Module 5 P1 – Introduction to the contemporary enterprise and managerial functions

5.1. Introduction to the contemporary enterprise

The organization – Basic Definition

Basically, an organization in its simplest form (and not necessarily a legal entity, e.g., corporation) is a person or group of people intentionally organized to accomplish an overall, common goal or set of goals. Business organizations can range in size from one person to tens of thousands.

There are several important aspects to consider about the goal of the business organization. These features are explicit (deliberate and recognized) or implicit (operating unrecognized, "behind the scenes"). Ideally, these features are carefully considered and established, usually during the strategic planning process.

Vision

Members of the organization often have some image in their minds about how the organization should be working, how it should appear when things are going well.

Mission

An organization operates according to an overall purpose, or mission.

Values

All organizations operate according to overall values, or priorities in the nature of how they carry out their activities. These values are the personality, or culture, of the organization.

Strategic Goals

Organizational members often work to achieve several overall accomplishments, or goals, as they work toward their mission.

Strategies

Organizations usually follow several overall general approaches to reach their goals.

Systems and Processes that (Hopefully) Are Aligned With Achieving the Goals

Organizations have major subsystems, such as departments, programs, divisions, teams, etc. Each of these subsystems has a way of doing things to, along with other subsystems, achieve the overall goals of the organization. Often, these systems and processes are define by plans, policies and procedures.

How you interpret each of the above major parts of an organization depends very much on your values and your nature. People can view organizations as machines, organisms, families, groups, etc. (We'll consider more about these metaphors later on in this topic in the library.)

5.2. Organizations as Systems (of Systems of Systems)

Organization as a System

It helps to think of organizations as systems. Simply put, a system is an organized collection of parts that are highly integrated in order to accomplish an overall goal. The system has various inputs which are processed to produce certain outputs, that together, accomplish the overall goal desired by the organization. There is ongoing feedback among these various parts to ensure they remain aligned to accomplish the overall goal of the organization. There are several classes of systems, ranging from very simple frameworks all the way to social systems, which are the most complex. Organizations are, of course, social systems.

Systems have inputs, processes, outputs and outcomes. To explain, **inputs** to the system include resources such as raw materials, money, technologies and people. These inputs go through a **process** where they're aligned, moved along and carefully coordinated, ultimately to achieve the goals set for the system. **Outputs** are tangible results produced by processes in the system, such as products or services for consumers. Another kind of result is **outcomes**, or benefits for consumers, e.g., jobs for workers, enhanced quality of life for customers, etc. Systems can be the entire organization, or its departments, groups, processes, etc.

Feedback comes from, e.g., employees who carry out processes in the organization, customers/clients using the products and services, etc. Feedback also comes from the larger environment of the organization, e.g., influences from government, society, economics, and technologies.

Each organization has numerous subsystems, as well. Each subsystem has its own boundaries of sorts, and includes various inputs, processes, outputs and outcomes geared to accomplish an overall goal for the subsystem. Common examples of subsystems are departments, programs, projects, teams, processes to produce products or services, etc. Organizations are made up of people -- who are also systems of systems of systems -- and on it goes. Subsystems are organized in an hierarchy needed to accomplish the overall goal of the overall system.

The organizational system is defined by, e.g., its legal documents (articles of incorporation, by laws, roles of officers, etc.), mission, goals and strategies, policies

and procedures, operating manuals, etc. The organization is depicted by its organizational charts, job descriptions, marketing materials, etc. The organizational system is also maintained or controlled by policies and procedures, budgets, information management systems, quality management systems, performance review systems, etc.

Standard Planning Process is Similar to Working Backwards Through the System

Remember how systems have input, processes, outputs and outcomes? One of the common ways that people manage systems is to work backwards from what they want the system to produce. This process is essentially the same as the overall, standard, basic planning process. This process typically includes:
a) Establishing overall goals (it's best if goals are defined in measurable terms, so they usually are in terms of outputs) (the overall impacts of goals are outcomes, a term increasingly used in nonprofits)
b) Associating smaller goals or objectives (or outputs?) along the way to each goal
c) Designing strategies/methods (or processes) to meet the goals and objectives
d) Identifying what resources (or inputs) are needed, including who will implement the methods and by when.

Thinking About Organizations as Systems

Recently, management studies has come to view organizations from a new perspective: a systems perspective. This systems perspective may seem quite basic. Yet, decades of management training and practices in the workplace have not followed from this perspective. 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.

What is a System?

Very simply, a system is a collection of parts (or subsystems) integrated to accomplish an overall goal (a system of people is an organization). Systems have input, processes, outputs and outcomes, with ongoing feedback among these various parts. If one part of the system is removed, the nature of the system is changed.

Systems range from very simple to very complex. There are numerous types of systems. For example, there are biological systems (the heart, etc.), mechanical systems (thermostat, etc.), human/mechanical systems (riding a bicycle, etc.), ecological systems (predator/prey, etc.), and social systems (groups, supply and demand, friendship, etc.).

Complex systems, such as social systems, are comprised of numerous subsystems, as well. These subsystems are arranged in hierarchies, and integrated to accomplish the overall goal of the overall system. Each subsystem has its own boundaries of sorts,

and includes various inputs, processes, outputs and outcomes geared to accomplish an overall goal for the subsystem.

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.

Why is it Important to Look at Organizations as Systems?

The effect of this systems theory in management is that writers, educators, consultants, etc. are helping managers to look at organizations from a broader perspective. Systems theory has brought a new perspective for managers to interpret patterns and events in their organizations. 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 wonderful departments that operate well by themselves but don't integrate well together. Consequently, the organization suffers as a whole.

Now, more managers are recognizing the various parts of the organization, and, in particular, the interrelations of the parts, e.g., the coordination of central offices with other departments, engineering with manufacturing, supervisors with workers, etc. Managers now focus more attention on matters of ongoing organization and feedback. Managers now diagnose problems, not by examining what appear to be separate pieces of the organization, but by recognizing larger patterns of interactions. Managers maintain perspective by focusing on the outcomes they want from their organizations. Now managers focus on structures that provoke behaviors that determine events -- rather than reacting to events as was always done in the past.

5.3. Internal business environment

Strategy is the **direction** and **scope** of an organisation over the **long-term:** which achieves **advantage** for the organisation through its configuration of **resources** within a challenging **environment**, to meet the needs of **markets** and to fulfil **stakeholder** expectations.

So, what are these "resources" which constitute the internal business environment and that a business needs to put in place to pursue its chosen strategy?

Business resources can usefully be grouped under several categories:

Financial Resources

Financial resources concern the ability of the business to "finance" its chosen strategy. For example, a strategy that requires significant investment in new products, distribution channels, production capacity and working capital will place great strain on the business finances. Such a strategy needs to be very carefully managed from a finance point-of-view. An audit of financial resources would include assessment of the following factors:

Existing finance funds

- Cash balances
- Bank overdraft
- Bank and other loans
- Shareholders' capital
- Working capital (e.g. stocks, debtors) already invested in the business
- Creditors (suppliers, government)

Ability to raise new funds

- Strength and reputation of the management team and the overall business
- Attractiveness of the market in which the business operates (i.e. is it a market that is attracting investment generally?)
- Strength of relationships with existing investors and lenders
- Listing on a quoted Stock Exchange? If not, is this a realistic possibility?

Human Resources

The heart of the issue with Human Resources is the skills-base of the business. What skills does the business already possess? Are they sufficient to meet the needs of the chosen strategy? Could the skills-base be flexed / stretched to meet the new requirements? An audit of human resources would include assessment of the following factors:

Existing staffing resources

- Numbers of staff by function, location, grade, experience, qualification, remuneration
- Existing rate of staff loss ("natural wastage")
- Overall standard of training and specific training standards in key roles
- Assessment of key "intangibles" - e.g. morale, business culture

Changes required to resources

- What changes to the organisation of the business are included in the strategy (e.g. change of location, new locations, new products)?
- What incremental human resources are required?
- How should they be sourced? (alternatives include employment, outsourcing, joint ventures etc.)

Physical Resources

The category of physical resources covers wide range of operational resources concerned with the physical capability to deliver a strategy. These include:

Production facilities

- Location of existing production facilities; capacity; investment and maintenance requirements

- Current production processes - quality; method & organisation
- Extent to which production requirements of the strategy can be delivered by existing facilities

Marketing facilities

- Marketing management process
- Distribution channels

Information technology

- IT systems
- Integration with customers and suppliers

Intangible Resources

It is easy to ignore the intangible resources of a business when assessing how to deliver a strategy - but they can be crucial. Intangibles include:

Goodwill

The difference between the value of the tangible assets of the business and the actual value of the business (what someone would be prepared to pay for it)

Reputation

Does the business have a track record of delivering on its strategic objectives? If so, this could help gather the necessary support from employees and suppliers

Brands

Strong brands are often the key factor in whether a growth strategy is a success or failure

Intellectual Property

Key commercial rights protected by patents and trademarks may be an important factor in the strategy.

