

Management Roles, Functions, and Skills



Learning objectives

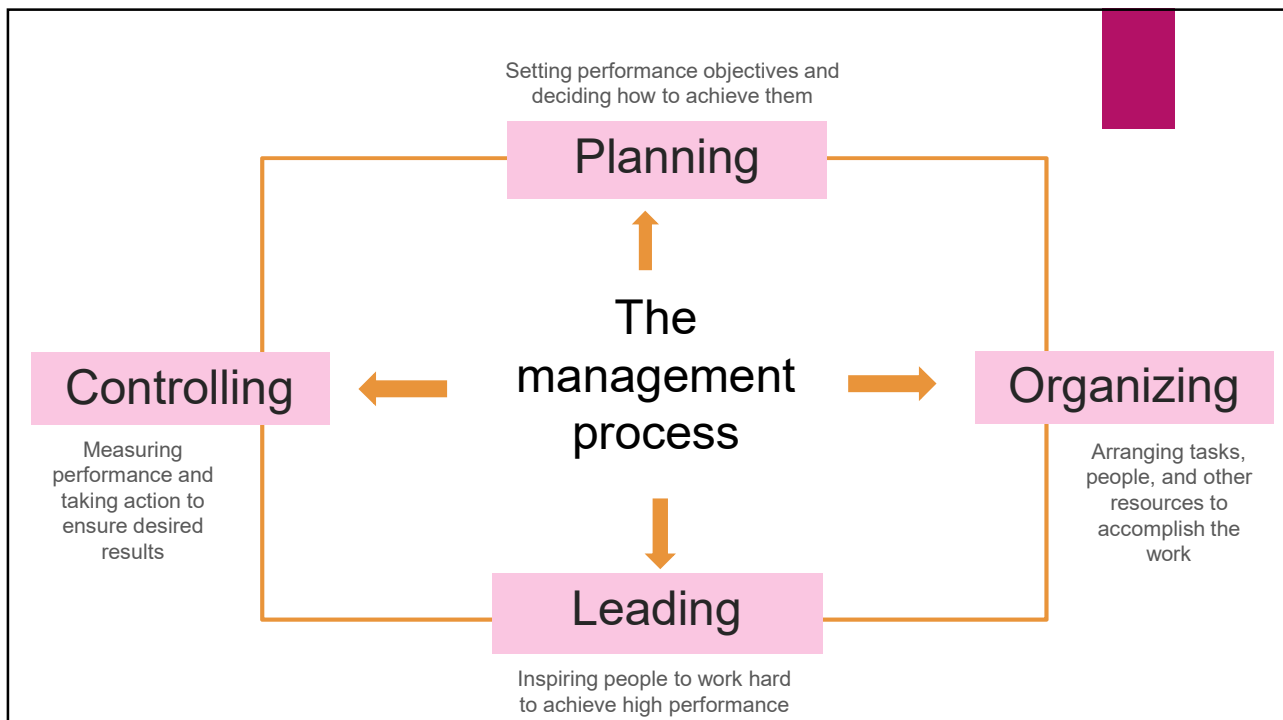
1. Explain the importance of management, and identify the three vital management roles.
2. Describe the planning function, and outline the strategic planning process.
3. Describe the organizing function, and differentiate among top, middle, and first-line management.
4. Describe the leading function, leadership style, and organizational culture.
5. Describe the controlling function, and explain the four steps in the control cycle.
6. Identify and explain four important types of managerial skills.

Management

The process of planning, organizing, leading, and controlling to meet organizational goals

 Mintzberg's Managerial Roles		
Interpersonal Roles	Informational Roles	Decision Roles
Figurehead - ceremonial duties	Monitor - scans environment for information	Entrepreneur - continually seeking to improve unit
Leader - responsible for unit - motivates and encourages others	- quizzes liaison contacts	Disturbance Handler - must respond to outside disturbances
Liaison - contacts outside vertical chain of command	Disseminator - passes information to subordinates	Resource Allocator - ensures interrelation of important decisions
	Spokesperson - provides those outside organisation with information	Negotiator - commits resources

Does it sound familiar?



