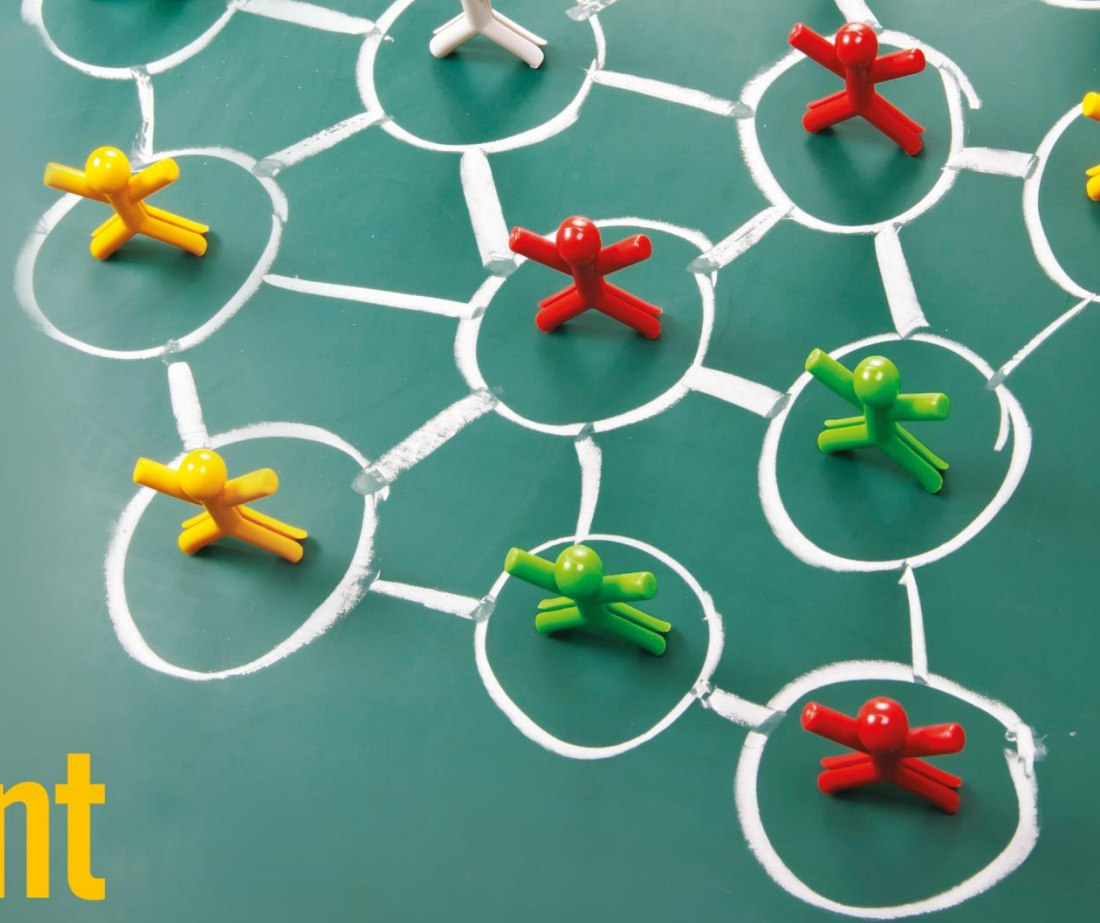


Introduction to
**Business
Management**

9TH EDITION

CHAPTER 6
INTRODUCTION TO GENERAL
MANAGEMENT





Chapter content

- Introduction
- The role of management
- A definition of management
- Different levels and functional areas of management in businesses
- Skills needed at different managerial levels
- The role of managers
- Development of management theory
- Summary



Introduction

- Different organisations need to be managed
- Will examine the general principles involved in the management of a business
- The case study will illustrate how management tasks are applied in a real-life situation in South Africa




The role of management

- Management directs a business towards its goals
- Management sets and keeps the operations of the business on a balanced course
- Management keeps the organisation in equilibrium with its environment
- Management is necessary to reach the goals of the organisation at the highest possible level of productivity



A definition of management

- Management is defined as the process followed by managers to accomplish a business's goals and objectives.
- It is a process of activities that are carried out to enable a business to accomplish its goals by employing human, financial, financial and physical resources for that purpose.
- Management does four things: it decides what has to be done; it decides how this should be done; it orders that it be done; and finally, it checks that its orders have been carried out.



