

OBM3102

FOUNDATION IN BUSINESS

SELF INSTRUCTIONAL
MATERIALS

ACADEMIC YEAR 2023

**FACULTY OF BUSINESS, HUMANITIES &
HOSPITALITY**

**BACHELOR OF COMMERCE
(HONS) IN
INTERNATIONAL BUSINESS**

Topic 2 ► The business organization (Part 2)

LEARNING OUTCOMES

By the end of this topic, you will be able to:

1. Explain 3 differences between efficiency and effectiveness in management.
2. Explain at least 5 differences between managerial and non-managerial employees;
3. Explain the 3 levels of management;
4. Explain 3 roles that managers perform in their managerial functions;
5. Provide at least 5 examples of managerial skills; and
6. Provide 4 implications of universal need on management.

► INTRODUCTION

Management is defined in terms of functions undertaken by the manager to achieve organisational goals. Management is the systematic way of doing things. It is an art of creating an environment in which people can perform and an individual could co-operate towards attaining the group goals.

2.1 MANAGEMENT

Workplaces depend on the strength of those in management positions. In addition to directing employees, managers must communicate with more senior professionals in their company to ensure the team meets goals and furthers the company's mission. Although the duties of managers differ based on their industry and workplace, most fulfill the same basic responsibilities. In this article, we discuss what management is, the operations of management and how you can become a good manager.

Management is the coordination and administration of tasks to achieve a goal. Such administration activities include setting the organization's strategy and coordinating the efforts of staff to accomplish these objectives through the application of available resources. Management can also refer to the seniority structure of staff members within an organization.

To be an effective manager, you'll need to develop a set of skills, including planning, communication, organization and leadership. You will also need extensive knowledge of the company's goals and how to direct employees, sales and other operations to accomplish them.

2.1.1 Efficiency vs. Effectiveness in Management

Effectiveness and efficiency are two common words that professionals in business management often use on their resumes and in their professional activities. While these words are similar in meaning, they have distinctive differences and contexts in which they're appropriate. Knowing when to use these words can help you achieve the desired result in a company. In this article, we define efficiency and effectiveness in management, highlight the major differences between the concepts, and explain how to improve both.

Effectiveness in management is the ability of professionals in a business organization to achieve organizational targets by following the established process. Effective team members in business management focus on completing their tasks according to the company's standard or adequately. You can measure your effectiveness in a company by evaluating your output using key performance indicators (KPIs) or gathering customer feedback. Team members' effectiveness is essential for a company's growth and advancement.

Efficiency in management is the ability of professionals to use the available resources, time, and money to achieve the company's goals. Efficient team members focus on saving time and resources while ensuring they accomplish the best result. You can measure your efficiency in the company by tracking how your contributions have resulted in a change in

the company's revenue and inventory turnover rate. Efficient team members can help the company reduce expenses and maximize profits by completing quality projects.

Companies require team members to be efficient and effective to record business success and establish a competitive advantage in the market. Consider the differences between efficiency and effectiveness in management below:

Focus

The major focus for effective team members in a company is ensuring they complete their assigned tasks following the right procedure. They apply their professional skill set and energy towards creating quality products without paying attention to how long they take or the resources they use. Efficient team members maximize the available time and resources to develop quality products. They can execute projects that meet the company's standards and satisfy clients with limited time and resources.

Approach for work process

Efficient team members in the workplace use a systematic approach when performing their tasks. For example, as an efficient professional, the first action you take when your team leader assigns a task is to divide the task into smaller parts and set deadlines for each. Creating a work schedule can help you manage your time and complete your professional responsibilities before the deadline. Effective team members use the result-oriented approach to perform their professional duties. For example, as an effective professional, you're more concerned with how to perform your task successfully than with a routine.

Usage

There's a major difference in how people use the words effective and efficient to express themselves. Here's an explanation for each term:

Use of effective

You can use the word effective if stating that team members completed a project appropriately or followed the due process. Below are a few times when you can use the word effective:

- when team members' efforts or a strategy produce the desired result
- when team members complete a project
- when team members achieve the company's goal

Here are some example sentences:

- *The new method for program development that Tom suggested has proven to be effective.*

- *Mike's product demonstration was so effective that it increased the company's conversion rate.*
- *The team leader rewarded his team members because of their effectiveness in completing the project.*

Use of efficient

If stating how team members completed a company's project successfully within a short time, you can use the word efficient. You can also call departments that complete their tasks with limited resources efficient. Consider other instances when you can use the word efficient below:

