

Lecture 2 Understanding Mgmt Context: Constraints and Challenges

-Two types of environment

-External

-Forces that act ON the org. FROM
outside

-E.g.

Customers/competitors/suppliers/human
resources

Technological/economic/politics/legal
/regulatory

-Internal

-Day-to-day forces WITHIN the org. in
which managers perform.

-Direct Forces

-Are the forces that have direct and
immediate influence on org.

-They are highly
unpredictable/uncontrollable

-1. Customers

-Perhaps the most important of
direct forces.

-Business is aimed towards

satisfying customers.

*Customer research

- Research focused on finding present/potential buyers.
- Also aimed to understand the degree of satisfaction.

-2. Competitors

- Intrate competitors
- Intertype competitors

*Competitor analysis

- Managers try to understand the moves and countermoves of opponents.

-3. Suppliers

- A good supplier is a an asset for a company
- Supplier portfolio (using multiple supplier)
- 2 ways to deal with supply issue:
 - Backward vertical integration
 - Single sourcing

-4. Human resources

- Not the people that work for the company.
- Its all the people surrounding the company.

-Indirect forces

- Management has no control on them.
- Outside forces that can have **DIRECT** influence on org.

-1. Technological

- Refers to the development in the technology.

-2. Economic

- Economic indicators are GDP, inflation rates,

-3. Political, legal, and regulatory

-4. Cultural, social

- Every nation has its own values and beliefs

-Internal Environment

- Refers to the environment **INSIDE** the org. within which a manager works.

-3 management levels:

-Operational

EFFICIENT ALLOCATION

-Technical

-Strategic

- Makes sure that technical level operates with social boundary.

-Types of managers

-Top management

-Middle management

-First-level management

-Skills of management

-Human skill

-Ability to work with

people/communicate/understand

-Technical skill

- Specific knowledge to perform certain task. E.g. doctors, accountants.

- Conceptual skill
 - Seeing the big picture.

- Roles of managers
 - Interpersonal role
 - Focuses on interpersonal relationship
 - Figurehead
 - Leadership
 - Liaison
 - Informational role:
 - Managers work as center for sending/receiving info.
 - Monitor
 - Disseminator
 - Spokesperson
 - Decisional role
 - Involves in decision making at various levels
 - Entrepreneur
 - Bring constant creative ideas.
 - Disturbance handler
 - Mangers make decision to take corrective actions
 - Resource allocator
 - Negotiator

