

# MANAGEMENT

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24 August 2005

## Part 1

Thank you. Well, ok right Management - what is it and why do we study it? Before I start I would just like to find out how many of you are planning on studying management or business studies or a business related course, here or at another university. So - quite a few of you, roughly, roughly half of you I guess will be having a direct interest in this. Well, what I want to do today - I'm not going to, I'm not going to go into any great detail about specific management theories or ideas of management. What I want to do is address some more general questions really. I am going to start by very briefly, looking at 'why do people choose to study management? When people take courses in management as many of you have decided to do, - what is it that you are hoping to learn? And then leading on from that, what is it that we can actually teach in the classroom. Surely management skills are very practical. How can we actually teach management related topics in the classroom? So those are some of the questions I am going to start off looking at.

I then want to look at some more practical issues later on in the lecture. I want to look at - well what is it that managers actually do? What kinds of things, what makes a successful manager - what kind of characteristics, what kind of traits would we expect to see in somebody who may go on to become a successful manager?. What sort of things might influence management styles? There are many different types of successful manager, many of them are very different types of personalities, what kinds of things might influence different management styles and coming back to the original question of why do we study management - how can our study of management actually help us to understand some of these issues.

So, to begin, why do people choose to study management? Now actually I think that many of you will be in a much better position to answer this question than me since you have made the decision already that you are going to study management at university. But it seems to me that there are several things that might lead people to decide that studying management at university would be a good idea. One possible idea is that, well it might be just genuine intellectual curiosity. People may choose to study management for much the same reason as they choose to study any other subject. Literature or History or Philosophy or Mathematics. People may just have a genuine intellectual interest or curiosity about management and how it happens.

On the other hand people may have, may want to learn more about particular management theories, or management ideas. You may have come across particular management writers, management gurus that have come up with particular ideas that appear to be very interesting and very important, may want to sort of learn more about these particular ideas. But these are very general

reasons for wanting to study management. I think that, and correct me if I 'm wrong, I suspect that many people choose to study management for rather more practical reasons. People may want to study management to learn how to become a more effective manager themselves. Particularly those people who go on to do MBA degrees will often be people who have got some experience in the workplace of managing teams of people, and they may then go on to university to do an MBA to learn how to become more effective at being a manager. Doing these kinds of degrees whether they are MBA's, Masters Degrees or even undergraduate degrees in Management, can be seen as a route to enhancing career prospects.

Or it may be a route for those people already in management positions, it may help them to become more effective and it may help them to get promotions. On the other hand a degree in Management may be a route into a managerial position, it may help you to obtain a position of managerial responsibility within a company. So there are some intellectual reasons, but there are also much more practical reasons, for wanting to study management.

Now my feeling is that if your interest in purely the intellectual side of things, the theory, the management theories then its very easy to see how that can be taught in the classroom. I mean, this is what universities are for, for teaching ideas, for spreading ideas and enhancing learning. But what can universities offer, or what can any kind of school or educational institution offer, for the people that are more interested in these more practical matters about how to become more effective managers themselves. What can universities offer in that regard? Can management skills, practical management skills, actually be taught in the classroom?

As you can see there are two schools of thought on this.

## **Part 2**

There is one school of thought that says 'No' really. Management isn't something that can be taught in the classroom. That in fact management skills, how do we learn to become a manager? We learn by doing. That would be one approach to the subject. That what matters, what makes the successful manager is not their level of, what level of education they attained, or the degree of, the type of degree they had at the university. What makes a good manager, according to this point of view, is the experience they are able to develop and to attain. The essential skills you need in order to be to be an efficient and an effective manager can only be learned in the work place, in practice. Experience is the key, is the key determinant. If you have lots of experience, you are much more likely to be a better manager. If you are new to the job, you have never worked in this company before, you have never worked in this organization, then you can't be expected to do such a good job.

If you take this kind of view, then it's logical that one's progression through a company should be gradual. You get promoted slowly through the ranks. People should start at the bottom and gradually work their way up through a company. So that by the time you get to the top, all those people that do eventually make it, so the top of the firm, the senior managers, will be the ones that already have the most experience, they will have worked at different levels of the

organization, and will have accumulated experience. They will understand how the organization they work in really functions. And that knowledge of how the organization works, that is crucial to determining whether they will be effective or not. So that's one point of view.

