

A photograph of two men in professional attire and hard hats. The man on the left is wearing a blue hard hat and a brown suit, looking down at a document. The man on the right is wearing a yellow hard hat and a grey suit, gesturing with his hands as if explaining something. They are standing outdoors, likely on a construction site.

Chapter 11 Management Skills

- **Section 11.1 Management Structures**
- **Section 11.2 Management Functions**

Management Structures

Key Terms

management

vertical
organization

top
management

middle
management

supervisory-
level
management

horizontal
organization

empowerment

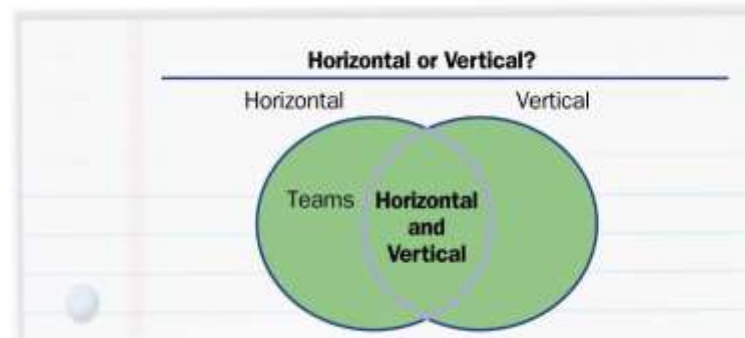
Objectives

- Explain how horizontally organized companies differ from vertically organized companies
- Name the three levels of management
- Explain how a self-managing team functions

Management Structures

Graphic Organizer

In the following chart, take notes on the types of business organization.



Leadership in the 21st Century

Business leaders around the world expect many changes in the coming years as a result of globalization. Global competition is increasing at a rapid rate, creating companies and managers who are united by common goals and ideals.

Types of Management Structure

management

The business function of planning, organizing, and controlling all available resources to achieve company goals.

Management ◀ can be defined simply as getting work done through the effort of others. It is the process of achieving goals through the use of the company's resources, such as human resources, technology, and material resources.

Organization

vertical organization

A hierarchical, up-and-down organizational structure in which the tasks and responsibilities of each level are clearly defined.

Vertical organization ◀ refers to a chain-of-command, hierarchical structure where the tasks and responsibilities of each level are clearly defined.

There are three basic levels of management in a vertical organization:

- Top, middle, and supervisory-level

Organization

top management

Managers who make decisions that affect the whole company.

Top management ◀ refers to the people who make decisions that affect the whole company. They include:

- CEO (Chief Executive Officer)
- President
- COO (Chief Operating Officer)
- CFO (Chief Financial Officer)
- Vice President

Organization

middle management



Managers who implement the decisions of top management.

Middle management ◀ implements the decisions of top management. This level plans how the departments under them can work to reach the top management's goals.

Organization

supervisory- level management



Managers who supervise the activities of employees who carry out the tasks determined by middle and top management.


Supervisory-level management ◀ supervises the activities of employees who carry out the tasks determined by the plans of middle and top management. Supervisors usually:

- Assign duties and monitor day-to-day activities
- Evaluate the work of production or service employees

Horizontal Organization

horizontal organization

A structure where top management shares decision making with self-managing teams of workers who set their own goals and make their own decisions.

In **horizontal organization** , top management shares decision making with self-managing teams of workers who set their own goals and make their own decisions.

Horizontal Organization

Horizontal organization restructures traditional management hierarchy. Levels of management are eliminated, and the numbers of supervisors are reduced in a process called flattening. Employees are organized to:

- Gather information
- Analyze it
- Take collective action

Horizontal Organization

empowerment

Encouragement of team members to contribute and take responsibility for the management process.

Encouraging team members to contribute to and take responsibility for the management process is known as **empowerment** ◀.

A second characteristic of horizontal companies is organization by process. Self-managing teams are organized around particular processes.

Horizontal Organization

The ideal result of either organization is to have:

- Satisfied customers
- High productivity
- Large profits
- Contented investors

Horizontal Organization

The third characteristic of horizontal organization concerns the team's focus. In vertical organizations, workers look to managers for direction, but in horizontal companies, workers tend to focus on the customer.

