1. What is Management?
1.1 Planning, Controlling, Organizing, and Leading

1.2 The History of Management

1.3 Managerial Ethics
1.1 Planning, Controlling, Organizing, and Leading
Managers are people who do these four things

- Planning
- Organizing
- Leading
- Controlling
Some managers do all of these things

But all managers do at least one of these
Planning

- Forecast the Future
- Develop Strategy
- Set Goals
- Analyze the environment
Planning is usually the first step in management and it drives the rest of the process.
Organizing

- Build the Org Chart
- Resources in the right places
- Align authority and responsibility
Always organize in the best way to execute your plans. Planning tells you what you want to do and organizing is how you do it.
Leading

• Motivate
• Communicate
• Build teams
Leading involves getting others to help to execute your plans and work in the organization you manage.
Controlling

• Keep things on track
• Measure progress
• Spot errors and misdirection
Controlling is using feedback to track your progress and keep your team and organization headed toward your goals.
Remember:

Use **planning** to set goals and predict problems

**Organize** to support your plans
Lead others to help reach the goals of your organization

Control what happens by using feedback to track and direct progress toward those goals
1.2 The History of Management
The earliest examples of management come from the organization of tribes and hunting groups.
The first examples of managing large groups were probably early armies.
1888 - Henri Fayol develops “Administrative Management”
Administrative Management

- Developed 14 points for management - still relevant today
- Described 5 functions of management
  Founder of “modern” management
At about the same time as Fayol, American thinkers were developing something called “Scientific Management”
Scientific Management

• Pioneered by Frederick Taylor
• Tried to improve productivity
• Useful in manufacturing and mining
Scientific Management

- Frank & Lillian Gilbreth conducted time and motion studies
- Measured the time it took for workers to perform an action
After “Scientific Management”, we moved on to “Professional Management”
Professional Management

• Recognized management as learned skills

• Allowed workers a role in decisions

• Managers were taught, not born
Management Skills
1933 - Elton Mayo decides that employees’ informal relationships affect how they perform.
Human Relations Movement

- Recognized the limitations of Scientific Management
• Explained how social factors affect performance - Behaviorist school
• Famous for the “Hawthorne Studies”
1890 - Management focused on managing manual workers

1990 - Management begins to focus on managing knowledge workers
Management Today

Peter Drucker explores management of knowledge workers

Michael Porter develops key theories of management as strategy
The Internet and IT breaks old limitations on organization and communication for modern managers
1.3 Managerial Ethics
Managerial Ethics

As a manager, you will be responsible for the ethical implications of your decisions.
Corporate Social Responsibility

What do corporations owe and to whom do they owe it?
CORPORATE
SOCIAL
RESPONSIBILITY
Corporate Social Responsibility in 1970

“There is one and only one social responsibility of business—to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”

Milton Friedman
Business organizations are expected to have responsibilities to more than just shareholders and customers.
Corporate Social Responsibility

- Recognized in the US and many other countries, but not everywhere
- Easy to confuse with public relations
• How corporations recognize stakeholders beyond shareholders and customers
Legal responsibilities are not the same thing as ethical responsibilities.

Be aware of them both!
Ethics and the Law

- FCPA
- Sarbanes-Oxley
- ISO 14000
Foreign Corrupt Practices Act

Holds US businesses accountable for ethical behavior globally. Bans bribery and other acts, even if they are legal in another country.
Sarbanes-Oxley

Requires US corporations to publish ethical guidelines. Passed in the wake of the Enron scandal.
ISO 14000

Set of standards for international organizations that want to systematize their environmental management efforts
How do you recognize the ethical approach in an unfamiliar system?
## Ethical Decision Views

<table>
<thead>
<tr>
<th>Utility</th>
<th>The most good for the most people</th>
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</thead>
<tbody>
<tr>
<td>Theory of Justice</td>
<td>What is perceived as fair</td>
</tr>
<tr>
<td>Rights</td>
<td>Are individual rights violated?</td>
</tr>
<tr>
<td>Compassion</td>
<td>Is this how we want to treat people? The Golden Rule principle.</td>
</tr>
</tbody>
</table>
Recognize responsibilities
Respect stakeholders
Earn trust
Be transparent
Consider ethical issues in all decisions