

5. Management and Leadership

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Outline of the chapter

- management
- functions of management
- How management differs from leadership?



Management



Management

- At one time managers were called “bosses” and **their job consisted of telling people what to do**, watching over them to be sure they did it, and reprimanding those who didn’t.
- Many managers **still behave that way**.
- Some managers tend to be **more progressive**:

1. emphasize teams

2. team building

3. change the def. of work from a task you do for a specified period in a specific place to sg. you do anywhere, anytime

4. tend to guide, train, support, motivate and coach employees, rather than tell them what to do

5. emphasize teamwork and cooperation rather than discipline and order giving





The people entering management today are different from those who entered in the past:

1. tend to be younger
2. more of them are female
3. fewer of them educated at elite universities

Management demand a new kind of person:

1. skilled communicator
2. team player
3. well planner, organizer, motivator and leader
4. more globally prepared
5. adaptability skills
6. foreign languages skills
7. ease in other cultures



Management

- **Def: Management** is the process used to accomplish organizational goals through planning, organizing, leading, and controlling people and other organizational resources.



What managers do

Planning

- Setting organizational goals.
- Developing strategies to reach those goals.
- Determining resources needed.
- Setting precise standards.

Organizing

- Allocating resources, assigning tasks, and establishing procedures for accomplishing goals.
- Preparing a structure (organization chart) showing lines of authority and responsibility.
- Recruiting, selecting, training, and developing employees.
- Placing employees where they'll be most effective.

Leading

- Guiding and motivating employees to work effectively to accomplish organizational goals and objectives.
- Giving assignments.
- Explaining routines.
- Clarifying policies.
- Providing feedback on performance.

Controlling

- Measuring results against corporate objectives.
- Monitoring performance relative to standards.
- Rewarding outstanding performance.
- Taking corrective action when necessary.

What managers do

Some modern managers perform all of these tasks with the **full cooperation and participation of workers**. Empowering employees means **allowing them to participate more fully in decision making**.



Def: Planning a management function that includes anticipating trends and determining the best strategies and tactics to achieve organizational goals and objectives.

One of the major objectives of organizations is to **please customers.**

Trend today is to have **planning team:**

- 1. help monitor the environment**
- 2. find business opportunities**
- 3. watch for challenges**

A GOAL
WITHOUT A
PLAN IS JUST
A DREAM.

-dave ramsey



Def: Organizing a management function that includes *designing the structure of the organization and creating conditions and systems* in which everyone and everything work together to achieve the organization's goals and objectives.

Many of today's organizations are being designed around **pleasing the customer at a profit.**

They must remain **flexible** and **adaptable**, because when **customer needs change, firms must change with them.**





Def: Leading: Creating a vision for the organization and guiding, training, coaching, and motivating others to work effectively to achieve the organization's goals and objectives.

The trend is to **empower employees, giving them as much freedom as possible to become *self-directed* and *self-motivated*.**



- Managers **no longer tell people what to do** because knowledge workers and others often know how to do their jobs better than the managers does.
- Still necessary to **keep employees focused** on the right tasks at the right time.



Def: Controlling: a management function that involves **establishing clear standards** to determine *whether or not an organization is progressing towards its goals and objectives*, **rewarding people for doing a good job and taking corrective action if they are not.**

It means **measuring** whether what actually occurs **meets the organization's goals.**



Planning and decision making



Planning, the first managerial function, is setting the organization's **vision (incl. its mission statement)**, goals, and objectives.

Vision is more than a goal; it's a broad explanation of why the organization exists and where it's trying to go.

Mission statement: an outline of the fundamental purposes of an organization.

- 1.The org.'s self-concept.
- 2.Its philosophy.
- 3.Long-term survival.
- 4.Customer needs.
- 5.Social responsibility.
- 6.Nature of the product or service.

MISSION
POSSIBLE



Goals vs. objectives



Goals are the broad, long-term accomplishments an organization wishes to attain.

Objectives: specific, short-term statements detailing **how to** achieve the organization's goals.

SWOT analysis: a planning tool used to analyze an organization's strengths, weaknesses, opportunities and threats.

	Helpful	Harmful
Internal	Strengths S	Weaknesses W
External	Opportunities O	Threats T



Decision Making: Finding the Best Alternative

Decision making: Choosing among two or more alternatives.

The rational decision making model

(7 Ds of decision making):

1. Define the situation.
2. Describe and collect needed information.
3. Develop alternatives.
4. Develop agreement among those involved.
5. Decide which alternative is best.
6. Do what is indicated (begin implementation).
7. Determine whether the decision was a good one, and follow up.





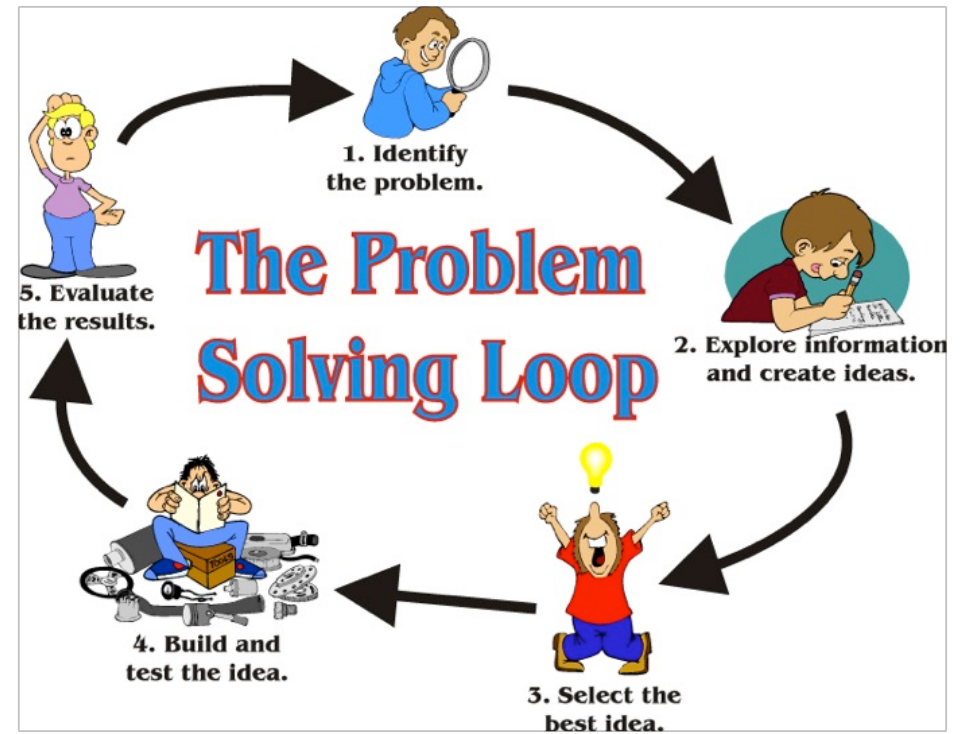
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Problem solving

The process of solving the everyday problems that occur. Problem solving is **less formal** than decision making and usually calls for **quicker action**.

Brainstorming: Coming up with as many solutions to a problem as possible in a short period of time no censoring of ideas.

PMI: Listing all the **Pluses** for a solution in one column, all the **Minuses** in another, and the **Implications** in a third.



Skills needed at various levels of management



Manager vs. leader

Manager: plans, organizes, and controls functions within an organization.

Leader: has vision and inspires others to grasp that vision, establishes corporate values, emphasizes corporate ethics, and doesn't fear change.

