

Cheat Sheet: Management

Essential Concepts

What is a Manager?

Managers wear many hats and must bring with them an entire toolkit of skills—ranging from interpersonal to technical—in order to reach organizational goals and objectives effectively. Without the proper skill set, managers can find themselves unable to gain the trust and support of those around them, making their job more difficult, and in some cases, impossible.

Although the world of business has changed tremendously over time, the functions of management originally identified by Fayol in the early 1900s still hold. Fayol's original five functions have evolved into the six key functions of management today, including planning, organizing, staffing, leading, controlling, and motivating. What has changed is where and how managers perform these four primary functions.

Planning

Planning within a business ranges from the big picture to the very granular, from the organization's foundational plan (for example, its vision and mission) and set of strategic plans to its daily operations plans. Each one builds upon the other, and without a well-developed set of plans that management can implement, an organization will likely drift from one venture or problem to another without ever really achieving success.

Organizing

The structure of an organization can have a tremendous impact on the organization's ability to react to both internal and external forces. Organizational structure also determines the managers' span of control, communication channels, and operational responsibilities. The organization should be structured in such a way that it reflects the company's mission and supports its customer and product/services goals to the greatest advantage.

Leading

Different management styles serve different purposes: autocratic management is suitable in crisis situations or with low-skill workers, participative management works well during transitional periods or when facing challenges, and laissez-faire management is effective for skilled and self-motivated employees or creative teams, but skilled managers are capable of adapting their approach to the needs of the situation.

Leadership styles can also be characterized as transformational, focusing on change, inspiration, and motivation; transactional, emphasizing supervision and rewards/punishments; or narcissistic, where leaders' charisma and vision can either be productive or toxic to an organization depending on their ability to listen and foster collaboration.

Controlling

The control function of management has two aims: to make order out of chaos and to evaluate whether the company's efforts and resources are being maximized. Remember that the "control function" doesn't give management license to be manipulative or autocratic. Instead, it refers to the importance of control through evaluation, since evaluation is the key to knowing whether a company is producing the desired results or not.

Career Connection: Technology

To be skilled in technology, one must effectively utilize and adapt to various technologies to enhance productivity, decision-making, and task completion, while also embracing continuous learning and staying adaptable to new tools and advancements.

Glossary

autocratic or authoritarian management style

decision-making power is concentrated in the manager who makes most of the decisions

balanced scorecard

a semi-standardized strategic management tool used to analyze and improve key performance indicators within an organization

coercive power

comes from an individual's ability to threaten negative outcomes

committee structure

a type of organizational structure in which authority and responsibility are held by a group rather than an individual

conceptual skills

enable one to generate ideas creatively and intuitively and also show comprehensive understanding of contexts or topics

contingency plans

lay out the course of action a business will take in response to possible future unpredictable events such as disasters

controlling/monitoring

checking current outcomes against forecast plans and making adjustments when necessary so that goals are achieved

controlling

the process of assessing the organization's progress toward accomplishing its goals

corporate culture

the set of attitudes, values, and standards of behavior that distinguishes one organization from another

corrective action

a planned response aimed at fixing a problem

customer departmentalization

grouping based on the primary type of customer served by the organizational unit

departmentalization

grouping of people, tasks, and resources into organizational units

division of labor

the process of dividing work into separate jobs and assigning tasks to workers

division of work

workers specialize in a few tasks to become more proficient.

expert power

comes from an individual's extensive knowledge in one or more areas

first-line managers

coordinate the activities that have been developed by the middle managers and supervise non-managerial employees

Frank and Lillian Gilbreth

tried to make the overall process more efficient by reducing the motions involved; they considered their theories to be more concerned with workers' welfare than Taylor

Frederick Winslow Taylor

considered the father of scientific management theory; focused on reducing process time to increase productivity

functional departmentalization

grouping based on the primary functions performed within an organizational unit

geographic departmentalization

grouping based on the geographic segmentation of organizational units

Henri Fayol

his theories are the basis of modern management's evolution into four functions of management: planning (foresight), organizing (organization), leading (command and coordinate), and controlling (control)

human skills

a combination of social, interpersonal, and leadership skills

laissez-faire or free rein management style

the manager delegates the tasks to the followers while providing little or no direction

leadership style

the way a manager attempts to influence the behavior of others

leading/directing

determining what needs to be done in a situation and getting people to do it

legitimate power

comes from an individual's position in an organization

manager

a person who has all or part responsibility for running a business

matrix structure

a type of organizational structure in which individuals are grouped by two different operational perspectives at the same time

mid-level or middle managers

allocate resources to achieve the goals and objectives set by top managers by overseeing the actions of first-line managers

mission statement

outlines how the business will turn its vision into reality and becomes the foundation for establishing specific goals and objectives

motivating

a basic function of management, because without motivation, employees may feel from their work and the organization, which can lead to ineffective performance

narcissistic or charismatic leadership style

depends largely on the personality of the leader's ability to attract and inspire followers

operational plans

establish detailed standards that guide the implementation of tactical plans and establish the activities and budgets for each part of the organization

organizational chart

a diagram showing the interrelationships of an organization's positions

organizing

implementing a pattern of relationships among workers and making optimum use of the resources required to enable the successful carrying out of plans

organizing

the process of coordinating and allocating a firm's resources in order to carry out its plans

participative or democratic management style

the manager shares the decision-making authority with group members

performance metric

a rubric for measuring organizational performance

planning

deciding what needs to happen in the future (today, next week, next month, next year, over the next five years, etc.) and generating plans for action

power

the ability to influence others to behave in a particular way

process departmentalization

grouping based on the production process used by the organizational unit

product departmentalization

grouping based on the goods or services produced or sold by the organizational unit

referent power

comes from an individual's personal charisma and the respect and/or admiration the individual inspires

reward power

comes from an individual's control over rewards

scalar chain

an unbroken chain of command extends from the top to the bottom of the organization.

SMART

operational objectives that are specific, measurable, achievable, realistic, and time constrained can be more easily assessed and analyzed to determine success

span of control

the number of subordinates a supervisor has

specialization

the degree to which the tasks are subdivided into smaller jobs

staffing

job analysis, recruitment, and hiring of people with the necessary skills for appropriate jobs; providing or facilitating ongoing training, if necessary, to keep skills current

strategic plans

translate the company mission into a set of long-term goals and short-term objectives

SWOT analysis

SWOT stands for strengths, weaknesses, opportunities, and threats; conducting such an analysis provides a means of projecting expectations, anticipating problems, and guiding decision making by looking at internal (strengths and weaknesses) and external (opportunities and threats) factors

tactical plans

translate high-level (broad) strategic plans into short-term specific plans for actions that need to be taken up and down the layers of an organization

technical skill

as a learned capacity in just about any given field of work, study, or even play

technology

this career competency requires you to understand and use technologies to your advantage to ethically work more efficiently, complete tasks, and accomplish goals

top-level managers

highest level of managers within an organization, and they are tasked with setting organizational objectives and goals

transactional or managerial leadership style

focuses on supervision, organization, and performance and emphasizes a system of rewards and punishments

transformational leadership style

managers work with subordinates to identify needed change, create and share an inspiring vision, and bring about change together with committed members of a group; emphasis on growth of workers

unity of command

employees receive orders from only one superior

unity of direction

activities that are similar should be the responsibility of one person

vision statement

lets the world know where the company is going