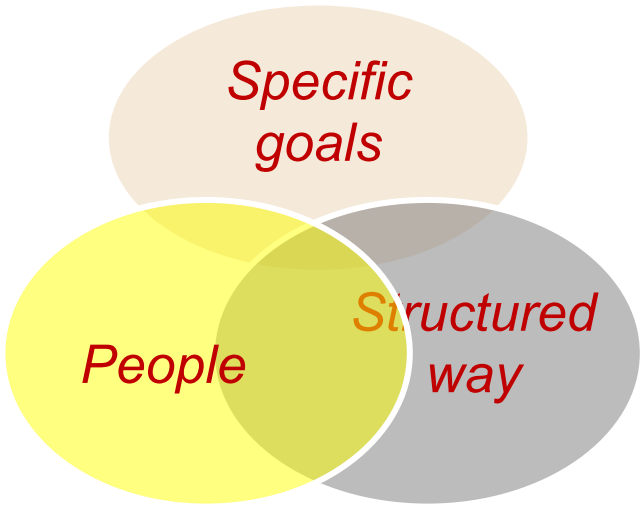
2.2 Definition of organizational management

2.2.1. An organization and its characteristics

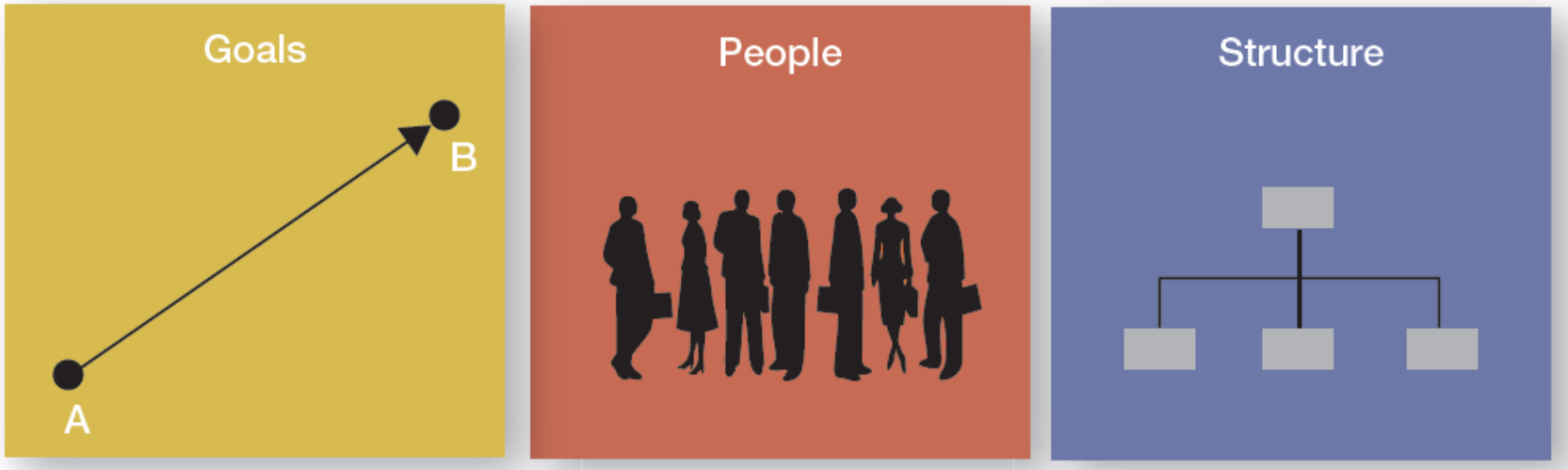
An organization could be defined as two or more people who work together in a structured way to achieve a specific goal or set of goals

Organizations' characteristics:

- People
- Specific goal/ set of goals
- Structured way



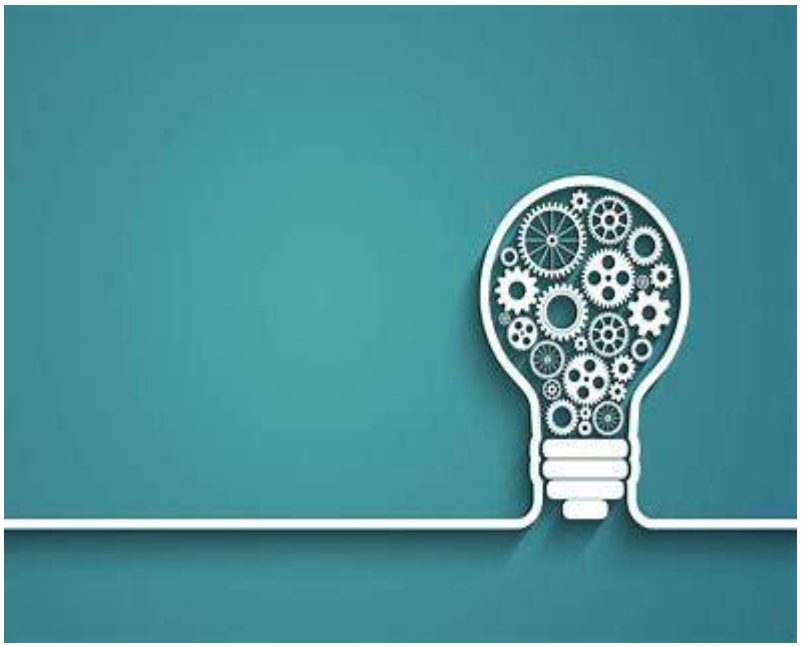
THREE CHARACTERISTICS OF ORGANIZATIONS



Copyright ©2017 Pearson Education, Inc.

