

# LECTURE 02

## BRIEF OVERVIEW OF MODERN MANAGEMENT

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# OUTLINE

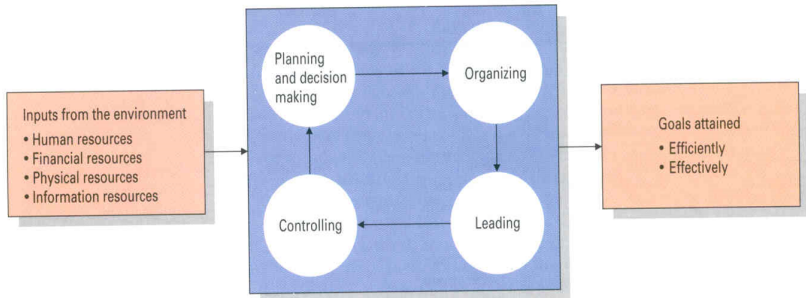
- ① PLANNING AND DECISION MAKING
- ② ORGANIZING STAFF AND RESOURCES
- ③ LEADING PROJECTS AND PEOPLES
- ④ CONTROLLING AND ARCHIVING GOALS

source: General references [?, ?, ?, ?]

# BASIC CONCEPT OF MANAGEMENT

**MANAGEMENT** is getting **things done** through **others**

- **Planning:** set goal & decide how best to achieve
  - **Decision Making:** select an action from alternatives
- **Organizing:** group activities and resources
- **Leading:** get members to work for organization interests
- **Controlling:** monitor progress toward goal and correct when needed



source: Chase and Jacob. 2011.

# WHAT IS PLANNING?

**PLANNING:** Process of determining **how** an organization can get **destination** it wants to go and what **actions** it will do to accomplish its objectives. Through planning, the organization identifies:

- Where it/we is going?
- How it/we will get there?

## PURPOSES OF PLANNING

- Minimize risk by **spell-out** uncertainties → future-oriented, predict **outcomes**
- Increase organizational success → **clarify** objectives, procedure, possible problems
- Establish **coordinated effort** → decision **coordination**

# ORGANIZATIONAL PLANNING

## Kinds of plans

- Strategic plan
- Tactical plan
- Operational plan

## Time frames

- Long-range plan
- Intermediate plan
- Short-range plan

## Who responsible

- CEO.
- Board
- Staff
- Team

## If go wrong

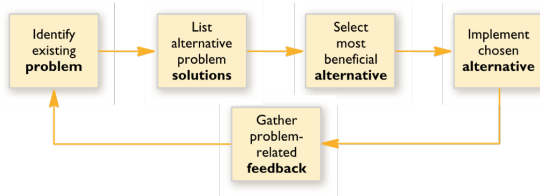
- Crisis management
- Contingency plan
- Alternative plan

source: Chase and Jacob. 2011.

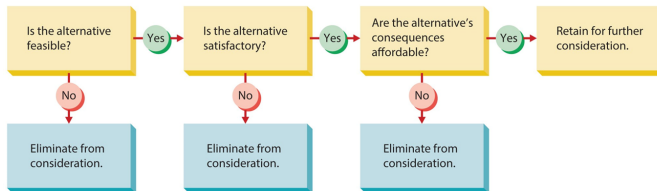
## TYPE OF PLANNING

- **Strategic Planning:** 3-5 years decision about direction of organization done by top manager
- **Operation Planning:** 1-10 days decision about routine activities done by 1<sup>st</sup> Lv. manager

# PLANNING PROCESS AND ALTERNATIVE



## ALTERNATIVE VALIDATION



# OKC'S NOTE: OPERATION PLANNING STEP

- **Define objectives:** assumption, end points, aligned w/ mission & vision (whose project?)
- **Define major steps:** resources, internal VS external, milestone, sequential VS parallel
- **Identify stakeholder:** data required, authority needed, effect (win-neutral-lose)
- **Define obstacles:** solution, contingency, worst case scenario
- **Identify team members:** responsibility, KPI, reward, thinking, initiative

## HOW TO PLAN?

- any **similar projects** or tasks
- due date & consequence
- key resources
- productivity rate (work/FTE)
- feedback & review
- risk & contingency plan
- visualization

# GUIDELINES FOR "GOOD" OBJECTIVES



- Listen /Involve responsible party
- Specific objectives; go through all radical vagueness
- Link objectives to **actions** if possible
- State expected results (KPI) and rewards sharing
- Seek consensus upon objective, action, result, reward
- Set periodic performance review



