

### **Management structure and organisation**

Managers are people who steer an organisation towards meeting its' objectives. Management has been described as: 'the process of planning, organising, leading and controlling the efforts of organisation members and of using all organisational resource to achieve stated organisational goals.' A manager's job is to maintain control over the way an organisation does things, and at the same time to lead, inspire and direct the people under them. In a company the shareholders will elect a board of directors to represent their interests. A Managing Director will be appointed who has overall responsibility for running the company. The managing director with help from other directors will appoint senior managers to run the company. The type of managers appointed will depend on the structure of the company. Possible structures will include:

- \* regional managers when an organisation operates on a regional basis
- \* functional managers when an organisation is split up into various functions e.g. human resources, finance, sales etc
- \* departmental managers when an organisation is split up into departments e.g. a school, or a retailing outlet
- \* general managers - for example, an office or factory may have a general manager who functional managers report to. Each manager in an organisation is given an area of responsibility. Typically they will have targets and objectives to meet which fit into the organisations overall targets and objectives.

Managers are typically responsible for:

- \* establishing, prioritising, and making sure that objectives are met
- \* establishing a framework for communications, and patterns of work within their area of responsibility e.g. department
- \* communicating targets, goals and results to people that work for them
- \* motivating employees
- \* setting out the administrative arrangements for their area of responsibility
- \* creating, monitoring, and making sure that budgets are achieved.

A key managerial responsibility is for the management of resources.

- \* The sorts of resources that a manager will be responsible for will include:
  - \* people - directing the activities and looking after people
  - \* financial - using financial resources in the best possible way for the organisation in line with profit and sales targets.
  - \* materials - making sure that materials are used in the most productive way with the minimum waste
  - \* machinery and equipment - using the most appropriate machinery and equipment, and making sure that it is maintained, replaced and updated where necessary
  - \* time - ensuring efficient use of time
  - \* buildings - making sure that premises are safe and are being used in the best possible way
  - \* information - making sure that the organisation uses the most effective information processing technologies.

### **Shareholders**

Shareholders are the owners of a company. They hold shares entitling them to a share in the profits and the right to be represented by directors at board meetings. Directors are the elected representatives of shareholders. Executive directors are responsible for ongoing decision making in the business. Non-executive directors provide regular advice to the company but are not directly involved in the day to day supervision of the company.

BIC is a very large manufacturer of razors, lighter, and pens. Recently it has simplified its operations to run from large superfactories that serve large geographical markets. Product distribution is then organised by continent, with country managers reporting to their continental manager.

The organisation thus has a matrix structure based on two main lines of communication -

- 1) by product category,
- 2) by geographical region.

The matrix structure allows combining the benefits of a strong product expertise, together with strong operational structures per geographic area.