5.4. External business environment

Introduction

A business does not function in a vacuum. It has to act and react to what happens outside the factory and office walls. These factors that happen outside the business are known as **external factors or influences**. These will affect the main internal functions of the business and possibly the objectives of the business and its strategies.

Main Factors

The main factor that affects most business is the **degree of competition** – how fiercely other businesses compete with the products that another business makes.

The other factors that can affect the business are:

- **Social** – how consumers, households and communities behave and their beliefs. For instance, changes in attitude towards health, or a greater number of pensioners in a population.
- **Legal** – the way in which legislation in society affects the business. E.g. changes in employment laws on working hours.
- **Economic** – how the economy affects a business in terms of taxation, government spending, general demand, interest rates, exchange rates and European and global economic factors.
- **Political** – how changes in government policy might affect the business e.g. a decision to subsidise building new houses in an area could be good for a local brick works.
- **Technological** – how the rapid pace of change in production processes and product innovation affect a business.
- **Ethical** – what is regarded as morally right or wrong for a business to do. For instance should it trade with countries which have a poor record on human rights.

Changing External Environment

Markets are changing all the time. It does depend on the type of product the business produces, however a business needs to react or lose customers.

Some of the main reasons why markets change rapidly:

- Customers develop new needs and wants.
- New competitors enter a market.
- New technologies mean that new products can be made.
- A world or countrywide event happens e.g. Gulf War or foot and mouth disease.
- Government introduces new legislation e.g. increases minimum wage.

Business and Competition

Though a business does not want competition from other businesses, inevitably most will face a degree of competition.

The amount and type of competition depends on the market the business operates in:

- **Many small rival businesses** – e.g. a shopping mall or city centre arcade – close rivalry.
- **A few large rival firms** – e.g. washing powder or Coke and Pepsi.
- **A rapidly changing market** – e.g. where the technology is being developed very quickly – the mobile phone market.

A business could react to an increase in competition (e.g. a launch of rival product) in the following ways:

- **Cut prices** (but can reduce profits)
- **Improve quality** (but increases costs)
- **Spend more on promotion** (e.g. do more advertising, increase brand loyalty; but costs money)
- **Cut costs**, e.g. use cheaper materials, make some workers redundant

Social Environment and Responsibility

Social change is when the people in the community adjust their attitudes to way they live. Businesses will need to adjust their products to meet these changes, e.g. taking sugar out of children's drinks, because parents feel their children are having too much sugar in their diets.

The business also needs to be aware of their social responsibilities. These are the way they act towards the different parts of society that they come into contact with.

Legislation covers a number of the areas of responsibility that a business has with its customers, employees and other businesses.

It is also important to consider the effects a business can have on the local community. These are known as the **social benefits** and **social costs.**

A social benefit is where a business action leads to benefits above and beyond the direct benefits to the business and/or customer. For example, the building of an attractive new factory provides employment opportunities to the local community.

A social cost is where the action has the reverse effect – there are costs imposed on the rest of society, for instance pollution.

These extra benefits and costs are distinguished from the private benefits and costs directly attributable to the business. These extra cost and benefits are known as externalities – external costs and benefits.

Governments encourage social benefits through the use of subsidies and grants (e.g. regional assistance for undeveloped areas). They also discourage social costs with fines, taxes and legislation.

Pressure groups will also discourage social costs.

5.5. Business stakeholders

In terms of understanding the objectives of a business or other organisation, there are two traditional views:

(1) The Shareholder Concept

(2) The Stakeholder Concept

Shareholder Concept - Maximising Shareholder Wealth

In the theory of accounting and finance, it is assumed that the objective of the business is to maximise the value of a company. Put simply, this means that the managers of a business should create as much wealth as possible for the shareholders. Given this objective, any financing or investment decision that is expected to improve the value of the shareholder's stake in the business is acceptable. In short, the objective for managers running a business should be profit maximisation. both in the short and long-term.

Stakeholder Concept - A Wider Range of Objectives

In recent years, a wider variety of goals have been suggested for a business. These include the traditional objective of profit maximisation (in other words - the shareholder concept has not been abandoned). However, they also include goals relating to earnings per share, total sales, numbers employed, measures of employee welfare, manager satisfaction, environmental protection and many others.

A major reason for increasing adoption of a Stakeholder Concept in setting business objectives is the recognition that businesses are affected by the "environment" in which they operate. Businesses come into regular contact with customers, suppliers, government agencies, families of employees, special interest groups. Decisions made by a business are likely to affect one or more of these "stakeholder groups". Some examples are given below

Business Decision: Relocation of Head Office from London to Wales

Stakeholders Affected

- Employees in London: potential redundancies; concerns about family; housing; change in "living standards"

- New employees in Wales: job opportunities; training

- Customers: impact on supply of product or service;

- Suppliers: impact on supply costs; loss of trade for London-based suppliers

- Government agencies: regional development agencies; agencies providing other grants; employment training agencies

- Other groups: environmental impact in Wales (e.g. traffic)

The stakeholder concept suggests that the managers of a business should take into account their responsibilities to other groups - not just the shareholder group - when making decisions. The concept suggests that businesses can benefit significantly from cooperating with stakeholder groups, incorporating their needs in the decision-making process.

Examples of Stated Business Objectives that Incorporate the Stakeholder Concept

British Telecom

We aim to be at the heart of the information society - a communications-rich world in which everyone, irrespective of nationality, culture, ethnicity, class, creed or education, has access to the benefits of information and communications technology (ICT).

In practical terms, that means we are committed to doing business in a way that:

- maximise's the benefits of ICT for individuals
-contributes to the communities in which we operate
- minimizes any adverse impact that we might have on the environment.
-It means doing business in a way that will persuade customers to buy from us, investors to back us, the best people to work for us and communities to have us around.

If we had to say what we believe in a single sentence, it would be this: better communications help create a better world.

Marks and Spencer

Our commitment to society is nothing new. We've always known that as well as providing the right products, a sustainable retail business needs the support of healthy communities and a high quality environment. Since the 1930s, Marks & Spencer has been actively involved in improving the quality of life for a wide range of communities. We've always tried to make an active contribution to the needs of our stakeholders, whether as customers, employees, investors, suppliers, partners or neighbours.

Entering the 21st century our commitment remains as strong as ever, but the world is changing. Business is becoming global, society more diverse and our environment is under greater threat than at any time before. Companies are having to consider how their actions impact on an increasingly connected set of issues.

We aim to be the most trusted retailer wherever we trade by demonstrating a clear sense of social responsibility and consistency in our decision making and behaviour.

GlaxoSmithKline

GlaxoSmithKline is one of the world's leading pharmaceutical companies. Its global quest is to improve the quality of human life by enabling people to do more, feel better and live longer. GSK's strategic intent is to become the indisputable leader in its industry - not simply in terms of size, but in how it uses that size to achieve its mission. Through its Global Community Partnerships function and Corporate Donations Committee, GSK partners with and supports organisations whose goals and objectives reflect its mission of improving the quality of human life.

5.6. Principles of management

Introduction

If you look up the dictionary **definition of management**, among many examples you will find clues as to the real definition of management. This article simply takes an assortment of definitions and looks at what they say and what they imply about management.

"Management" (from Old French ménagement "the art of conducting, directing", from Latin manu agere "to lead by the hand") characterises the process of leading and directing all or part of an organization, often a business, through the deployment and manipulation of resources (human, financial, material, intellectual or intangible). … en.wikipedia.org/wiki/Management

This management definition is interesting because it traces the root meaning back to the Latin phrase meaning "to lead by the hand". Leading by the hand implies giving direction that is stronger than just a passing suggestion yet still fairly gentle in approach. Leading by the hand also implies that the person doing the leading is first going where the follower is being lead. The leader is not asking the follower to do something he is not willing to do himself.

The guidance and control of action required to execute a program. Also, the individuals charged with the responsibility of conducting a program. www.ojp.usdoj.gov/BJA/evaluation/glossary/glossary_m.htm

This definition of management refers to a "program". This implies that, for management to be effective, there needs to be some type of defined approach or system in place. This system becomes the plan and management is guiding others in following that plan. This is often the downfall of managers. They have no plan or system. As a result their actions seem random to the people they are managing and this leads to confusion and disappointment. This is why it is so important for business managers to have an employee manual. Without the employee manual providing direction, managers will struggle to be fair and balanced in their dealings with employees.

is the organizational process that includes strategic planning, setting; objectives, managing resources, deploying the human and financial assets needed to achieve objectives, and measuring results. Management also includes recording and storing facts and information for later use or for others within the organization. Management functions are not limited to managers and supervisors. Every member of the organization has some management and reporting functions as part of their job. home.earthlink.net/~ddstuhlman/defin1.htm

This management definition is more in depth and tailored toward business management. Notice that it consists of three primary activities. First, management establishes a plan. This plan becomes the road map for what work is going to be done. Second, management allocates resources to implement the plan. Third, management measures the results to see how the end product compares with what was originally

envisioned. Most management failings can be attributed to insufficient effort occurring in one of these three areas.

