



Middle East Region
Staff College

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Functions of Management

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Quote:

“Those who implement the plans must make the plans.” Patrick Haggerty, past chairman, Texas Instruments

Management

Traditional Interpretation

There are a variety of views about this term. Traditionally, the term "management" refers to the activities (and often the group of people) involved in the four general functions listed below. (Note that the four functions recur throughout the organization and are highly integrated):

- 1) Planning,
including identifying goals, objectives, methods, resources needed to carry out methods, responsibilities and dates for completion of tasks. Examples of planning are strategic planning, business planning, project planning, staffing planning, advertising and promotions planning, etc.

- 2) Organizing resources
to achieve the goals in an optimum fashion. Examples are organizing new departments, human resources, office and file systems, re-organizing businesses, etc.

- 3) Leading,
including to set direction for the organization, groups and individuals and also influence people to follow that direction. Examples are establishing strategic direction (vision, values, mission and / or goals) and championing methods of organizational performance management to pursue that direction.

Quote:

“Management must guide the forces of change.” John W. Teets, chairman, Greyhound

- 4) Controlling, or coordinating,
the organization's systems, processes and structures to reach effectively and efficiently reach goals and objectives. This includes ongoing collection of feedback, and monitoring and adjustment of systems, processes and structures accordingly. Examples include use of financial controls, policies and procedures, performance management processes, measures to avoid risks etc.

Quote:

“It’s easy to get good players. Gettin’ ‘em to play together, that’s the hard part.”
. . . . Casey Stengel

Another common view is that "management" is getting things done through others. Yet another view, quite apart from the traditional view, asserts that the job of management is to support employee's efforts to be fully productive members of the organizations and citizens of the community.

To most employees, the term "management" probably means the group of people (executives and other managers) who are primarily responsible for making decisions in the organization. In a nonprofit, the term "management" might refer to all or any of the activities of the board, executive director and/or program directors.

Another

Interpretation

Some writers, teachers and practitioners assert that the above view is rather outmoded and that management needs to focus more on leadership skills, e.g., establishing vision and goals, communicating the vision and goals, and guiding others to accomplish them. They also assert that leadership must be more facilitative, participative and empowering in how visions and goals are established and carried out. Some people assert that this really isn't a change in the management functions, rather it's re-emphasizing certain aspects of management.

Good managers understand the jobs others are doing.

Management involvement is highlighted at Disney Productions by an annual week-long program called "cross-utilization." This program entails Disney executives to leave their desks and their usual business suits. They wear a theme costume and head for the action. "For a full week, the boss sells tickets or popcorn, dishes ice cream or hot dogs, loads and unloads rides, parks cars, drives the monorail or the trains, and takes on any of the one-hundred on-stage jobs that make the entertainment parks come alive."

Driving Forces of Change

Around the 1960s and on to today, the environment of today's organizations has changed a great deal. A variety of driving forces provoke this change. Increasing telecommunications has "shrunk" the world substantially. Increasing diversity of workers has brought in a wide array of differing values, perspectives and expectations among workers. Public consciousness has become much more sensitive and demanding that organizations be more socially responsible. Much of the third-world countries has joined the global marketplace, creating a wider arena for sales and services. Organizations became responsible not only to stockholders (those who owned stock) but to a wider community of stakeholders."

As a result of the above driving forces, organizations were required to adopt a "new paradigm," or view on the world, to be more sensitive, flexible and adaptable to the demands and expectations of stakeholder demands. Many organizations have abandoned or are abandoning the traditional top-down, rigid and hierarchical structures to more "organic" and fluid forms.

Today's leaders and/or managers must deal with continual, rapid change. Managers faced with a major decision can no longer refer back to an earlier developed plan for direction. Management techniques must continually notice changes in the environment and organization, assess this change and manage change. Managing change does not mean controlling it, rather understanding it, adapting to it where necessary and guiding it when possible.