Another point of view - is actually that management skills could be taught in the classroom. And the kinds of things we can teach at universities are in fact quite useful. This approach suggests that rather than just learning by doing, we actually learn also by thinking. What do I mean by that? Well if, I guess what I am trying to say, it leads on to the second point that I have, that it's not just experience that matters, what you learn, is not just simply accumulated, by the experience you have attained, but also the breadth of knowledge that you have, and therefore the type of perspective you are able to apply through particular management problem. So for example, if you are working in a particular organization, and you are in a management position, and a problem arises, a difficulty crops up. Then it may very well be that if somebody has always worked in the same organization, you are able to say to yourself well, this problem has occurred before, how does this company or how does this organization usually solve this kind of problem, and if you understand the organization, you understand what you should, what typically would normally happens in this situation, and you can therefore automatically try to resolve the problem in the traditional way.

And that's fine, that's great, if the way that your company tends to solve that problem is the best way of solving it. But what if this type of problem that emerges is actually quite a typical problem that occurs in lots and lots of different organizations, and there are actually other companies, other competitor organizations, that are much more efficient at solving these types of problems? If your only experience, your only knowledge lies within this specific organization where you work, and you never have any awareness of how other companies might solve these types of problems. Whereas if you've got a broad perspective, if you have read widely about the experience of managers in different companies in different countries, then when a problem arises, you don't just think how does this company usually solve the problem? but you can actually think, well, what would be the best way of solving the problem, how do other managers in other situations approach this problem, is there anything, can I come up with a new idea here that can actually enhance and improve the way that the company or the organization I work for usually functions.

And this is the point, that is if you tend to, sort of, stick to this half of the equation, and you focus very, too much on experience, then your experiences of the manager can become very inward looking and you tend to, or there is a tendency to become introspective and to think only in terms of how the company or how the organization that you are working for usually behaves. And you never change, there's no progress, no development. Whereas how do you actually innovate, how do you get new ideas into, your organization, how do you improve, how do you change, and in order to change and improve and to innovate, you have to look outside organizations, you have to get the ideas from elsewhere, you have to get inspirations from elsewhere. And that's I think where learning about management ideas in the classroom can be quite useful.

### **Part 3**

Managers that are very, very busy working long hours every day running the organizations don't necessarily have much time to spend reading about other firms, reading about other management styles, other management countries. Going to university, spending year or two looking into these issues, getting a broader perspective, is quite important before you go into workplace. So when you are in an organization, you can still apply this broader perspective.

So according to this half of the equation, actually the ideas you can get from the university, the ideas that you can get from reading widely, from trying to understand a range of different organizations provides a good generic or basic set or body of knowledge that a manager should be able to draw on. And managers therefore should have this, all managers, whichever their organization, whichever line of work they are in, should have these kind of generic skills, should have this broader perspective, should have this understanding, of what management is and how management theories and management ideas can be applied in different circumstances.

And in this case, the best managers are not necessarily the people with the most experience, necessarily. Good managers are the ones with the most perspective, the widest knowledge, and management should be done by the best managers, not just by people that worked way up through a company. Managers therefore shouldn't just know their organization, managers should know the profession of management. So those are two conflicting types of approaches to what management is about, and where the management skills can actually be taught.

My own feeling is that a really good manager would probably have a bit of each here. I think that most good managers would have to have - the sort of - the broader perspective you can get from learning about management in an academic or university environment. But also good managers should also have some knowledge of their organization, some experience, that's more practical, so the combination of these two will probably be useful, but certainly in order to get the broader perspective, that's I think where universities can play a very important role.

Right. What do managers do? - I'm coming on to a slightly more practical part of the lecture. There are several things and I've just tried to outline here a handful of things that managers are usually regarded as doing. There are others that I could have added. There are others I'm sure maybe you would be able to think of. But I just thought I'd outline a couple. What do managers do? Well, they need to set goals and objectives. I think that it's quite important. It sounds very straightforward, sounds very easy, but it's actually there's an art in this. If you set an objective, or set a target, which is really very easily achievable, then that doesn't give an organization a great deal of. An organization doesn't need to stretch itself or to work at full capacity in order to meet that goal. And it's therefore fairly unlikely that the organization will work as efficiently as possible, if the types of target that are being set are really too easily achievable.