The definition goes on to talk about how management is responsible for measuring details that may not be required presently, but may be useful later on. These measurements often help determine the objectives in the planning stage.

When management is following this type of sequence, it becomes a continuing cycle. Plan, execute, and measure. The measurements become the basis for the next planning stage and so on.

is the activity of getting things done with the aid of people and other resources. wps.prenhall.com/wps/media/objects/213/218150/glossary.html

This definition of management focus on management as the process of accomplishing work through the efforts of others. Skilled managers can accomplish much more through others than they can through their own single efforts.

Effective utilization and coordination of resources such as capital, plant, materials, and labour to achieve defined objectives with maximum efficiency. www.ecbp.org/glossary.htm

This definition of management looks at not only the people but the entire range of resources necessary to follow a plan. Notice how it focuses on efficiency. Management isn't just getting from point A to point B. It is getting there by choosing the best possible path.

1. The process of getting activities completed efficiently with and through other people; 2. The process of setting and achieving goals through the execution of five basic management functions: planning, organizing, staffing, directing, and controlling; that utilize human, financial, and material resources. www.crfonline.org/orc/glossary/m.html

The first definition looks at the fact that management is getting work done through other people. The second definition divides management up into five components. These components are all parts of the three components (plan, execute, measure) that we looked at above. However the more detailed definition helps show the activities that occur in each of the three phase definition.

The process of planning, leading, organizing and controlling people within a group in order to achieve goals; also used to mean the group of people who do this. www.booksites.net/download/chadwickbeech/Glossary.htm

Once again, this definition of management addresses accomplishing work through other people. This definition stresses the activities that are necessary for reaching particular goals.

the process of achieving the objectives of the business organization by bringing together human, physical, and financial resources in an optimum combination and making the best decision for the organization while taking into consideration its

operating environment.
www.ucs.mun.ca/~rsexty/business1000/glossary/M.htm

This management definition talks about the different components that managers need to control in order to achieve objectives. One differentiator of this definition is the way it considers the operating environment as part of what a manager must understand.

the role of conducting and supervising a business.
www.becbiz.com.au/glossary.htm

Perhaps one of the best ways to get a sense about the practices of management is to examine key terms in management. These key terms are defined below. Definitions in this document are quite basic and general in nature.

Board of Directors

A board is a group of people who are legally charged to govern an organization (usually a corporation). The board is responsible for setting strategic direction, establishing broad policies and objectives, and hiring and evaluating the chief executive officer. The chief executive officer reports to the board and is responsible for carrying out the board's strategic policies. The nature of a board can vary widely in nature. Some boards act like "governing boards", that is, they take a strong policy-making role, and expect the chief executive to operate the organization according to those policies. Some boards, despite their being legally responsible for the activities of the corporation, follow all of the directions and guidance of the chief executive (in this case, board members arguably are not meeting their responsibilities as a board). Still, other boards take a strong "working board", or hands-on role, including micro-managing the chief executive and organization. For more information, see Boards of Directors.

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.

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.

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.

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.

Executives

Usually, this term generally applies to those people or specific positions in top levels
of management, e.g., chief executive officers, chief operating officers, chief financial
officers, vice presidents, general managers of large organizations, etc. In large
organizations, executives often have different forms of compensation or pay, e.g.,
they receive portions of the company's stock, receive executive-level "perks, etc.
Chief executives usually pay strong attention to strategic plans and organizational
performance, whether measured financially or from impact of services to a
community. Many people think of the Chief Executive Officer as heading up large,
for-profit corporations. This is not entirely true. The majority of businesses are small
and medium size businesses. Their top executives could be called Chief Executive
Officers.

"Leading versus Managing"?

(Whatever the title, the person in the top-level position in the organization is (or at least should be) responsible for setting (or, in the case of corporations, pursuing) the overall direction for the organization. Consequently (and unfortunately?), this "executive" level of management is often referred to as the "leadership" of the organization.)

With recent focus on the need for transformational leadership to guide organizations through successful change, the term "leadership" has also been used to refer to those who embrace change and lead the change of organizations for the betterment of all stakeholders. Some people believe that leadership occurs only at the top levels of organizations and managing occurs in the levels farther down the organization. Some people believe that leadership occurs (or should occur) throughout the organization, but still use the term "leadership" mostly to refer to the top positions in the organization. Others believe that managing and leading occur at many levels of the organization.

Managers

A classic definition is that "Leaders do the right thing and managers do things right." A more standard definition is usually something like "managers work toward the organization's goals using its resources in an effective and efficient manner." In a traditional sense, large organizations may have different levels of managers, including top managers, middle managers and first-line managers. **Top (or executive) managers** are responsible for overseeing the whole organization and typically engage in more strategic and conceptual matters, with less attention to day-to-day detail. Top managers have middle managers working for them and who are in charge of a major function or department. **Middle managers** may have **first-line managers** working for them and who are responsible to manage the day-to-day activities of a group of workers.

Note that you can also have different types of managers across the same levels in the organization. A **project manager** is in charge of developing a certain project, e.g., development of a new building. A **functional manager** is in charge of a major function, such as a department in the organization, e.g., marketing, sales, engineering, finance, etc. (For example, see Program Planning) A **product manager** is in charge of a product or service. Similarly, a **product line** manager is in charge of a group of closely related products. **General managers** are in charge of numerous functions within an organization or department.

Supervisors

(This is a widely misunderstood term. Many people believe it applies only to people who oversee the productivity and development of entry-level workers. That's not true.) The term "supervisor" typically refers to one's immediate superior in the workplace, that is, the person whom you report directly to in the organization. For example, a middle manager's supervisor typically would be a top manager. A first-

line manager's supervisor would be a middle manager. A worker's supervisor typically would be a first-line manager.

Supervisors typically are responsible for their direct reports' progress and productivity in the organization. Supervision often includes conducting basic management skills (decision making, problem solving, planning, delegation and meeting management), organizing teams, noticing the need for and designing new job roles in the group, hiring new employees, training new employees, employee performance management (setting goals, observing and giving feedback, addressing performance issues, firing employees, etc.) and ensuring conformance to personnel policies and other internal regulations.

Supervisors typically have strong working knowledge of the activities in their group, e.g., how to develop their product, carry out their service, etc. Many also use the term "supervisor" to designate the managerial position that is responsible for a major function in the organization, for example, Supervisor of Customer Service.

Work Directors

Work directors directly oversee the work of their subordinates. They carry out their oversight role by specifically assigning work and then closely monitoring to ensure the work is carried out according to their wishes. Often, people work their way up through management levels by starting out as work directors. Over time, they develop skills in delegation, which frees them up from having to closely monitor the work of their subordinates and, instead, to attend to more high-level managerial activities. Work directors are not always at lower levels of the organization. For example, a middle- or upper-level manager who has poorly developed delegation skills might still be interpreted as work directing her or his subordinates.

Individual Contributors

This term is often used to refer to entry-level and/or first-line employees who do not have employees reporting to them.

Leaders

Very simply put, a leader is interpreted as someone who sets direction in an effort and influences people to follow that direction. They set direction by developing a clear vision and mission, and conducting planning that determines the goals needed to achieve the vision and mission. They motivate by using a variety of methods, including facilitation, coaching, mentoring, directing, delegating, etc. As noted above, one of the four key functions of management is leading (along with planning, organizing and controlling). Leaders carry out their roles in a wide variety of styles, e.g., autocratic, democratic, participatory, laissez-faire (hands off), etc. Often, the leadership style depends on the situation, including the life cycle of the organization. There are many views about what characteristics and traits that leaders should have. There are also numerous theories about leadership, or about carrying out the role of leader, e.g., servant leader, democratic leader, principle-centered leader, group-man

theory, great-man theory, traits theory, visionary leader, total leader, situational leader, etc.

As note above, many people assert that leading is different than managing.

(This term is commonly misapplied when people use the term mostly to refer to the top levels in an organization. The term has -- and should have -- much broader usage. Anyone at any level in an organization can show leadership; thus, almost anyone can be a leader in the organization)

Boards of Directors / Governance Development

Board / Governance development refers to the activities involved in enhancing skills of the corporation's board members to effectively fill their role in governing the corporation. Board development typically includes helping board members to understand their role of boards, build skills in recruiting and training board members, carry out effective board meetings, make policy decisions about strategic goals and finances, evaluate the board and chief executive officer, etc.