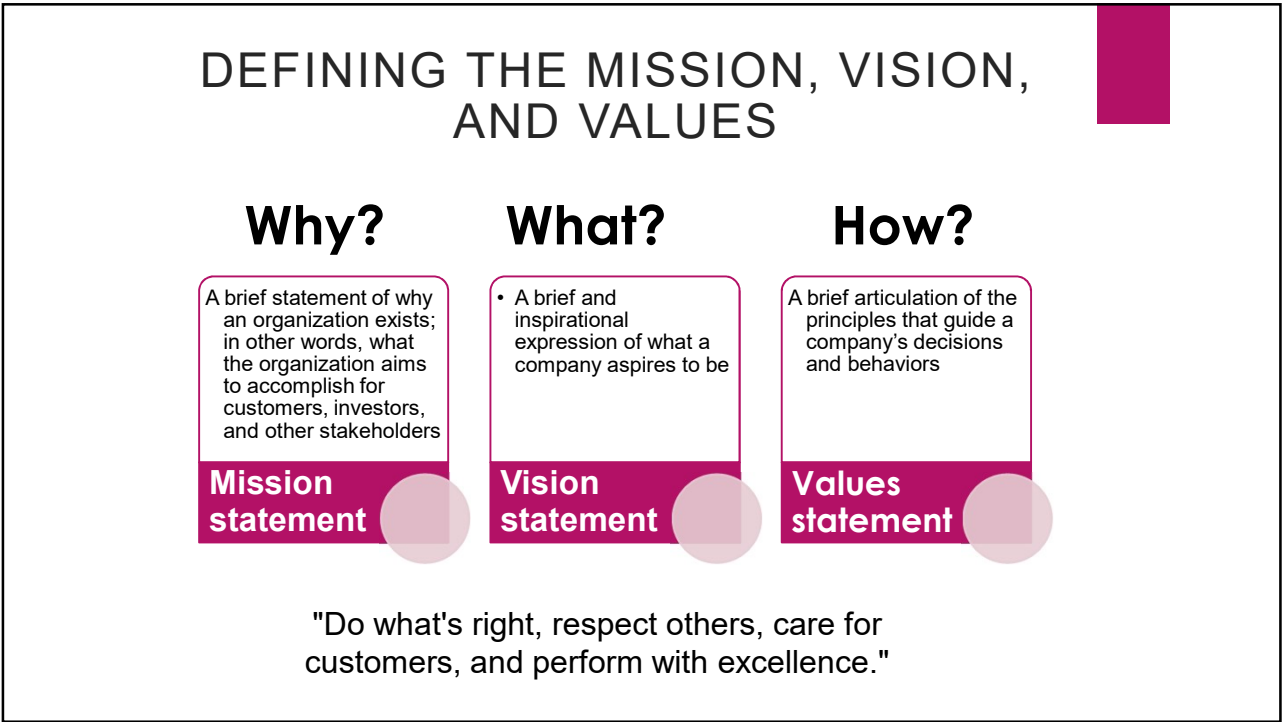
The Planning Function

► Planning

- Establishing objectives and goals for an organization and determining the best ways to accomplish them

► Strategic plans

- Plans that establish the actions and the resource allocation required to accomplish strategic goals
- Usually defined for periods of two to five years and developed by top managers



Mission Statement

Organize the world's information and make it universally accessible and useful

Vision Statement

To provide access to the world's information in one click

Values

- Great isn't good enough.
- Focus on the user, all else will follow.
- It's best to do one thing really well.
- Fast is better than slow.
- Democracy on the web works.
- You can make money without doing evil.
- There's always more information.
- The need for information crosses all bor
- You can be serious without a suit.
- You don't need to be at your desk



Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.



The ultimate ice cream experience.



To make people happy.



Our vision is to create a better everyday life for many people.



To accelerate the world's transition to sustainable energy.



To create a better everyday life for many people.



Humbleness and willpower

We respect each other, our customers and our suppliers. Using our willpower means we get things done.



Togetherness and enthusiasm

Together, we have the power to solve seemingly unsolvable problems. We do it all the time.



Leadership by example

Our managers try to set a good example, and expect the same of IKEA co-workers.