On the other hand, if you set the targets that are too ambitious, that any organization is almost certain not to reach, then that can be very disheartening and demoralizing. So actually getting the right level of targets or goals for a company to be able to achieve, that are both challenging but which are also realistic and attainable, but getting that balance right is something that managers need to do. And I think that you'll find with lots of these goals, lots of these tasks

that managers tend to have, it's usually about achieving some kind of balance. And in this case, it's between wanting to be ambitious, and wanting to set targets that are difficult that will force companies, force organizations to operate efficiently and to innovate, but at the same time, that are achievable.

Setting goals is great. That's one thing that managers can do. Devise strategies, obviously it's all very well to have a goal, a target you've set, that is - that are both ambitious but also attainable. How do you get there? How do you go about achieving these targets? Obviously there needs to be some kind of plan, there needs to be some kind of strategy, and again it's usually the job of managers, of senior managers to develop or come up with corporate strategies, or organizational strategies, that will enable organizations to be able meet these goals.

#### **Part 4**

Strategies in themselves don't make much sense unless they are backed up by actions. And making decisions again is the next level, the next step managers have to take. It's all very well developing a strategic plan that looks great on paper. And that the people in an organization can look at, and nod and say yes, that's great, that's really good. What does that mean? For people sort of lower down within an organization at middle management levels, or workers in an organization, how would that, how will this new strategy actually affect their day-to-day practices, their day-to-day life. If the new strategy makes no difference for the vast majority people working in an organization, then perhaps it's not such a new strategy after all. If the strategies really can make a difference, decisions need to be made that are going to actually affect people and the way they operate and the way that they work, hopefully to improve things. So the decisions need to follow from the strategy that that the companies, organizations develop. This, crucially is, one of the things that managers have to get right. They have to be decisive, and they have to make decisions that are effective and are meaningful.

Now these things, so far, setting goals, devising strategies, making decisions, these are things that managers can do in quite a detached way. You can imagine an organization, a large organization, and a head office which is, sort of a building with many stories and managers, a senior manager, or chief executives sitting on the top floor in a large office, looking out, devising strategies, thinking about goals that he is going to set what he or she, what are we going to achieve, this organization, making decisions.

But managers can't operate on their own, in a detached way, separate from the rest of the organization. They have to actually engage with other organizations often. They have to engage with other people that work, within the organization. And again in order for these strategies, the decisions, for their goals to become real, and for them to really be taken on board by the whole organization, they need to engage directly with their staff, their work force. And motivating people is the crucial element. You can come up with the best plan, the best strategy in the world, and make all the right decisions on paper. But if you have got a work force that aren't interested in going with you, and in following your plan or your strategy, then it's never going to work. So motivating people is actually one of the most crucial things that any manager needs to be able to do.

And how do the people do that? Well, there's leadership. I guess there are elements of leadership that come into this. But I think that managers have to provide a clear sense of direction and clear sense of purpose about where they are going, why we are making changes, why we are putting these plans in effect. And how will it benefit you personally. Providing that kind of leadership in that direction is very important.

Finally, also, managers, I think, need to take responsibility. If things go wrong, managers have to be able to sort of hold up their hand and sort of say that 'Yes it's my fault'. Managers traditionally, I think, are very, very good at claiming credit when things work, and when things go right. People in positions of authority I guess, like often to claim the credit when things go right. But I think the sign of a really good leader or a very good manager is not just somebody who takes credit when things work, but also somebody who holds the hand up and takes responsibility when things don't work. I think that if you are working in an organization, and you know that the head of that organization, your boss or your manager, is putting in place a new plan, or a new strategy. If you know that if it all fails, they are going to be the ones who take responsibility, you are more likely to feel, OK, well I'll give this a go. If you feel that your manager, if it goes wrong, is going just to point a finger, maybe blame you, if that doesn't work. Then perhaps you are not going to be so motivated to actually go ahead and give the company your full support. So I think taking responsibility is something that is also quite important.

So what makes a successful manager? Again I'm asking you a quite big question here. I don't pretend to be able to provide a comprehensive or conclusive answer to these questions. I am merely trying to set the ball rolling, I guess, in terms of getting you to think about some of these things. So what makes a successful manager? I guess leadership, is important. What does that mean? How do we define it? We could probably spend several hours talking about what is a good leader, and none of us would ever be quite certain. But I think that some element of leadership responsibility is obviously important in a successful manager. If you are able to, in order to provide the kind of motivation and direction, that managers should then that kind of leadership roles is important.

