

## Management Functions

Management operates through various functions, often classified as planning, organizing, leading/motivating and controlling.

- Planning: deciding what has to happen in the future (today, next week, next month, next year, over the next five years, etc.) and generating plans for action.
- Organizing: making optimum use of the resources required to enable the successful carrying out of plans.
- Leading/Motivating: exhibiting skills in these areas for getting others to play an effective part in achieving plans.
- Controlling: monitoring — checking progress against plans, which may need modification based on feedback.



## Theoretical Scope

Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth-century, defined management as "the art of getting things done through people". One can also think of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan; or as the actions taken to reach one's intended goal. This applies even

in situations where planning does not take place. From this perspective, Frenchman Henri Fayol considers management to consist of five functions:

1. planning
2. organizing
3. leading
4. coordinating
5. controlling

Some people, however, find this definition, while useful, far too narrow. The phrase "management is what managers do" occurs widely, suggesting the difficulty of defining management, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

One habit of thought regards management as equivalent to "business administration", although this then excludes management in places outside commerce, as for example in charities and in the public sector. Nonetheless, many people refer to university departments which teach management as "business schools", and some institutions (such as the Harvard Business School) use that name.

Speakers of English may also use the term "management" or "the management" as a collective word describing the managers of an organization, for example of a corporation.

Towards the end of the 20th century, business management came to consist of six separate branches, namely:

- Human resource management
- Operations management or production management
- Strategic management
- Marketing management
- Financial management
- Information technology management responsible for management information systems



## **21st Century**

In the 21st century observers find it increasingly difficult to subdivide management into functional categories in this way. More and more processes simultaneously involve several categories. Instead, one tends to think in terms of the various processes, tasks, and objects subject to management. A list of some of the areas of management appears later in this article.

Branches of management theory also exist relating to nonprofits and to government: such as public administration, public management, and educational management. Further, management programs related to civil-society organizations have also spawned programs in nonprofit management and social entrepreneurship.

Note that many of the assumptions made by management have come under attack from business ethics viewpoints, critical management studies, and anti-corporate activism.

As one consequence, workplace democracy has become both more common, and more advocated, in some places distributing all management functions among the workers, each of

whom takes on a portion of the work. However, these models predate any current political issue, and may occur more naturally than does a command hierarchy. All management to some degree embraces democratic principles in that in the long term workers must give majority support to management; otherwise they leave to find other work, or go on strike. Hence management has started to become less based on the conceptualization of *classical* military command-and-control, and more about facilitation and support of collaborative activity, utilizing principles such as those of human interaction management to deal with the complexities of human interaction. Indeed, the concept of Ubiquitous command-and-control posits such a transformation for 21st century military management.

### **Nature of Managerial Work**

In for-profit work, management has as its primary function the satisfaction of a range of stakeholders. This typically involves making a profit (for the shareholders), creating valued products at a reasonable cost (for customers), and providing rewarding employment opportunities (for employees). In nonprofit management, add the importance of keeping the faith of donors. In most models of management/governance, shareholders vote for the board of directors, and the board then hires senior management. Some organizations have experimented with other methods (such as employee-voting models) of selecting or reviewing managers; but this occurs only very rarely.

In the public sector of countries constituted as representative democracies, voters elect politicians to public office. Such politicians hire many managers and administrators, and in some countries like the United States political appointees lose their jobs on the election of a new

president/governor/mayor. Some 2500 people serve at the pleasure of the United States Chief Executive, including all of the top US government executives.

Public, private, and voluntary sectors place different demands on managers, but all must retain the faith of those who select them (if they wish to retain their jobs), retain the faith of those people that fund the organization, and retain the faith of those who work for the organization. If they fail to convince employees of the advantages of staying rather than leaving, they may tip the organization into a downward spiral of hiring, training, firing, and recruiting. Management also has the task of innovating and of improving the functioning of organizations.



## **The Importance of Control**

At least two perspectives on role of control exist:

1. Top management expects to control everything, making all decisions, while middle and lower managers implement decisions, and production workers operate only as instructed
2. Top management does not decide the "right" way to do something, and lower-level staff becomes involved in decision-making processes.
3. Some companies use "slopey should syndrome" style management, where people will take credit for when things go right. However when things go wrong they will pass the blame and responsibility to people either below or adjacent in the company structure

## **Managerial Levels/Hierarchy**

The management of a large organization may have three levels:

1. Senior management (or "top management" or "upper management")
2. Middle management
3. Low-level management (compare "team leadership")

## **Knowledge Management**

**Knowledge Management** refers to a range of practices used by organizations to identify, create, represent, and distribute knowledge for reuse, awareness, and learning across the organizations.

Knowledge Management programs are typically tied to organizational objectives and are intended to lead to the achievement of specific outcomes, such as shared intelligence, improved performance, competitive advantage, or higher levels of innovation.