2.2 Definition of organizational management

- **The systems approach to management**
- **The process approach to management**



2.2 Definition of organizational management

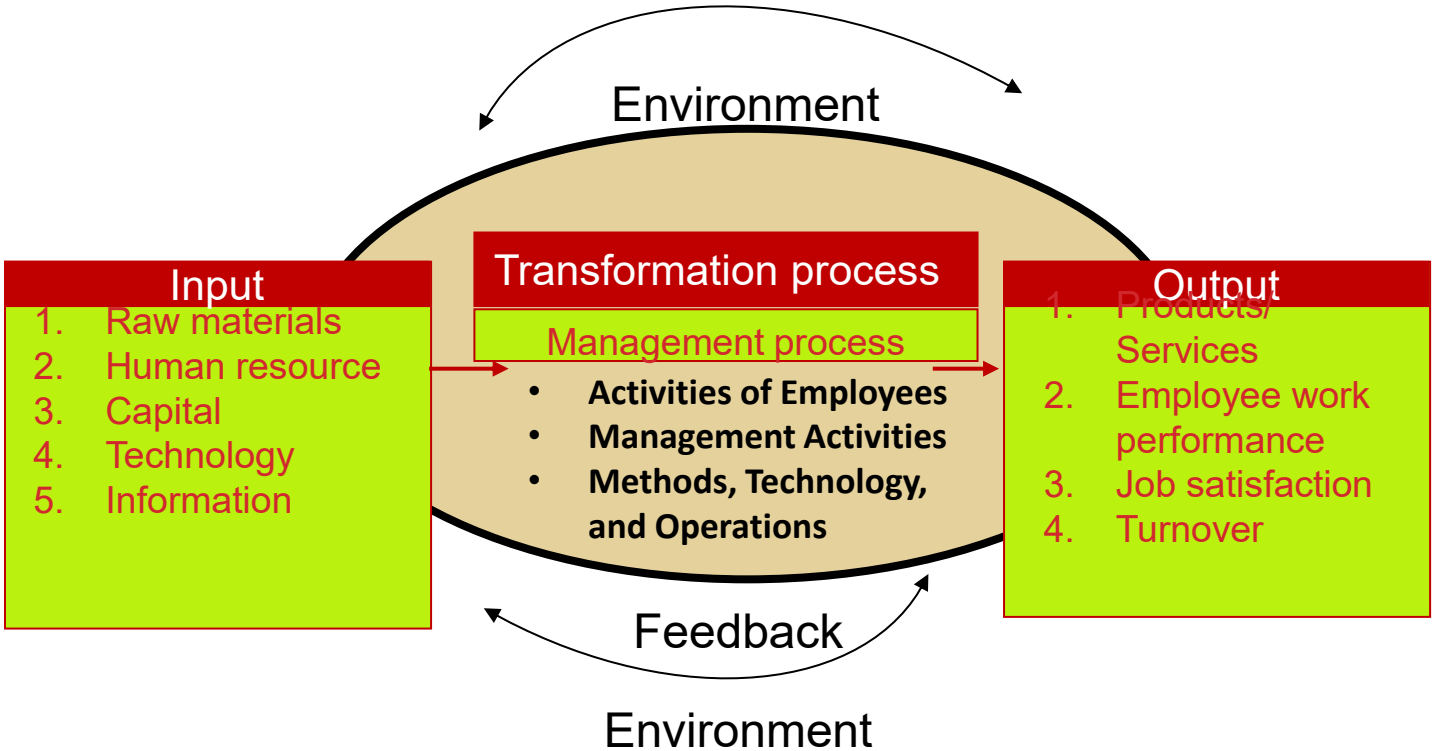
2.2.1. The systems approach to management

- **System is** a set of connected things or parts forming a complex whole
- **Closed system** is an isolated system that has no interaction with its external environment
- **Open system** is a system which continuously interacts with its environment or surroundings