Management Development

Usually, this term refers to the activities involved in enhancing leaders', managers' and supervisor's abilities to plan, organize, lead and control the organization and its members. Consequently, many view the term "management development" to include executive development (developing executives), leadership development (developing leaders), managerial development (developing managers) and supervisoral development (developing supervisors).

As mentioned above, there are people who assert a strong difference between "leading" and "managing". These people often refer to leadership development (developing skills in leadership) as apart from management (and managerial) development (developing skills in planning, organizing and controlling).

Executive Development

(Today's organizations are changing dramatically. Successful change requires strong leadership from top positions in the organizations. Therefore, writers often interchange use of the phrases "leadership development" with "executive development". They are not the same. As noted above, this is handy, but it can cause substantial confusion.)

Executive development refers to the activities involved in enhancing one's ability to carry out top-level roles in the organization. Some key skills for executives to have include understanding the external environment of the organization, leadership, strategic planning, financial forecasting and analysis, organizing, program planning and human resource management, etc.

Managerial Development

This term is not frequently used. When it is, it is usually used meant in the same regard as management development.

Supervisoral Development

Supervisoral development refers to the activities involved in enhancing one's ability to oversee, guide and evaluate activities of immediate subordinates in the organization. Supervisor development often includes learning basic skills in employee performance management, managing meetings, project management, etc. Good supervisory development should also include developing skills in time and stress management -- the role of supervisor is often quite stressful to those who are first getting used to the hectic activities of management.

Leadership Development

Leadership development refers to the activities involved in enhancing one's ability to establish vision and goals, and motivate and guide others to achieve the vision and goals. Leadership development is critical at almost *any* level in the organization -- not just the executive level.

5.7. The four functions of management

The base function is to: Plan

It is the foundation area of management. It is the base upon which the all the areas of management should be built. Planning requires administration to assess; where the company is presently set, and where it would be in the upcoming. From there an appropriate course of action is determined and implemented to attain the company's goals and objectives

Planning is unending course of action. There may be sudden strategies where companies have to face. Sometimes they are uncontrollable. You can say that they are external factors that constantly affect a company both optimistically and pessimistically. Depending on the conditions, a company may have to alter its course of action in accomplishing certain goals. This kind of preparation, arrangement is known as strategic planning. In strategic planning, management analyzes inside and outside factors that may affect the company and so objectives and goals. Here they should have a study of strengths and weaknesses, opportunities and threats. For management to do this efficiently, it has to be very practical and ample.

The subsequent function is to: Organize

The second function of the management is getting prepared, getting organized. Management must organize all its resources well before in hand to put into practice the course of action to decide that has been planned in the base function. Through this process, management will now determine the inside directorial configuration;

establish and maintain relationships, and also assign required resources.

While determining the inside directorial configuration, management ought to look at the different divisions or departments. They also see to the harmonization of staff, and try to find out the best way to handle the important tasks and expenditure of information within the company. Management determines the division of work according to its need. It also has to decide for suitable departments to hand over authority and responsibilities.

The third function is to: Direct

Directing is the third function of the management. Working under this function helps the management to control and supervise the actions of the staff. This helps them to assist the staff in achieving the company's goals and also accomplishing their personal or career goals which can be powered by motivation, communication, department dynamics, and department leadership.

Employees those which are highly provoked generally surpass in their job performance and also play important role in achieving the company's goal. And here lies the reason why managers focus on motivating their employees. They come about with prize and incentive programs based on job performance and geared in the direction of the employees requirements.

It is very important to maintain a productive working environment, building positive interpersonal relationships, and problem solving. And this can be done only with Effective communication. Understanding the communication process and working on area that need improvement, help managers to become more effective communicators. The finest technique of finding the areas that requires improvement is to ask themselves and others at regular intervals, how well they are doing. This leads to better relationship and helps the managers for better directing plans.

The final function is to: Control

Control, the last of four functions of management, includes establishing performance standards which are of course based on the company's objectives. It also involves evaluating and reporting of actual job performance. When these points are studied by the management then it is necessary to compare both the things. This study on comparision of both decides further corrective and preventive actions.

In an effort of solving performance problems, management should higher standards. They should straightforwardly speak to the employee or department having problem. On the contrary, if there are inadequate resources or disallow other external factors standards from being attained, management had to lower their standards as per requirement. The controlling processes as in comparison with other three, is unending process or say continuous process. With this management can make out any probable problems. It helps them in taking necessary preventive measures against the consequences. Management can also recognize any further developing problems that need corrective actions.

Effective and efficient management leads to success, the success where it attains the

objectives and goals of the organizations. Of course for achieving the ultimate goal and aim management need to work creatively in problem solving in all the four functions. Management not only has to see the needs of accomplishing the goals but also has to look in to the process that their way is feasible for the company.

5.8. Basic management skills

Management consists of the five processes, namely, planning, organizing, leading, co-ordinating and controlling. Management is basically an organization activity, the organization of work and resources, to achieve success. The successful organization of work and resources requires careful planning. Effective planning involves foresight of the potential obstacles and readiness to fight them. It is important to head the team and guide the team members on their way to success. While organizing and leading a group of people, management plays a vital role in the achievement of co-ordination and the exercise of control. Management is such a vast subject that it becomes difficult to restrict the definition of management to a few processes. Management is complex and critical and hence it is not right to confine its description to some management processes. Believing in the vastness of this subject, some prefer defining management as 'all that managers do'. But what does a manager do? A manager is responsible for the successful implementation of management skills. A good manager needs to adhere to the basic management principles and exhibit the basic management skills in his/her personality.

Basic Management Skills

Leadership: This is one of the most important management skills. Leadership comprises of the efficient organization of the resources in achieving a company goal. Leadership involves the management of human resources with an assessment of the strengths and weaknesses of each member of the team. It is about leading the people and guiding them towards the accomplishment of a common goal. Leadership includes a just allocation of work to the resources, planning of the implementation of tasks assigned and helping the team with task completion.

Team Building: This is another basic management skill that includes dealing with people, the most important asset of an organization. Encouraging the team members to speak up, come up with ideas and allowing them to make mistakes and learn from them can be described as a team building skill. To build a team, one needs to foster the team spirit in all of the team members. For the team to feel motivated to work, it is important for a manager to cater to their expectations, recognize their strengths and understand where they lack. The building of a team is about building the team spirit in members and maintaining it. The skill lies in knowing the team and encouraging them to take initiative and enthusiastically participate in every venture of the company.

Communication and Presentation Skills: After having achieved the knowledge of a certain domain and on having imbibed the technical skills and more importantly self-confidence needed to be a manager, what one may lack are the soft skills, which are equally important in management. The soft skills encompass the communication and presentation skills. A manager should be open to his/her team. A manager should be

able to accept constructive criticism. It is important for the manager to communicate his/her plans to the team and accept the team members' inputs on the plan of action. Communication is a two-way activity and for it to remain so, a manager needs to possess listening skills. They help a manager understand his/her team members, invite their participation and earn their regard. Good presentation skills help a manager impressively communicate with the team. 'How you communicate?' is as important as 'what you communicate?' So, the presentation skills definitely matter.

Decision-making Skill: Many a time, quick decisions have to be made. In such cases it becomes necessary for a manager to grasp the situation, think about what can be done and thoughtfully analyze the consequences of the decision to be made. A problem-solving approach is also considered as one of the basic management skills. To look at a situation analytically, one needs to bear a problem-solving approach. One needs to reason every consequence and come up with the pros and cons of the decision. A manager needs to be a quick thinker. For taking the right decision, one cannot afford to panic. One has to keep his/her cool, be aware of the results of the decisions and be prepared for them. A manager can get opportunities to celebrate a business success. But it is equally probable that a manager is forced to handle the consequences of a wrong decision. Hence while it is necessary to distinguish between the 'right' and the 'wrong', it is also necessary to be ready to accept the 'wrongs' and deal with them.

In short management skills are about making the right decisions and getting them executed by the right people. Thus, management skills are indeed all those things that effective management professionals do!

The Manager as Coach

Is a good manager an effective coach? Do effective coaches make good managers? To answer these questions with any great authority, it is important to define what is required of a manager when performing the role of coach. In order to do this, it is best to examine all management activity of which there are three key areas: Managing, Leading and Coaching.

These three activities are complimentary and are required to help a good manager achieve their business objectives, by enabling a team to perform at their best. You could refer to these skills as the legs of a stool on which a good manager sits.

When leading: the manager creates and shares a vision of the future with their team and ensures that their activities are consistent with bringing about that change.

When managing: they deliver results to the organisation by controlling the work of the team and agreeing and monitoring such things as budgets, timescales and quality levels.

When coaching: they support team members in their learning, to enable them to develop the skills, knowledge and attitude necessary to successfully deliver their job responsibilities and goals.

It is important to note that these three elements overlap because some of the processes and skills that are used in one area are also used in another. There may be times when the manager needs to use coaching skills to help their team understand and take ownership of quality levels or times when management of budgets requires strong leadership and vision.