Cost-consciousness

Low prices are impossible without low costs, so we proudly achieve good results with small resources.



Daring to be different

We question old solutions and, if we have a better idea, we are willing to change.



Constant desire for renewal

Change is good. We know that adapting to customer demands with innovative solutions saves money and contributes to a better everyday life at home.

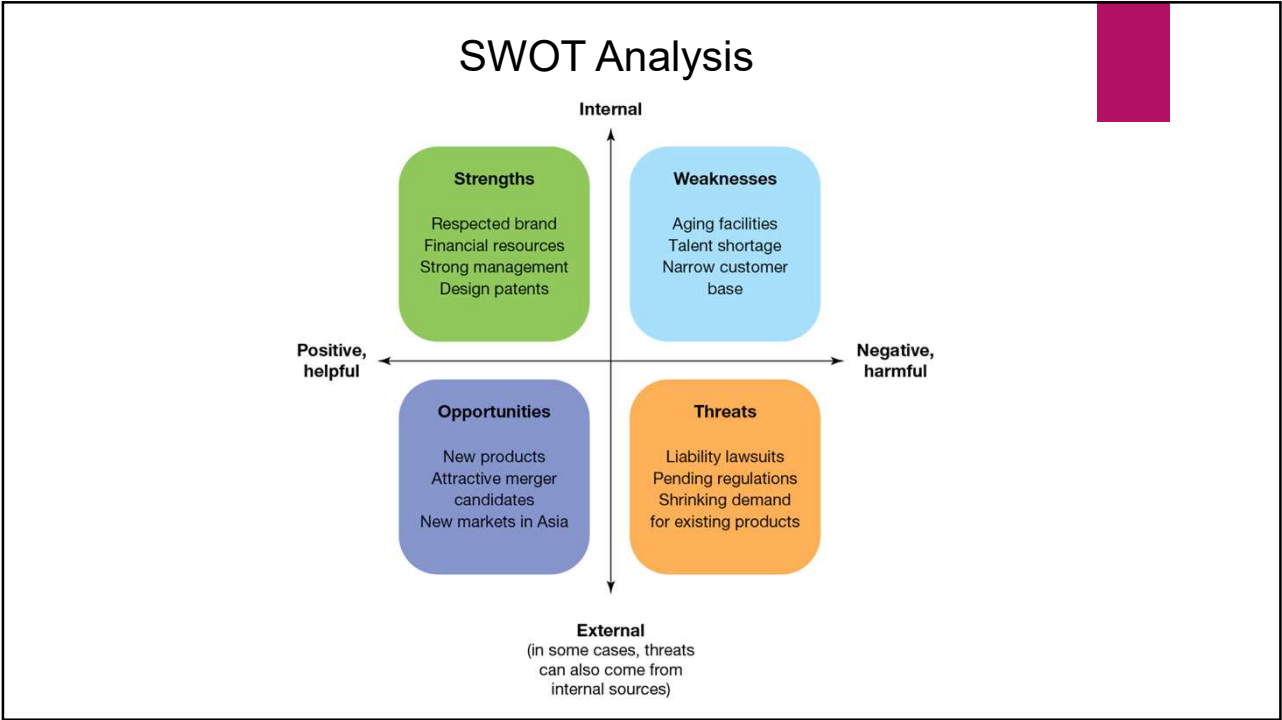


Accept and delegate responsibility

We promote co-workers with potential and stimulate them to surpass their expectations. Sure, people make mistakes. But they learn from them!

MISSION:

Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.



DEVELOPING FORECASTS

Quantitative forecasts

- Typically based on historical data or tests and often involve complex statistical computations

Qualitative forecasts

- Based on intuitive judgments

ESTABLISHING GOALS AND OBJECTIVES

- **Goal**

- A broad, long-range target or aim

Example: grow profitability,

maximize net income,

improve customer loyalty

- **Objective**

- A specific, short-range target or aim

“introduce 2 new products by 2020 Q3.”

increase revenue by 30% in 2020

reduce overhead costs by 50% by 2021

Establishing Goals and Objectives (cont.)