2.2 Definition of organizational management

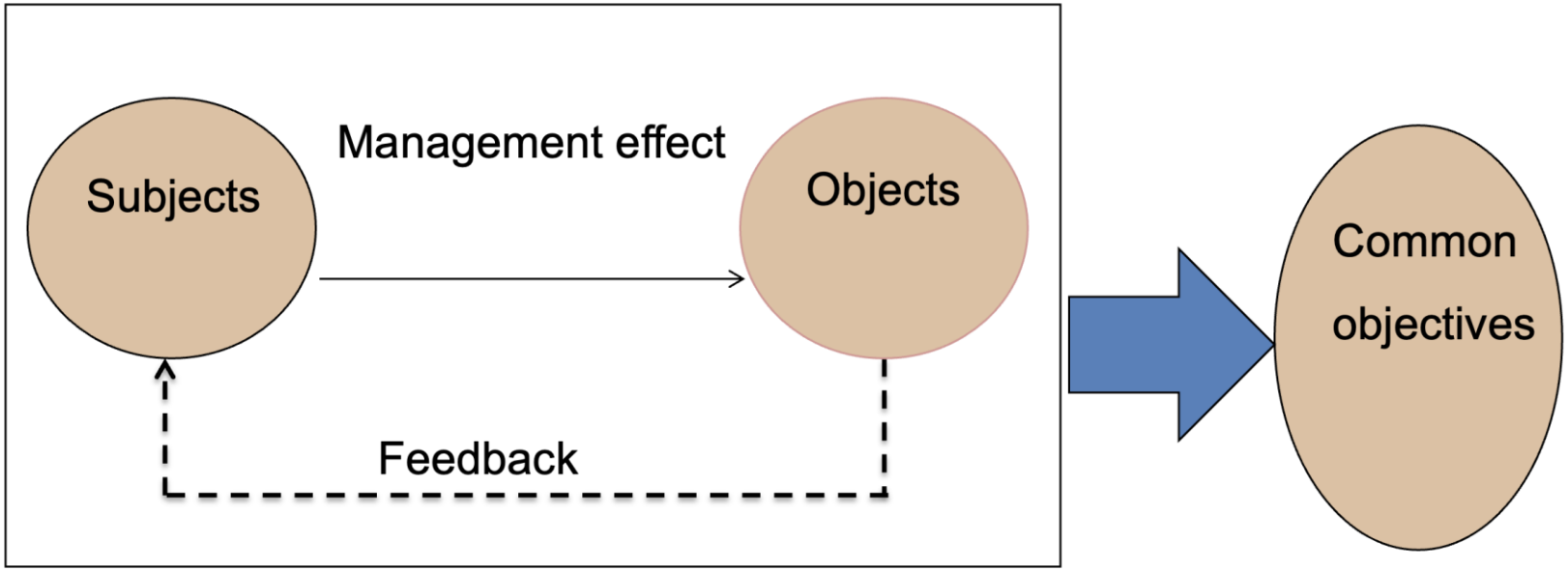
2.2.1. The systems approach to management



2.2 Definition of organizational management

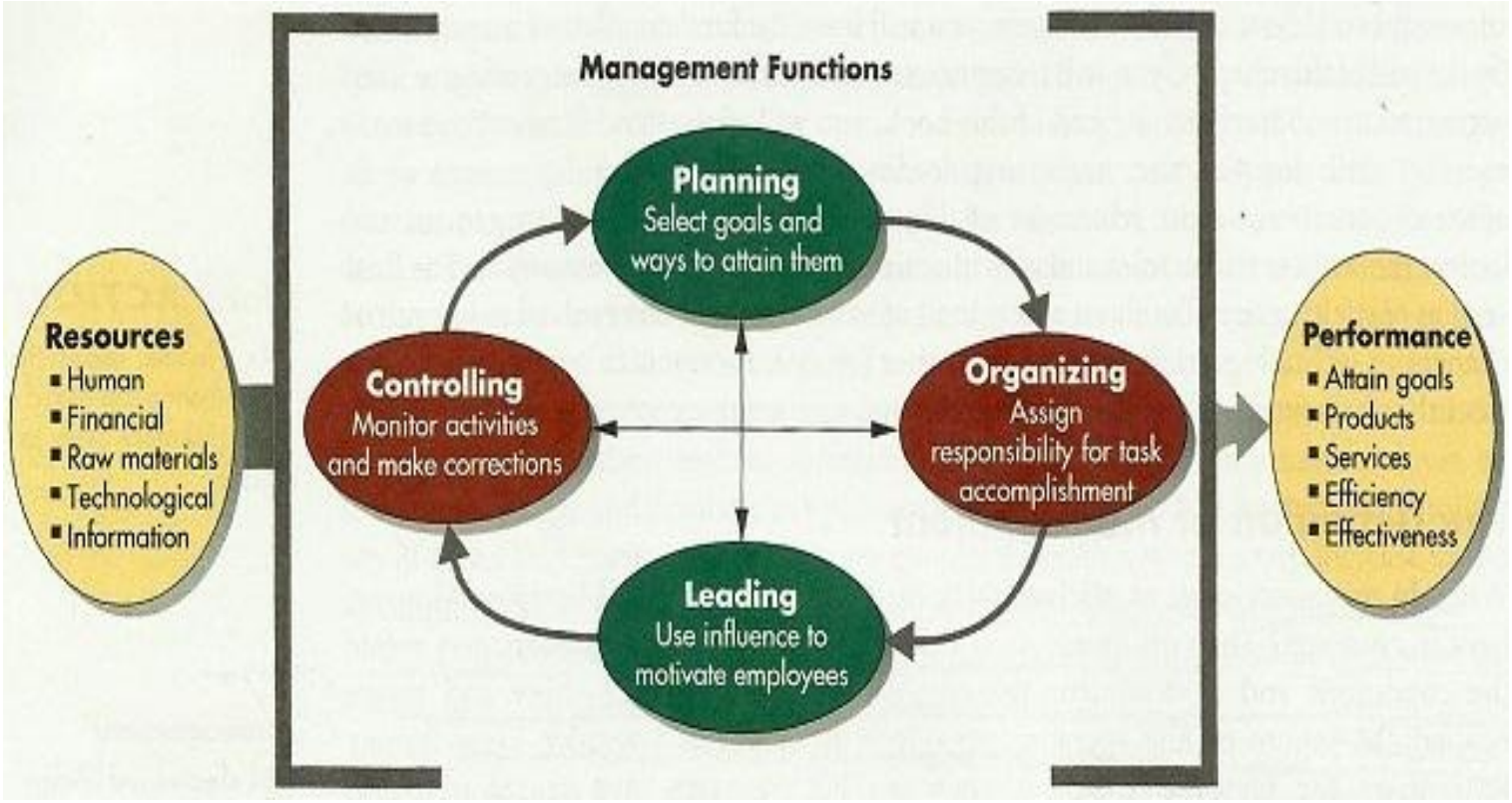
2.2.2. The process approach to management