## **Part 5**

And leadership I think incorporates actually many of these other, many of these other points. Strategic vision again, managers not, it's quite important that manager shouldn't just, or senior manager at least in any organization, shouldn't just get too bogged down in day-to-day routine detail. If you're spending too much time worrying about little problems that keep arising or that keep occurring, or you're giving all of your attention, or your focus on day-to-day matters. But it's easy to miss the big picture. It's quite important that managers should be able to take a step back from, from what's going on day-to-day level, on a routine level. And actually think about what's happening in the long term, what's happening more generally, and to make sure the direction of the company is taking or the organization is taking is in line with more general developments. So, that sort of strategic vision is important.

Judgement, I mentioned lots of things that managers have to do always involve balancing. Managers, anyone in positions of responsibility is usually faced with some kind of dilemma on a fairly regular basis. Often decisions that managers make are not between what will be a good decision with a good outcome and what will be a bad decision leading to a bad outcome. Sometimes managers have to make decisions where, well there's going to be a bad outcome either way. It's either going to be bad or worse, often decisions are not just between what's good or what's bad. It's often the lesser of two evils that count. Sometimes, managers are in better positions where they are in a strong position and whichever decision they make it's likely to be relatively successful or effective, but again they have to choose which is going to be most effective, most successful. And they are always having to balance up pros and cons, advantages and disadvantages, so that having those judgement is, good balanced judgement is important.

Decisiveness is also important. Once you've made a decision, once a manager has made a decision, it's crucially important that they actually stick to it, even if it's the wrong decision sometimes, because again, if you are the kind of manager that makes a decision and then things change, the environment changes, there is new policy coming into play, there is new economic recession, or something. If managers are permanently changing their decisions or reverting back to what they were used to do or changing their mind on a regular basis, then it doesn't give anybody within an organization much confidence about where we are going.

If a manager comes up with a new strategy or a new idea and says right this is what we are going to do, if he is going to convince people or she is going to convince people in the organization, that this is the best way forward, then they need to know that they are going to stick to the plan, and that this is in fact what's going to happen. If there is there any element of indecisiveness or indecision, then again that's very bad for company morale, for the way the people feel about the organization as a whole. Decisiveness is important.

Organizational competence, I've put, I mentioned in terms of looking at strategic vision that it is important managers don't get too bogged down in routine matters of a day-to-day nature. But on the other hand, they have to be on top of those things as well. Managers have to be able to be competent enough, at dealing with various issues that do arise. But they don't let things, if a manager focuses only on the big picture, on the big strategy, and basically ignores some of the smaller-scale routine problems that are occurring, that can obviously cause lots of difficulties and lots of problems in an organization as well. So managers need to be able to do both. In fact these two types of management role usually separated out, usually find that the person that the head of an organization will take more of a strategic approach, and they will delegate of some of the more routine tasks to people below them, but nonetheless there has to be awareness that the routine administrative jobs are being done well and competently.

Communication, again that's crucial in a way any manager, any leader of an organization anyone in the position of responsibility, usually has to be able to communicate their ideas to the rest of the work force, to the rest of the organization. Being able to effectively communicate is very important. Again if the, the manager could have a great strategic vision, could be a very good decision maker, could be very good at setting goals and setting objectives, but if they are not very good at communicating any of these, then it doesn't, almost, it's not that it doesn't count, but a lot of that, those positive features will be negated, or will

be undermined. If you can't communicate effectively, then, you are always going to have problems.

Knowledge, I put down here, well naturally, people have to have awareness again it's knowledge-based experience, I guess, of the organization. Knowledge also of management practice as it is developed in different parts of the world and in different organizations. People skills, again, that ties in, I guess, with communication, being able to relate to people, being able to motivate people.