Problems arise when the manager is not clear about which approach is appropriate in a particular situation. For example, if a coaching approach is used when deadlines are tight or a crisis has arisen, precious time may be lost. If a management approach is used when a team member has made a mistake, the learning opportunity will be missed and the mistake may be repeated.

All this boils down to the simple fact that coaching is incredibly important to a manager's role and to be truly effective, they should acquire this valuable skill. However, if they neglect the requirements of management and leadership, they will ultimately fail.

So, to answer the original questions; Are all good managers effective coaches? I suspect so. Does that make all effective coaches good managers? Not unless you can sit on a one legged stool!

Technical, Human and Conceptual Skill

The three levels for being a high-quality manager are as follows: Technical Skill, Human Skill, and Conceptual Skill and the necessary functions of a manager are planning, organizing, directing and controlling.

Technical skill is the ability to process the technical side of a job or part of your work. Proficiency in the technical knowledge of your job and company is critical if your job requires you to be more "hands on" with your work. Many managers find themselves less educated on the technical side of the job than the rest of their employees and upon losing their managerial position they are forced to come to the reality that there are far more people educated in technical work than they are and slowly fall down the ladder. In order to not let this happen, you must stay up to date with the technical aspects of your job in order to assure your bosses and your company that you are the right person for the position.

Human (or interpersonal) skill is the power to communicate to your fellow co-workers. This is a skill that 99% of all companies look for in a manager because if you do not possess the ability to correspond with other employees then you will not work out in a manager position. You must be a "people person" in order to hold a job as a manager because on a daily basis you will be working with various other associates and you will need to know how to hold conversations and help your employees. Learning how to effectively communicate with people is a key principle of management that you will need in order to be successful in your position.

Conceptual skills involve the formulation of ideas and concepts. Managers that have great conceptual skills generally possess the power to create innovative ideas and deliver abstract theories. This form of management will give your company the edge

it needs against its competitors if you can formulate groundbreaking concepts for your company that will push them ahead of the competition.

Managers also have duties no matter what their skill level is. These responsibilities include planning, organizing, directing and controlling. These functions are necessary when working as a manager in any level you are performing in. You might view your principles of management as the separate skill levels or the basic duties of a manager. Whichever you hold as the most important, you must also keep in account that a great manager will possess all of these skills and be a vital asset to their company.

5.9. Management Styles

Managers have to perform many roles in an organization and how they handle various situations will depend on their style of management. A management style is an overall method of leadership used by a manager. There are two sharply contrasting styles that will be broken down into smaller subsets later:

- **Autocratic**
- **Permissive**

Each style has its own characteristics:

Autocratic: Leader makes all decisions unilaterally.

Permissive: Leader permits subordinates to take part in decision making and also gives them a considerable degree of autonomy in completing routine work activities.

Combining these categories with democratic (subordinates are allowed to participate in decision making) and directive (subordinates are told exactly how to do their jobs) styles gives us four distinct ways to manage:

Directive Democrat: Makes decisions participatively; closely supervises subordinates.

Directive Autocrat: Makes decisions unilaterally; closely supervises subordinates.

Permissive Democrat: Makes decisions participatively; gives subordinates latitude in carrying out their work.

Permissive Autocrat: Makes decisions unilaterally; gives subordinates latitude in carrying out their work.

In what situations would each style be appropriate? Inappropriate?

Managers must also adjust their styles according to the situation that they are presented with. Below are four quadrants of situational leadership that depend on the amount of support and guidance needed:

Telling: Works best when employees are neither willing nor able to do the job (high need of support and high need of guidance).

Delegating: Works best when the employees are willing to do the job and know how to go about it (low need of support and low need of guidance).

Participating: Works best when employees have the ability to do the job, but need a high amount of support (low need of guidance but high need of support).

Selling: Works best when employees are willing to do the job, but don't know how to do it (low need of support but high need of guidance).

The different styles depend on the situation and the relationship behavior (amount of support required) and task behavior (amount of guidance required).

Can you guess which management styles would work best for each situation listed above?

Should managers use only one management style? Situational style?

Listed below are a few situations and options for what you would do. Try to decide which of the four situational styles would work best in each situation. Then pick the option that best fits that style.

Situation 1

The employees in your program appear to be having serious problems getting the job done. Their performance has been going downhill rapidly. They have not responded to your efforts to be friendly or to your expressions of concern for their welfare.

Which style would you pick? What would you do?

    a. Reestablish the need for following program procedures and meeting the expectations for task accomplishment.
    b. Be sure that staff members know you are available for discussion, but don't pressure them.
    c. Talk with your employees and then set performance goals.
    d. Wait and see what happens.

Situation 2

During the past few months, the quality of work done by staff members has been increasing. Record keeping is accurate and up to date. You have been careful to make sure that the staff members are aware of your performance expectations.

Which style would you pick? What would you do?

    a. Stay uninvolved.
    b. Continue to emphasize the importance of completing tasks and meeting deadlines.

c. Be supportive and provide clear feedback. Continue to make sure that staff members are aware of performance expectations.
d. Make every effort to let staff members feel important and involved in the decision making process.

Situation 3

Performance and interpersonal relations among your staff have been good. You have normally left them alone. However, a new situation has developed, and it appears that staff members are unable to solve the problem themselves.

Which style would you pick? What would you do?

a. Bring the group together and work as a team to solve the problem.
b. Continue to leave them alone to work it out.
c. Act quickly and firmly to identify the problem and establish procedures to correct it
d. Encourage the staff to work on the problem, letting them know you are available as a resource and for discussion if they need you.

Situation 4

You are considering a major change in your program. Your staff has a fine record of accomplishment and a strong commitment to excellence. They are supportive of the need for change and have been involved in the planning.

Which style would you pick? What would you do?

a. Continue to involve the staff in the planning, but direct the change.
b. Announce the changes and then implement them with close supervision.
c. Allow the group to be involved in developing the change, but don't push the process.
d. Let the staff manage the change process.

5.10. Leadership as a facet of management

Leadership is just one of the many assets a successful manager must possess. Care must be taken in distinguishing between the two concepts. The main aim of a manager is to maximise the output of the organisation through administrative implementation. To achieve this, managers must undertake the following functions:

- planning
- organizing
- directing
- controlling

Leadership is just one important component of the directing function. A manager cannot just be a leader, he also needs formal authority to be effective. "For any quality initiative to take hold, senior management must be involved and act as a role model. This involvement cannot be delegated."

In some circumstances, leadership is not required. For example, self motivated groups may not require a single leader and may find leaders dominating. The fact that a leader is not always required proves that leadership is just an asset and is not essential.

Differences In Perspectives

Managers think incrementally, whilst leaders think radically. "Managers do things right, while leaders do the right thing." This means that managers do things by the book and follow company policy, while leaders follow their own intuition, which may in turn be of more benefit to the company. A leader is more emotional than a manager . "Men are governed by their emotions rather than their intelligence". This quotation illustrates why teams choose to follow leaders.

"Leaders stand out by being different. They question assumption and are suspicious of tradition. They seek out the truth and make decisions based on fact, not prejudice. They have a preference for innovation."

Subordinate As A Leader

Often with small groups, it is not the manager who emerges as the leader. In many cases it is a subordinate member with specific talents who leads the group in a certain direction. "Leaders must let vision, strategies, goals, and values be the guide-post for action and behaviour rather than attempting to control others."

When a natural leader emerges in a group containing a manager, conflict may arise if they have different views. When a manager sees the group looking towards someone else for leadership he may feel his authority is being questioned.

Loyalty

Groups are often more loyal to a leader than a manager. This loyalty is created by the leader taking responsibility in areas such as:

- Taking the blame when things go wrong.
- Celebrating group achievements, even minor ones.
- Giving credit where it is due.

"The leader must take a point of highlighting the successes within a team, using charts or graphs, with little presentations and fun ideas"

"Leaders are observant and sensitive people. They know their team and develop mutual confidence within it."

The Leader Is Followed. The Manager Rules

A leader is someone who people naturally follow through their own choice, whereas a manager **must** be obeyed. A manager may only have obtained his position of authority through time and loyalty given to the company, not as a result of his leadership qualities. A leader may have no organisational skills, but his vision unites people behind him.

Management Knows How It Works

Management usually consists of people who are experienced in their field, and who have worked their way up the company. A manager knows how each layer of the system works and may also possess a good technical knowledge. A leader can be a new arrival to a company who has bold, fresh, new ideas but might not have experience or wisdom.

Conclusion

Managing and leading are two different ways of organising people. The manager uses a formal, rational method whilst the leader uses passion and stirs emotions. William Wallace is one excellent example of a brilliant leader but could never be thought of as the manager of the Scots!