It is defined as the intentional impact of subjects of management on objects of management with the overall aim of achieving common objectives efficiently



2.2 Definition of organizational management

2.2.2. The process approach to management



FOUR FUNCTIONS APPROACH

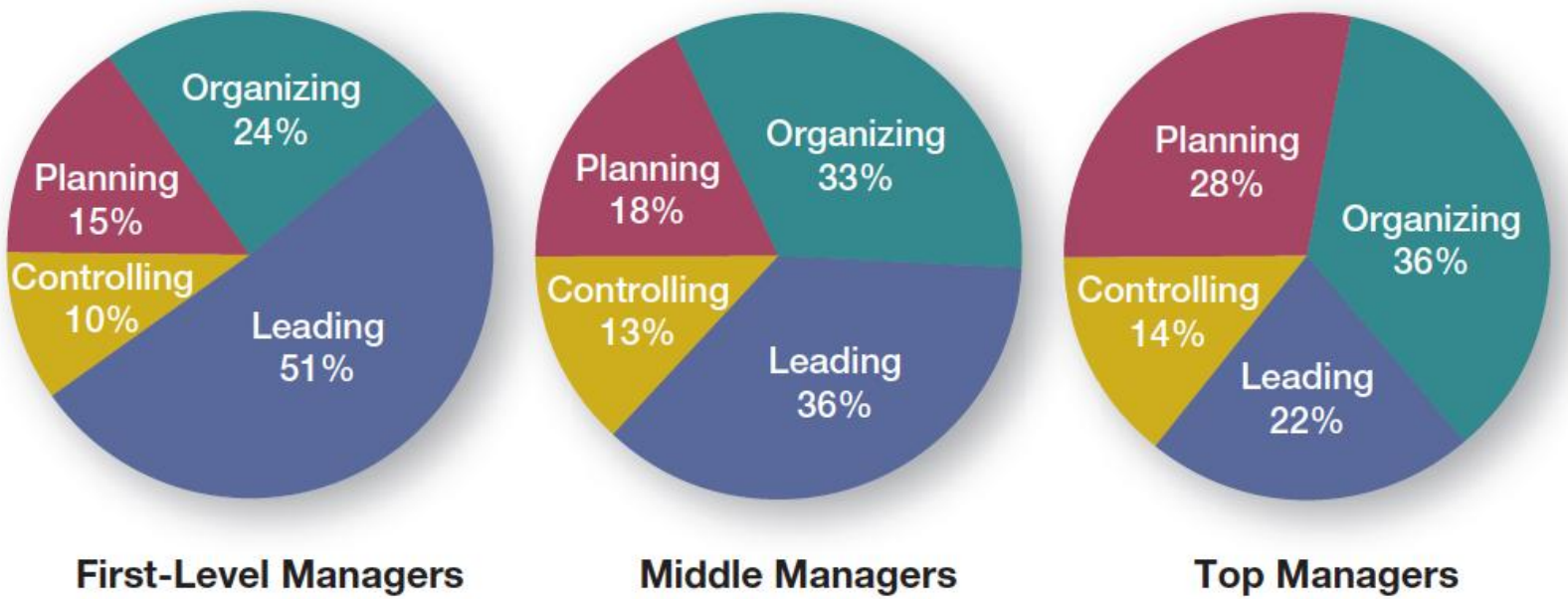
- Planning
- Organizing
- Leading
- Controlling



Copyright ©2017 Pearson Education, Inc.

IS THE MANAGER'S JOB UNIVERSAL?

1. Level in the Organization



Source: Based on T. A. Mahoney, T. H. Jerdee, and S. J. Carroll, "The Job(s) of Management," *Industrial Relations* 4, no. 2 (1965), p. 103.

