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A light gray world map is centered on the page, showing the outlines of all continents. The text 'What Makes a World Class Manager?' is overlaid on the map, centered over the Atlantic Ocean and Europe.

**What Makes a World Class Manager?**

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“Management is tasks. Management is a discipline. But management is also people. Every achievement of management is the achievement of a manager. Every failure is a failure of a manager. People manage rather than ‘forces’ or ‘facts’. The vision, dedication and integrity of managers determine whether there is management or mismanagement.” (Drucker, 1979, see Mullins, 1999 p.166).<sup>1</sup>

Management can be defined in many ways. The above statement defines management in terms of the ‘individual manager’. By linking Drucker’s definition with the term ‘world-class’, it could be said that managers can have a direct and tangible effect on the domestic or global affairs of their organisation as a direct result of their actions. Therefore to explore what makes a world class manager, we should look at the skills of an effective manager and how these should be applied and developed in an ever-changing global environment.

Traditionally, in the context of modern business, the function of management can be divided into six categories which include: Human Resource Management; Operations Management; Strategic Management; Marketing Management; Financial Management and Information Technology (IT) Management. However, this is a limited definition if we are to consider what the skills of a world class manager should be.

The role of a manager can be described by three different, but equally important tasks that must be performed. Drucker (see Mullins 1999, p.173) offers a definition of management in which he identifies three tasks of equal importance, but essentially different, that must be performed:

1. Fulfilling the specific purpose and mission of the institution, whether business enterprise, hospital or university.
2. Making work productive and the worker achieving.
3. Managing social impacts and social responsibilities.

In this management role Drucker then goes on to identify five basic operations in the work of a manager; the skills needed to perform the task of management effectively:

1. Set objectives and how to achieve them.
2. Organising the activities, decisions, the divisional structure and staff.
3. Provides motivation, communication and creates the team.
4. Establish the targets and performance measures of individuals and the organisation.
5. Developing people through encouragement and training.

In addition, a combination of analytical ability, synthesising ability, integrity, human perception and insight, and social skill are required.<sup>2</sup>

It is imperative in today’s world that managers demonstrate this agility and originality in their techniques and problem-solving abilities. World class managers in many organisations need to develop or re-define their business operations and strategy according to the external environment. To understand fully the meaning of ‘world class’ today, we need to reflect on the evolution of the managerial environment.

During the last century, the number of managers grew rapidly together with the scope and variety of managerial tasks.<sup>3</sup> Towards the end of the century managers had to respond to a vastly changing global environment. Events such as the collapse of communism in the former Soviet Union and Europe, the birth of the Internet and the World Wide Web, and more recently new and inventive global terror methods, rapid

economic growth in China and India and further enlargement of the European Union have emphasised the need to adopt a global management approach. These factors have provided the opportunity to 'trans-nationalise'<sup>4</sup> many business sectors, requiring managers to adapt and develop new techniques in the general administration of their business to enable them to operate on a world-class level.

Webber (1997) states that many previous managerial techniques evolved in primary and secondary sector organisations in the post Second World War period.<sup>5</sup> The nature of these sectors resulted in powerful, hierarchical and centralised structures, which could respond to the equally powerful trade unions of the time.<sup>6</sup> Later, and more specifically during the 1970s and 1980s, organisations began to realise the competitive advantages gained by overseas organisations in the stream-lining of their operations. Western managers with world-class ambition sat up and took notice of this new style of management thinking. In particular, ideas such as 'Kaizen' and the 'Toyota Production System'<sup>7</sup> were emerging from Japan in the 1950's which increased efficiency and effectiveness and helped to achieve a competitive advantage.<sup>8</sup>

As organisations become more decentralised, fragmented and complex, world-class managers must realise the advantages of increased political and economic stability, lower foreign labour costs as well as the new trading opportunities in emerging markets. This can result in more flexible structures that require world-class managers to take a wider view and respond to the effects of globalisation and increased international trade.

Increasingly, developed countries are becoming 'knowledge-based' societies providing higher employment levels for the service sector while witnessing a sharpening decline in manufacturing jobs (Fray et al).<sup>9</sup> Changes of this nature, brought about by the competitive advantage in manufacturing held by many emerging economies, necessitate that managers are not only aware of, but have the ability to implement and evaluate strategies ensuring their success in new and challenging environments. As developed economies have begun focusing on more creative and knowledge-based industry, so the role of the manager has developed to a more person-centred approach. Where once, managers were confined to the managing of the operations of their organisations and the people were 'guarded' by their trade union, managers now realise the importance of harnessing the full potential of the people to achieve the maximum success possible. As argued by Macken (1997), "...Realising the potential of our people involves more than simply providing them with the best training and a clear company strategy. We have to gain their support and commitment by providing an environment in which they will thrive as individuals".

In summary, world-class management is about developing core skills but remaining adaptable, responsible and open-minded in an ever-changing global environment. To be world-class means being up-to-date, anticipating change and confronting the challenge by harnessing abilities through leadership and potential. World-class managers should have the ability to communicate, be approachable, be encouraging, have the ability to respond to the upward flow of ideas and adopt great behavioural flexibility.

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<sup>1</sup> MULLINS, L. J., 1999. *Management and Organisational Behaviour (5ed)*. London: FT Pitman Publishing. p.166.

<sup>2</sup> MULLINS, L. J., 1999. *Management and Organisational Behaviour (5ed)*. London: FT Pitman Publishing. p.173.

<sup>3</sup> BILLSBERRY, J., 1996. *The Effective Manager; Perspectives and Illustrations*. London: Sage Publications.

<sup>4</sup> WIKIPEDIA. 2006. *Transnationalism*. Wikimedia Foundation, Inc. [online]. Available at: <http://en.wikipedia.org/wiki/Transnationalism> [Last Accessed Thursday, 25 May 2006].

“The concept of ‘transnationalism’ is focused on the heightened interconnectivity between people all around the world and the loosening of boundaries between countries. The nature of transnationalism has social, political and economic impacts that affect people all around the globe.”

<sup>5</sup> WEBBER, R., A., 1997. *Mastering Management*. London: Financial Times Pitman Publishing.

Primary- sector organisations are concerned with producing raw materials including oil extraction, mining and farming. Secondary- sector organisations manufacture and produce goods, often from raw materials produced by the primary sector. The tertiary-sector organisations should also be noted. They sell the goods produced by primary and secondary-sector organisations.

<sup>6</sup> Hierarchal structure is a system of ranking or organising things or people where each element of the system (except for the top element of the structure) is a subordinate to a single other element.

WIKIPEDIA. 2006. *Hierarchy*. Wikimedia Foundation, Inc. [online]. Available at: <http://en.wikipedia.org/wiki/Heirarchical> [Last Accessed Thursday, 25 May 2006].

<sup>7</sup> ‘Kaizen’ is the Japanese term for ‘continuous improvement’. Kaizen aims to eliminate waste and promote ‘Just-In-Time’ (JIT) deliveries as well as many other beneficial factors to any organisation that has adopted ‘Kaizen’. The Toyota Production System is a form of ‘Kaizen’ that has been adopted specifically for the manufacturing of Toyota’s products.

<sup>8</sup> CAPON, C., 2004. *Understanding Organisational Context*. 2ed. Financial Times Prentice Hall.

“Competitive advantage is gained when an organisation achieves a position in an industry due to cost or differentiation factors, which allows it to make above-average or superior profits.”

<sup>9</sup> FRAY, K., BRISCOE, S., 2006. *Brown’s Britain: The mixed bequest of a most enduring chancellor*. London: The Financial Times. 36,029. p21.