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SECTION 11.1 REVIEW

SECTION 11.1 REVIEW

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Management Functions

Key Terms

planning

organizing

controlling

mission
statement

remedial
action

exit interview

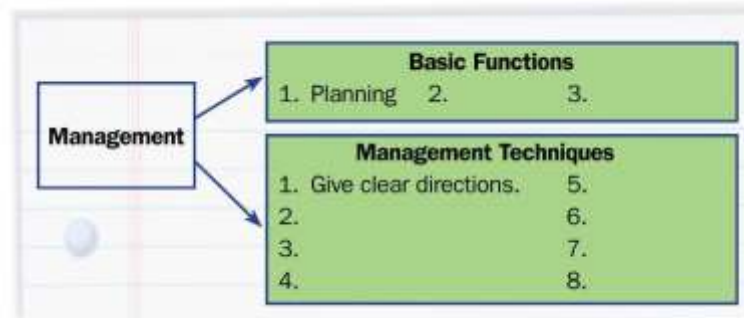
Objectives

- Name the three functions of management
- Describe the management techniques used by effective managers
- Explain how to manage employees properly

Management Functions

Graphic Organizer

Draw the following chart. As you read this section, write in management functions and techniques.



What Managers Do

Managers make decisions in addition to supervising and directing the actions of others. Their decisions affect all employees, therefore communicating and motivating people are among the most important of management skills.

Basic Management Functions

All managers perform certain basic functions:

- Planning
- Organizing
- Controlling



Management Functions

planning

The process of setting goals and determining how to reach them.

Good management **planning** ◀ at any level is:

- Realistic
- Comprehensive
- Flexible

A management plan should be a written statement that identifies resources to meet a given goal.

Management Functions

organizing

Establishment of a time frame in which to achieve a goal, assigning employees to the project, and determining a method for approaching the work.

Organizing ◀ involves:

- Assigning responsibility
- Establishing working relationships
- Hiring staff to carry out the work
- Directing the work of employees

Management Functions

controlling



The process of setting standards and evaluating performance.

Controlling is the process of comparing what you planned with the actual performance, including:

- Setting standards
- Evaluating performance according to standards
- Solving any problems revealed by the evaluation

Management Functions

mission statement

A brief paragraph or two that describes the ultimate goals of a company.

Before setting standards, many companies compose a mission statement. A **mission statement** ◀ is a brief description of the ultimate goals of the company. It identifies products or services offered and the target market.

Management Functions

After a company establishes goals in a mission statement, it adopts certain standards including:

- Financial
- Employee
- Customer satisfaction
- Quality control

Effective Management Techniques

The most effective management techniques are usually a matter of common sense.

- Give clear directions
- Be consistent

Effective Management Techniques

- Treat employees fairly
- Be firm when necessary
- Set a good example

Effective Management Techniques

- Delegate responsibility
- Foster teamwork in a number of ways:
 - Encourage team members to learn how to perform tasks outside of their normal areas.
 - Promote honest discussion.
 - Listen respectfully to comments and opinions.

Effective Management Techniques

- Be ethical: Ethical behavior involves understanding how your actions affect others and striving to make honest and just decisions.

Employee Motivation

Motivating employees is a key skill for any manager. Managers should give frequent feedback and handle evaluations each year.

It is important to reward smart work, not busy work. A person who looks busy may not necessarily be getting the work done.

Human Resources

Most companies have a human resources (HR) department that handles:

- Recruitment
- Hiring and firing
- Other personnel matters

Recruiting

Recruiting is the process of locating applicants and selecting employees. Sources include:

- Current employees
- Walk-in applicants
- Media advertising
- Public and private employment agencies
- Schools

Recruiting

Laws that prohibit discrimination govern employers and recruitment agencies. Federal law prohibits employers from discriminating based on:

- Race
- Color
- Religion
- Gender
- National origin
- Age
- Sexual orientation
- Disability

Recruiting

The U.S. Equal Employment Opportunity Commission enforces and regulates these laws.

Looking for a loyal hard-worker
who is cool under pressure?



