

UNIT ONE

THE NATURE OF MANAGERIAL WORK.

1. *LEARNING OBJECTIVES.*

- ✓ To equip course participants with a general understanding of the concept of Management in today's environment.
- ✓ To describe the main aspects of what is expected of anyone entrusted with the management responsibility.

1.1 *MANAGEMENT DEFINED.*

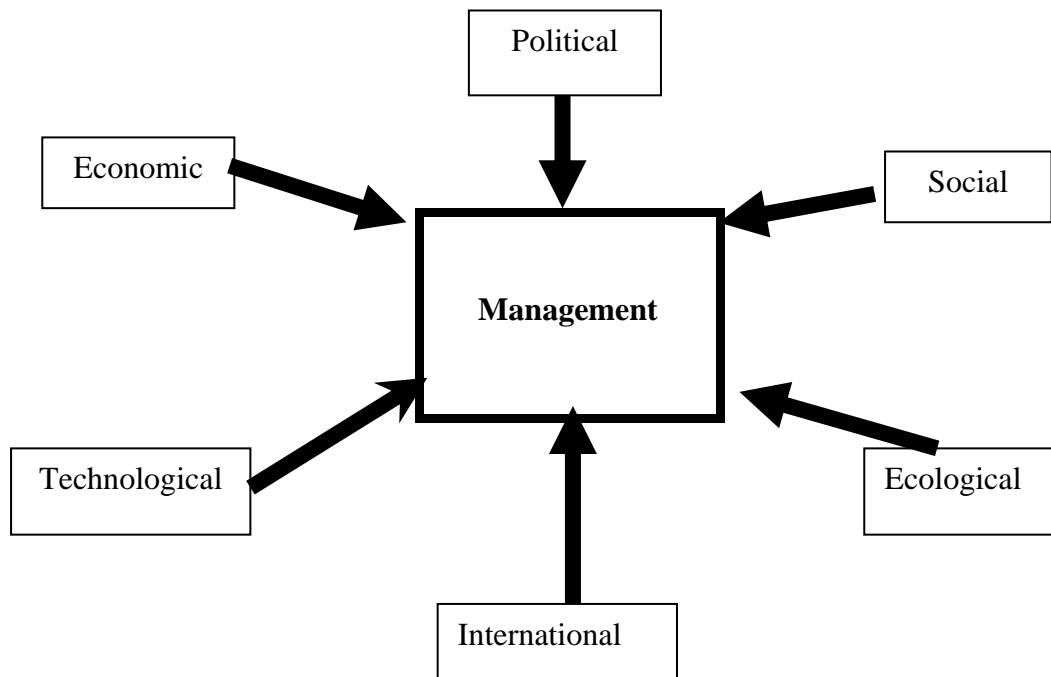
Definition

Management is the process of:

- **Planning**
- **Organizing**
- **leading and**
- **controlling**

1.2 *EVOLUTION OF MANAGEMENT PROCESS.*

- Management is greatly influenced by **several** developments in the world of work and environment as illustrated in figure 1.1.



*Figure 1.1: Environmental Forces that **influence** Management*

1.3 KEY ASPECTS OF THE MANAGERIAL PROCESS.

- ✓ Managers are responsible for **achieving organisational objectives**.

- ✓ Managers are responsible for **getting things done by working with and through others,**

- ✓ Managers are responsible for balancing **effectiveness and efficiency**. Too much emphasis in either direction is mismanagement.

- ✓ Managers are responsible for **getting the most out of limited resources**.

The key aspects of managerial process can be presented diagrammatically as in figure 1.2 below:

Figure 1.2



1.3.1 *Achieving Organizational Objectives.*

- (a) Organisations are usually more successful when their activities are guided by challenging, yet achievable, objectives.

Organisational goals should be SMART i.e.

- Specific
- Measurable
- Achievable/Attainable
- Relevant and
- Time bound.

- (b) Organisational objectives also serve later as **measuring sticks for performance.**

- (c) Without organisational objectives, the management process, like a trip without a specific destination, would be aimless and wasteful.

1.3.2 *Working with and Through Others.*

- ✓ In all cases managers are responsible for getting things done by working with and through others, and as such management is, above all else, a social process.
- ✓ In addition to possibly derailing their own careers, intimidating and arrogant managers who are poor team players can expose their companies/organizations to lawsuits.

1.3.3 *Balancing Effectiveness and Efficiency.*

- **Effectiveness** is a central element in the process of management that entails promptly achieving a stated organizational objective. It is the ability to choose the appropriate objectives.
- **Efficiency** is a central element in the process of management that balances the amount of resources used to achieve an objective against what was actually achieved. It is the ability to get things done correctly.
- Too much emphasis on effectiveness will result in the job getting done but limited resources being wasted,
- Too much emphasis on efficiency will result in the job not getting done because available resources are under-utilised,
- Whereas balanced emphasis on effectiveness and efficiency will result in the job getting done and limited resources not wasted.