2.2 Definition of organizational management

2.2.2. The process approach to management

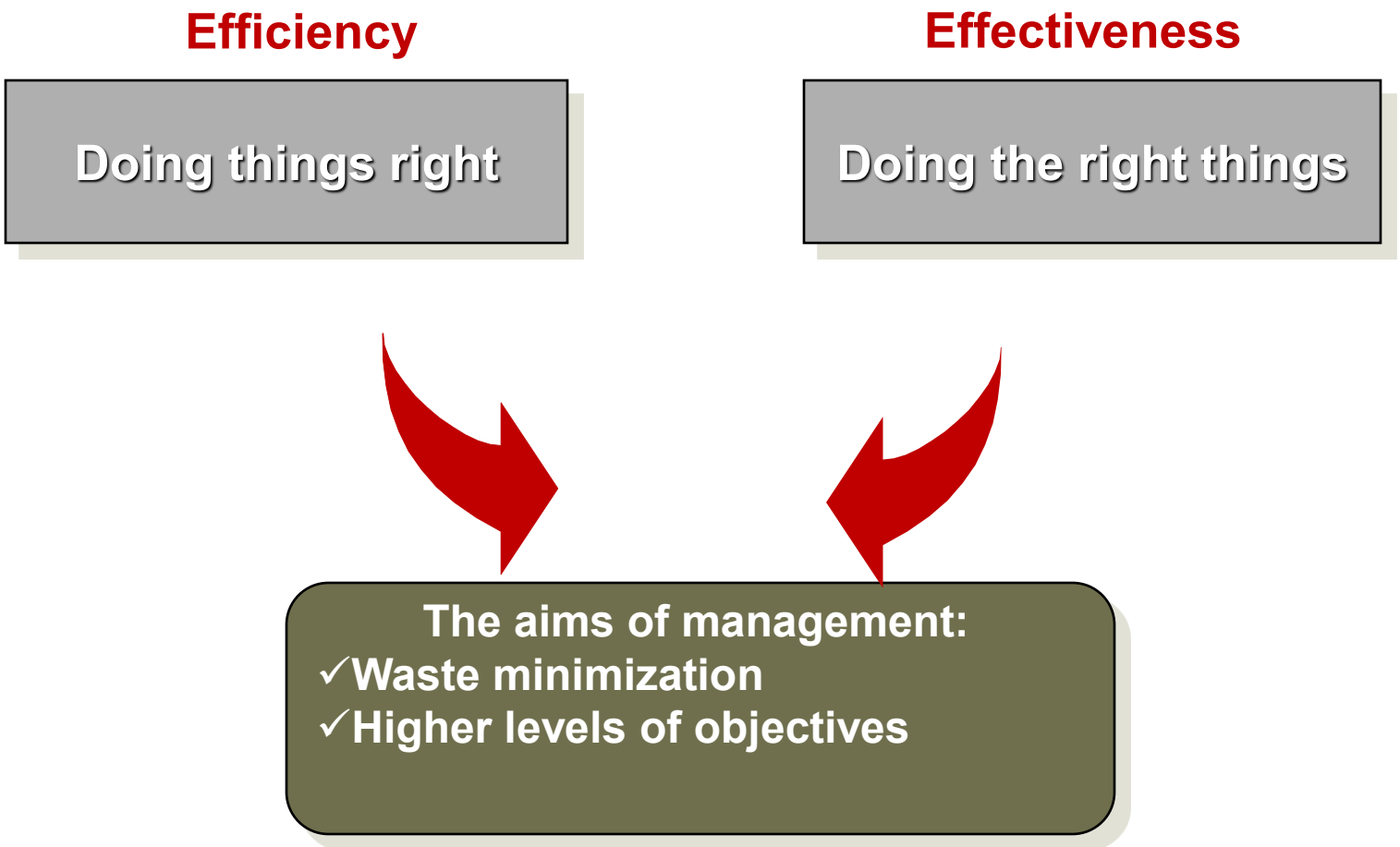


Mary Parker Follett: "Management is defined as "the art of getting things done through people"

Koontz & O' Donnel: "Management of an organization is the process of establishing objectives and goals of the organization periodically, designing the work system and the organization structure, and maintaining an environment in which individuals, working together in groups, accomplish their aims and objectives and goals of the organization effectively and efficiently"

James Stoner & Stephen Robbin: "Management is the process of planning, organizing, leading, and controlling the work of organization members and of using all available organizational resources to reach stated organizational goals".

2.2.4. EFFICIENCY AND EFFECTIVENESS

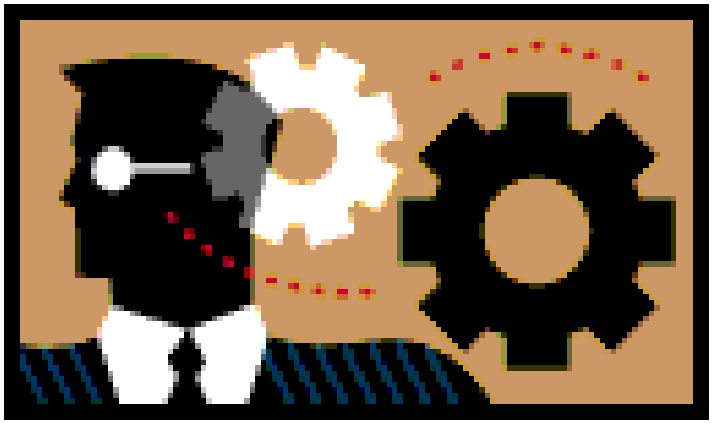


2.2 Definition of organizational management

2.2.3. The process approach to management

Bateman & Snell:

"Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively"



2.3. Principles of management

Henri Fayol's 14 Principles of Management.

1/ Division of work

2/Authority

3/Discipline

4/Unity of command

5/Unity of direction

6/Subordination of individual interest to general interest

7/Remuneration

8/Centralization

9/Scalar chain

10/Order

11/Equity

12/Stability of Tenure of Personnel

13/Initiative

14/Esprit de Corps

3. Definition of a manager, the managerial roles and skills

3.1. Definition of a manager

3.2. Levels of management

3.3. Managerial roles

3.4. Managerial skills



3.1. Definition of a manager

Who are managers?



Someone who works with and through other people by coordinating and integrating their work activities in order to accomplish organizational goals.

WHAT TITLES DO MANAGERS HAVE?