# WHY DOES PLANNING FAIL?

*He who fails to plan is planning to fail.*

source: Winston Churchill



- Unrealistic **expectations** (too much/ too little)
- Lack communication/ engagement/ commitment
- Vague responsibility / misunderstanding
- Unaligned incentive/ internal conflict
- Unexpected turns (finance/ priority)
- Failure to grasp overall planning/ milestone

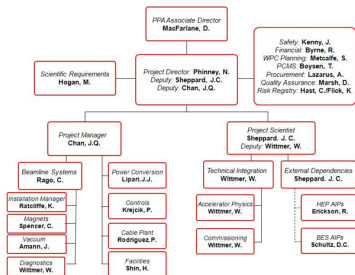
# PLANNING TOOL: XLS FORECAST



## FORECASTING AWARENESS

- **What:** A process to understand **systematic of demands**
- **Facts:** Inaccurateness, but all companies need it
- **Ideal:** Valid for **short time** and **need updated**
- **Aware Art & Science:** roles of marketing & sale

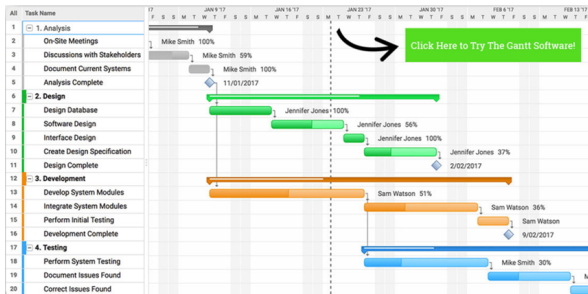
# PLANNING TOOL: ORGANIZATION CHART



## SUGGESTION

- **Contact Info:** shared online, channel (mobile, email, LINE, *slack*)
- **Note:** more detail in organize

# PLANNING TOOL: GANTT CHART



## SUGGESTION:

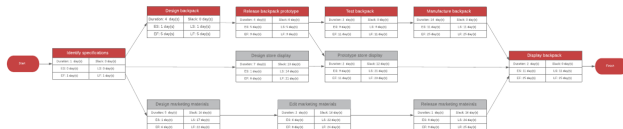
- **Realistic plan:** obvious milestones, divide small tasks
- **Planning Lv.:** time line VS detail plan, match with reporting period
- **Misc:** setup **task master** responsible person for each task

# PLANNING TOOL: CPM & PERT

## CRITICAL PATH METHOD: CPM

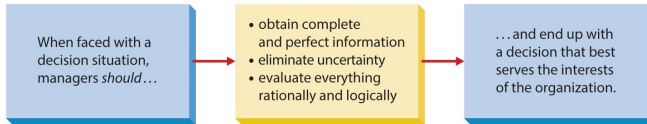


## PROJECT EVALUATION REVIEW TECHNIQUE: PERT



# DECISION APPROACH

## IDEAL



## DECISION TECHNIQUES

- **Deduction:** Gathering and analyzing **data** and weight **alternative** based on criteria
- **Trial and Error:** **Experimenting** with many options and select one
- **Policy:** Rule of thumb + Heuristic, e.g., priority of tasks
- **Analogies (Recall):** Listing all **familiar situation** and their **lesson learnt** → current situation

# COMMON DECISION BIAS

Name of Bias	Brief Description
Bandwagon Effect	The tendency to believe certain outcomes will occur (i.e., the stock market will increase) because others believe the same thing
Confirmation Bias	The tendency to search for information that supports one's preconceived beliefs and to ignore information that contradicts those beliefs
Loss Aversion	Characteristic of individuals who tend to more strongly prefer avoiding losses rather than acquiring gains
Overconfidence	When assessing our ability to predict future events, the tendency to believe that our forecasts are better than they truly are
Unrealistic Optimism	Individuals' tendency to believe that they are less susceptible to risky events (i.e., earthquakes, disease transmission, etc.) than others

# WHAT IS ORGANIZING?

**ORGANIZING** Process of synchronization and combination of **human**, **physical**, and **financial** resources. Through organizing, the organization identifies:

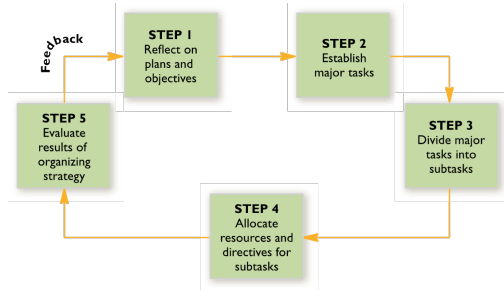
- Who are in which role positions?
- What is the co-ordination between authority and responsibility?
- What are resources needed to be allocated?