1.3.4 Getting the most out of limited resources.

- We live in a world of scarcity. Our problem is not only running out of non-renewable energy and material resources but also the lopsided use of these resources. Resources therefore have to be managed.

DISCUSSION QUESTIONS

1. What are the key elements of management?
2. Give examples of management activities in current position
3. What test is used to test a SMART goal?
4. What is the difference between efficient management and effective management.
5. In what way is your organization effective in what it does?
6. In what way is your organization effective in what it does?\
7. What external factors make difficult for your organization to achieve its objectives?
8. How do you manage external factors to ensure that your goals are achieved

UNIT TWO

WHAT DO MANAGERS DO?

2. LEARNING OBJECTIVES.

At the end of this unit participant should be able to:

- ✓ Identify and describe the attributes that goes with managerial responsibility.
- ✓ Describe the five core functions of management.
- ✓ Distinguish management functions from management roles.
- ✓ Apply the principles in their daily functions and roles.

2.1 KEY ATTRIBUTES OF MANAGERIAL RESPONSIBILITY.

2.1.1 *Managers work with and through other people*

- ✓ The term “people” includes not only subordinates and supervisors but also other managers in the organisation.
- ✓ It also includes individuals outside the organisation – customers, clients, suppliers, and union representatives.
- ✓ Managers in any organisation should work with each other to establish organisation’s long-range goals and plan to achieve them
- ✓ They also act as channels of communication within the organisation.

2.1.2 *Managers are responsible and accountable.*

- ✓ Managers are responsible for the actions of their subordinates. They have to ensure that organizational goals are achieved. The success or failure of subordinates is a direct reflection of manager’s success or failure.
- ✓ Managers are accountable for their own work but also for the work of others. If anything goes wrong, they cannot shift blame to their juniors.

2.1.3 *Managers balance competing goals and set priorities.*

- ✓ At any given time, every manager faces a number of organisational goals, problems, and needs – all of which compete for the manager’s time and resources. Managers. The manager must learn to balance the urgent and the important.

2.1.4 *Managers must think analytically and conceptually.*

- ✓ To be an analytical thinker, a manager must be able to **break a problem down into its components**, analyze those components, and then come up with a feasible solution.
- ✓ A conceptual thinker is able to **view the entire task in his mind** and relate it to other tasks. This is not an easy task.

2.1.5 *Managers are mediators.*

- ✓ Organisations are made up of people, and people within the same organisation will often disagree about goals and the most effective way of attaining them.
- ✓ Such disputes can lower morale and productivity and they may be so unpleasant that competent employees may decide to leave the organisation.
- ✓ Managers are from time to time called upon to take on the role of mediator and resolve disputes as they occur.

2.1.6 *Managers are politicians.*

- ✓ Managers must build relationships and use persuasion and compromise to promote organisational goals,
- ✓ All effective managers “play politics” by developing networks of mutual obligations with other managers in the organisation.
- ✓ They may also have to build or join alliances and coalitions.

2.1.7 *Managers are diplomats.*

- ✓ Serve as official representatives of their work units at organisational meetings.
- ✓ Represent the entire organisation as well as a particular unit in dealing with clients, customer, contractors, government officials, and personnel of other organisations.

2.1.8 *Managers are symbols.*

- ✓ They personify, both for organisational members and for outside observers, an organisation’s success and failures.
- ✓ Managers may be held responsible for things over which they have little or no control, and it may be useful for the organisation to hold them so responsible.

2.1.9 *Managers make difficult decisions.*

- ✓ There is almost no limit to the number and types of problems that may occur in an organisation.
- ✓ Managers are the people who are expected to come up with solutions to difficult problems and to follow through on their decisions even when doing so may be unpopular.

2.2 MANAGEMENT FUNCTIONS.

- ✓ Managerial functions are general administrative duties that need to be carried out in virtually all productive organisations to achieve desired outcomes.
- ✓ Many researchers and scholars have found that the analysis of management can be easily facilitated by breaking it down into managerial functions namely: Planning, Organising, Leading, Coordination and Control.

2.2.1 Planning:

- ✓ Involves selecting missions and objectives and the actions to achieve them, it requires decision making, which is choosing future courses of action from among alternatives.
- ✓ Plans and the objectives on which they are based give purpose and direction to the organisation, its subunits, and contributing individuals.
- ✓ Making intellectual and ethical decisions in today's complex world is a major management challenge.