The four basic functions of management

- Planning: management decides what should be done
- Organising: management decides how it should be done
- Leading: management says how and when it should be done
- Control: management ascertains whether the tasks have been carried out.

The four basic functions of management



ACTIVITIES		TERMINOLOGY
- Management decides what should be done	→	Planning
- Management decides how it should be done	→	Organising
- Management says how and when it should be done	→	Leading
- Management ascertains whether the tasks have been carried out	→	Control



The different levels of management

- Managers found at all levels of business hierarchy
- Each manager in charge of a number of managers, who are in charge of a number of subordinates
- A business has different types of managers, each responsible for the management of a specialised group of activities.
- This is known as the integrated management process

The different levels of management

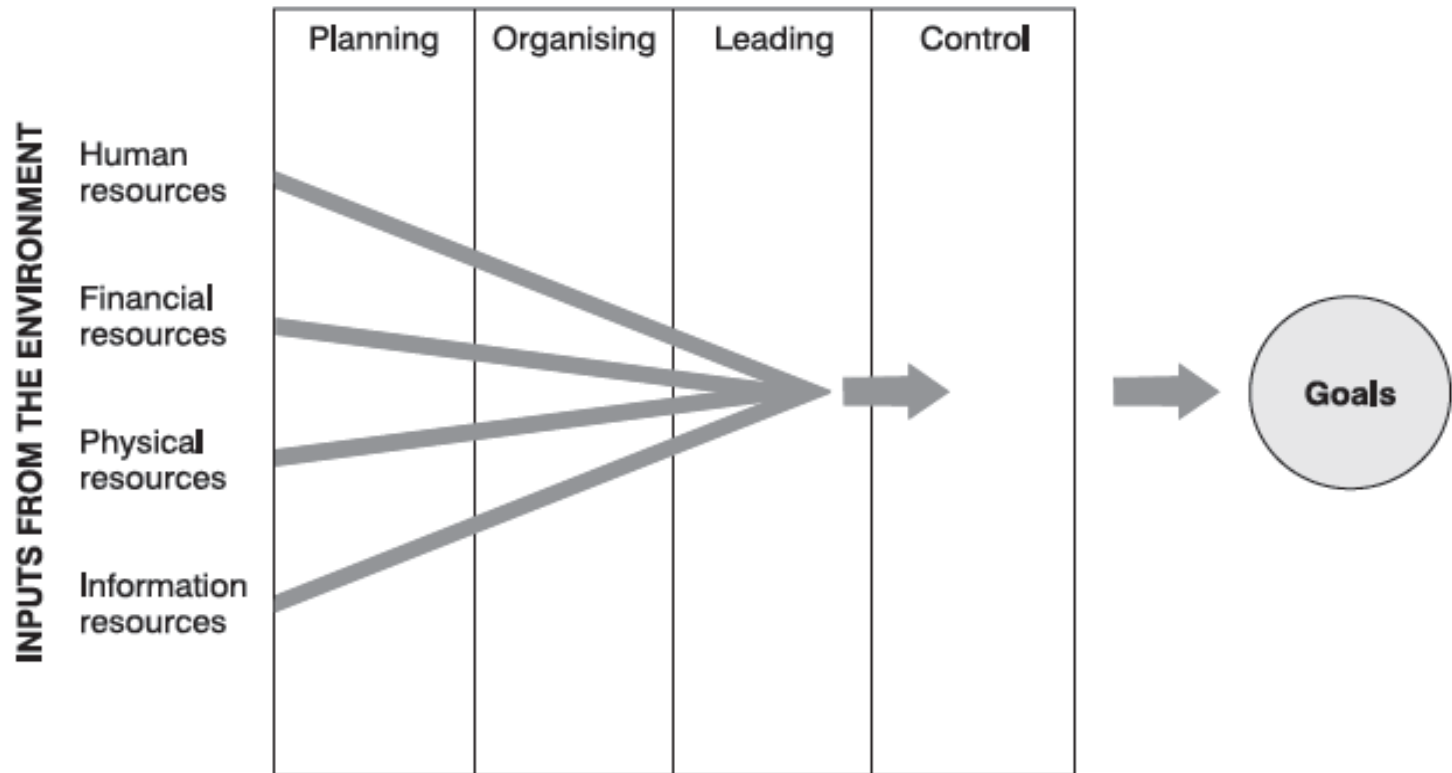


Figure 6.3: The integrated management process



The different levels of management

- Top management: small group of executives who control the business and have the final authority and responsibility, such as the board of directors, partners, managing director
- Middle management: accountable for executing policies, plans and strategies determined by top management; consist of functional heads such as marketing manager, purchasing manager, human resources manager



The different levels of management

- Lower management: supervisory management, responsible for smaller segments of business, such as subsections that form part of a department - the marketing department could have a product manager, promotions manager or sales manager. Supervisors and foremen are also included in lower management.