Hire his owner.

Hire someone with a strong desire to succeed. Someone who proves his or her ability to overcome obstacles each and every day. The National Organization on Disability's CEO Council vigorously promotes hiring people with disabilities. As leaders of the corporate world, CEO Council members know it's not just a good thing to do, it's good business.

NATIONAL ORGANIZATION ON
DISABILITY
www.nod.org

It's ability, not disability, that counts.

This ad by the National Organization on Disability encourages employers to hire people with disabilities.

Hiring New Employees

The job interview is to determine whether an individual has the skills and abilities to perform well. Here are some basic tips for conducting a good job interview:

- Have at least two interviews.
- Have at least two people interview final applicants.
- Prepare interview questions in advance.

Hiring New Employees

- Ask only questions that are job related.
- Ask the same questions in the same order to different applicants.

Make sure you are following government hiring procedures.

Orientation and Training Programs

Orienting new employees includes more than simply training them for their positions. It is important to make them feel valued and welcome and to familiarize them with the working environment.

Orientation and Training Programs

Orientation commonly includes the following:

- Tour of the company and introduction to coworkers
- Discussion of the company's history, mission, and values
- Description of what the company does

Orientation and Training Programs

- Training on equipment
- Information on where facilities are located
- Information about payroll, benefits, and company policies

Scheduling Employees

Employee scheduling is the process of determining which employees should work at what times. Today, most companies use some type of computer scheduling.

Handling Grievances and Complaints

Employee complaints should be taken as seriously as customer complaints. Most fall into three categories:

- Complaints about other employees
- Complaints about the quality of the company's product or service
- Complaints about their own work situation

Assessing Employee Performance

Assessment enables a manager to develop better workers and a more efficient and profitable company. In many companies, newly hired employees are placed on a probationary period after which they are evaluated to determine whether or not they will be permanently hired.

Remedial Action

remedial action



Using preventive discipline or corrective discipline to encourage appropriate workplace behavior.

Whenever a supervisor notices that an employee's performance or behavior is substandard, it is the supervisor's responsibility to discuss the matter with the employee. **Remedial action** ◀ can be either preventive discipline or corrective discipline.

Remedial Action

Preventive discipline focuses on managing employees to prevent behavior that might require directly disciplining an employee, including:

- Involving employees in setting standards
- Encouraging employees to meet standards
- Providing training programs for self-discipline

Remedial Action

Corrective discipline is the next step after preventive discipline. Severe forms include:

- Verbal warnings
- Written warning to the employee
- Suspension from work without pay
- Firing

Dismissing Employees

When a decision is made to dismiss a worker, a letter of dismissal must be written, along with separate checks for final salary and severance pay.

The Exit Interview

exit interview

An interview arranged by the human resources department when an employee leaves a company.

An **exit interview** ◀ provides the opportunity for both the employee and manager to obtain valuable feedback. Exit interviews are often conducted with human resources personnel rather than the employee's immediate supervisor.

The Exit Interview

Departing employees may have feedback on overall work conditions that will help the company retain workers in the future.

If the employee is being dismissed, the reason should be discussed in the exit interview.

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SECTION 11.2 REVIEW

SECTION 11.2 REVIEW

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FOCUS on KEY POINTS

Section 11.1

- Businesses are organized in one of two ways: vertically or horizontally.
- Traditional, vertically organized companies have three levels of management: top management, middle management, and supervisory-level management.

continued

FOCUS on KEY POINTS

Section 11.1

- Horizontal companies have top and middle management. Horizontally organized companies have self-managed teams that set their own goals and make their own decisions.

continued

FOCUS on KEY POINTS

Section 11.2

- Basic management functions are planning, organizing, and controlling.
- Effective management techniques involve properly training employees.
- In the case of poor performance or unacceptable behavior, the employee should receive warnings.



This chapter has helped prepare you to meet the following DECA performance indicators:

- Explain employee's role in expense control.
- Explain the nature of overhead/operating costs.
- Explain the concept of competition.
- Identify factors affecting a business's profit.
- Participate in staff meetings.



CHAPTER 11 REVIEW

CHAPTER 11 REVIEW

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