## PURPOSES OF ORGANIZING

- Clarify authority and responsibility
- Define and manage jobs/ roles/ speciality
- Support effective administration (diversification, sense of security )

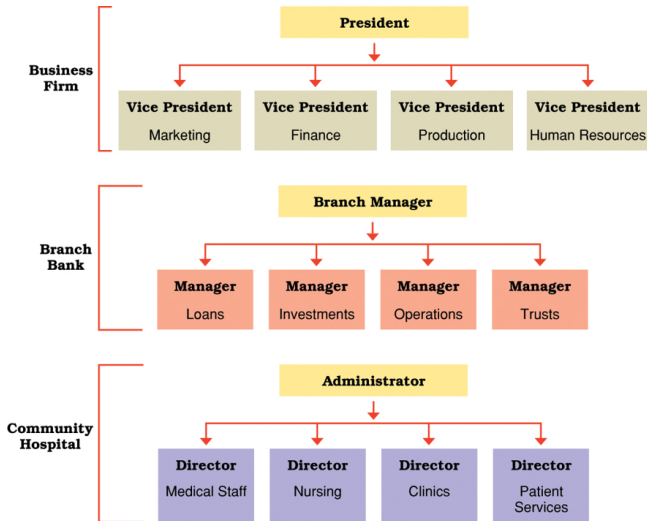


# CONCEPT OF ORGANIZING



- **Theory:** Bureaucratic model (**step-by-step** & rules) VS Division of labor (enhance skills → specialist)
- **Structure** Formal VS Informal

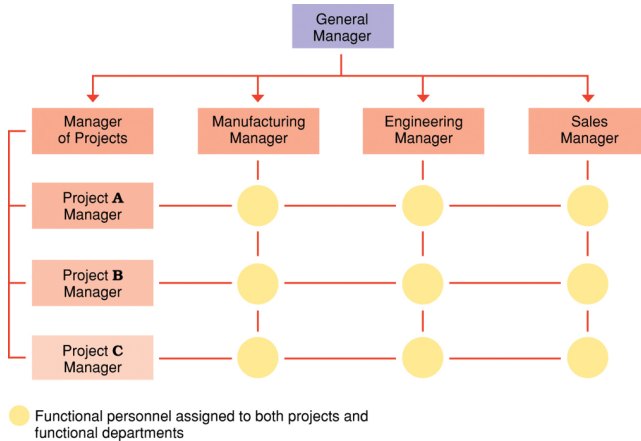
# FUNCTION ORGANIZATION STRUCTURE



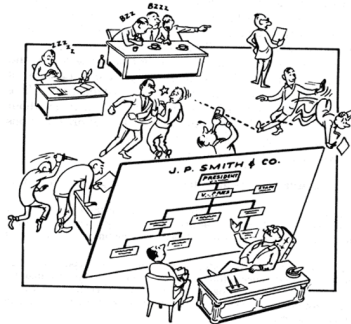
# DIVISION ORGANIZATION STRUCTURE

Type	Focus	Example
<b>Product</b>	Good or service produced	<pre> graph TD     GM[General Manager] --&gt; GP[Grocery products]     GM --&gt; DT[Drugs and toiletries]           </pre>
<b>Geographical</b>	Location of activity	<pre> graph TD     P[President] --&gt; AD[Asian division]     P --&gt; ED[European division]           </pre>
<b>Customer</b>	Customer or client serviced	<pre> graph TD     AA[Agency Administrator] --&gt; PY[Problem youth]     AA --&gt; SC[Senior citizens]           </pre>
<b>Process</b>	Activities part of same process	<pre> graph TD     CSM[Catalog Sales Manager] --&gt; PP[Product purchasing]     CSM --&gt; OF[Order fulfillment]           </pre>