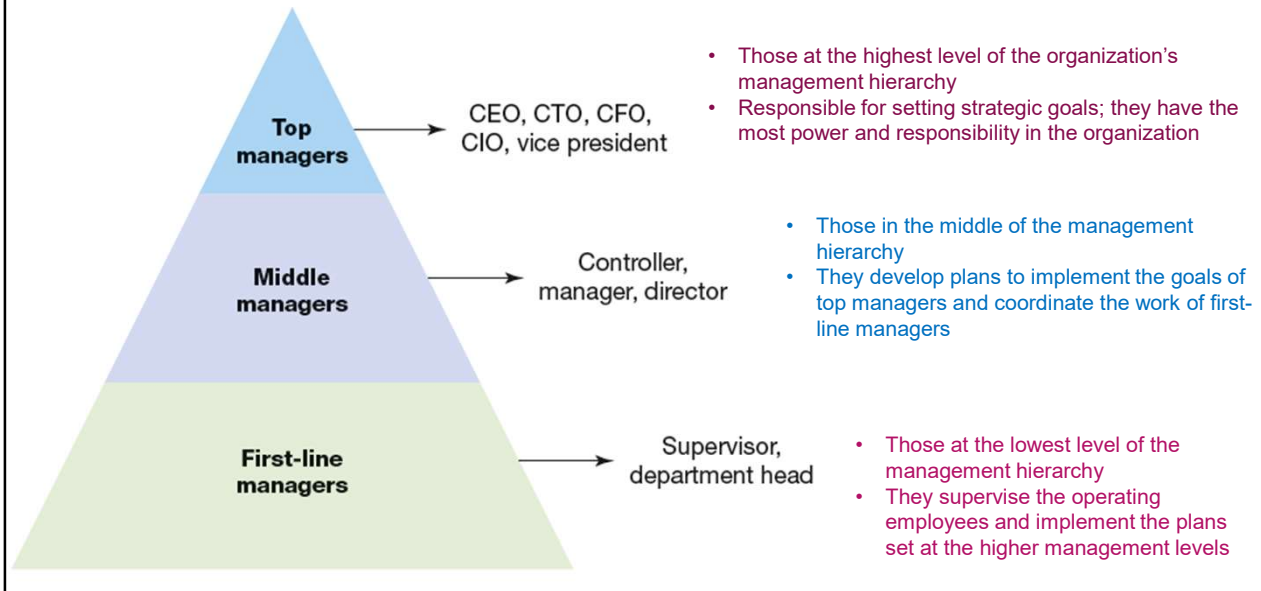


reduce overhead costs by 50% by 2021

THE ORGANIZING FUNCTION

- **Organizing**
 - The process of arranging resources to carry out the organization's plans
- **Management pyramid**
 - An organizational structure divided into top, middle, and first-line management

The Management Pyramid



THE LEADING FUNCTION

- **Leading**
 - The process of guiding and motivating people to work toward organizational goals

THE LEADING FUNCTION (CONT.)

Involves reasoning, problem solving, memorization, and other rational skills

Cognitive intelligence

Measure of a person's awareness of and ability to manage his or her own emotions

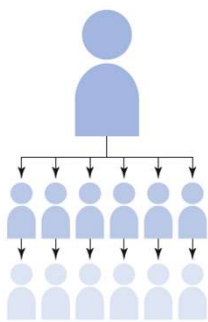
Emotional intelligence

Social intelligence

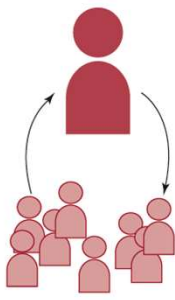
Involves looking outward to understand the dynamics of social situations and the emotions of other people, in addition to your own



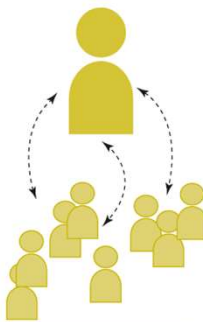
Leadership Styles



Autocratic leadership:
Manager makes the decisions and issues directives down the chain of command; subordinates have little or no freedom to make decisions, deviate from plans, or provide contrary input.



Democratic leadership:
Manager shares decision-making authority, seeking input and inviting subordinates to participate in a coordinated planning process; group can encourage a change of course if needed.