2.2.2 Organising:

- ✓ Structural consideration such as the chain of command, division of labour and assignment of responsibilities are part of the organising function.
- ✓ People working together in groups to achieve some goals must have roles to play.
- ✓ The concept of a role implies that what people do has a definite purpose or objective; they know how their job objective fits into group effort, and they have the necessary authority, tool, and information to accomplish the task.
- ✓ Organising is that part of managing that involves establishing an intentional structure of roles for people to fill in as an organisation.

2.2.3 Staffing:

- ✓ Staffing involves filling and keeping filled the positions in the organisation structure.
- ✓ This is done by identifying workforce requirements; inventorying the people available, and recruiting, selecting, placing, promoting, appraising, planning the careers of, compensating and training/developing both the candidates and current job holder so that tasks are accomplished effectively and efficiently.

2.2.4 Leading:

- ✓ This is influencing people so that they will contribute to organisation and group goals, it has to do predominantly with the interpersonal aspect of managing.
- ✓ Effective managers also need to be effective leaders.
- ✓ Effective managers also need to be able to motivate their employees to improve performance and productivity.
- ✓ Managers become inspiring leaders by serving as role models and adapting their management style to the demands of the situation.
- ✓ Since leadership implies follower-ship and people tend to follow those who offer a means of satisfying their own needs, wishes and desires, it is understandable that leading involves motivation, leadership styles and approaches and communication.

2.2.5 Controlling.

- ✓ Controlling is measuring and correcting individual and organisational performance to ensure that events conform to plans.
- ✓ When managers compare desired results with actual results and take the necessary corrective action, they are keeping things on track through the control function.
- ✓ Controlling involves establishing standards of performance, measuring performance against goals and plans, showing where deviations from standards exist and helping to correct them.
- ✓ Compelling events to conform to plans means locating the person who are responsible for results that differs from planned action and then taking the necessary steps to improve performance.

2.3 MANAGEMENT ROLES.

- ✓ Managerial roles are specific categories of managerial behaviour. In short, roles are the means to an end while functions are the ends of the manager's job.

2.3.1 *Interpersonal Roles:*

- ✓ Because of their formal authority and superior status, managers engage in a good deal of interpersonal contact especially with subordinates and peers.

2.3.2 *Informational Roles:*

- ✓ Every manager is a clearinghouse for information relating to the task at hand.
- ✓ Informational roles are important because information is the lifeblood of organisations.

2.3.3 *Decision Roles:*

- ✓ In these roles managers balance competing interests and make choices.
- ✓ Through decisional roles, strategies are formulated and put into action.

TABLE 2.1 Managerial Roles.

ROLE	DESCRIPTION	IDENTIFIABLE ACTIVITIES
Interpersonal Figurehead	Symbolic head; obliged to perform a number of routine duties of a legal or social nature.	Ceremony, status requests, solicitations
Leader	Responsible for the motivation and activation of subordinates; responsible for staffing, training and associated duties.	Virtually all managerial activities involving subordinates
Liaison	Maintains self-developed network of outside contacts and informers who provide favours and information.	Acknowledgements of mail; external board work; other activities involving outsiders
Informational Monitor	Seeks and receives wide variety of special information (much of it current) to develop thorough understanding of organisation and environment; emerges as nerve centre of internal and external information of the organisation.	Handling all mail and contacts categorised as concerned primarily with receiving information (e.g. periodical news observational tours)
Disseminator	Transmits information received from outsiders or from other subordinates to members of the organisation; some information factual, some involving interpretation and integration of diverse value positions of organisational influencers	Forwarding mail into organisation for informational purposes, verbal contacts involving information flow to subordinates (e.g. review sessions, instant communication flow)
Spokesperson	Transmits information to outsiders on organisation's plans, policies, actions, results, etc.; serves as experts on organization's industry	Board meetings; handling mail and contacts involving transmission of information to outsiders.
Decision Making Entrepreneur	Searches organisation and its environment for opportunities and initiates "improvement projects" to bring about change; supervises design of certain projects as well.	Strategy and review sessions involving initiation or design of improvement projects.
Disturbance handler	Responsible for corrective action when organisation faces important, unexpected disturbances.	Strategy and review sessions involving disturbances and crises.
Resource Allocator	Responsible for the allocation of organisational resources of all kinds- in effect the making or approval of all significant organisational decisions	Scheduling; request for authorisation; any activity involving budgeting and the programming of subordinates' work.
Negotiator	Responsible for representing the organisation at major negotiations	Negotiator

UNIT THREE

MORAL AND SOCIAL DIMENSIONS OF MANAGEMENT

3. LEARNING OBJECTIVES.

- Participants should be able to appreciate the implications of unethical decisions for their organizations.
- Participants should be able to follow the right steps when making decisions that have ethical implications.
- Participants should be able to explicitly differentiate between the terms obligation, reaction and responsiveness.