- when describing how team members completed a task
- when expressing how team members managed the company's resources
- when explaining that a task exceeded the expected output

Here are some example sentences:

- *James is so efficient that he completed his task for the month within a week.*
- *The customer service worked efficiently to ensure that they satisfied consumers with the company's products.*
- *The team leader's efficiency made him develop new strategies for team members to complete complex projects.*



SELF CHECK 2.1

1. Explain 3 differences between efficiency and effectiveness in the management of your workplace.

2.2

MANAGERS VS NON-MANAGERS

Managerial employees

Managerial employees are those employees of the organization who by virtue of their employment are entrusted with managerial functions in the organization. Managerial functions are those that involve planning, policy making, strategizing, leading and controlling.

Managerial employees can be found across hierarchical levels:

1. Top level managers

These include employees who are entrusted with the overall policy framing and decision making of the organization as a whole. Top level managers may also be found to be on the board of directors of a company. Examples of top level managers include chief executive officer (CEO), chief financial officer (CFO) etc.

2. Mid-level managers

Mid-level managerial employees oversee the specific departmental functions of the organization. They also oversee lower level managers and serve as a link between top level and lower level management. Examples of mid-level managers include project managers, operations managers, finance managers etc.

3. Lower level managers

Low level managerial employees primarily have supervisory function who oversee functioning of smaller specific areas. They report to mid-level managers and are responsible for smooth functioning of day to day operations. Examples of lower level managers include, foremen, supervisors, section leads, line managers on the production floor etc.

Essentially managerial employees oversee the working of a group of employees or a specific group of functions of the organization.

4. Non managerial employees:

Non-managerial employees are employees who are in-charge of executionary functions of an organization. Non-managerial employees are entrusted with specific functions depending on the department within which they are employed. These employees have limited or no managerial role in their job description.

Examples of non-managerial employees:

- In the finance and accounts department: Accountants, cashiers, tellers.
- In the administrative department: Secretarial staff, administrative staff etc.
- In the production department: Shop floor employees, engineers and other executionary staff who do not have a management role.

Non-managerial employees are guided by managerial employees and are expected to perform the functions as per their job description. These employees are appraised for their performance by managerial employees within their department.

Difference between managerial and non-managerial employees:

The key points of difference between managerial and non-managerial employees have been detailed below:

1. Meaning

Managerial employees are employees who are responsible for undertaking management functions in the organization such as planning, policy making, supervision, leadership etc.

Non-managerial employees are employees who do not have any management role but are responsible for executing or carrying out individual jobs or functions for the organization.

2. Responsibilities

Managerial employees have broader responsibilities as they are in-charge of steering the overall running of the business activities. Determining objectives, framing policies, overseeing functioning in line with policies, coordinating and supervising employees are some of their important responsibilities.

Non-managerial employees have a more limited range of responsibilities as they are responsible for executing functions or jobs as guided by managerial employees.

3. Decision making rights

Managerial employees, depending on their hierarchical level have a wide range of decision-making powers. Right from business goals to funding models to vendor selection and employee hiring, managerial employees take decisions on several aspects.

Non-managerial employees have very limited or no decision-making rights. They have to be guided by their senior managerial employees.

4. Overseeing function

Managerial employees are responsible for overseeing a group of employees to ensure their efficient functioning. They are thus responsible for not only their work but also for how their reporting team performs.

Non-managerial employees are only responsible for their own work and have no overseeing function.

5. Pay scale

As managerial employees have a more critical role, they draw higher pay packages as compared to the non-managerial employees within their department.

Non-managerial employees draw comparatively lower pay package than the managerial employees leading them.

6. Educational requirement

Managerial employees especially those at top and mid-level management require expert level skill set and are thus required to have higher educational qualification such as a management degree or other relevant professional degrees.

Non-managerial employees can have a lesser educational qualification limited to their job requirement as compared to the managerial employees within their department.

7. Appraisal

Performance of managerial employees are generally appraised by other managerial employees who are at a higher level in the management hierarchy. For example – performance appraisal of departmental heads is done by the CEO or CFO.

Performance of non-managerial employees are appraised by the managerial employees who they report to. For example – performance appraisal of accountants is generally done by finance department managers.

8. Examples

Examples of managerial employees include CEO, CFO, COO in top level, departmental heads in mid-level and supervisory and line managers in lower level.

Examples of non-managerial employees include accountants, software developers, administrative staff, other department associates, factory workers etc.