Top Managers

- Make decisions about the direction of an organization

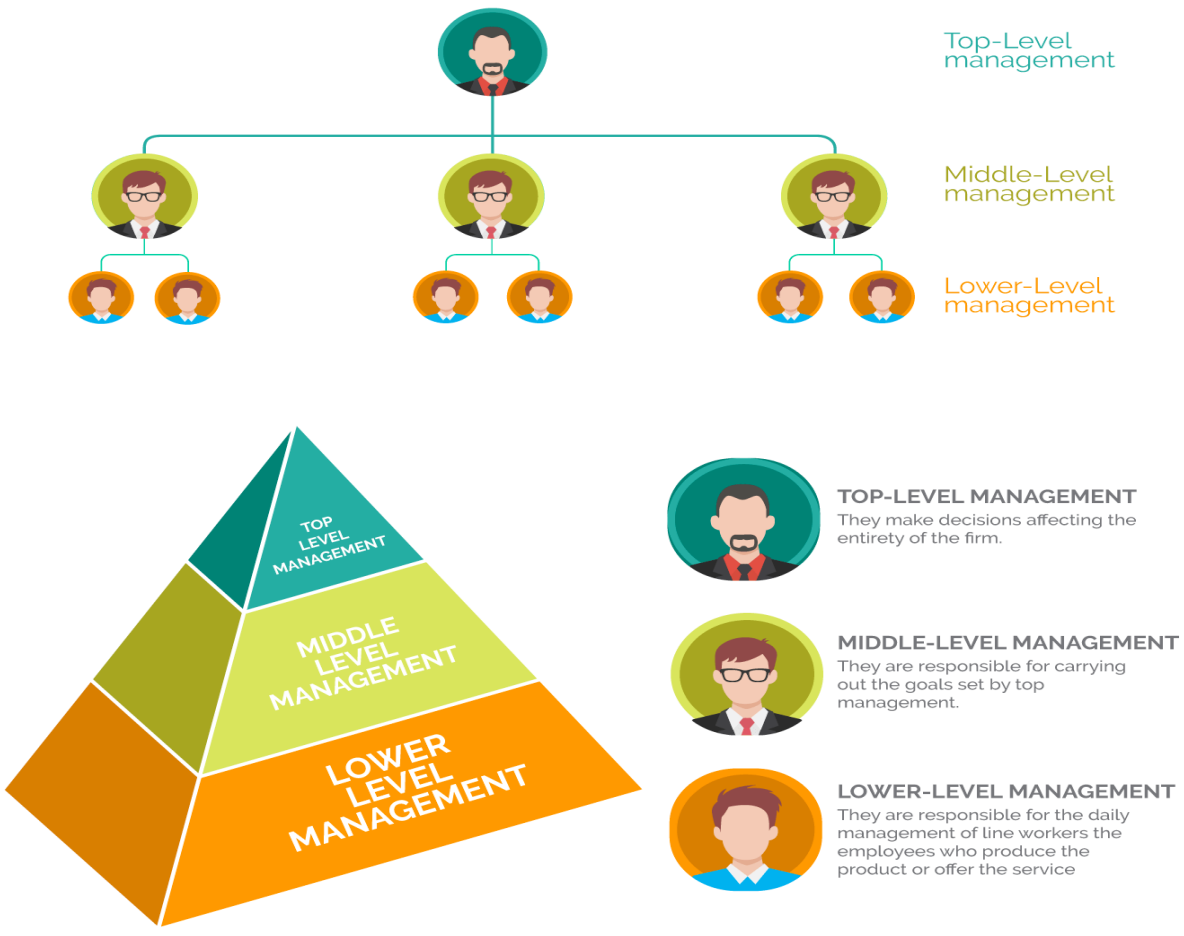
Middle Managers

- Manage other managers

First-line Managers

- Direct nonmanagerial employees

3.2. ORGANIZATIONAL HIERACHY



Troy University Resources

3.3. Managerial roles

Henry Mintzberg (1990):

Interpersonal Roles	• **Figurehead** • **Leader** • **Liaison**
Informational Roles	• **Monitor** • **Disseminator** • **Spokesperson**
Decisional Roles	• **Entrepreneur** • **Disturbance Handle** • **Resource Allocator** • **Negotiator**

3.3. Managerial roles

When to use?

- Write a job description
- Develop training
- Assess your own weaknesses

WHAT SKILLS DO MANAGERS NEED?

Conceptual Skills



Analyze and diagnose

Interpersonal Skills



Working well with others

Technical Skills



Possessing expert job knowledge

Political Skills



Political adeptness

Source: Simon/Fotolia

Copyright ©2017 Pearson Education, Inc.