# MATRIX ORGANIZATION STRUCTURE



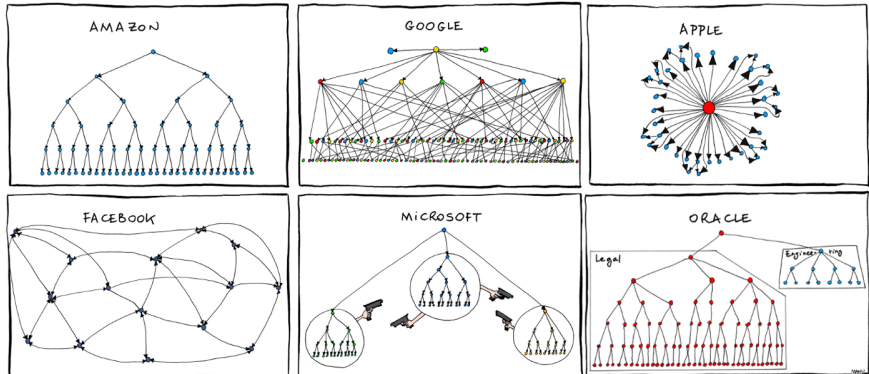
# INFORMAL STRUCTURE



Source: Murdick, R. G., J. E. Ross and J. R. Claggett. 1990. *Information Systems for Mod* 3rd ed. New Delhi: Prentice-Hall.

- **Education:** classmate, seniority, teacher-student
- **Professional:** past experience, activity (sport, hobby)
- **Birth:** age, generation, family, clan, last name
- **Social:** generation, position, award

# RELATIONAL ORGANIZATION STRUCTURE



source: [www.bonkerworld.net](http://www.bonkerworld.net)

# WHAT IS LEADING?

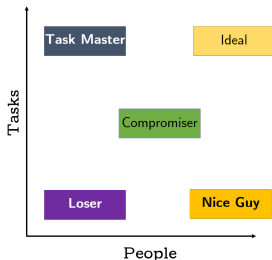
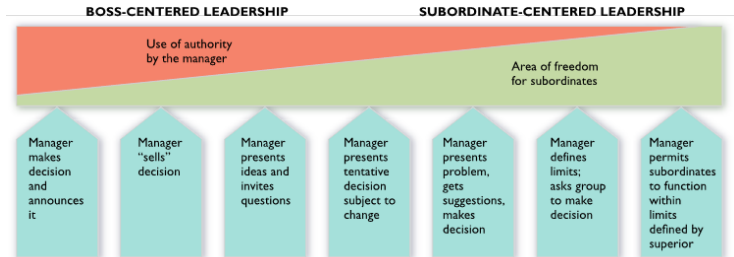
**LEADING** A function that causes teams to act **effectively** using communication and motivation following the plan toward the goal. Through leading, the organization identifies:

- How to create understanding and resolve conflicts?
- What are the best ways to motivate teams?
- How to select, maintain, and develop teams?

## PURPOSES OF LEADING

- Understand individuals and choose the right ones
- Maintain spirit and improve moral
- Address conflicts before manifest

# SPECTRUM OF LEADING STYLE



## SOURCES OF POWER

- **Legitimate:** position, role, e.g., CEO
- **Threat:** authority, strength, e.g., drill sergeant
- **Expertise:** knowledge, experience, fame, e.g., consultant
- **Reward:** money, time, power e.g., teacher
- **Charisma:** vision, goal, vocal e.g., politician

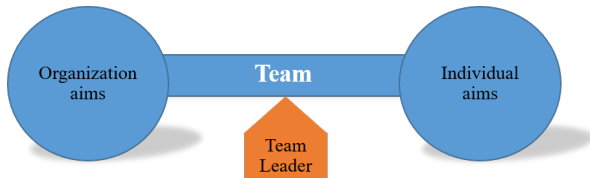


# MANAGER VS LEADER



Leader	Manager
<ul style="list-style-type: none"><li>• emerge by team</li><li>• emphasize on behavioral</li><li>• ensure working on jobs</li><li>• focus workers = people</li><li>• seek creativity &amp; innovation</li></ul>	<ul style="list-style-type: none"><li>• emerge by design</li><li>• emphasize on both</li><li>• ensure jobs done</li><li>• focus on process</li><li>• seek compromise</li></ul>

# NATURE OF LEADERSHIP


















- **Past:** natural born leadership with characteristics
- **Present:** training + circumstance → good leader
  - *Delegate*  $\xrightarrow{\text{task w/ auth}}$  subordinates & check progress
  - *Motivate*  $\xrightarrow{\text{energy for task}}$  subordinates

# GENERATION STEREOTYPE

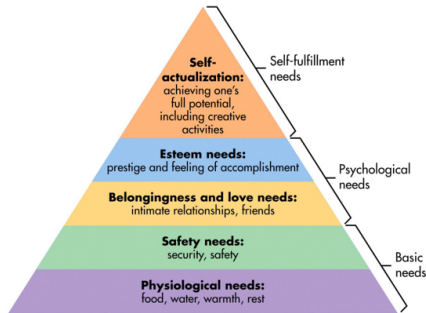
## MOTIVATION GUIDELINE

- **Understand individual:** personalized relationship, b/g → name/ face
- **Unlock human potential:** stretch goal, roles change, coaching, structure
- **Coach with empathy:** 2<sup>nd</sup> chance, opportunity