Laissez-faire leadership:
Manager acts as advisor and supporter, offering input when asked but generally letting subordinates chart and adjust their own course toward meeting agreed-upon goals and objectives.

LEADERSHIP STYLES

Autocratic leaders

- Leaders who do not involve others in decision making

Democratic leaders

- Leaders who delegate authority and involve employees in decision making

Laissez-faire leaders

- Leaders who leave most decisions up to employees, particularly those concerning day-to-day matters

LEADERSHIP STYLES (CONT.)

Participative management

- A philosophy of allowing employees to take part in planning and decision making

Employee empowerment

- Granting decision-making and problem-solving authorities to employees so they can act without getting approval from management

COACHING AND MENTORING

Coaching (aims at employee empowerment)

- Helping employees reach their highest potential by meeting with them, discussing problems that hinder their ability to work effectively, and offering suggestions and encouragement to overcome these problems

Mentoring (long-term relationship between seniors and juniors)

- A process in which experienced managers guide less-experienced colleagues in the nuances of office politics, serving as a role model for appropriate business behavior, and helping to negotiate the corporate structure

MANAGING CHANGE

1. Identify **everything** that needs to change.
2. Identify the forces acting for and against a change.
3. Choose the approach **best suited** to the situation.
4. Reinforce changed behavior and monitor continued progress.

BUILDING A POSITIVE ORGANIZATIONAL CULTURE

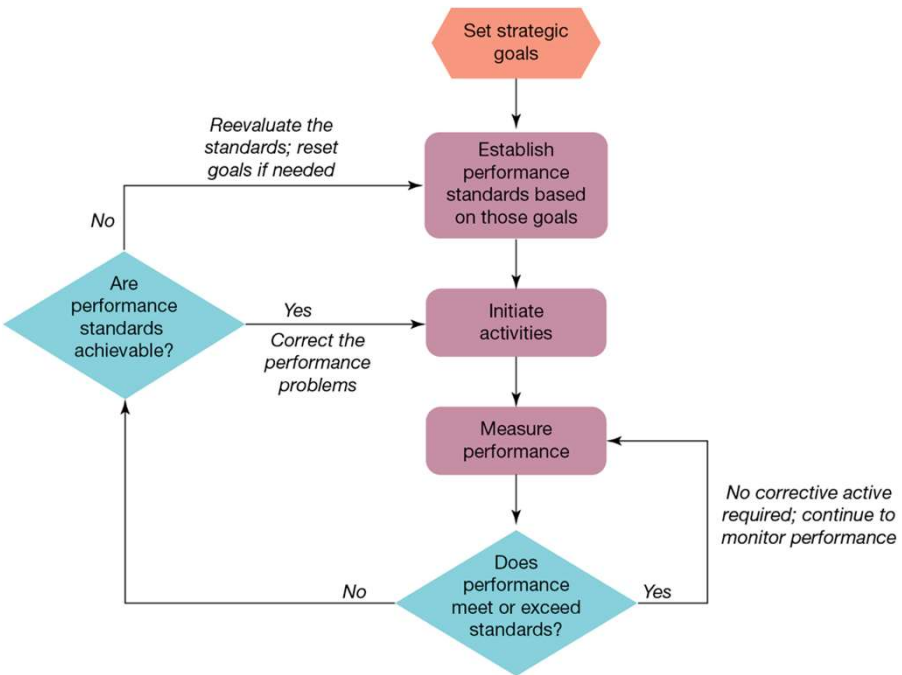
- **Organizational culture**
 - A set of shared values and norms that support the management system and that guide management and employee behavior