Conclusion – managerial vs non-managerial employees

While managerial employees have greater rights and responsibilities in an organization, the contribution and importance of non-managerial employees cannot be undermined. Non-managerial employees are the lifeline of any organization as they are the executors for the business. Managerial employees are responsible for keeping a check on non-managerial employees to ensure they execute as per the organizational goals. Both managerial and non-

managerial employees thus complement each other and one without the other can severely hamper the function of the organization.

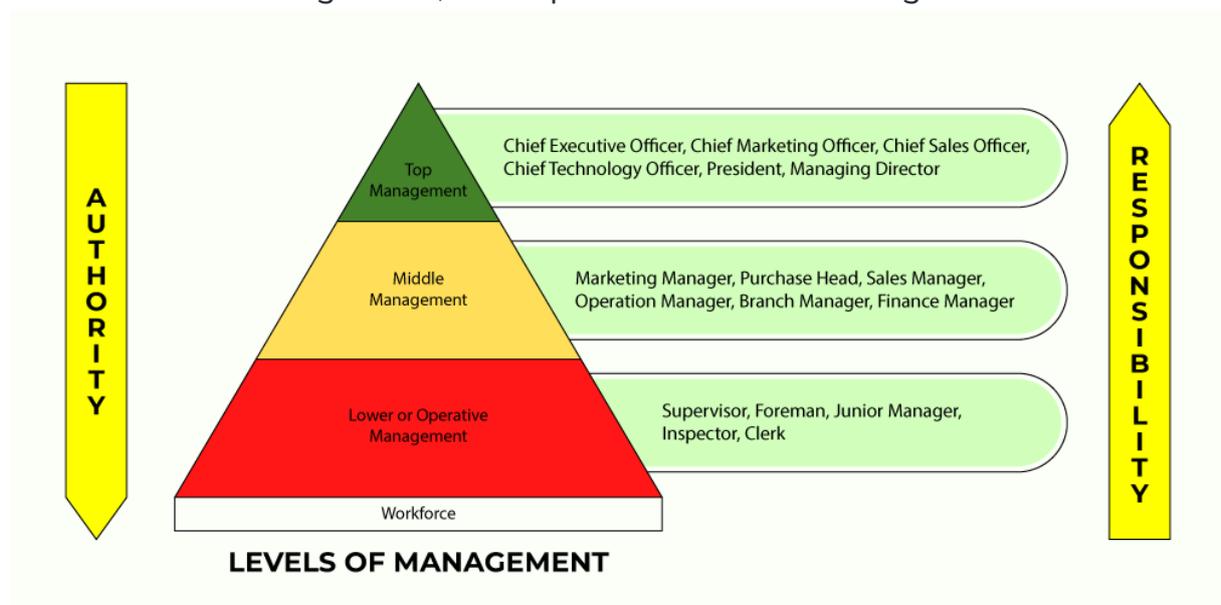


SELF CHECK 2.2

Are there any differences between managerial and non-managerial employees at your workplace?

2.3 LEVELS AND FUNCTIONS OF MANAGEMENT

The chain of superior-subordinate relationships is known as the **Levels of Management**. The three levels of management are Top Level Management, Middle-Level Management, and Operational Level Management.



Management is a group activity, which means that every organization has a number of individuals placed at different positions and are provided with different responsibilities according to their skills, education, etc. For the fulfillment of the responsibilities given to the members of an organization, they are also provided with the required authority. Based on the amount and extent of responsibility and authority given to these members, a chain of superior-subordinate relationships is formed. This chain of superior-subordinate relationships is known as the **Levels of Management**. There are three levels of management; viz., Top Level Management, Middle Level Management, and Operational Level Management.

1. Top Level Management

The senior most executives of the organization are found at the **top level of management**. The top level of an organization's management consists of the Board of Directors, Managing Director, Chairman, Chief Executive Officer, Chief Operating Officer, Vice-President, President, General Manager, and other Senior Executives. The managers at the top level of management of an organization are responsible for its survival and welfare. These managers perform stressful and complex work that demands long hours and commitment towards the company.

Functions of the Top Level Management

- i) Determination of the objectives for the organization: The managers at the top level management formulates the goals or objectives for an organization along with the strategies to achieve those goals.

- ii) Framing of plans and policies: For the achievement of the pre-determined goals or objectives of an organization, it is essential to formulate proper strategies, plans and policies within the organization. The top level managers are responsible for the formulation of these plans and policies.