Generation	Greatest /Silent	Baby Boomers	Gen X	Millennials	Gen Z
Years Born	1923 - 1945	1946-1964	1965-1980	1981-1997	1998-2016
Age in 2016	71-93Y	52-70Y	36-51Y	19-35Y	0-18Y
Population (Global)	0.3bn	1.1bn	1.5bn	2bn	2.4bn
% of Global Population	5%	15%	20%	27%	32%
Life-Defining Events	World War I and II	Cold War	End of Cold War	9/11 Terrorist Attacks	Post-Great Recession
	Great Depression	Moon Landing	Live Aid	Iraq War	Arab Spring
	Electric Appliances	Transistor Invented	First Personal Computer	Advent of Social Media	Rise of AI
Communication Style	 Letter	 Telephone	 Email / SMS	 Instant Message	 Emojis
Key Technology	 Car	 TV	 PC	 Smartphone	 AR/VR
Hobby	 Reading	 Watching TV	 Surfing the Internet	 Video Games	 Music Streaming

Source: iKinetic, McCrindle, Pew Research, Bruce Feirstein – Vanity Fair, various sources, BofA Merrill Lynch Global Research

# MASLOW'S HIERARCHY OF NEEDS



- **Lv1: Basic:** everyone, esp worker and operator
- **Lv2: Psychology:** social affiliation, self-confidence
- **Lv3: Fulfilment:** self-actualization, meet life goal

# WHAT IS CONTROLLING?

**CONTROLLING** Activities to regulate work in progress, evaluate results for maintaining productivity, and prevent unacceptable performance.

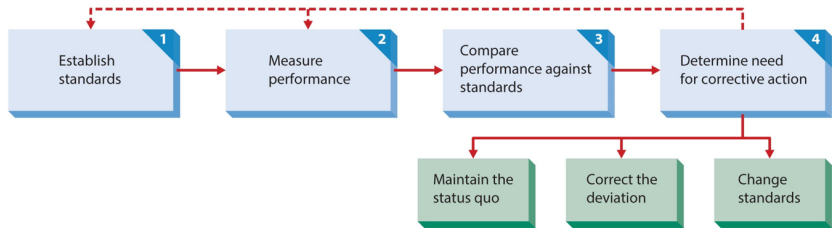
Through controlling, the organization identifies:

- Where have we been? Where are we now? Where are we going?
- What are additional resources/ correction required?

## PURPOSES OF CONTROLLING

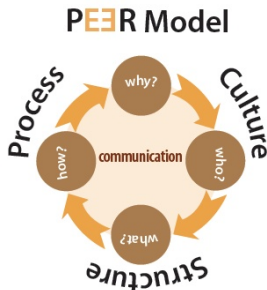
- Prevent accumulative error and reevaluate environment
- Maintains high quality of product and process
- Increase efficiency of resources (staff and cost)

# CONTROL PROCESS



- **Establish Standard:** create acceptable and agreeable performance index
- **Measure Performance:** measure performance index; via written, presentation, and observation
- **Compare Performance To Standards** compare standards to performance
- **Take Corrective Action:**

# MGT FEEDBACK MODEL



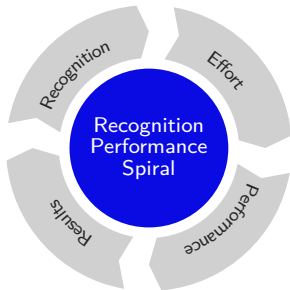
- **State expectation:** JD, gantt chart, work instruction
- **Describe what the employee did:** specific behaviors & action (do not assume)
- **Describe impacts:** performance, team moral
- **Describe goal and gap:** future expectation, how to recover, time-threat
- **Determine future:** what should happen next (penalty)

# BARRIER TO SUCCESSFUL CONTROLLING

- **Too much control** - when companies exert too much control, employees may rebel
- **Too little participation** - employee participation can enhance productivity
- **Overemphasis on means, instead of ends**
- **Overemphasis on paperwork** - unnecessary emphasis on paperwork can reduce effort in other areas
- **Overemphasis on one instead of multiple approaches** - using multiple control activities can increase accuracy and objectivity



# GOOD ENGINEER → GREAT MANAGER



- Make your manager look good
- Be proactive and solutions-focused
- Appreciate difference
- Aware / Mentor and coach
- Under-commit and over-deliver

adopted from: 'From Engineer to Manager' by John Field

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