Knowledge transfer (one aspect of Knowledge Management) has always existed in one form or another. Examples include on-the-job peer discussions, formal apprenticeship, corporate libraries, professional training, and mentoring programs. However, since the late twentieth century, additional technology has been applied to this task, such as knowledge bases, expert systems, and knowledge repositories.

Knowledge Management programs attempt to manage the process of creation or identification, accumulation, and application of knowledge or intellectual capital across an organization.

Knowledge Management, therefore, attempts to bring under one set of practices various strands of thought and practice relating to:

- intellectual capital and the knowledge worker in the knowledge economy
- the idea of the learning organization;
- various *enabling organizational practices* such as Communities of Practice and corporate Yellow Page directories for accessing key personnel and expertise;
- various *enabling technologies* such as knowledge bases and expert systems, help desks, corporate intranets and extranets, Content Management, and Document Management.



While Knowledge Management programs are closely related to Organizational Learning initiatives, Knowledge Management may be distinguished from Organizational Learning by its greater focus on the management of specific knowledge assets and development and cultivation of the channels through which knowledge flows.

The emergence of Knowledge Management has generated new organizational roles and responsibilities, an early example of which was the Chief Knowledge Officer. In recent years, Personal knowledge management (PKM) practice has arisen in which individuals apply KM practice to themselves, their roles in the organization, and their career development.

While it has been applied to all industrial sectors, and increasingly to Government, Knowledge Management is a continually evolving discipline, with a wide range of contributions and a wide range of views on what represents good practice in Knowledge Management.

## **Approaches to Knowledge Management**

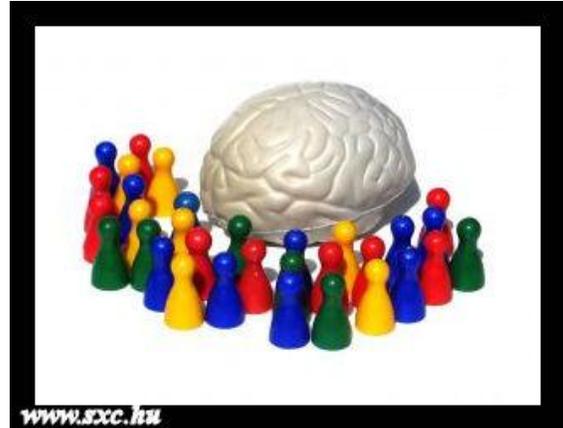
There is a broad range of thought on Knowledge Management with no unanimous definition current or likely. The approaches vary by author and school. For example, Knowledge Management may be viewed from each of the following perspectives:

- **Techno-centric:** Focus on technologies, ideally those that enhance knowledge sharing/growth, frequently any technology that does fancy stuff with information.
- **Organizational:** How does the organization need to be designed to facilitate knowledge processes? Which organizations work best with what processes?
- **Ecological:** Seeing the interaction of people, identity, knowledge and environmental factors as a complex adaptive system.
- **Combinatory:** Combining more than one of the above approaches where possible without contradiction.

In addition, as the discipline is maturing, we see an increasing presence of academic debates within epistemology emerging in both the theory and practice of knowledge management. UK and Australian Standards Bodies both have produced documents that attempt to bound and scope the field, but these have received limited acceptance or awareness.

## **Schools of Thought in Knowledge Management**

There are a variety of different schools of thought in **Knowledge Management**. For example the Intellectual Capital movement with Professor Nick Bontis, Professor Leif Edvinsson and Tom Stewart (formerly of Fortune Magazine, currently of Harvard Business Review), a body of work derivative of information theory associated with Prusak and Davenport. Complexity approaches associated with Snowden. Narrative with Denning, Snowden, Boje and others. One school takes forward the ideas of Popper (McElroy & Firestone). They are many and various and it would be invidious for an encyclopedia to list one without covering the others. Readers are commended to the reading list.



## **Tacit Versus Explicit Knowledge**

A key distinction made by the majority of knowledge management practitioners is Nonaka's reformulation of Polanyi's distinction between tacit and explicit knowledge. The former is often subconscious, internalized, and the individual may or may not be aware of what he or she knows and how he or she accomplishes particular results. At the opposite end of the spectrum is conscious or explicit knowledge - knowledge that the individual holds explicitly and consciously in mental focus, and may communicate to others. In the popular form of the distinction tacit knowledge is what is in our heads, and explicit knowledge is what we have codified.

Nonaka and Takeuchi (1995) argued that a successful KM program needs to, on the one hand, convert internalized tacit knowledge into explicit codified knowledge in order to share it, but

also on the other hand for individuals and groups to internalize and make personally meaningful codified knowledge once it is retrieved from the KM system.

The focus upon codification and management of explicit knowledge has allowed knowledge management practitioners to appropriate prior work in information management, leading to the frequent accusation that knowledge management is simply a repackaged form of information management. Critics have however argued that Nonaka and Takeuchi's distinction between tacit and explicit knowledge is oversimplified, and even that the notion of explicit knowledge is self-contradictory.

