

Unit 2: Chapter 5

INTRODUCTION TO MANAGEMENT

Learning Outcomes from this chapter

On completion, you should be able to:

- Define management
- Differentiate between enterprise and management
- Explain the contribution of both managers and entrepreneurs to business
- List the characteristics of managers
- Identify the importance of management skills in areas such as home, school, local community, government departments and business start-up

Definition of management

The process of organising resources in order to achieve objectives efficiently and effectively



Difference between management and enterprise

	Manager	Entrepreneur
Level of risk	Possibly loses their job if they underperform or if the business fails	Bears the financial and personal risk of the business failing
Future focus	Focuses on the day-to-day operations of the business, directing and delegating to their staff	Focuses on starting and expanding the business in the future
Level of reward	Paid a set salary, with bonuses or profit-sharing options for good performance	Rewarded by keeping all the profit made by the business
Idea creation	Implements the entrepreneur's ideas or manages people (intrapreneurs) who develop more ideas; does not have to create ideas	The creator and innovator - sees a gap in the market, which they can exploit; may continue to create new ideas as they look to expand

Characteristics of managers

Use initiative	Proactive
Decisive	Acts quickly and decisively
Charismatic	Inspiring, passionate
Flexible	Adaptable; able to change course if necessary
Problem-solver	Analyses problems; makes them manageable

Introduction to management skills

Leading	Directing/delegating: guide employees to achieve tasks
Motivating	Energising/inspiring people: Maslow's Hierarchy of Needs, McGregor's Theory X, McGregor's Theory Y
Communicating	Transferring info from manager to subordinate and vice versa: improves instruction, clears orders, removes barriers (noise, jargon, cost), considers factors (urgency, cost)