The Management-Leadership Balance

Management	Leadership
Systems, processes, and technology	People — context and culture
Goals, standards, and measurements	Preferred future, principles, and purpose
Control	Commitment
Strategic planning	Strategic opportunism
A way of doing	A way of being
Directing	Serving
Responding and reacting	Initiating and originating
Continuous improvement of what is	Innovative breakthroughs to what could be

Both management and leadership skills are needed at the organizational, team, and personal levels. It's not a case of either/or, but and/also. Futurist, Joel Barker provides another helpful distinction between the two roles; "managers manage within

paradigms, leaders lead between paradigms." Both are needed. Trying to run an organization with only leadership or management is like trying to cut a page with half a pair of scissors. Leadership and management are a matched set; both are needed to be effective.

Systems and processes (management) for example, are critical to success. You and your organization can be using the latest technologies and be highly focused on customers and those serving them (leadership), but if the methods and approaches you're using to structure and organize your work is weak, your performance will suffer badly. People in your organization can be "empowered," energized, and enlightened; but if your systems, processes, and technologies don't enable them to perform well, they won't. Developing the discipline, and using the most effective tools and techniques, of personal and organization systems and processes is a critical element of high performance.

But as the sweeping movement to teams, "empowerment," and involvement intensifies, many more daily management tasks are moving to the front lines where they belong. So leadership becomes even more critical. Unfortunately, many people in so-called leadership positions aren't leaders. They're managers, bureaucrats, technocrats, bosses, administrators, department heads, and the like; but they aren't leaders. On the other hand, some people in individual contributor roles are powerful leaders. Leadership is an action, not a position.

A leader doesn't just react and respond, but rather takes the initiative and generates action. A leader doesn't say "something should be done," but ensures something is done. An effective leader is a "people person." Effective leaders connect, stay in contact with, and are highly visible to everyone on their team and in their organization. Leaders have developed the skills of supercharging logic, data, and analysis with emotion, pride, and the will to win. Their passion and enthusiasm for the team or organization's vision and purpose is highly contagious. They fire the imaginations, develop the capabilities, and build the confidence of people to "go for it." Leaders help people believe the impossible is possible, which makes it highly probable.

Do you like to be managed or led? You're not alone. Very few people want to work for a manager. Most of us would much rather be led by a leader. To manage is to control, handle, or manipulate. To lead is to guide, influence, or persuade. You manage things — systems, processes, and technology. You lead people. The roots of the rampant morale, energy, and performance problems found in many organizations are technomanagers who treat people as "human resources" to be managed. If you want to manage someone, manage yourself. Once you master that, you'll be a much more effective leader of others.

5.11. Recruitment

Recruitment refers to the process of attracting, screening, and selecting qualified people for a job at an organization or firm. For some components of the recruitment process, mid- and large-size organizations often retain professional recruiters or outsource some of the process to recruitment agencies.

The recruitment industry has five main types of agencies: employment agencies, recruitment websites and job search engines, "headhunters" for executive and professional recruitment, niche agencies which specialize in a particular area of staffing and in-house recruitment. The stages in recruitment include sourcing candidates by advertising or other methods, and screening and selecting potential candidates using tests or interviews.

Agency types

The recruitment industry is based on the goal of providing a candidate to a client for a price. On one end of the spectrum there are agencies that are paid only if they deliver a candidate that successfully stays with the client beyond the agreed probationary period. On the other end of the spectrum there are agencies that are paid a retainer to focus on a client's needs and achieve milestones in the search for the right candidate, and then again are paid a percentage of the candidate's salary when a candidate is placed and stays with the organization beyond the probationary period. Today's (June 2010) recruitment industry is fairly competitive, therefore agencies have sought out ways to differentiate themselves and add value by focusing on some area of the recruitment life cycle. Here are five types of typical agencies.

Traditional agency

Also known as employment agencies, recruitment agencies have historically had a physical location. A candidate visits a local branch for a short interview and an assessment before being taken onto the agency's books. Recruitment consultants then work to match their pool of candidates to their clients' open positions. Suitable candidates are short-listed and put forward for an interview with potential employers on a contract or direct basis.

Compensation to agencies take several forms, the most popular are:

- A contingency fee paid by the company when a recommended candidate accepts a job with the client company (typically 20%-30% based and calculated on the candidates first-year base salary – though fees as low as 12.5% can be found online, which usually has some form of guarantee (30–90 days standard), should the candidate fail to perform and is terminated within a set period of time (refundable fully or prorated)
- An advance payment that serves as a retainer, also paid by the company, non-refundable paid in full depending on outcome and success (eg. 40% up front, 30% in 90 days and the remainder once a search is completed). This form of

compensation is generally reserved for high level executive search/headhunters
- Hourly Compensation for temporary workers and projects. A pre-negotiated hourly fee, in which the agency is paid and pays the applicant as a consultant for services as a third party. Many contracts allow a consultant to transition to a full-time status upon completion of a certain number of hours with or without a conversion fee.

Headhunters

A "headhunter" is industry term for a third-party recruiter who seeks out candidates, often when normal recruitment efforts have failed. Headhunters are generally considered more aggressive than in-house recruiters or may have preexisting industry experience and contacts. They may use advanced sales techniques, such as initially posing as clients to gather employee contacts, as well as visiting candidate offices. They may also purchase expensive lists of names and job titles, but more often will generate their own lists. They may prepare a candidate for the interview, help negotiate the salary, and conduct closure to the search. They are frequently members in good standing of industry trade groups and associations. Headhunters will often attend trade shows and other meetings nationally or even internationally that may be attended by potential candidates and hiring managers. Headhunters are typically small operations that make high margins on candidate placements (sometimes more than 30% of the candidate's annual compensation). Due to their higher costs, headhunters are usually employed to fill senior management and executive level roles. Headhunters are also used to recruit very specialized individuals; for example, in some fields, such as emerging scientific research areas, there may only be a handful of top-level professionals who are active in the field. In this case, since there are so few qualified candidates, it makes more sense to directly recruit them one-by-one, rather than advertise internationally for candidates. While in-house recruiters tend to attract candidates for specific jobs, headhunters will both attract candidates and actively seek them out as well. To do so, they may network, cultivate relationships with various companies, maintain large databases, purchase company directories or candidate lists, and cold call prospective recruits.

Niche recruiters

More and more weare seeing the emergence of specialized firms which only staff for a very narrow specialty. Because of their focus, these firms can very often produce superior results due to their ability to channel all of their resources into networking for a very specific skill set. This specialization in staffing allows them to offer more jobs for their specific demographic which in turn attracts more specialized candidates from that specific demographic over time building large proprietary databases. These Niche firms tend to be more focused on building ongoing relationships with their candidates as is very common the same candidates are placed many times throughout their careers.

In-house recruitment

Larger employers tend to undertake their own in-house recruitment, using their human resources department, front-line hiring managers and recruitment personnel who handle targeted functions and populations. In addition to coordinating with the agencies mentioned above, in-house recruiters may advertise job vacancies on their own websites, coordinate internal employee referrals, work with external associations, trade groups and/or focus on campus graduate recruitment. While job postings are common, networking is by far the most significant approach when reaching out to fill positions. Alternatively a large employer may choose to outsource all or some of their recruitment process (recruitment process outsourcing).

Passive candidate research firms and sourcing firms

These firms are the new hybrid firms in the recruitment world able to combine the research aspects (discovering passive candidates) of recruiting and combine them with the ability to make hires for their clients. These firms provide competitive passive candidate intelligence to support companies' recruiting efforts. Normally they will generate varying degrees of candidate information from those people currently engaged in the position a company is looking to fill. These firms usually charge a per hour fee or by candidate lead. Many times this uncovers names that cannot be found with other methods and will allow internal recruiters the ability to focus their efforts solely on recruiting.

Process

Job analysis

The proper start to a recruitment effort is to perform a job analysis, to document the actual or intended requirement of the job to be performed. This information is captured in a job description and provides the recruitment effort with the boundaries and objectives of the search.[2] Oftentimes a company will have job descriptions that represent a historical collection of tasks performed in the past. These job descriptions need to be reviewed or updated prior to a recruitment effort to reflect present day requirements. Starting a recruitment with an accurate job analysis and job description ensures the recruitment effort starts off on a proper track for success.

Sourcing

Sourcing involves 1) advertising, a common part of the recruiting process, often encompassing multiple media, such as the Internet, general newspapers, job ad newspapers, professional publications, window advertisements, job centers, and campus graduate recruitment programs; and 2) recruiting research, which is the proactive identification of relevant talent who may not respond to job postings and other recruitment advertising methods done in #1. This initial research for so-called passive prospects, also called name-generation, results in a list of prospects who can then be contacted to solicit interest, obtain a resume/CV, and be screened (see below).