4. ORGANIZATIONAL ENVIRONMENT

1)Definition of organizational environment

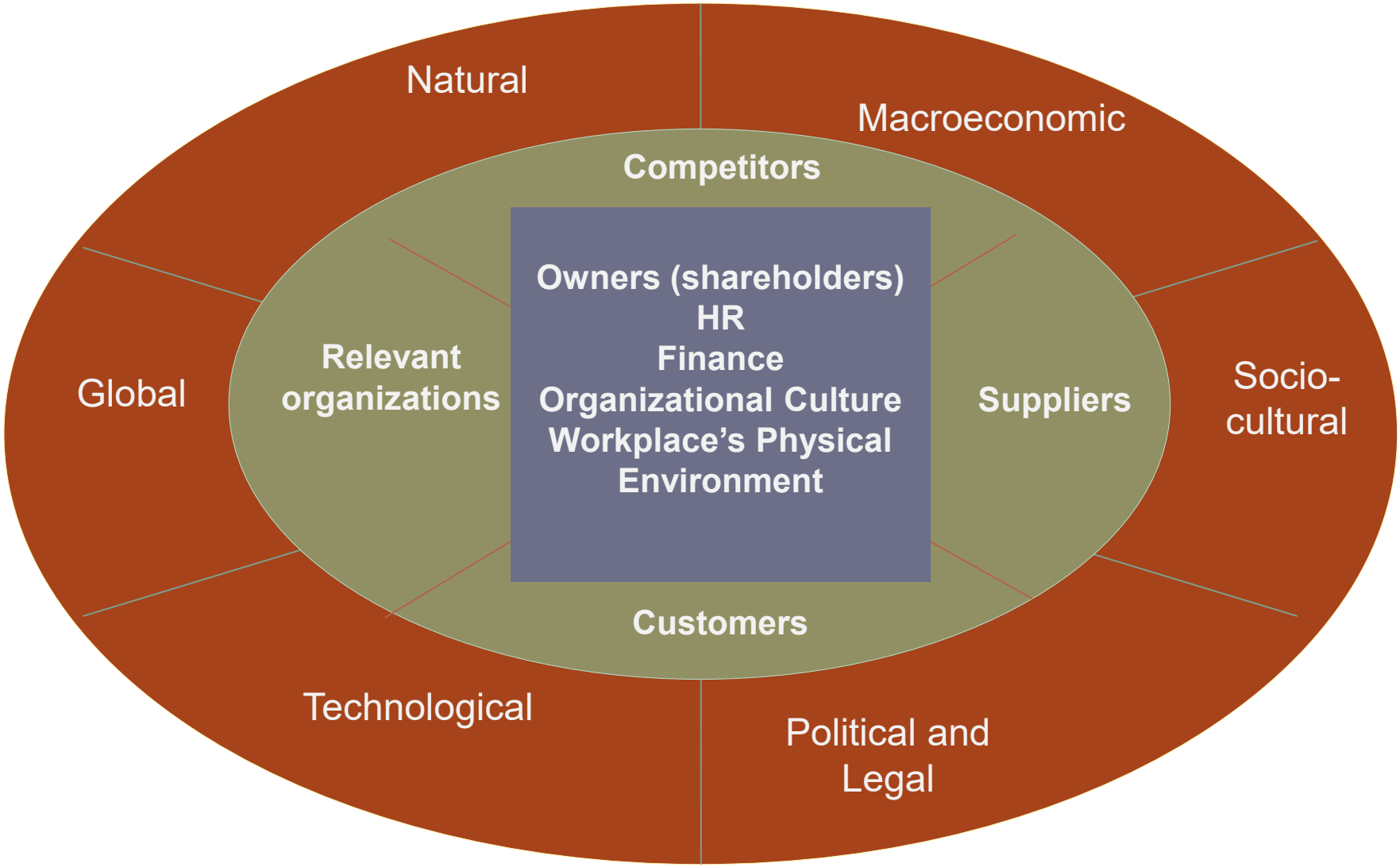
2) Classification of organizational environment

4. 1. Definition of organizational environment

An organization's environment is defined as all the factors and forces existing within and outside the organization that can directly or indirectly affect organizational performance& managerial decision-making.



4. 2. Classification of organizational environment



4. 2. Classification of organizational environment

Macro environmental factors

- Political and legal factors
- Macroeconomic factors
- *Socio -cultural factors*
- Technological factors
- Global factors
- Natural factors

4. 2. Classification of organizational environment

POLITICAL AND LEGAL FACTORS

- State policies

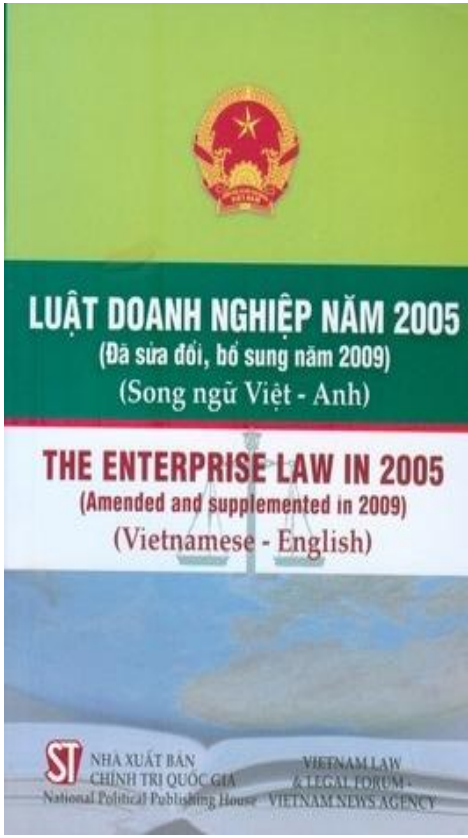
- Make it convenient for businesses and create equal opportunities for citizens to join business activities.
- Play an important role in economic regulation through fiscal policy, monetary policy, tax policy and national expenditure programs, etc.

-Political conditions

- Political stability is essential to create a favourable environment for organizations ; create a climate of confidence to welcome domestic and foreign investment.

- Legal system

- The legal system partially defines what members of a society must do and cannot do ; the legal basis of sanctions
- Codes, decrees, circulars and decisions , such as Labour code, Trade law, corporate law, Investment law, Law on export and import duties, environmental law…issued to regulate relevant activities.