Creating
the Ideal
Culture in
Your
Company

- Vision**
 - Have you articulated a compelling vision for the company?
 - Based on that vision, have you defined a mission statement that employees understand and can implement?
- Company Values**
 - Do employees know how their work relates to this vision?
 - Is there a common set of values that binds the organization together?
 - Do you and other executives or owners demonstrate these values day in and day out?
- People**
 - How are people treated?
 - Do you foster an atmosphere of civility and respect?
 - Do you value and encourage teamwork, with all ideas welcomed?
 - Do you acknowledge, encourage, and act upon (when appropriate) ideas from employees?
 - Do you give employees credit for their ideas?
 - Have you shown a positive commitment to a balance between work and life?
- Community**
 - Have you clarified how the company views its relationship with the communities it affects?
 - Do your actions support that commitment to community?
- Communication**
 - Do you practice and encourage open communication?
 - Do you share operating information throughout the company so that people know how the company is doing?
 - Do you regularly survey employees on workplace issues and ask for their input on solutions?
 - Is there an open-door policy for access to management?
- Employee Performance**
 - Do you handle personnel issues with fairness and respect?
 - Do employees receive feedback regularly?
 - Are employee evaluations based on agreed-on objectives that have been clearly communicated?

THE CONTROLLING FUNCTION

- **Controlling**
 - The process of measuring progress against goals and objectives, and correcting deviations if results are not as expected



The Control Cycle

ESTABLISHING PERFORMANCE STANDARDS

Standards

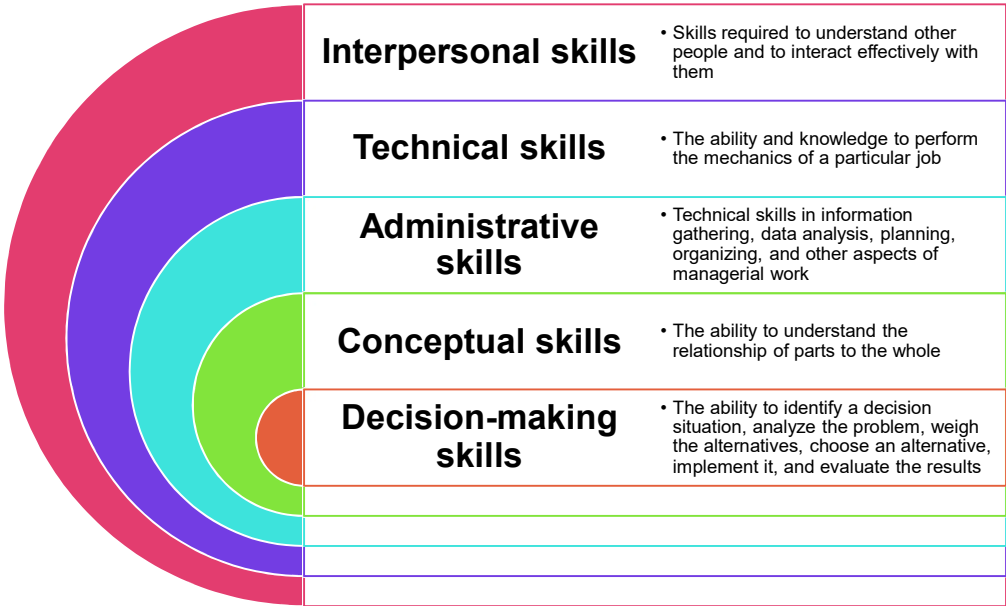
- Criteria against which performance is measured

Benchmarking

- Collecting and comparing processes and performance data from other companies



ESSENTIAL MANAGEMENT SKILLS



Communicating in a Crisis



When a Crisis Hits:

Do	Don't
Prepare for trouble ahead of time by identifying potential problems, appointing and training a response team, and preparing and testing a crisis management plan. Get top management involved immediately. Set up a news center for company representatives and the media that is equipped with phones, computers, and other electronic tools for preparing news releases and online updates. At the news center, take the following steps: • Issue frequent news updates, and have trained personnel available to respond to questions around the clock. • Provide complete information packets to the media as soon as possible. • Prevent conflicting statements, and provide continuity by appointing a single person trained in advance to speak for the company. • Tell receptionists and other employees to direct all phone calls to the designated spokesperson in the news center. • Provide updates when new information is available via blog postings, Twitter updates, text messaging, Facebook, and other appropriate media. Tell the whole story—openly, completely, and honestly. If you are at fault, apologize. Demonstrate the company's concern by your statements and your actions.	Blame anyone for anything. Speculate in public. Refuse to answer questions. Release information that will violate anyone's right to privacy. Use the crisis to pitch products or services. Play favorites with media representatives.