3.1 SOCIAL RESPONSIBILITY AND ETHICS IN MANAGEMENT.

- Organizations have a great influence on society.
- Organisations and their managers have a real and potential impact on a wide variety of issues that extend far beyond their normal business and which affect individuals, communities, the environment, countries, and the entire world.
- Although ethics and social responsibility are related because socially responsible decisions often require ethical judgements that fall outside the field of prescribed laws, procedures and previous experience.
- The manager has the responsibility of judging the fairness and the consequences of every demand made on the organisation, and ethics is the foundation on which such decisions are based.

3.2 ETHICS.

- Defined as the code of moral principles and values that directs the behavior of an individual or a group in terms of what is wrong or wrong.
- A code of ethics sets standards about what is good or bad in behavior and in decision making.

3.3 LEVELS OF ETHICAL DECISION-MAKING.

- Managers find it easier to decide the course of action to take if they can identify the level at which ethical dilemmas appear.

3.3.1 *Individual Level.*

- Ethical questions at the individual level arise when people are faced with issues involving individual responsibility, such as;
 - Being totally honest when completing expense accounts,
 - Calling in sick when they are needed for other reasons at home,
 - Accepting a bribe,
 - Misusing organisational resources such as time, telephones and computers for personal purposes.

3.3.2 *Organisational Level.*

- When ethical issues originate at the organisational level, the individual dealing with such an issue should consult the organisation's policies, procedures, and code of ethics to clarify the organisation's stand on the issue.

3.3.3 *Association Level.*

- At the association level, an accountant, lawyer, medical doctor, or management consultant may refer to their professional association's code of ethics for guidelines on conducting ethical business.
- Some organisations, both private and public, make extensive use of the services of freelance consultants, some of whom have been victims of the downsizing, re-engineering or affirmative action policies for their previous employers. These do not have enforceable code of conduct regulating the ethical conduct of such consultants.

3.3.4 *Societal Level.*

- At the societal level, laws, norms, customs and traditions direct the legal and moral acceptability of behavior.
- Many business customs that are common place in the Middle East and Asia are not acceptable behavior in African countries and vice versa.
- Managers may consult experts on the legal and moral codes of the country he or she is dealing with before reaching a decision on an ethical issue.

3.3.5 *International Level.*

- At international level, ethical issues are often muddled by a mix of cultural, political, and religious values that influence decisions

3.4 CORPORATE/ORGANISATIONAL SOCIAL RESPONSIBILITY

- Because the organisation is an open system, managers cannot make decisions based solely on economic consideration.
- The organisation is interrelated with the whole social system in which it functions and therefore, to make social responsible decisions, managers should consider all possible stakeholders.
- Corporate social responsibility implies that a manager, in the process of serving his or her own business interest, is obliged to take actions that also protect and enhance society's interests.

3.4.1 Social Obligation.

- Because society allows organisations to exist, organisations owe it to society to make profits.
- The generation of profits within the legal framework of the society in which the organisation operates represents socially responsible behavior by the organisation.**
- Thus the socially responsible behavior of organisation consists only in its economic and legal responsibilities.

3.4.2 Social Reaction.

- Organizations owe society more than the mere provision of goods and services and should at least be **accountable for the ecological, environmental, and social costs resulting from their actions.**
- Ideally organisations should also respond to society's problems, even those for which they are not directly responsible.
- Thus social responsible behavior includes voluntary actions by the organisation such as supporting worthy causes that will help solve some of society's problems.

3.4.3 Social Responsiveness.

- Refers to the socially responsible actions of organisations that exceed social obligation and social reaction.
- Organisations engaged in socially responsive behavior **actively take initiative to find solutions to social problems despite the moral duty to plough back profits and the duty to mitigate the ecological impact of business activity.**

- This behavior includes civil responsibilities such as supporting or opposing public issues, and responding to the present and future needs of society by trying to fulfill them.
- It also implies communicating and liaising with the government and other organisations about existing and anticipated socially desirable legislation and community programmes.

3.5 STEPS IN THE ETHICAL DECISION MAKING PROCESS.

3.5.1 Step 1: Identify the Problem.

- The ethical problem should be specifically defined and it is important not to confuse the ethical problem with the associated symptoms or problems.

3.5.2 Step 2: Determine Whose Interests are Involved.

- A decision with ethical consequences can affect many stakeholders such as customers, suppliers, shareholders, the government, environmental lobby groups and many others.
- Before any ethical choice can be made, it is essential to determine whose interests are involved and how the various stakeholders would react and be influenced by the various scenarios created by different choices.