- iii) Coordination and control of the performance: Based on the overall pre-determined objectives of the organization, the top level managers coordinate and control different activities of different departments of the organization.

- iv) Analysis of the business environment: Business environment of an organization plays a crucial role in its success and survival. The managers at the top level of management of an organization carefully analyze the business environment and its implication and make necessary decisions for better results.

- v) Setting up an organizational framework: For the success and survival of an organization, it is essential to form a proper framework or structure within the company. The top level managers are responsible for the determination of the organizational framework for the proper and successful execution of its plans and policies.

vi) **Assembling of the resources:** Achievement of the organizational goals requires different resources of materials, machines, men, money and materials. It is the duty of the managers at the top level management to arrange these resources.

2. Middle Level Management

The next level of management is the Middle Level, which serves as a link between the Top Level Management and the Lower Level Management. The **middle level management** is superior to the lower or operational level management and subordinate to the top level management. The middle level of an organization's management consists of different functional department heads, such as Departmental Managers including Production, Purchase, Finance, Personnel, Marketing Managers, and other executive officers for different departments such as plant superintendent, etc. The employees or members of the middle level management are responsible to the top level management for their performance.

Functions of the Middle Level Management

i) Interpretation of the policies framed by the Top Level Management: As the middle level management acts as a subordinate to the top level management, the managers at this level have to clearly interpret the plans and policies framed by the managers at the top level management to the managers at the lower or operational level management.

ii) Selection of suitable operative and supervisory personnel: To perform any function properly, an organization needs the required personnel. It is the duty of the Middle Level Managers to make sure that the organization has sufficient personnel with them to perform the functions and duties better. For the fulfillment of this duty, the middle level managers recruit and select suitable employees for different departments based on the applicant's skills, etc., and the firm's requirements.

iii) Assigning of duties and responsibilities to the Lower Level Management: The middle level managers acts as superior to the operational level managers. These managers have to assign respective duties and responsibilities to the lower level managers and coordinate with them regarding the activities of different work units.

iv) Motivating employees to get desired objectives: An organization can effectively and efficiently achieve its desired goals only when its employees are motivated enough to work towards the betterment of the organization. Therefore, the managers at the middle level management motivate the employees towards the achievement of the organizational goals and improvement of their performance.

v) Cooperating with the entire organization: As middle level management serves as a link between the top level management and the lower level management, the managers at this level have to cooperate with every other department for the smooth functioning of the organization.

3. Lower Level Management

The last level of management is the lower level management and is also known as the **Supervisory or Operational Level Management**. The managers at the lower level of management play a crucial role in the proper management of an organization, as they directly interact with the actual work force and interpret the instructions of the middle level managers to them. The responsibility and authority of the lower level managers depend upon the plans and policies formed by the top level management. The lower level management consists of foremen, supervisors, section officers, superintendents, and other managers who have direct control over the operative employees of the organization.

Functions of the Lower Level Management

i) Issuing of orders and instructions: The managers at the operational level management issue orders to the workers and supervisors and instructs them on their roles, responsibilities, and authority. Besides, these managers also control the functioning of the workers.

ii) Preparation of plan for activities: The lower level managers plan the day-to-day activities of the organization. Besides, these managers also assign work to the subordinates, guide them for the same, and take corrective measures wherever and whenever necessary.

iii) Assigning and assisting in work: The job or responsibility of the lower level managers includes assigning work to the subordinates and assisting them with the work. They do so by explaining the work procedure to the employees and solving their problems for better performance.

iv) Representing workers' grievances: As the managers at the lower level management are in direct contact with the managers at the middle level management, they listen to the grievances of the workers and report those issues to the middle level managers.

v) Ensuring a safe and proper work environment: The lower level managers are responsible for providing the work force with a safe and proper work environment. They also have to maintain proper discipline and a good atmosphere within the organization, as it motivates the employees to work towards the accomplishment of the organizational goals.

vi) Helping the middle level management: The managers at the operational level management helps the middle level managers in selecting, training, placing, and promoting the workers of an organization as they can give a direct insight as to what is required for the achievement of the organizational goals and about the performance of the workers.

vii) Encourage initiative of employees: The best way to motivate employees and make them feel an important part of the organization is by encouraging them to take initiative. The lower level managers do so by welcoming their suggestions and ideas and by rewarding them for the good ones.