## Part 6

Intuition, I have put down here, as a management skill which might not sound like a typical thing that managers are expected to have. But the reason I put there is because there is an idea, I think, that managers when they make decisions, how do, I put down intuition, because, well, how the managers - we've decided that making decisions is something that managers need to do. How do managers make decisions? One way of thinking about this is that while actually managers make decisions on the basis of information, the best information that is available what any manager will do, any rational actor, will do, is accumulate or gather all of the information that they require in order to make this decision. They will then carefully study and analyse all of this information, and will on the basis of careful and rigorous, and rational examination, they will then come up with the decision that is the most reasonable, and the most logical decision. Which is great, assuming of course that managers have access to complete information and that they have the time to analyse this information in such a rigorous and careful manner.

But in reality managers often have to make decisions and they don't have a great deal of time at their disposal. And they certainly don't have the kind of information that they would always like to have. Often managers are trying to make decisions about things that are going to happen in the future, and nobody knows what is going to happen in the future. Anything could happen, there could be all sorts of economic, political, social, cultural changes that will, - that may determine what would be a good, what would be a bad decision. Managers often don't have access to this knowledge about what's going to happen, they don't have the information that they would like. Managers don't know, they may very well know that some of their competitor firms are pursuing different types of strategies but they haven't got access to the records, the financial records of those competitor companies to know exactly which of these different types of strategies is the most successful. Or if they are able to get information from other companies then it's always 3 months out of date, or it's, you know, or this is how the company performed last year not how they are performing next year.

So managers don't have complete access to complete information when they are making decisions which means that they often have to use intuition. They have to make decisions based on incomplete information. They often - often the good managers aren't the ones that are the most careful and the most rational. They're often the ones that just come up with, that have a sort of a hunch, or they might have an instinct about what would be the right thing to do. The managers, whose instincts prove to be correct, often tend to be the most successful. This I suspect is a trait that we are more likely to find in entrepreneurs than in just pure straight

managers - someone who is a middle ranking manager in a large organisation who may not need to have a great deal of intuition or gut instinct. But certainly somebody who is setting up their own business, trying to spot a gap in the market, trying to see an opportunity for themselves and to exploit it, that kind of entrepreneurial spirit certainly you need a fair degree of intuition to be successful in these areas. So I've put intuition there.

And finally, I've put down *fairness* as something that might make a manager successful, which may seem again slightly strange, slightly odd. You know if managers spend all their time worrying about being fair they are never ever going to be able to make decision, make them quickly. But on the other hand, when managers make decisions without regard to issues such as fairness, it can cause all sort of problems. I mean, I don't know if any of you are unfortunate enough to be planning on using Heathrow Airport earlier this month, but if you were, you would have possibly been held up for days and days and days because the entire airport, and British Airways are, flights across around the world were virtually paralysed for several days. Why? Because of an industrial dispute. What caused the dispute was workers in a particular company *felt* they have been treated unfairly, and were not prepared to put up with that. And that led to a strike whether was right or whether was wrong, I'm not going into.

## Part 7

But fundamentally what happened in that situation was that there were large group of workers who felt they have been treated unfairly, and it led to industrial chaos, and a real, real mess. I'm not saying that, you know, I'm not trying to apportion blame, or anything in that particular case, and but I think it does go to show that if people *feel* they are not treated fairly or if managers behave in a way where they not, where they not particularly concerned about issues of fairness, the that can sometimes create problems, create difficulties. So, actually having that - it comes down to some communication and motivation as well. When any changes are taking place in organization it's important that the reasons for these are communicated and that people within the organization feel they are being treated in a way which is fair and reasonable, so.

O.K. - what influences management style? I mean what I've been talking about so far suggests that, or implies that, there are right or wrong ways of doing management and that if you're a very good manager you have all of these traits and all of these skills and you have this range of knowledge and you have the relevant experience, then you should be able to be doing a good job. But actually we find that management styles and management systems differ. Different organisations are managed in different ways. And they need to be managed in different ways in many cases. There are lots of different things which might influence the style or approach to management that we see. Countries, region, around the world there are different approaches to management. A manager in a typical American company, for example, will do things in a very different way from a typical manager in a typical Japanese company. Very different cultures, very different management ideas, management systems in those two countries. When you have managers moving from Germany to the United States, to Japan, to the United Kingdom, to Australia, to Brazil - these managers will be encountering very different cultures, very different management systems and the

approaches to management differ between different countries. Again I haven't got time to develop this theme in any detail but, but it's something that we have to be aware of. Again political and social attitudes and cultural beliefs differ in, across different countries. So that's also something that influences national style – systems of management.