Managers can't know it all or reference resources for every situation. Managers must count on and listen more to their employees. Consequently, new forms of organizations are becoming more common, e.g., worker-centered teams, self-organizing and self-designing teams, etc.

Contemporary theories of management tend to account for and help interpret the rapidly changing nature of today's organizational environments. As before in management history, these theories are prevalent in other sciences as well.

Quote:

“You must manage as if you need your employees more than they need you.” . . . Peter Drucker

Contingency

Theory

Basically, contingency theory asserts that when managers make a decision, they must take into account all aspects of the current situation and act on those aspects that are key to the situation at hand. Basically, it's the approach that “it depends.” For example, the continuing effort to identify the best leadership or management style might now conclude that the best style depends on the situation. If one is leading troops in the Persian Gulf, an autocratic style is probably best (of course, many might argue here, too). If one is leading a hospital or university, a more participative and facilitative leadership style is probably best.

Systems Theory

Systems theory has had a significant effect on management science and understanding organizations. First, let's look at “what is a system?” A system is a collection of part unified to accomplish an overall goal. If one part of the system is removed, the nature of the system is changed as well. For example, a pile of sand is not a system. If one removes a sand particle, you've still got a pile of sand. However, a functioning car is a system. Remove the carburetor and you've no longer got a working car. A system can be looked at as having inputs, processes, outputs and outcomes. Systems share feedback among each of these four aspects of the systems.

Let's look at an organization. Inputs would include resources such as raw materials, money, technologies and people. These inputs go through a process where they're planned, organized, motivated and controlled, ultimately to meet the organization's goals. Outputs would be products or services to a market. Outcomes would be, e.g., enhanced quality of life or productivity for customers/clients, productivity. Feedback would be information from human resources carrying out the process, customers/clients using the products, etc. Feedback also comes from the larger environment of the organization, e.g., influences from government, society, economics, and technologies. This overall system framework applies to any system, including subsystems (departments, programs, etc.) in the overall organization.

Quote:

“Most business failures do not stem from bad times. They come from poor management, and bad times just precipitate the crisis.” . . . Thomas P. Murphy, Journalist

Systems theory may seem quite basic. Yet, decades of management training and practices in the workplace have not followed this theory. Only recently, with tremendous changes facing organizations and how they operate, have educators and managers come to face this new way of

looking at things. This interpretation has brought about a significant change (or paradigm shift) in the way management studies and approaches organizations.

The effect of systems theory in management is that writers, educators, consultants, etc. are helping managers to look at the organization from a broader perspective. Systems theory has brought a new perspective for managers to interpret patterns and events in the workplace. They recognize the various parts of the organization, and, in particular, the interrelations of the parts, e.g., the coordination of central administration with its programs, engineering with manufacturing, supervisors with workers, etc. This is a major development. In the past, managers typically took one part and focused on that. Then they moved all attention to another part. The problem was that an organization could, e.g., have a wonderful central administration and wonderful set of teachers, but the departments didn't synchronize at all.

Chaos

Theory

As chaotic and random as world events seem today, they seem as chaotic in organizations, too. Yet for decades, managers have acted on the basis that organizational events can always be controlled. A new theory (or some say "science"), chaos theory, recognizes that events indeed are rarely controlled. Many chaos theorists (as do systems theorists) refer to biological systems when explaining their theory. They suggest that systems naturally go to more complexity, and as they do so, these systems become more volatile (or susceptible to cataclysmic events) and must expend more energy to maintain that complexity. As they expend more energy, they seek more structure to maintain stability. This trend continues until the system splits, combines with another complex system or falls apart entirely. Sound familiar? This trend is what many see as the trend in life, in organizations and the world in general.

Sometimes managers should be reminded that it's people who make the difference, not the manager.

When Joe Lapchick was coaching basketball at St. John's, he collapsed on the bench, fell to the floor in a faint, and was unconscious for several minutes. The game resumed while he was being treated. When he recovered, he saw that his team had improved its lead. He said, "I just dealt strategy a helluva blow."