3.5.3 Step 3: Determine the Relevant Facts.

- Unless all the relevant facts are examined, no ethical choice can be made

3.5.4 Step 4: Determine the Expectations of those Involved.

- In complicated ethical decisions, many stakeholders have expectations that are based on actual and tacit agreements.
- The expectation of all stakeholders should be taken into consideration before a decision is reached.

3.5.5 Step 5: Weigh up the Various Interests.

- The decision maker must now judge whose interests are the most important.
- An ethically conscious way to consider the various interest is to reverse roles with the other parties to the conflict by putting yourself in the position of the other party.
- Once this process has been completed, the decision maker should be in a position to make a judgment about whose interests are the most important.

3.5.6 Step 6: Determine the Range of Choices

- The decision maker must first determine what can be done, before deciding on what to do.

3.5.7 Step 7: Determine the Consequences of these choices for all those involved.

- This is not an easy exercise, because it is difficult to predict the consequences of the various alternatives with any certainty.
- However this is an important step the ethical decision-making process.

3.5.8 Step 8: Make your Choice.

- The decision-maker should now be in a position to make a reasoned judgment, taking into account the facts, the stakeholders, the consequences of each possible action, and the weighed reasonable expectations of all involved.
- The decision that is ultimately taken may of course still be the wrong one, but at the very least a rational process has been followed and the decision taken represents the best judgment of the decision-maker.

3.6 MANAGING ETHICS IN THE ORGANISATION.

3.6.1 Leading by Example.

- The first and most important requirement in order to foster a culture of good ethics in an organisation.
- CEOs and senior managers need to be openly and strongly committed to ethical conduct and should provide constant leadership in reinforcing ethical values in the organisation.
- This commitment should be communicated as often as possible in speeches, directives, and organisational publications.
- What is important is that their actions should set the example for ethical standards in their organisations.

3.6.2 A Code of Ethics.

- Organisations that attempt to set an internal standard of behavior in ethical matters develop a corporate code of ethics.
- Sets out the guidelines for ethical behavior within the organisation.
- Comprises a written statement of a company's values, beliefs, and norms of ethical behavior and is usually developed by top management.

- ❑ Ideally, provides employees with direction in dealing with ethical dilemmas, clarify the organisation’s position in specific areas of ethical uncertainty.
- ❑ It is followed by an implementation strategy where values and beliefs are translated into specific ethical standards of behaviour and communicated to employees.

3.6.3 Ethical Structures.

- ❑ An ethics committee, usually consisting of senior executives can be established to judge the doubtful ethical behavior of employees and to enforce discipline where necessary.
- ❑ An ethical ombudsman responsible for receiving and investigating ethical complaints and to alert top management to potential ethical issues that might create problems can also be appointed.
- ❑ Ethical training programmes at all levels of the organisation can also help to entrench ethical behavior.

3.6.4 Whistle Blowing.

- ❑ Occurs when the dishonest or unethical behavior of an employee or of the organisation itself is reported by another employee to the organisation’s management or to outsiders such as newspapers or the police.
- ❑ Can only be effective if whistle blowers are protected by the organisation otherwise they can be harassed and the individual or organisation may continue with unethical or illegal activities.

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DISCUSSION QUESTIONS.

1. Discuss 5 instances in which your current and previous organizations have had to decide on ethical questions in the past. Please give **REAL LIFE EXAMPLES**
2. **DIFFERENTIATE** Social Obligation, Social Reaction and Social Responsiveness by giving examples.
3. Of the **EIGHT (8) STEPS** suggested in ethical decision-making, which ones do you **THINK ARE VERY DIFFICULT** to undertake given your experiences?

UNIT FOUR

THE CHALLENGES OF MANAGEMENT IN THE CONTEMPORARY WORLD

4. LEARNING OBJECTIVES

At the end of the unit participants should be able to:

- ✓ Clearly analyse the environment in which their organisations operate and relate that to the kind of challenges they are likely to face as they manage these institutions.
- ✓ Deal with the challenges posed by changing employees, clients and customers,
- ✓ Exhibit skills for effective management.

4.1 MANAGEMENT/BUSINESS ENVIRONMENTS.

4.1.1 *Characteristics of the Management Environment.*

- Environmental factors or variables are interrelated.** Because of this interrelationship, a change in one external factor may cause a change in the internal environment or internal factors, and similarly a change in one external factor may influence other external environmental variables.
- Increasing Instability.** The interdependence between environmental factors results in increasing instability and change in the environment. Even if there is a general increase in the rate of change in the environment, environmental fluctuations are greater for some business than for others.
- Environmental Uncertainty.** Uncertainty about the environment is a function of the amount of information available on environmental variables as well as of the confidence that management has in that information.
- The complexity of the Environment** indicates the number of external variables to which the organisation must react, as well as fluctuations in the variables themselves. Not all aspects of the environment have the same importance for all organisations.
- The environment is becoming unpredictable.** The current environment is revolutionary rather than evolutionary. Evolutional environments change gradually, which makes them predictable while revolutionary environments are unpredictable and are characterised by discontinuous change.