SELF CHECK 2.3

1. Does your workplace have 3 levels of management as well?

2.4 MANAGERIAL ROLES

Managerial roles are specific behaviors associated with the task of management. Managers adopt these roles to accomplish the basic functions of management just discussed—planning and strategizing, organizing, controlling, and leading and developing employees. One of the earliest and most enduring descriptions of managerial roles comes from Henry Mintzberg, who (as we have already noted) shadowed managers observing what they did during the day.

Mintzberg developed a list of roles that he grouped into three categories: interpersonal roles, informational roles, and decisional roles. Mintzberg emphasized that managing is an integrated activity, so these roles are rarely distinct. Visiting clients, for instance, usually relates to two or more roles simultaneously.

Mintzberg's work has been replicated many times. Most researchers have found similar sets of roles (although there are some variations in labels and categories). The roles that Mintzberg identified flesh out the richness of managerial work and tell us how managers behave and what they do when trying to perform the main functions of management.

INTERPERSONAL ROLES

Interpersonal roles are roles that involve interacting with other people inside and outside the organization. Management jobs are people-intensive: Research suggests that managers spend somewhere between 66 and 80 percent of their time in the company of others. Seldom do managers work alone for long periods without outside communication. As Linda Hill noted, managers get things done through their network of interpersonal relationships. Mintzberg identified three types of interpersonal roles: a figurehead role, a leader role, and a liaison role.

Managers at all levels are figureheads. They greet visitors, represent the company at community events, serve as spokespeople, and function as emissaries for the organization. For example, when Atlanta-based Chick-fil-A opens a new restaurant, it gives a year's worth of free meal coupons to the first 100 customers. This incentive draws big crowds, who camp outside the restaurant before opening day in the hope of being among the first 100 customers.

The chain's president, Dan Cathy, joins them, camping outside the night before the opening, chatting with them, and then signaling the grand opening by playing his trumpet. By doing this, Cathy is acting as a figurehead for Chick-fil-A. At lower levels in a company, functional

and frontline managers perform a variety of figurehead roles. They welcome new staff, help their teams celebrate performance milestones, give performance awards to employees, accompany senior executives or outside visitors on tours through the work area, and so on.

Earlier we noted that leadership is one function of management, and it is perhaps the most pivotal. However, leadership is more than a function that managers must fulfill. Managers also take on a leadership role to get things done within organizations. Managers behave as leaders to influence, motivate, and direct others within organizations and to strategize, plan, organize, control, and develop. A central task of leaders is to give their organizations a sense of direction and purpose.

They do this by identifying and articulating strategic visions for the organizations (by strategizing) and then by motivating others to work toward this vision. This is exactly what Rose Marie Bravo did at Burberry: She gave the organization a strategic vision, repositioning it as a hip, high-end brand, and she engaged Burberry's employees in that vision.

In their liaison role managers connect with people outside their immediate units. These may be the managers of other units within the organization or people outside the organization, such as suppliers, buyers, and strategic partners. An important purpose of such liaisons is to build a network of relationships.

Managers can use their networks to help coordinate the work of their units with others, to gain access to valuable information, and more generally to get things done and further their own agendas within the organization. As Linda Hill observed in her research, building a network is one of the most important tasks that new managers face.

INFORMATIONAL ROLES

Informational roles are concerned with collecting, processing, and disseminating information. Managers collect information from various sources both inside and outside the organization, process that information, and distribute it to others who need it. Mintzberg found that managers spend 40 percent of their time in these tasks. Mintzberg divided the information roles of management into three types: monitor, disseminator, and spokesperson.

As monitors managers scan the environment both inside and outside the organization. At Microsoft, for example, CEO Steve Ballmer is constantly reviewing competitive, technological, and regulatory trends in the markets in which Microsoft competes. He also monitors the performance of the different units within Microsoft, assessing, for example, how well the Windows, Office, and Xbox businesses are performing against targets.

Managers rely on both formal and informal channels to collect the information required for effective monitoring. Formal channels include the organization's own internal accounting information systems and data provided by important external agencies.

Managers at Microsoft, for example, can access through the company's intranet a vast electronic library of research reports produced by external consulting companies and stock analysts that profile competitive trends and competitors in all the relevant markets. Informal channels include the manager's own personal network, which can be a great source of qualitative information and useful gossip.

By monitoring the external competitive and internal organizational environment for information, managers try to gain knowledge about how well the organization is performing and whether any changes in strategy or operational processes are required. At Seattle-based retailer Nordstrom, for example, the first thing President Blake Nordstrom does when he gets to his desk every day is review sales figures from all company stores for the previous day.