The different levels of management

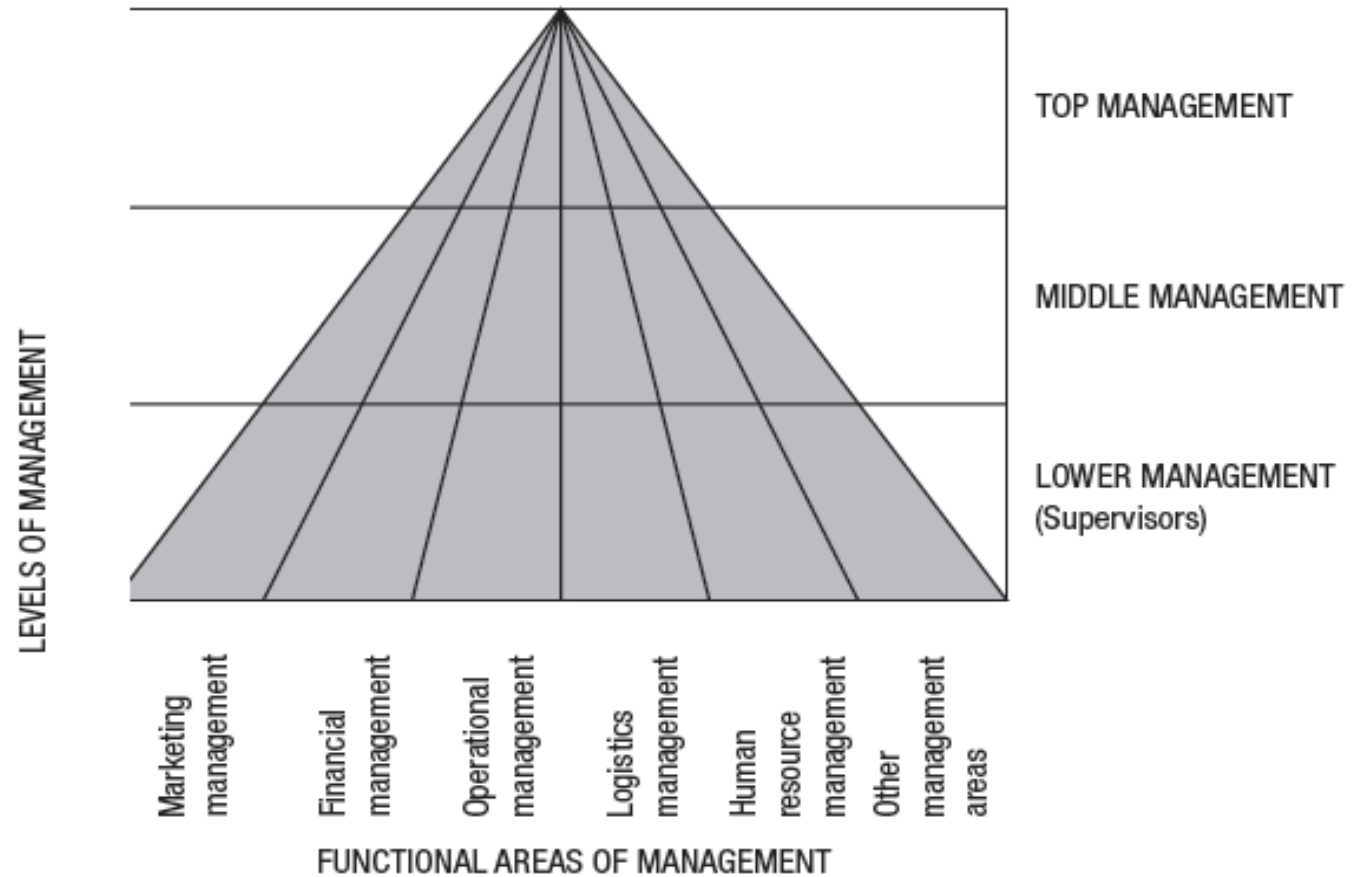


Figure 6.4: Different levels or types of management in a business or organisation



The functional areas of management

- The specialised managers necessary for the different functions of the business
 - Only responsible for the specified management activities of their functions or departments
 - Plan, organise, lead and control their departments
 - Number and importance of specialised areas vary from business to business
 - Only one organisational function – general management – universally encountered and plays definite part in every organisation.



The function of general management

- Integrates all other functions of management
- Deals with activities of top management
- The over-riding function that controls the management process and general principles of management applied by top management



Skills needed at different managerial levels

The three key skills required for sound management:

- Conceptual skills
- Interpersonal skills
- Technical skills.

Skills needed at different managerial levels

TOP MANAGEMENT	MIDDLE MANAGEMENT	LOWER MANAGEMENT	WORKERS
			Conceptual
		Conceptual	Interpersonal
Conceptual	Conceptual	Interpersonal	Technical
Interpersonal	Interpersonal	Technical	
Technical	Technical		

Figure 6.5: The skills needed at various managerial levels



The role of managers

- A manager performs certain functions, meets certain needs and assumes certain responsibilities for the business.
- Mintzberg studied managers behaviour and concluded they fulfilled ten different roles.
- These roles can be placed in three overlapping groups:
 - Interpersonal role
 - Information role
 - Decision-making role.