4.1.2 The Internal or Micro-Environment.

4.1.2.1 The Market

- The market for the organisation's products or services consist of people who have needs to be satisfied and the financial means to satisfy them.
- Mangement should be informed about all aspects of consumer needs, purchasing power and purchasing behaviour.
- Management should also realise that these aspects are influenced directly by the variables in the macro-environment.
- Management should also understand that this continued interaction between market variables in the macro-environment give rise to changes in both environments.
- Numerous other characteristics such as language, age and gender distribution, marital status, family size and literacy influence the consumption pattern of the consumer market.

4.1.2.2 Suppliers.

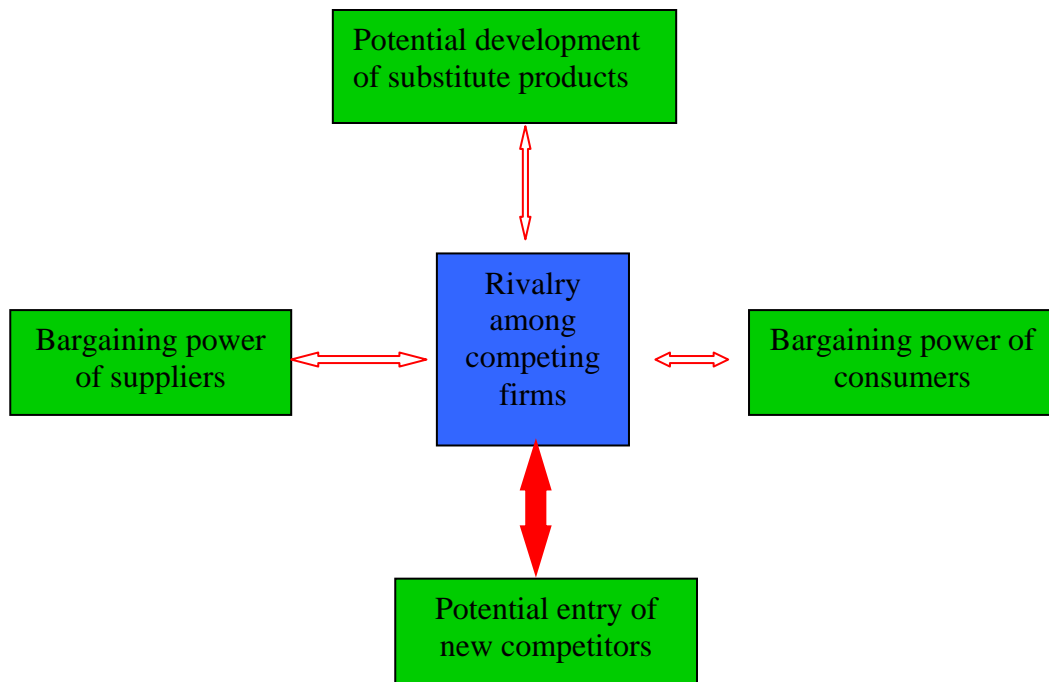
- Virtually all organisations, be they manufacturing, trading, or contracting organisations, depend on regular supplies of materials.
- Organisations are also totally dependent on supplier of capital such as banks, building societies, shareholders and mortgages.
- The interaction between the organisation and its network of suppliers is an important example of the influence of environmental variable on the organisation.

4.1.2.3 Intermediaries.

- They play a vital role in bridging the gap between the manufacturer and the consumer.
- Intermediaries are wholesalers and retailers, commercial agents and brokers.
- Managerial decision-making on intermediaries is complicated by the dynamic and ever-changing nature of intermediaries.
- New trends in marketing and consumption are responsible for the development of new types of intermediaries and offer opportunities to management, but certain trends may also present threats.

4.1.2.4 Competitors

- ❑ A market economy is characterised by, among other things a competitive market environment.
- ❑ In its assessment of competition, management should bear in mind that the nature and the intensity of competition in a particular environment are determined by:
 - The possibility of new entrants or departures,
 - The bargaining power of clients and consumers,
 - The bargaining power of suppliers,
 - The availability or lack of substitutes products or services,
 - The number of existing competitors.



Competitive forces in an organisation.