He compares these figures against targets; looks for trends; and if there is variance considers whether the company should take corrective action. In this respect the monitoring role of management is part of the controlling function. In addition, the information collected from monitoring can help managers think more clearly about the company's strategy.

One thing managers do with this information is disseminate it to direct reports and others inside the organization. In their dissemination role managers regularly inform staff about the company's direction and sometimes about specific technical issues. At the supervisory level, the disseminator role often takes the form of one-to-one informal conversations with specific employees about particular matters.

In their spokesperson role, managers deliver specific information to individuals and groups located outside their department or organization. Sales managers communicate with business partners regarding new sales strategies. Division heads give presentations to their colleagues in other divisions about strategies and resource requirements.

CEOs meet with investors, government officials, community leaders, and others to convey information about company developments of interest to those stakeholders. These are more than figurehead activities: They communicate valuable information to important constituencies, and in doing so they can help to shape their perception of the organization and the way they interact with it.

For example, if by sharing information the CEO of a company can successfully persuade investment analysts that his company is pursuing a good strategy, they may write a favorable investment report. In turn, this might lead to an increase in the company's stock price, making it easier for the company to raise additional capital from investors in the future by issuing new stock.

DECISIONAL ROLES

Management guru Peter Drucker once wrote that whatever managers do, they do through making decisions. The information collected through monitoring is directed toward discovering problems or opportunities, weighing options, making decisions, and ensuring that those decisions are put into action. Whereas interpersonal roles deal with people and informational roles deal with knowledge, decisional roles deal with action.

They translate the people and information into processes with the purpose of moving the organization toward its strategic goals. Mintzberg identified four decision roles: entrepreneur, disturbance handler, resource allocator, and negotiator.

To survive in competitive markets, firms must be entrepreneurial. They must pioneer new products and processes and quickly adopt those pioneered by others. In their role as entrepreneurs, managers must make sure that their organizations innovate and change when necessary, developing or adopting new ideas and technologies and improving their own

products and processes. They must make decisions that are consistent with such entrepreneurial behavior.

If they do not, their organizations will be quickly outflanked by more nimble competitors. Rose Marie Bravo is a good example of what happens when a manager successfully adopts the entrepreneur role. She made decisions that encouraged creativity within Burberry, leading directly to the development of new product offerings that appealed to a wider customer base.

Managing is full of paradoxes, and this is partly apparent when we contrast the proactive entrepreneurial role with the reactive disturbance handler role. Disturbance handling includes addressing unanticipated problems as they arise and resolving them expeditiously. In managerial work unanticipated problems arise often. Sales may grow more slowly than anticipated; excess inventory may accumulate; production processes may break down; valuable employees might leave for jobs elsewhere; and so on. Managers must decide what to do about these unanticipated problems—often quickly.

An important class of management decisions involves resource allocation . Organizations never have enough money, time, facilities, or people to satisfy all their needs. Resources are scarce and can be used in many different ways. A crucial decision responsibility of managers is to decide how best to allocate the scarce resources under their control between competing claims in order to meet the organization's goals.

As a resource allocator, a manager in charge of product development, for example, may have to assign people, money, and equipment to three different product development teams. A marketing manager may apportion money between media advertising and point-of-sale promotions. A production manager may have limited funds for new equipment. In general, resource allocation decisions should be guided by the strategy of the organization.

Negotiating is continual for managers. They negotiate with suppliers for better delivery, lower prices, and higher-quality inputs. They negotiate with customers over the pricing, delivery, and design of products and services. They negotiate with peers in their own organization over shared resources and cooperative efforts. They negotiate with their superiors for access to scarce resources, including capital, personnel, and facilities.

They even negotiate with subordinates in their own work unit, trying to allocate employees between tasks to meet the goals of both the organization and individual employees. Managers who are successful when making negotiation decisions can lower input costs, strike better deals with customers, gain access to more high-quality resources within the organization, and better organize their own subordinates. Skilled negotiators are more likely to successfully implement strategy and raise the performance of their organizations.



SELF CHECK 2.4

1. You have learnt 3 roles that managers perform in their managerial functions. Are these roles practiced by managers at your workplace?

2.5 MANAGEMENT SKILLS

Management skills can be defined as certain attributes or abilities that an executive should possess in order to fulfill specific tasks in an organization. They include the capacity to perform executive duties in an organization while avoiding crisis situations and promptly solving problems when they occur.

Management skills can be developed through learning and practical experience as a manager. The skills help the manager to relate with their fellow co-workers and know how to deal well with their subordinates, which allows for the easy flow of activities in the organization.

