

1

INTRODUCTION TO MANAGEMENT AND ORGANIZATION

- 1.1 Business and factors of production
- 1.2 Organizational activities and people in organizations
- 1.3 Management concept and the four functions
- 1.4 Manager: roles and skills
- 🕒 Discussion



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1.1 Business and factors of production

In modern societies **business** is...

- ☐ related to delivering goods or services to the community,
- ☐ a medium to earn money for making living in the society,
- ☐ a process of managing resources,
- ☐ is either done for profit and making money or to serve the public without thinking of profit and money.

1.1 Business and factors of production

- The primary activity of business is exchanging goods and services; briefly **products**.
- To create products, business needs **resources** (labor, technology/knowledge and capital), and **expenditures**.
- Products provide **revenues**.
- The expected amount of money between the revenues and the payments to create the products is the **profit**.

1.1 Business and factors of production

NATURAL RESOURCES	HUMAN RESOURCES	CAPITAL	ENTREPRENEUR
Renewable or non-renewable	Workforce	Man-made	Organizers of business
Forests, land, mines, etc.	Manager, workers, self- employed people	Working capital, fixed capital	Risk takers, business starters, resource organizers
<i>Rent</i>	<i>Wages and salaries</i>	<i>Interest</i>	<i>Profits</i>

1.2 Organizational activities and people in organizations

An **organization** is a deliberately structured social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals.

Two basic types of organizations are...

- ☐ profit-seeking organizations (e.g. companies),
- ☐ not-for-profit organizations (e.g. labor unions).

1.2 Organizational activities and people in organizations

Organizational activities:

Primary activities are...

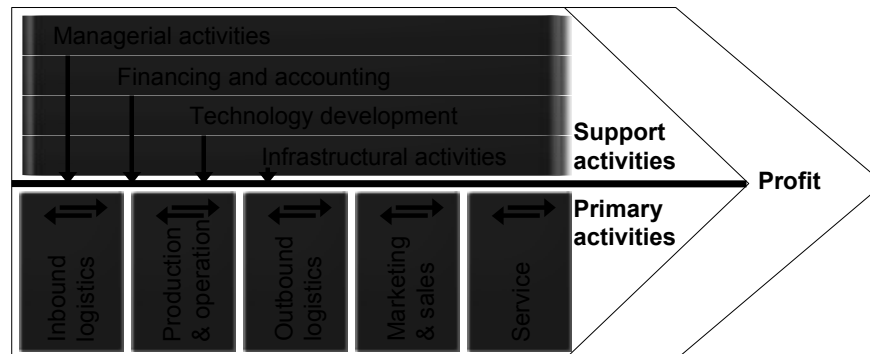
- ☐ inbound and outbound logistics,
- ☐ production and operation,
- ☐ marketing and sales, and service

Support activities are...

- ☐ managerial activities,
- ☐ accounting and financing activities,
- ☐ technology development,
- ☐ infrastructural activities

1.2 Organizational activities and people in organizations

Organizational activities are also considered to be the value creating activities.



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1.2 Organizational activities and people in organizations

An **entrepreneur** is the person who...

- ☐ notices an opportunity,
- ☐ makes calculations,
- ☐ estimates the revenue,
- ☐ takes risks,
- ☐ gathers other factors of production,
- ☐ finds resources,
- ☐ and starts the business.



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1.2 Organizational activities and people in organizations

A **manager** is the person who combines all the tangible and intangible resources for accomplishing the tasks, and who...

- ☐ plans things to be done and their ways,
- ☐ organizes resources to achieve the goals of the plan,
- ☐ leads people to accomplish their duties,
- ☐ controls to make corrective actions if needed.

1.2 Organizational activities and people in organizations

A **worker** is usually referred to as the person who performs the assigned tasks alone or as a member of a team. Non-managers have certain responsibilities or duties in performing their own specific tasks.

- ☐ A **blue-collar worker** is physically involved at the workshop level in part of production and operation in organizations.
- ☐ A **white-collar worker** mainly works with brainpower more than with hands.

1.3 Management concept and the four functions

Management is...

- ☐ Getting things done through (with) people.
- ☐ Attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources.



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1.3 Management concept and the four functions

- ☐ Attainment of organizational goals in an effective and efficient manner through planning, organizing, leading, and controlling organizational resources

Effectiveness
The degree to which the organization achieves a stated goal

Efficiency
Using the least amount of resources to produce the desired amount of output

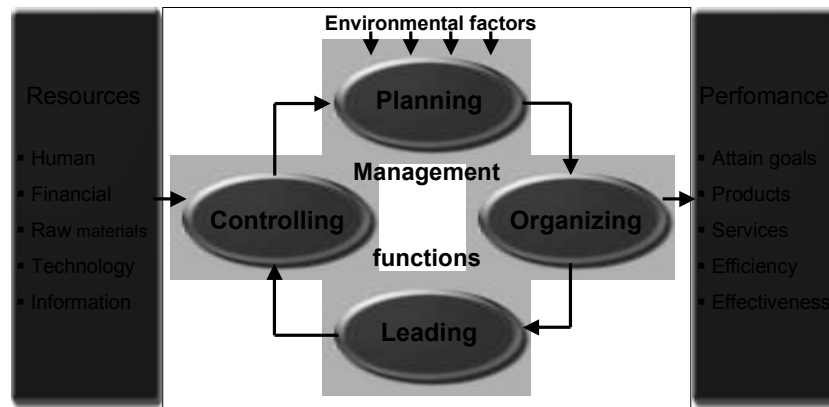
Planning Select goals and ways to attain them
Organizing Assign responsibility for task accomplishment
Leading Use influence to motivate employees
Controlling Monitor activities and make corrections

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1.3 Management concept and the four functions

The process of management:



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1.4 Manager: roles and skills

Management as...