4.1.3 The External or Macro-Environment.

4.1.3.1 The technological environment.

- ❑ Technology refers to the knowledge of how to do something, whether it's age-old technology for making wine or high-tech for manufacturing cellular phones.
- ❑ Technology not only determines how the organisation makes products or serves its customers, but also affects the organisation's market and its ability to compete in those markets.
- ❑ Technological change therefore affects the entire organisation and has strategic implications for all organisations.
- ❑ Continued assessment of the technological environment should include:
 - Identification of important technologies and technological trends;
 - Analysis of potential change in important current and future technologies;
 - Analysis of the competitive impact of important technologies;
 - Analysis of the organisation's technological strengths and weaknesses;
 - A list of priorities which should be included in a technology strategy for the organisation.

4.1.3.2 The Economic Environment.

- ❑ The economy is influenced by technology, politics, the ecology and the social and international environment.
- ❑ These cross-influences constantly cause changes in the economic growth, levels of employment, consumer income, the rate of inflation, the exchange rate and general state of the economy.
- ❑ These economic trends demand constant awareness on the part of management and regular consideration of the mission, goals and strategy of the organisation.

4.1.3.3 The Socio-Cultural Environment.

- The environmental variable that is probably most sensitive to cross-influences by other variables, especially technology and the economy, is socio-cultural change.
- People are products of their society and they adopt the culture of that society and learn its language, values, faith, expectations, laws and customs.
- The culture of a particular country is not absolutely homogeneous as there are numerous sub-cultures based on nationality, religion, population group or geographic area, each of which modifies the environment and has implications for management.
- Another social problem currently is the HIV/AIDS pandemic and management needs to develop strategies and programmes to deal with HIV/AIDS in the workplace.
- Such problems bring about development which are responsible for change in the environment and management can not afford to ignore these social influences.

4.1.3.4 Ecological/physical environment.

- The ecological or physical environment contains the limited natural resources from which an organisation obtains its raw materials and it is the receptacle for its waste.
- Interfaces that present opportunities as well as threats to organisations are discernible and these include shortage of resources, the cost of energy, the cost of pollution, and the damage to the country's natural resources.
- Management must thus take timely steps to limit as far as possible any detrimental effects the organisation may have on the environment, not only to prevent unfavourable attitudes towards the organisation but most important, in order to conserve, maintain and manage the country's dwindling natural resources.

4.1.3.5 The political environment.

- Management's decisions are continually affected by the course of a country's politic, especially political pressure exerted by the ruling government and its institutions in the business environment.
- By promulgating and enforcing laws, the State influences the environment with measures that are usually politically directed, thus steering development and economic policy in a certain direction.

- ❑ Furthermore, the government influences the organisation's market both internally and externally – internally through government expenditure and externally through its political policy which may mean acceptance, or otherwise of products the organisation supplies.

4.1.3.6 The International Environment.

- ❑ The business environment grows in complexity with more opportunities and threats if an international dimension is added.
- ❑ Globalization not only offers opportunities but poses threats too and management must therefore constantly assess possible global threats to their products and markets

4.2 MANAGEMENT TODAY AND TOMORROW.

- ❑ Managers today are faced with lots of challenges in meeting radical changes in the work places.
- ❑ “New” kinds of organizations that are different from the traditional model of formal bureaucratic organisations are emerging.
- ❑ Key features of the emerging organization are that it is:
 - A networked organization,
 - Flat and lean in structure,
 - Flexible,
 - Diverse,
 - Global in orientation and operations.

4.3 MANAGEMENT RESPONSES AND CHALLENGES IN THE CONTEMPORARY ENVIRONMENT.

- ❑ Insight into trends in the management/business environment and the ability to predict their implications for decision-making are becoming management priorities.
- ❑ The extent to which the environment influences the management of an organisation therefore depends primarily on the type of organisation and the nature of the environment.

4.3.1 GLOBALLY RELATED CHALLENGES.

The ability to think and operate globally is one major challenge for managers of new organizations. Managers of global organisations should have the ability to:

- Develop and use global strategic Skills.
- Manage change and transition.
- Manage cultural diversity,
- Design and function in flexible organizational structures.
- Work with others and in teams.
- Communicate effectively.
- Learn and transfer knowledge in an organization.

4.3.2 THE VIRTUAL ORGANISATION.

- ❑ Networked organizations rely on teams, and individual managers must develop their skills as team members and team leaders. These skills include understanding the dynamics of team interaction, developing observation skills to examine team dynamics and learning how to diagnose team problems.
- ❑ At organizational level, switching to teams requires processes to facilitate formation of effective teams. This requires the development of team structures and processes for each kind of a team in the organization and these should be clearly understood within the organization.
- ❑ There is also the need for developing and continuously adapting information systems to manage information flows with the organizations with which it forms alliance.