Good management skills are vital for any organization to succeed and achieve its goals and objectives. A manager who fosters good management skills is able to propel the company's mission and vision or business goals forward with fewer hurdles and objections from internal and external sources.

Management and leadership skills are often used interchangeably as they both involve planning, decision-making, problem-solving, communication, delegation, and time management. Good managers are almost always good leaders as well.

In addition to leading, a critical role of a manager is to also ensure that all parts of the organization are functioning cohesively. Without such integration, several issues can arise and failure is bound to happen. Management skills are crucial for various positions and at different levels of a company, from top leadership to intermediate supervisors to first-level managers.

According to American social and organizational psychologist Robert Katz, the three basic types of management skills include:

1. Technical Skills

Technical skills involve skills that give the managers the ability and the knowledge to use a variety of techniques to achieve their objectives. These skills not only involve operating machines and software, production tools, and pieces of equipment but also the skills needed to boost sales, design different types of products and services, and market the services and the products.

2. Conceptual Skills

These involve the skills managers present in terms of the knowledge and ability for abstract thinking and formulating ideas. The manager is able to see an entire concept, analyze and diagnose a problem, and find creative solutions. This helps the manager to effectively predict hurdles their department or the business as a whole may face.

3. Human or Interpersonal Skills

The human or the interpersonal skills are the skills that present the managers' ability to interact, work or relate effectively with people. These skills enable the managers to make use of human potential in the company and motivate the employees for better results.

Examples of Management Skills

There is a wide range of skills that management should possess to run an organization effectively and efficiently. The following are six essential management skills that any manager ought to possess for them to perform their duties:

1. Planning

Planning is a vital aspect within an organization. It refers to one's ability to organize activities in line with set guidelines while still remaining within the limits of the available resources such as time, money, and labor. It is also the process of formulating a set of actions or one or more strategies to pursue and achieve certain goals or objectives with the available resources.

The planning process includes identifying and setting achievable goals, developing necessary strategies, and outlining the tasks and schedules on how to achieve the set goals. Without a good plan, little can be achieved.

2. Communication

Possessing great communication skills is crucial for a manager. It can determine how well information is shared throughout a team, ensuring that the group acts as a unified workforce. How well a manager communicates with the rest of his/her team also determines how well outlined procedures can be followed, how well the tasks and activities can be completed, and thus, how successful an organization will be.

Communication involves the flow of information within the organization, whether formal or informal, verbal or written, vertical or horizontal, and it facilitates the smooth functioning of the organization. Clearly established communication channels in an organization allow the manager to collaborate with the team, prevent conflicts, and resolve issues as they arise. A manager with good communication skills can relate well with the employees and, thus, be able to achieve the company's set goals and objectives easily.

3. Decision-making

Another vital management skill is decision-making. Managers make numerous decisions, whether knowingly or not, and making decisions is a key component in a manager's success. Making proper and right decisions results in the success of the organization, while poor or bad decisions may lead to failure or poor performance.

For the organization to run effectively and smoothly, clear and right decisions should be made. A manager must be accountable for every decision that they make and also be willing to take responsibility for the results of their decisions. A good manager needs to possess great decision-making skills, as it often dictates his/her success in achieving organizational objectives.

4. Delegation

Delegation is another key management skill. Delegation is the act of passing on work-related tasks and/or authorities to other employees or subordinates. It involves the process of

allowing your tasks or those of your employees to be reassigned or reallocated to other employees depending on current workloads. A manager with good delegation skills is able to effectively and efficiently reassign tasks and give authority to the right employees. When delegation is carried out effectively, it helps facilitate efficient task completion.

Delegation helps the manager to avoid wastage of time, optimizes productivity, and ensures responsibility and accountability on the part of employees. Every manager must have good delegation abilities to achieve optimal results and accomplish the required productivity results.

5. Problem-solving

Problem-solving is another essential skill. A good manager must have the ability to tackle and solve the frequent problems that can arise in a typical workday. Problem-solving in management involves identifying a certain problem or situation and then finding the best way to handle the problem and get the best solution. It is the ability to sort things out even when the prevailing conditions are not right. When it is clear that a manager has great problem-solving skills, it differentiates him/her from the rest of the team and gives subordinates confidence in his/her managerial skills.

6. Motivating

The ability to motivate is another important skill in an organization. Motivation helps bring forth a desired behavior or response from the employees or certain stakeholders. There are numerous motivation tactics that managers can use, and choosing the right ones can depend on characteristics such as company and team culture, team personalities, and more. There are two primary types of motivation that a manager can use. These are intrinsic and extrinsic motivation.