4. 2. Classification of organizational environment

MACROECONOMIC FACTORS

GDP, GNP

Economic growth rate

Inflation rate

Unemployment rate

Exchange rate

Interest rate

Salary and Income

State Budget Deficit and Surplus

Balance of Payments (BoP)

Infrastructure systems

=> Opportunities and Threats



4. 2. Classification of organizational environment

SOCIO CULTURAL FACTORS

Population and demographics

National culture

Styles and Lifestyles

Religions



4. 2. Classification of organizational environment

TECHNOLOGICAL FACTORS

Technological **innovation results in increasingly *short technology &* product *life cycles.***

Changes in working methods due to boom in information and communications **technology (ICT) *revolution***



4. 2. Classification of organizational environment

GLOBAL FACTORS

- **The increasing economic integration of countries around the world.**
- **Managers have to work under the increasing pressure of global competition**



4. 2. Classification of organizational environment

NATURAL FACTORS

- The natural environment encompasses all living and non-living things occurring naturally on Earth or some region thereof.
- Abuse of natural resources results in serious environmental problems
- Managers need to have sense of environmental responsibility



4. 2. Classification of organizational environment

Micro environmental factors

1) External microenvironment
2) Internal microenvironment

4. 2. Classification of organizational environment

External microenvironment

- Customers
- Suppliers
- Competitors
- Partners
- Relevant organizations

4. 2. Classification of organizational environment

CUSTOMERS

- Customers are individuals/ groups that buy goods/services produced by an organization.
- Customers tend to change needs and tastes; switch brands due to goods/services diversification
- The bargaining *power* of *customers depends on the ratio of volume of purchased goods/services to total amount of goods/services that organization put up for sale;* availability of existing substitute products, cost of storage, etc.

4. 2. Classification of organizational environment

SUPPLIERS

- Suppliers: are the organizations/individuals providing the input resources that an organization needs to produce goods and services
- The input resources include: raw materials, equipment, labour, capital, information, etc.
- The bargaining *power* of *suppliers depends on degree of importance of inputs; supplier competition; d*egree of differentiation of inputs
- It is supposed to choose stable and reliable supply or diversify suppliers

4. 2. Classification of organizational environment

COMPETITORS

- **Competitors** : are organizations / individuals that have the ability to satisfy target customers‘ needs by offering the similar products/services or substitutes .
- **Direct competitors**: are organizations / individuals that offer products and services that are functionally the same
  - Managers need to identify competitors‘ strengths, weaknesses; forecast their actions and respones to changes
- **Potential competitors (potential entrants)**
  - Managers need to estimate the threat of new entrants in future.
  - Some advantages that help in creating entry barriers: economies of scale, product/service diversification, capital, distribution agreement, cost price...
- **Substitutes**
  - Virtually result from advances in technology
  - Adoption of advanced technology and concentration in R&D help improve competitive advantage.

4. 2. Classification of organizational environment

PARTNERS

- Many organizations choose cooperative strategy to develop together
- Cooperative forms: joint- venture; business cooperation contract…in order to take advantage of mutual strengths, share risk, expand into a new market, etc.





4. 2. Classification of organizational environment

RELEVANT ORGANIZATIONS

-Relevant organizations are entities that have the ability to control or influence organizational activities.

- Government agencies: keep control on relevant activities of organizations

- Pressure groups: organized by their members to attempt to influence organizations indirectly . However, they have no official power, but use the media to call attention to their positions

PRESSURE

4. 2. Classification of organizational environment

Internal microenvironment

- Owners (shareholders)
- Humman resources
- Finance
- Organizational culture
- Workplace’s Physical environment
- Other internal factors

4. 2. Classification of organizational environment

OWNERS (SHAREHOLDERS)



- Owners are individuals /organizations have partial or total ownership of an organization (with the legal protection)
- Managers have responsibility for informing owners sufficiently and exactly about the utilization of organizational resources and its performance.
- Information rights help owners (shareholders) make sound investment decisions.

4. 2. Classification of organizational environment

HUMAN RESOURCES

-**Managers (at all levels):**

- Technical skills, human skills, conceptual skills
- Professional ethics
- Managerial performance

-**Employees (operatives):**

- Besides similar criteria (mentioned above), organizations attach increasing importance to training and incentives

4. 2. Classification of organizational environment

FINANCE

- Consist of sources of funds and capacity to mobilize funds; fund utilization and allocation; cost control capacity; financial relation between relevant parties, etc.
- The basis of future investment, materials purchase, employee payments, etc.



4. 2. Classification of organizational environment

ORGANIZATIONAL CULTURE

- A set of values, beliefs, behaviors, customs and traditions that affect organizational activities, feeling, thinking and behaviors of all members in pursuing organizational goals.
- Managers need to comprehend organizational culture to co-ordinate with others.

4. 2. Classification of organizational environment

WORKPLACE'S PHYSICAL ENVIRONMENT

-Consist of working spaces, working conditions, etc.

-A tendency towards "Open" working space → facilitate efficient teamwork.

4. 2. Classification of organizational environment

OTHER INTERNAL FACTORS

- Production operations management:

  2 main functions:

  - Design production system
  - Operate production system

-Research and development (R&D)

- Product R&D
- Process R&D

-Other factors: Marketing , infrastructure, information system, organizational structure, etc.

HANOI UNIVERSITY OF SCIENCE AND TECHNOLOGY