4.3.3 FLATTER AND LEANER ORGANISATIONS.

- ❑ Managers must develop negotiating skills, which can and must be learned, to enable them to negotiate win-win for all involved in the different organizational processes.
- ❑ In flat organisation, the normal progress up the organisational ladder is not possible and thus organisations must therefore provide alternative incentive systems and new concepts of career planning that involve more horizontal than vertical movement.
- ❑ In flat organisations more individuals are working across the external boundaries of the organisation and it can be difficult to maintain a sense of boundary. Management should thus develop ways of simultaneously

maintaining effective cooperative links across the boundaries of the organisation and the commitment of employees to the long-term interest of the organisation they work for.

- ❑ The drift worldwide towards flatter and leaner organisations requires more frequent and effective communication between senior and junior managers.
- ❑ Flatter and learner organisations have the following benefits:
 - All parties remain in contact with their organisation.
 - Employees are closer to customers and respond faster to their needs.
 - The structure is relatively more adaptable than traditional forms of structures.
 - Facilitate efficiency in communication.
 - Facilitate a more participatory approach to decision making.

4.3.4 Flexible

- ❑ Managers in flexible organisations need to work on more than one project simultaneously requiring managers to develop skills in multi-tasking if organisations want them to work productively in handling multiple tasks and responsibilities.
- ❑ Flexible organisations must also have flexible labour practice to deal with their flexible working practices.
- ❑ In the “New World of Work” employees, independent knowledge workers and prospective work applicants will need to:
 - Be flexible and proactive in improving their own performance,
 - Learn to adapt to change,
 - Be innovative,
 - Balance work and non-work activities,
 - Maintain a sense of responsibility for their own career,
 - Adapt to a new psychological contract where life-long employment with one organisation is unlikely,
 - Accept that employment continuity – rather than job security – means continuous development, retraining and renewal of knowledge.

4.3.5 Workforce Diversity.

- ❑ Workforce diversity has important implications for management practice and managers will need to shift their philosophy from treating everyone alike to recognising differences and responding to those differences in ways that will ensure employee retention and greater productivity. Managers need to focus on creating environments that utilise the potential of all sources of difference within an organisation's workforce.
- ❑ Diversity when positively managed can increase creativity and innovation, but when not managed properly, there is a potential for more difficult communication and more interpersonal conflict. The organisation must therefore develop new systems for conflict resolution.
- ❑ People with different needs and expectations present challenges to an organisation's HR and work policies.
- ❑ Another challenge is that the organisation's culture must change in terms of values, rituals, and assumptions where they do not support the heterogeneous values of the many diverse groups working in modern organisations.

4.3.6 Information Management.

- ❑ If an organisation is to have knowledge of the environment for decision-making purposes, its information management system should make adequate provision for environmental scanning.
- ❑ The importance of environmental scanning is important because of the following:
 - The environment is changing constantly- hence management should make a conscious effort to explore it is an effort to keep up with change.
 - The environmental scanning is necessary to determine whether factors in the environment constitute a threat to the organisation's current mission, goals and strategy.
 - Scanning is also necessary to determine what factors in the environment afford opportunities for the more effective attainment of goals by adjusting the present strategy.
 - Organisations that scan the environment systematically are more successful than those that do not.

- ❑ The extent of environmental scanning, on the other hand, is determined by the following factors:
 - The nature of the environment in which an organisation operates and the demands the environment makes on it.
 - The basic relationship that an organisation has with its environment.
 - The source and extent of change will also influence the degree of meaningful environmental scanning.

4.3.7 Strategic Response.

- ❑ Once management has an adequate information base and insight into its environment, the next logical step is a strategic response which may entail adapting an existing strategy or developing a new one.
- ❑ Management might even decide to do nothing at all.
- ❑ Strategic options such as mergers, takeovers, or joint ventures can also be used to adapt to environmental changes.

4.3.8 Structural Change.

- ❑ Another type of response to environmental change is to adapt or redesign an organisation's organisational structure.
- ❑ Organisations in an environment with a low level of uncertainty may, for example maintain a bureaucratic type of structure in which basic rules and a system of stereotyped actions are sufficient for successful existence.
- ❑ In contrast, organisations that operate in an environment with a high level of uncertainty prefer a more flexible structure with fewer levels of authority and fewer rules in order to deal with environmental change more quickly.
- ❑ Management plays an important role in influencing the environment of an organisation through its marketing strategy, its agreements with suppliers, and by providing consumers and shareholders with information.

DISCUSSION QUESTIONS

1. What challenges is your organization facing within its internal/micro environment? What is your organizations reaction to these challenges?
2. What challenges does the external/macro environment pose to your organization? What is your organizations reaction to these challenges?

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