SELF CHECK 2.5

1. You have learnt examples of managerial skills. Are these managerial skills applied by managers at your workplace?

Management is a universal phenomenon in the sense that it is a common and essential element in all enterprises. Every group effort requires setting objectives, making plans, handling people, co-coordinating and controlling activities, achieving goals and evaluating performance directed towards organizational goals.

The concept of universality of management has several implications.

First, managerial skills are transferable from one person to another.

Secondly, management skills can be transferred from one organization to another.

Thirdly, managerial skills can be important and exported from one country to another.

Fourthly, this principle of universality serves as the basis of a general theory of management -a set of common principles.

CONCEPT OF UNIVERSALITY OF MANAGEMENT

1. First, managerial skills are transferable from one person to another.
2. Secondly, management skills can be transferred from one organization to another.
3. Thirdly, managerial skills can be important and exported from one country to another.
4. Fourthly, this principle of universality serves as the basis of a general theory of management -a set of common principles.

Some experts support the universality of management on the group that whatever the situation and whatever the level of management, the management function is common.

Any manager must, one time or the other, perform the same managerial functions.

A set of common principles or a general theory of management underlies all organizations. F.W. Taylor said that the fundamental principles of scientific management apply to all human activities from our simplest individual acts to work of our great corporations.

According to Koontz and O'Donnell, "Management fundamentals have universal application in every kind of enterprise and at every level of the enterprise."

According to Fayol, "Acting in their managerial capacity, president, college deans, bishops, and head of government agencies, all do the same things."

But, on the other hand, many other experts oppose the universality of management.

2.6.1 Reasons Why Management is Universal

Emphasis on Management Process

Management is required in all organizations.

The managerial function of planning, organizing, staffing, directing and controlling are found in any enterprise.

According to Koontz and O' Donnell, "as a manager, each must at one time or another, carry out all the duties characteristic of managers. This is the principle of universality of the managerial function."

The distinction between Management Fundamentals and Management Techniques

Management fundamentals should be distinguished from management techniques.

A specific technique or approach of management may differ from culture to culture or from country to country but management fundamentals are universally applicable.

According to Koontz and O'Donnell, identical concepts, theories, and principles apply with equal force in widely different environments. Variation in culture may affect the application of management fundamentals but the fundamentals are having the universality of application.

The distinction between Management Fundamentals and Management Practices

Management theory and principles must be distinguished from management practices. The practices may vary but fundamentals are always the same.

For example, an automobile designed for use in deserts or jungles will be different from that designed for the high-speed superhighway.

But the principles and theories of physical science used for designing both the types of automobiles remain the same.

Managers shift from one industry to another. Such a shift indicates that the skills and principles of management are universal, only practices change.

Transferability of Management Principles and Skills

The principal, concept, and skills of management are universal because managers may shift from one country to another, from one industry to another, and from one type of organization to another.

He has regarded that such a shift in an indication of this fact that the general skills and principles of management are at work.

2.6.2 Arguments Against the Universality Management

Differences in objectives

The objectives of business enterprises differ from those of religious, political and educational institutions. Therefore, an efficient business executive cannot necessarily be a good vice-chancellor.

No individual can be an equally successful manager in academic, military and business organizations because the objectives that underlie each are different.

Differences in philosophies

The business organization has a different philosophy than non-business organizations. even two business concerns may have different philosophies.

For example, one may seek quick gains while the other may aim at long-term growth. These differences in philosophy exert significant influences on organization structure, communication patterns, and employees' morale.

As a result, a different type of management is required in each case.

Management is Culter-bound

The applicability of management principles is limited by a particular cultural situation.

Winston Oberg feels that if the ground rules under which the manager operates are different in different cultures (countries) then it is useless to search for a common set of strategies of management.

Farmer and Richman have concluded through their study on comparative management that if a country has a strong traditional, religious and cultural bias towards non-scientific behavior, it will be difficult to introduce modern management methods which are based on the same type of predictive and the rational view of the world as are the more purely technical devices.

Points to Ponder/Takeaways

- There are 3 differences between efficiency and effectiveness in management.
- There are at least 5 differences between managerial and non-managerial employees.
- There are 3 levels of management.
- There are 3 roles that managers perform in their managerial functions.
- There are at least 5 examples of managerial skills.
- There are 4 implications of universal need on management.

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