Screening and selection

Suitability for a job is typically assessed by looking for skills, e.g. communication, typing, and computer skills. Qualifications may be shown through résumés, job applications, interviews, educational or professional experience, the testimony of references, or in-house testing, such as for software knowledge, typing skills, numeracy, and literacy, through psychological tests or employment testing. Other resume screening criteria may include length of service, job titles and length of time at a job. In some countries, employers are legally mandated to provide equal opportunity in hiring. Business management software is used by many recruitment agencies to automate the testing process. Many recruiters and agencies are using an applicant tracking system to perform many of the filtering tasks, along with software tools for psychometric testing.

Onboarding

"Onboarding" is a term which describes the process of helping new employees become productive members of an organization. A well-planned introduction helps new employees become fully operational quickly and is often integrated with a new company and environment. Onboarding is included in the recruitment process for retention purposes. Many companies have onboarding campaigns in hopes to retain top talent that is new to the company; campaigns may last anywhere from 1 week to 6 months.

Internet recruitment and websites

Such sites have two main features: job boards and a résumé/curriculum vitae (CV) database. Job boards allow member companies to post job vacancies. Alternatively, candidates can upload a résumé to be included in searches by member companies. Fees are charged for job postings and access to search resumes. Since the late 1990s, the recruitment website has evolved to encompass end-to-end recruitment. Websites capture candidate details and then pool them in client accessed candidate management interfaces (also online). Key players in this sector provide e-recruitment software and services to organizations of all sizes and within numerous industry sectors, who want to e-enable entirely or partly their recruitment process in order to improve business performance.

The online software provided by those who specialize in online recruitment helps organizations attract, test, recruit, employ and retain quality staff with a minimal amount of administration. Online recruitment websites can be very helpful to find candidates that are very actively looking for work and post their resumes online, but they will not attract the "passive" candidates who might respond favorably to an opportunity that is presented to them through other means. Also, some candidates who are actively looking to change jobs are hesitant to put their resumes on the job boards, for fear that their current companies, co-workers, customers or others might see their resumes.

Job search engines

The emergence of meta-search engines, allow job-seekers to search across multiple websites. Some of these new search engines index and list the advertisements of traditional job boards. These sites tend to aim for providing a "one-stop shop" for job-seekers. However, there are many other job search engines which index pages solely from employers' websites, choosing to bypass traditional job boards entirely. These vertical search engines allow job-seekers to find new positions that may not be advertised on traditional job boards, and online recruitment websites.

5.12. Effective delegation skill

Delegation skill is the ability to effectively assign task responsibility and authority to others. Or, in other words, delegation skill is your ability to get things done by using work and time of other people.

Effective delegation is a **critical survival skill** for managers and supervisors, and this is what many delegation training resources are about. Yet, what is less often emphasized is that understanding delegation skill and knowing how to use it right is an important **personal time management skill**. No matter if you have subordinates or bosses, if it is at work or at home.

Do you have to do everything yourself?

The delegation process normally starts from asking yourself if you are the right person to do the task, and then **who is the right person** for this task. A common trap here is thinking like "If you want anything done right, you have to do it yourself". Such thinking is a sure way to stay overloaded with the same kind of work. It is a severe limit on how far you can go and how much you can grow in your job, business, or personal life.

Who should do it then?

The first important component of the delegation skill is choosing the right person to delegate the task to (**delegatee**).

You can use the following simple strategies. First, if you have subordinates, can any of them do the task at lower cost than you? If you are concerned with that they do it worse than you, can they do it at least 80 percent as good as you would, or could you train them to do it so?

If the task requires making decisions you are not authorized to make, when it is very right to **delegate it to your boss**.

Find a win-win deal

Outside the standard boss-subordinate situation, a key component of the delegation skill is the ability to find a **win-win deal**, and still delegate the task to someone.

A common win-win situation is when delegating the task saves your time and gives a valuable learning experience, skill training, or an interesting opportunity for the delegatee.

One more situation is task or service exchange, when someone does a task for you in exchange for that you do another task for her/him. Finally, it may be more effective just to buy some particular service from outside, or delegate the task to technologies, for example, to some special software.

You still have responsibilities

For your delegation skill to work, make sure that you will be able to monitor the progress of task execution and know if the task is actually completed. When you delegate, normally **you are still responsible for that the task is completed**. Avoid delegation when you are unable to monitor the completion status.

Yet, delegate the whole task

What you live to the delegatee is the responsibility for **how the task is executed**, the method of execution. When you do this, for the delegation to be effective it is important that you **delegate the whole task**. You need to effectively and clearly communicate to the delegatee **what outcome** is expected and what requirement are for the task results.

This is very important for the delegate's motivation and performance, as well as for your satisfaction with the task results.

Effective Delegation Is Not More Work

Delegation can be viewed as dumping by the employee who receives more work to do. In a recent meeting with a young employee, she complained that while she was extremely interested in more responsible work and taking on new challenges, she felt that her manager was just giving her more work to do.

Consequently, some of the delegated work was more challenging; attending meetings during which she helped impact the direction of a developing product was challenging, exciting, and responsible. She believed her manager didn't understand the difference though, so she spent her time doing more work of a mundane, repetitive nature. This workload, that had her working long hours and weekends, interfered with her ability to take on more responsibility.

Admittedly, any job has its share of the mundane tasks that have to be completed. I don't like filing and I don't like billing clients. I also don't like doing the wash. But,

the manager must carefully balance the delegation of more work with the delegation of work requiring more responsibility, authority, and challenge.

Derived from Latin, delegate means "to send from." When delegating you are sending the work "from" you "to" someone else. Effective delegation will not only give you more time to work on your important opportunities, but you will also help others on your team learn new skills.

Basics of Delegating

The hallmark of good supervision is effective delegation. Delegation is when supervisors give responsibility and authority to subordinates to complete a task. Effective delegation develops people who are ultimately more fulfilled and productive. Managers become more fulfilled and productive themselves as they learn to count on their staffs and are freed up to attend to more strategic issues.

Delegation is often very difficult for new supervisors, particularly if they have had to scramble to start the non-profit or start a major new service themselves. Many managers want to remain comfortable, making the same decisions they have always made. They believe they can do a better job themselves. They don't want to risk losing any of their power and stature (ironically, they do lose these if they don't learn to delegate effectively). Often, they don't want to risk giving authority to subordinates in case they fail and impair the organization.

However, there are basic approaches to delegation that, with practice, become the backbone of effective supervision and development. Thomas R. Horton, in *Delegation and Team Building: No Solo Acts Please* (Management Review, September 1992, pp. 58-61) suggests the following general steps to accomplish delegation:

1. **Delegate the whole task to one person**.
This gives the person the responsibility and increases their motivation.

2. **Select the right person**.
Assess the skills and capabilities of subordinates and assign the task to the most appropriate one.

3. **Clearly specify your preferred results**.
Give information on what, why, when, who, where and how. Write this information down.

4. **Delegate responsibility and authority**
Assign the task, not the method to accomplish it. Let the subordinate complete the task in the manner they choose, as long as the results are what the supervisor specifies. Let the employee have strong input as to the completion date of the project. Note that you may not even know how to complete the task yourself -- this is often the case with higher levels of management.

5. **Ask the employee to summarize back to you**.
Ask to hear their impressions of the project and the results that you prefer.

6. **Get ongoing non-intrusive feedback about progress on the project**.
This is a good reason to continue to get weekly, written status reports from all direct reports. Reports should cover what they did last week, plan to do next week and any potential issues. Regular staff meetings provide this ongoing feedback, as well.

7. **Maintain open lines of communication**.
Don't hover over the subordinate, but sense what they're doing and support their checking in with you along the way.

8. **If you're not satisfied with the progress, don't immediately take the project back**.
Continue to work with the employee and ensure they perceive the project as their responsibility.

9. **Evaluate and reward performance**.
Evaluate results, not methods. Address insufficient performance and reward successes (including the manager's).

More delegation tips

- Delegation helps people grow underneath you in an organization and thus pushes you even higher in management. It provides you with more time, and you will be able to take on higher priority projects.
- Delegate whole pieces or entire job pieces rather than simply tasks and activities.
- Clearly define what outcome is needed, then let individuals use some creative thinking of their own as to how to get to that outcome.
- Clearly define limits of authority that go with the delegated job. Can the person hire other people to work with them? Are there spending constraints?
- Clear standards of performance will help the person know when he or she is doing exactly what is expected.
- When on the receiving end of delegation, work to make your boss' job easier and to get the boss promoted. This will enhance your promotability also.
- Assess routine activities in which you are involved. Can any of them be eliminated or delegated?
- Never underestimate a person's potential. Delegate slightly more than you think the person is capable of handling. Expect them to succeed, and you will be pleasantly surprised more frequently than not.
- Expect completed staff work from the individuals reporting to you. That is, they will come to you giving you alternatives and suggestions when a problem exists rather than just saying "Boss, what should we do?"
- Do not avoid delegating something because you cannot give someone the entire project. Let the person start with a bite size piece, then after learning and doing that, they can accept larger pieces and larger areas of responsibility.
- Agree on a monitoring or measurement procedure that will keep you informed as to progress on this project because you are ultimately still responsible for it and need to know that it is progressing as it should. In other words-If you can't measure it don't delegate it.
- Keep your mind open to new ideas and ways of doing things. There just might be a better way than the way something has previously been done.