An art:

- ☐ Many skills can not be learned from books
- ☐ It takes practices like golf, tennis
- ☐ Behavioral skills
- ☐ Judgmental skills
- ☐ Intuition
- ☐ Gut feeling

A science:

- ☐ Knowledge and objective facts describe management
- ☐ Requires logic and analysis
- ☐ Systematic observation and classification
- ☐ Systematic scientific study

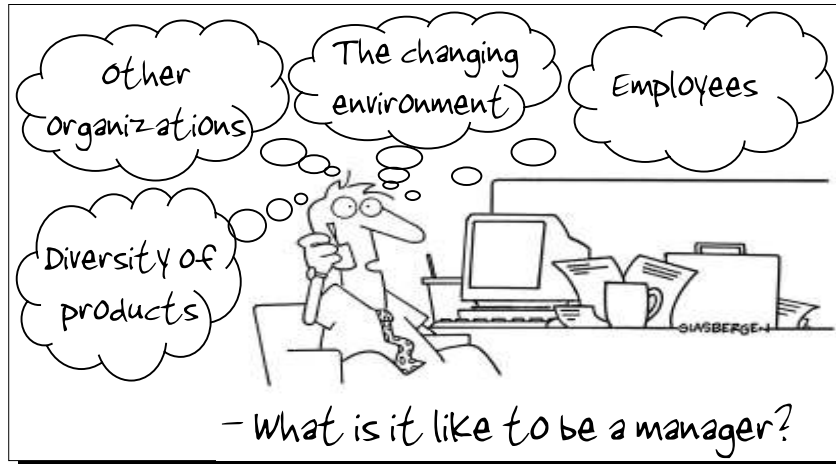
A profession:

- ☐ Practices based on tested researches
- ☐ Expertised implementations
- ☐ Social responsibility
- ☐ Self control
- ☐ Recognized by the community

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1.4 Manager: roles and skills



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1.4 Manager: roles and skills

Management roles (Mintzberg):

Informational

- ☐ Monitor
- ☐ Disseminator
- ☐ Spokesperson

Interpersonal

- ☐ Figurehead
- ☐ Leader
- ☐ Liaison

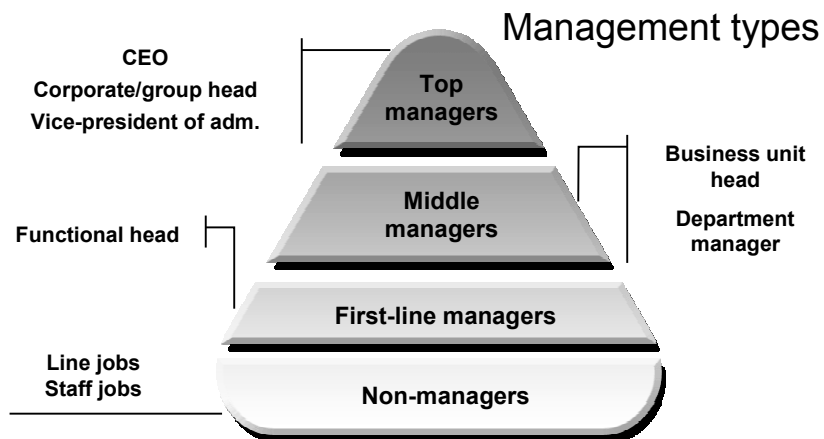
Decisional

- ☐ Entrepreneur
- ☐ Disturbance handler
- ☐ Resource allocator
- ☐ Negotiator

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16

1.4 Manager: roles and skills

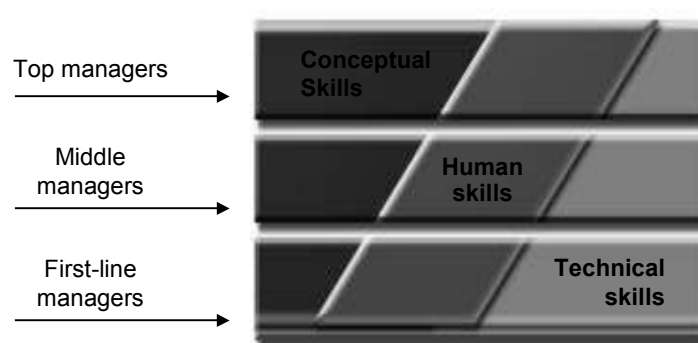


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1.4 Manager: roles and skills

Management skills



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1.4 Manager: roles and skills

The manager's success is:

- ☐ measured through effectiveness and efficiency,
- ☐ open-ended, no specific limits,
- ☐ dependent on others' performances,
- ☐ dependent on environmental factors.



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NEXT WEEK:

2

FOUNDATIONS OF MANAGEMENT THOUGHT