

MANAGEMENT REVIEW

THEORIES OF MANAGEMENT

Classical perspective

- ◆ Scientific management (Frederick Taylor)
- ◆ Administrative management (Max Weber: principles of bureaucracy)

Behavioral perspective

- ◆ Behavioral management/human relations movement
 - Hawthorne studies - “Hawthorne effect”
 - Theory X, Theory Y (Douglas McGregor)

Contemporary perspective

- ◆ Management science theory
- ◆ Open systems theory
- ◆ Competitive advantage (resource-based view of core capabilities)

FUNCTIONS OF MANAGEMENT

The four functions of management

1. Planning
2. Organizing
3. Leading
4. Controlling

Levels of management

- First-line/front-line managers
- Middle managers
- Top managers

Managerial skills

- Conceptual skills
- Human skills
- Technical skills

ORGANIZATIONAL ENVIRONMENT

- Internal environment
- External environment
 - Task environment
Suppliers, competitors, customers, distributors, regulators, distributors
 - General environment
International, technological, socio-cultural, economic, political-legal, demographic forces

Barriers to entry

- Brand loyalty
- Economies of scale

Industry life cycle

Life cycle stages: birth, growth, shakeout, maturity, decline

GLOBAL ENVIRONMENT

Barriers to trade

- Natural barriers
- Tariff barriers
- Non-tariff barriers (import quotas, embargoes, custom regulations)

Ways of expanding internationally

- ◆ Import/export
- ◆ Licensing
- ◆ Franchising
- ◆ Strategic alliance
- ◆ Joint venture
- ◆ Wholly owned foreign subsidiary

Hofstede's dimensions of culture

- Collectivism/individualism
- Power distance
- Uncertainty avoidance
- Achievement/nurturing orientation (or: career success/quality of life)

STRATEGIC PLANNING

Stages of planning

1. Mission/goal setting
 - Mission statement
2. Strategy formulation
 - SWOT analysis
 - The Five Forces model (Michael Porter)
 - Threat of substitute products
 - Power of customers
 - Power of suppliers
 - Potential for entry into an industry
 - Level of rivalry among organizations in an industry
3. Strategy implementation

Levels of planning

- Corporate
- Business
- Functional

Corporate-level plan/strategy

- Concentration on single business
- Diversification
 - related (synergy)
 - unrelated
- International expansion
 - global strategy
 - multi-domestic strategy
- Vertical integration

Business-level plan/strategy

- Differentiation
- Overall cost leadership strategy / low cost
- Focus

ORGANIZATIONAL STRUCTURE

- Tall/flat structure
- Mechanistic/organic organizations

- Functional structure
- Divisional structure
 - Product
 - Geographic
 - Market
- Matrix structure

Job design

- Task scope, task depth
- Job simplification, job enrichment, job enlargement, job rotation
- Job Characteristics Model (Hackman-Oldham)
- Span of control

ORGANIZATIONAL CONTROL AND CULTURE

Control systems

- Output control systems (financial measures)
- Behavior control systems (supervision; MBO; bureaucratic control)
- Organizational culture/clan control

Organizational culture

Organizational socialization

DECISION MAKING

- Nonprogrammed decision making
- Programmed decision making

Decision Making Conditions

Certainty, uncertainty, risk

Decision making models

- Classical model
 - Perfect rationality
 - Complete access to information
 - Optimal choice
- Administrative decision making model
 - Bounded rationality (use of heuristics)
 - Limited access to information or ambiguous information
 - Satisficing choice

Cognitive Biases

- Illusion of control
- Prior hypothesis bias
- Representative bias

Escalating commitment

Group Decision Making

- Brainstorming
- Nominal group technique
- Delphi technique
- Devil's advocacy
- Groupthink

GROUPS AND TEAMS

Types of groups

- Formal groups
- Friendship groups
- Informal groups
- Interest groups
- Self-managed work team
- Top-management team
- Task force

Stages of group development

- Forming
- Storming
- Norming
- Performing

Task interdependences

- Pooled task interdependence
- Sequential task interdependence
- Reciprocal task interdependence

Group cohesiveness

Social loafing

Synergy

THE MANAGER AS A PERSON

Personality traits (BIG 5)

- Agreeableness
- Conscientiousness
- Extroversion
- Negative affectivity
- Openness to experience

Attitude

- Job satisfaction
- Organizational citizenship behaviors
- Organizational commitment

External locus of control

Internal locus of control

Need for affiliation

Need for achievement

Need for power

Role conflict

Role overload

Stress

MOTIVATION

Motivation

- Extrinsic motivation
- Intrinsic motivation

Herzberg's motivator-hygiene theory

Need theories

- Maslow's hierarchy of needs
- Alderfer's ERG theory (Existence, Relatedness, Growth)

Cognitive theories

- Equity theory
 - o Equity – inequity
 - o Overpayment inequity
 - o Underpayment inequity

- Expectancy theory
 - o Expectancy
 - o Instrumentality
 - o Valence
- Goal setting theory

Learning theories

- Operant conditioning theory
 - o Negative reinforcement
 - o Positive reinforcement
 - o Punishment
 - o Extinction

LEADERSHIP

Trait approach to leadership

Behavioral approach to leadership

Contingency approach to leadership

Two-factor approach to leadership

- Task-oriented leaders
- Relationship-oriented leaders

Key sources of power

- Coercive power
- Legitimate power
- Reward power
- Referent power
- Expert power

Forms of Leadership

- Transactional leadership
- Transformational leadership
 - Charismatic leader

COMMUNICATION

Communication process

- Sender – receiver
- Decoding – encoding
- Communication channel

Information distortion through noise

Interpersonal communication barriers

(Perception, culture, semantics, nonverbal communication, etc.)

Information richness

HUMAN RESOURCE MANAGEMENT

Components of HRM system

- Recruitment and Selection
- Training and Development
- Performance Appraisal and Feedback
- Pay and Benefits
- Labor Relations

HR Planning

- Demand/supply forecasts
- Outsourcing
- Job analysis (job description, job specifications)

Recruitment

- *Internal* (current employees, job postings)
- *External* (advertising, employment agencies, executive search firms, college recruiting, internet, walk-ins)

Selection

- Tools (interviews, physical ability tests, performance tests, references, etc.)
- Reliability and validity of selection tools

Equal Employment Opportunity

ORGANIZATIONAL CONFLICT AND CHANGE

Types of conflict

Interpersonal, Intra-group, Inter-group, Inter-organizational

Sources of conflict

- Overlapping authority
- Task interdependencies
- Scarce resources
- Status inconsistencies

Organizational change

- Planned vs. reactive

Lewin's model of change (unfreeze, change, refreeze)

Resistance to change (individual, organizational)

BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

Stakeholder theory

Societal ethics

Professional ethics

Individual ethics

Utilitarianism

Individualism

Rights approach

Justice approach

Social responsibility

Whistle-blower

Social audit

Ethics ombudsman

ENTREPRENEURSHIP AND INNOVATION

Radical vs. incremental innovation

Technical vs. managerial innovation

Product vs. process innovation

Product life cycle

Entrepreneurship vs. small business

Entrepreneur

Intrapreneur