The role of managers

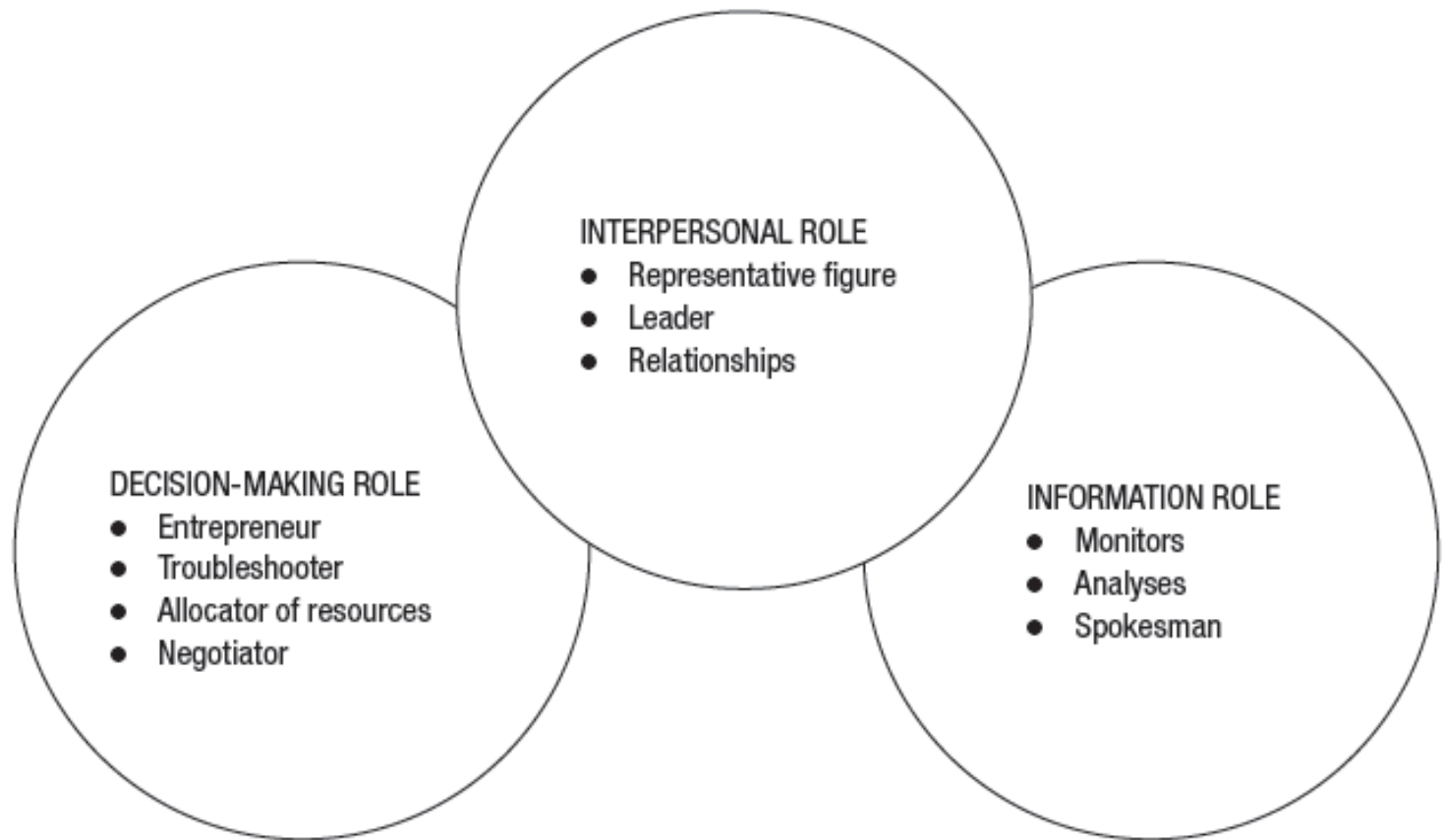


Figure 6.6: The overlapping roles of managers



The role of managers

- Concept of manager's role creates awareness of what a manager does and what skills are required
- A manager's seniority in the business determines his/her role, and how much time is spent on each activity
- Concept of role distribution explains why the complexity of their environment requires a flexible approach



The role of managers

- Four main supporting management activities normally distinguished:
 - Gathering and processing of information to make decisions
 - Decision-making
 - Communication
 - Negotiation.



Development of management theory

- Many theories about how to improve the performance of the organisation
- The legacy of past successes and failures becomes part of present and future management approaches
- Two main schools of thought used to classify management theory:
 - The classical approach (+1990-1950)
 - The contemporary approach (+1960-present)

Development of management theory

Table 6.3: The development of management theory

State of management until early 1900s	State of management during the 20th century	The 21st century: What will the state of management be?
A few large organisations, but no mega-organisations	Many huge and powerful organisations in both the private and public sectors	Emphasis on corporate governance and corporate social responsibility
Comparatively few managers – no middle management	Many managers – a comparatively large middle management group	Influence of rise of emerging markets such as China on development of management theory
Managerial activities not clearly distinguished from activities of owners	Well-defined managerial activities clearly separated from non-managerial activities	
Succession to top management based primarily on birth	Promotion to top management on a basis of qualifications, competence and performance	
Few decision-makers	Many decision-makers	
Emphasis on command and intuition	Emphasis on leadership, teamwork and rationality	



Development of management theory – classical approach

- The scientific school
- The management process school
- The human relations or behavioural school
- The quantitative school
- The systems approach



Development of management theory – contemporary approach

- The contingency approach
- Strategic management
- Total quality management
- Re-engineering of businesses
- Diversity management