The nature of the organisation also will influence management style. Look at the size of companies – a very small organisation, say a small 'start-up', I.T. start-up company employing 4 or 5 people. The kind of management style that you would expect to see in that kind of organisation would be very, very different from the kind of management you would expect in a large corporation employing thousands and thousands of people around the world. The size of the organisation will determine management style to a certain extent. Again, the sector which type, which line of business, which line of work an organisation is involved in. Are we talking here about pure businesses, commercial enterprises, are we talking about charities, educational institutions, sporting or social groups? Again any kind of organisation needs to have some kind of effective management system. But the type of person who would be a successful manager in, say, banking – the banking sector, might not necessarily be the same type of person that would be a successful manager in a charity, in the charity sector, or in the education sector for example. So again, managers might require different types of skills, different types of approach or style, depending on the type of organisation that they find themselves working in. Again because they are going to be working with different types of people in these different areas, so they need to adapt.

Types of management roles differ again I mentioned earlier the difference between the more senior executive role that might take a strategic approach to long term planning and other people who have a more administrative role in terms of dealing with routine matters of organisation and administration. There are other types of management roles as well. There are some people that are sort of specialist trouble-shooters that are sent in to deal with problems as, and when they arise. Again the types of character traits, or the types of style you would expect these different managers to have will differ depending on the type of role to which they have been assigned.

## **Part 8**

Somebody whose job it is to sort of, to come up with innovative ideas that might provide, that might become important innovations in the next 10 to 15 years is going to have a slightly different approach to their job, than somebody who is dealing with problems that are arising on a day to day basis. So again, there are different management roles requiring different skills.

And again the nature of the task facing managers is very different. An organisation that is in crisis, or that is in decline, or that is facing absolute disaster, often requires a very, a very sort of strong, charismatic, determined kind of leader that will create enormous change and help to sort of salvage or save the organisation from catastrophe. Whereas organisations that are doing very well and that are progressing very effectively and that are being run very efficiently, you don't need those kinds of people. If an organisation is doing very well you

don't need somebody who is really going to shake things up and change everything and completely radically alter the structure of the organisation. Why would you want to do that when the company is already doing very well? So again, the type of management style, the type of manager that you might want running companies depends on the circumstances sometimes in which companies find themselves.

So there's lots of different influences, lots of different things facing - that can influence management style. I'll wrap this up now. I think I've talked for pretty much long enough, but I just want to conclude then by coming back to this question - how does studying management actually help in any way? What is it that we can teach at the university that might actually help to enhance some of the skills, some of the activities that managers need to be good at, or they need to have? Again, firstly, I think we can help to teach an awareness that there are many different ideas of management. There are different management styles, there are different approaches to management that work in different parts of the world, in different types of organization. And I think an awareness of these many different types of management, approaches to management, is quite important. So when people leave university and go into particular organizations they can learn how to operate in the individual organization where they work. They can also be aware of other alternative approaches that exist as well, so that that they can put their own experience into perspective.

Again understanding why some strategies or ideas maybe more or less affective than others, it's quite important I think in any organization if a strategy or a plan that has been developed fails, to understand why did it fail? Again having a broader perspective perhaps it fails because you know, not that is a bad strategy in its own right. If we've been operating in a different country or if we've been operating in a different sector, that type of strategy might have worked, but perhaps we need to match the strategy of the organization to the particular circumstances in which we find ourselves. So understanding why some strategies may be successful in some areas but not in others, is quite important.

Intuition, I don't know if we can completely teach intuition about the kinds, about, what we can do hopefully - those managers or those people that have got a strong awareness of different management styles that exist, of different approaches to management in different countries, of different strategies, different ideas. The broader your knowledge about these differences, and about how management works in different ways, the more likely you are to be able to develop intuition which is more likely to be correct than incorrect. So, what we are saying I guess is that managers always have to make decisions on the basis of imperfect information and, but the broader your prospective and the broader your knowledge of different styles and managements, different ideas of management, hopefully the more likely it is that your intuition will be, will be useful.

Again, knowledge of what's worked in the past and why, that's something we can teach, we can teach you, what has worked in the past, what haven't, we can be help to provide some kind of perspective, I think, that the latest management theories, or the latest writings of the most popular management guru always as new or as radical as they make out. Anyway, I think I shall leave it there and if anybody has any questions, please fire away.