Other commonly used types of knowledge include embedded knowledge (knowledge which has been incorporated into an artifact of some type, for example a tool has knowledge embedded into its design) and embodied knowledge (knowledge as learned capability of the body's nervous, chemical & sensory systems). These two types, while frequently used, are not universally accepted, any more than is the distinction between tacit and explicit.

## **Knowledge Capture Stages**

Knowledge may be accessed, or captured, at three stages: before, during, or after knowledge-related activities.

For example, individuals undertaking a new project for an organization might access information resources to learn best practices and lessons learned for similar projects undertaken previously, access relevant information again during the project implementation to seek advice on issues encountered, and access relevant information afterwards for advice on after-project actions and

review activities. Knowledge management practitioners offer systems, repositories, and corporate processes to encourage and formalize these activities.

Similarly, knowledge may be captured and recorded before the project implementation, for example as the project team learns lessons during the initial project analysis. Similarly, lessons learned during the project operation may be recorded, and after-action reviews may lead to further insights and lessons being recorded for future access.



### **Ad hoc Knowledge Access**

One alternative strategy to encoding knowledge into and retrieving knowledge from a knowledge repository such as a database, is for individuals to access experts on an ad hoc basis, as needed, with their knowledge requests. A key benefit of this strategy is that the response from the expert individual is rich in content and contextualized to the particular problem being addressed and personalized to the particular person or people addressing it. The downside is, of course, that it is tied to the availability and memories of specific individuals in the organization. It does not capture their insights and experience for future use should they leave or become unavailable, and also does not help in the case when the experts' memories of particular technical issues or problems previously faced change with time. The emergence of narrative approaches to knowledge management attempts to provide a bridge between the formal and the ad hoc, by allowing knowledge to be held in the form of stories.

## **Drivers of Knowledge Management**

There are a number of 'drivers', or motivations, leading to organizations undertaking a knowledge management program.

Perhaps first among these is to gain the competitive advantage that comes with improved or faster learning and new knowledge creation. Knowledge management programs may lead to greater innovation, better customer experiences, consistency in good practices and knowledge access across a global organization, as well as many other benefits, and knowledge management programs may be driven with these goals in mind.

Considerations driving a knowledge management program might include:

- making available increased knowledge content in the development and provision of products and services
- achieving shorter new product development cycles
- facilitating and managing organizational innovation
- leverage the expertise of people across the organization
- benefiting from 'network effects' as the number of productive connections between employees in the organization increases and the quality of information shared increases
- managing the proliferation of data and information in complex business environments and allowing employees to rapidly access useful and relevant knowledge resources and best practice guidelines

- facilitate organizational learning
- managing intellectual capital and intellectual assets in the workforce (such as the expertise and know-how possessed by key individuals) as individuals retire and new workers are hired
- a convincing sales pitch from one of the many consulting firms pushing Knowledge Management as a solution to virtually any business problem, such as loss of market share, declining profits, or employee inefficiency



## **Knowledge Management Enablers**

Historically, there have been a number of *technologies* 'enabling' or facilitating knowledge management practices in the organization, including expert systems, knowledge bases, various types of Information Management, software help desk tools, document management systems and other IT systems supporting organizational knowledge flows.

The advent of the Internet brought with it further enabling technologies, including e-learning, web conferencing, collaborative software, content management systems, corporate 'Yellow pages' directories, email lists, wikis, blogs, and other technologies. Each enabling technology can expand the level of inquiry available to an employee, while providing a platform to achieve specific goals or actions. The practice of KM will continue to evolve with the growth of collaboration applications made available by IT and through the Internet. Since its adoption by

the mainstream population and business community, the Internet has led to an increase in creative collaboration, learning and research, e-commerce, and instant information.

There are also a variety of *organizational* enablers for knowledge management programs, including Communities of Practice, before-, after- and during- action reviews, peer assists, information taxonomies, coaching and mentoring, and so on.

## **Knowledge Management Roles and Organizational Structure**

Knowledge management activities may be centralized in a Knowledge Management Office, or responsibility for knowledge management may be located in existing departmental functions, such as the Human Resource (to manage intellectual capital) or IT departments (for content management, social computing etc.). Different departments and functions may have a knowledge management function and those functions may not be connected other than informally.

## **Knowledge Management Lexicon**

Knowledge management professionals may use a specific lexicon in order to articulate and discuss the various issues arising in Knowledge Management. For example, terms such as intellectual capital, metric, and tacit vs. explicit knowledge typically form an indispensable part of the knowledge management professional's vocabulary.

### **Related definitions**

- Intellectual capital - the intangible assets of a company which contribute to its valuation.
- Chief Knowledge Officer - an executive responsible for maximizing the knowledge potential of an organization.

- Knowledge - that which can be acted upon.
- Personal knowledge management - the organization of an individual's thoughts and beliefs.