- Delegation is not giving an assignment. You are asking the person to accept responsibility for a project. They have the right to say no.

- Encourage your people to ask for parts of your job.
- Never take back a delegated item because you can do it better or faster. Help the other person learn to do it better.
- Agree on the frequency of feedback meetings or reports between yourself and the person to whom you are delegating. Good communication will assure ongoing success.
- Delegation strengthens your position. It shows you are doing your job as a manager-getting results with others. This makes you more promotable.
- Delegation is taking a risk that the other person might make a mistake, but people learn from mistakes and will be able to do it right the next time. Think back to a time a project was delegated to you and you messed it up. You also learned a valuable lesson.
- Find out what the talents and interests of your people are and you will be able to delegate more intelligently and effectively.
- A person will be more excited about doing a project when they came up with the idea of how to do it, than if the boss tells them how to do it.
- Be sensitive to upward delegation by your staff. When they ask you for a decision on their project, ask them to think about some alternatives which you will then discuss with them. This way responsibility for action stays with the staff member.
- Don't do an activity that someone else would be willing to do for you if you would just ask them.
- "Push" responsibility down in a caring helpful way.
- Remember, you are not the only one that can accomplish an end result. Trust others to be capable of achieving it.
- Break large jobs into manageable pieces and delegate pieces to those who can do them more readily.
- Keep following up and following through until the entire project is done.
- Resist the urge to solve someone else's problem. They need to learn for themselves. Give them suggestions and perhaps limits but let them take their own action.

Appendix: Curriculum Vitae

A **Curriculum Vitae** (**CV**) provides an overview of a person's life and qualifications. The CV is typically the first item that a potential employer encounters regarding the job seeker and is typically used to screen applicants, often followed by an interview, when seeking employment.

When to Use a Curriculum Vitae

When should job seekers use a curriculum vitae, commonly referred to as CV, rather than a resume? In the United States, a curriculum vitae is used primarily when applying for academic, education, scientific or research positions. It is also applicable when applying for fellowships or grants.

When asking for a job in Europe, the Middle East, Africa, or Asia, expect to submit a CV rather than a resume. Keep in mind that overseas employers often expect to read the type of personal information on a curriculum vitae that would never be included on an American resume, such as date of birth, nationality and place of birth. United States law on what information job applicants can be asked to provide does not apply outside the country.

The Differences between a Resume and a CV

There are several differences between a curriculum vitae and a resume. A curriculum vitae is a longer (up to two or more pages), more detailed synopsis of your background and skills. A CV includes a summary of your educational and academic backgrounds as well as teaching and research experience, publications, presentations, awards, honors, affiliations and other details. As with a resume, you may need different versions of a CV for different types of positions.

Like a resume, a curriculum vitae should include your name, contact information, education, skills and experience. In addition to the basics, a CV includes research and teaching experience, publications, grants and fellowships, professional associations and licenses, awards and other information relevant to the position you are applying for. Start by making a list of all your background information, then organize it into categories. Make sure you include dates on all the publications you include.

Structure and design

A standard CV is typically limited to two pages of size A4 paper and generally includes the following points.

- Personal details at the top, such as name in bold type, address, contact numbers and, if the subject has one, an e-mail address. Photos are not required at all, unless requested. Modern CVs are more flexible.
- A personal profile or career objective, instead of being written in either the first or the third person as commonly occurs, should be an impersonal statement, being a short paragraph about the job seeker. This should be purely factual, and subjective statements about the writer's qualities such as "enthusiastic", "highly motivated", are allowable in so far as the objective is to convince the reader of the desirability of arranging an interview. Buzzwords should be avoided, and focus should be placed on the individuals unique abilities which sets them apart from other job applicants.
- A bulleted list of the job seeker's key skills or professional assets alone is somewhat unsophisticated.
- A reverse chronological list of the job seeker's educational qualifications and work experience, including his or her current role. The CV may account for the writer's entire career history, recent jobs only, or those jobs relevant to the job being sought. The career history section should describe achievements rather than duties. The early career can these days be lumped together in a short summary but recent jobs should illustrate concept, planning, achievement, roles.

- A reverse chronological list of the job seeker's education or training, including a list of his or her qualifications such as his or her academic qualifications (GCSEs, A-Levels, Highers, degrees etc.) and his or her professional qualifications (NVQs and memberships of professional organizations etc.). If the job seeker has just left the place of education, the work experience and education are reversed.
- Date of birth, gender if you have an ambiguous name, whether you have a driving licence used to be standard - but nothing is required and you should not waste space on trivia. An employer requesting date of birth and gender needlessly could find itself on the losing side of recent anti-discrimination legislation.
- The job seeker's hobbies and interests (optional) if directly connected with the job seeker's career and/or employment.

There are certain faux pas for CVs:

- The CV being longer than two full sheets of paper. (This rule does not apply to academic positions, for which the CV normally includes a complete list of publications and major conference papers. CVs for positions in postsecondary teaching, research, and academic administration may be of any length.)
- Writing anything pejorative about other persons or businesses.
- Implying skills which one does not have.

Curriculum Vitae Format

Your Contact Information
Name
Address
Telephone
Cell Phone
Email

Personal Information
Date of Birth
Place of Birth
Citizenship
Visa Status
Gender

Optional Personal Information
Marital Status
Spouse's Name
Children

Employment History
List in chronological order, include position details and dates
Work History
Academic Positions
Research and Training

Education
Include dates, majors, and details of degrees, training and certification
High School
University
Graduate School
Post-Doctoral Training

Professional Qualifications
Certifications and Accreditations
Computer Skills

Awards

Publications

Books

Professional Memberships

Interests

Assessment

First week assessment

Case studies

A) Who comes first?

The Royal Game Club is established in an average city of rural Central Greece, with the permission of the government. The multinational company operating the Club is famous for its customer-centred orientation and the high service level, as well as for gifts, offers and other promotional activities, aiming at attracting clients. However, the international experience of similar businesses shows that during the first years of their operation they "milk" the economies of local societies and lead many naive players even to bankruptcy. As a result the local entities and the church representatives hold rallies. A similar thing may possibly happen to Royal Game Club too.

- How could the casino management deal with this emerging situation? Before answering the question, analyse the interested parties of this particular business.

B) Take the money and run?

The management of the insurance company Safe Life, listed on the Stock Exchange, considers that it is necessary to proceed to a big investment concerning the

systematic training of insurers/ financial consultants, who are all freelance partners. In this view, the company estimates that it should buy a plot on a central avenue, build a Centre for Insurance Studies and of course, organise a training department that could respond to this ambitious operation. However, this project is expected to reduce profitability for the next five years. The shareholders who are used to direct, annual returns appear reserved, or even negative.

- What can the company management do in order to balance this long-term business investment with the short-term expectations of the shareholders?

Second and third week assessment

A) Indifference

The company Big Thing has a factory producing blades for razors. The factory employs around 200 people: machine operators, warehouse personnel, Clark drivers, supervisors and mechanics.

The company owner decides to make an unexpected visit to the factory, in order to see the works in person. He arrives at around 11.00 am, at the time when the first shift should be at the peak of production. Everyone is at his/her position, the machines are roaring in synchronization and the supervisors have just finished the routine check. The factory manager welcomes the owner and together they walk inside the production area. The workers say hello and exchange some words with them. Then the owner discovers an operator, who is notorious for his abrupt temper, sitting down in a corner and smoking with indifference, while drinking his coffee. His machine is left aside and turned off. The operator looks at them, as if nothing was wrong.

- If you were at the factory manager's place, what would you consider doing in this case?

B) A gap hard to fill

The company Akrita activates in providing accountant and financial services to businesses and professionals. Recently, the sales manager left the company, after taking up an offer to work in a similar position in a big multinational company of the same sector. It's true that there is no one competent enough to replace him. Iro, the personnel manager, has to, in collaboration with the general director, to proceed to the recruitment of a new sales manager.

It is worth noticing that the company is growing rapidly and is already part of the top five companies in the field, in terms of turnover. This growth is highly attributed to the efforts of the previous sales manager.

- What are the actions and the steps the personnel manager has to follow in order to fill the gap created?

Sources

- Alexakis G. (2010) The Art of Management: For the Development of Human Resources. Athens: Smili Publications
- www.managementhelp.org
- www.managementheaven.com
- www.mindtools.com
- www.tutor2u.net
- http://en.wikipedia.org