**The concept of management**

Information is knowledge, facts, or data, and it is an important resource for a business. Sales statistics are a type of information. A sales forecast is a prediction of what a firm's sales will be during a specific future time period using a certain marketing plan. Financial resources are all the sources of money available to the business. Material resources are equipment and supplies used by businesses in their operation. Human resources are people who work to produce goods or services.

Middle-level management is made up of managers who report to top-level management and who have supervisors who report to them. President, senior vice president, and chief executive officer are examples of top-level management positions. Collections supervisor, crew chief, production supervisor, floor supervisor, area supervisor, and section manager are examples of first-line, or supervisory, management positions.

Organizing is the management function of setting up the way the business's work will be done. Directing is the management function of providing guidance to workers and work projects. Controlling is the management function that monitors the work effort. Planning is the management function of deciding what will be done and how it will be accomplished.

Although many managers don't perform the specific tasks, they need to understand the **technical** aspects of the business. They need to be able to answer questions, give directions, and solve problems. If managers have the necessary technical skills, they will be able to help employees with their jobs, such as counting money. Natural talents are aptitudes. Creativity is the ability to generate unique ideas, approaches, and solutions. Aggressive behavior is conduct based on a willingness to ignore the rights of others in order to achieve personal goals.

Directing is the management function of providing guidance to workers and work projects. Part of directing involves motivating and leading workers to accomplish the business's goals. Managers use their skills to develop a team spirit among employees, and they motivate employees by rewarding them for their hard work. Controlling is the management function that monitors the work effort. Planning is the management function of deciding what will be done and how it will be accomplished. Organizing is the management function of setting up the way the business's work will be done.

**Organizational design**

Some businesses, such as corporations that sell stock to the public, are required to have a board of directors. However, many small businesses also design the organization to require a board of directors that can provide the business with additional **experience** and knowledge. Board members have expertise in a variety of areas and can help the business analyze problems and make decisions. This increases the business's credibility in the community because an outside group is monitoring what the business does and providing guidance. Board members usually assume some, but not all, of the legal responsibility for the business's actions. The board does not help with the day-to-day operations of the business or evaluate the performance of the business's employees.

The organizational structure is the way the business is set up (designed) to carry out its work. Many factors influence the way that the business carries out its work—the way it functions. The ways in which the employees relate to or communicate with one another (interpersonal relationships) and the type of work (tasks) that needs to be done affects the organizational structure. **Authority**, which also influences the organizational structure, is the power a person has to influence or control other people's behavior. Some organizational structures have centralized authority in which one person or a few people make business decisions. Other businesses have decentralized authority, a situation in which employees have the authority to make decisions and hold a high degree of control over their work. An injunction is a court order forbidding an action. Initiative is a personal trait that involves a willingness to act without being told to do so. Attrition is the natural reduction in numbers of employees due to job changes, death, etc.

The organizational business structure is the way a company sets up its workflow. Primary characteristics of the organic organizational business structure include sharing (decentralized) authority; **delegating responsibility among employees**; and cultivating a broad range of job skills and knowledge (de-specialization) among workers. The advantage of the organic organizational business structure is that it provides the company with a great deal of flexibility.

When the company requires employees to follow specific procedures to complete all its business activities, it is using the mechanistic organizational business structure. The characteristics of the mechanistic organizational business structure include formal interpersonal relationships, specialization of labor, and a centralized authority with a distinctive chain of command. The organic model is a decentralized, informal organizational business structure. *Imperial is a fictitious term*.

The matrix organizational structure involves integrated departmental functions with product or project orientation. For example, a technology specialist, a marketing researcher, a financial advisor, and a manufacturing line supervisor are members of different departments but often work together to develop a product or improve a process. The advantage to businesses of using this organizational structure is that the business is **applying its resources efficiently** (**sharing**!) because a representative from each of the major departments provides a unique set of skills and knowledge to achieve the business's goals. Often, workers have two or more supervisors in the matrix organizational design. The matrix organizational design may improve the business's overall efficiency, but it does not always improve an individual's productivity. Departmental organizational design segments employees by their areas of expertise (e.g., accounting, sales, and production). Policies and procedures are developed to standardize various business activities and tasks in all types of organizational designs.