Evolution of management theory

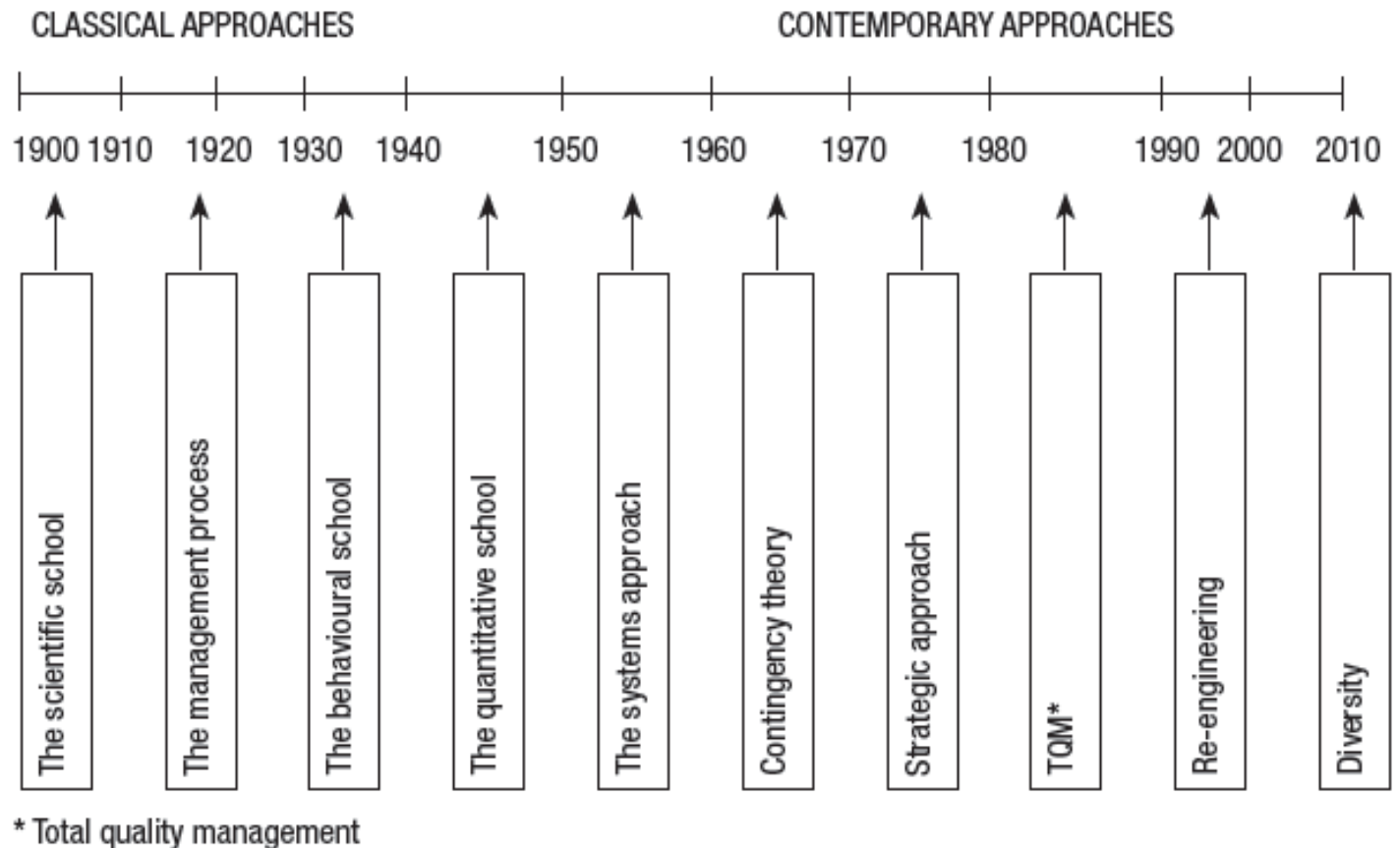


Figure 6.7: The evolution of management theory



Summary

- Management is an indispensable component of any business
- Management defined as a functional process
- One distinct function – general management
- Each level of management requires certain skills
- Roles played by managers differ from level to level
- Discussed development and evolution of management theory, and its various approaches