

1: The Nature of Management

UNIT 1: Management Principles & Leadership

Standard: - NBEA Management I.1 | CCTC BM.1| California CTE Business Management 3.1

Lesson Objective: You will understand what management means and how managers operate in real businesses. You will identify the four main functions managers perform daily—planning, organizing, leading, and controlling—and recognize different management levels you might work with or become in your career.

The Nature of Management

Top 3 Important Items

1. Management is a Skill You Can Learn

Management is a set of skills you build through practice. Every manager follows four core functions: planning, organizing, leading, and controlling. These functions work in every business type, so management skills transfer across industries throughout your career.

2. Managers Play Multiple Roles Every Day

Being a manager means wearing different hats depending on what's needed. You might spend morning motivating your team, afternoon sharing information, and evening making decisions about schedules or budgets. Management connects people, information, and decisions to keep businesses running.

3. Management Levels Create a Career Path

Businesses organize managers into three levels: first-line supervisors work directly with employees, middle managers oversee departments, and top managers set company direction. Each level builds on the same management foundations and shows you where you might start and grow.

Why This Matters for Your Future

Understanding management helps you see how businesses operate. Whether managing a team, running your own business, or working in any role, you'll interact with managers daily. Management skills connect to leadership opportunities, higher pay, and the ability to make decisions affecting people and profits.



Once you understand management, you start seeing the systems and decisions behind every workplace situation.

What Managers Actually Do: The Four Functions That Run Every Business

What Management Actually Means

You walk into your shift at a busy restaurant on Friday night. The kitchen is backed up, two servers called in sick, and a large party just walked in. Your shift manager quickly reassigns stations, moves one cook to appetizers, greets the party, and texts another server. Within ten minutes, chaos becomes controlled action. That's management—learned skills applied under pressure.

Management is working with and through people to accomplish goals using available resources effectively. Managers figure out what needs to happen, organize people and tools, motivate everyone, and check results match expectations. These four functions—planning, organizing, leading, and controlling—were formalized by Henri Fayol in the early 1900s and apply across every industry. A Target manager uses the same framework as a dental office manager.

The Four Functions That Drive Every Business

Planning means deciding what you want to achieve and mapping how to get there. When a manager creates schedules, sets sales targets, or chooses holiday inventory, they're planning. Good planning anticipates problems and builds backup options. A coffee shop manager who plans for morning rush by scheduling extra staff and pre-brewing popular drinks shows better planning than one who hopes it works out. Planning doesn't eliminate all problems, but it reduces the surprises that can derail your day.

Organizing arranges resources to execute plans. This means assigning people to tasks, ensuring supplies are available, and creating systems for smooth workflow. If you've worked somewhere that ran out of crucial supplies mid-shift or had three



Henri Fayol developed his four management functions while running a French mining company in the early 1900s.

people doing the same task while another sat ignored, you've seen organizing failures. Effective organizing matches the right people to the right work based on their skills and availability, and establishes clear communication channels so everyone knows what's happening and who to ask when questions arise.

Leading addresses the human side. Perfect plans and organization mean nothing if people don't want to contribute. Leading involves motivation, clear communication, and conflict resolution. A manager who leads well explains the "why" behind tasks, recognizes good work, and handles conflicts before they explode into bigger problems. Leading isn't about being the loudest person in the room—it's about getting people aligned and engaged with what needs to happen.

Controlling monitors progress and adjusts when reality doesn't match plans. Managers check sales numbers against targets, review customer feedback, and watch for patterns that signal problems or opportunities. If

The average middle manager spends only 10% of their time on long-term planning due to constant interruptions.

What Managers Actually Do: The Four Functions That Run Every Business

a retail manager notices returns spike every time a certain employee works the fitting rooms, they investigate and provide additional training rather than just accepting the pattern. Controlling creates accountability, ensures consistent quality, and provides information managers need to improve future planning.

Understanding efficiency versus effectiveness shows why both matter. Efficiency means doing things right—completing tasks with minimum wasted time, money, or effort. Effectiveness means doing the right things—choosing goals and strategies that actually move the business forward. A restaurant could run an extremely efficient kitchen producing meals in record time, but if they're making items nobody orders, that efficiency doesn't help. Conversely, a store manager might stock perfect products but schedule too few employees, leaving customers without help at checkout. Strong managers balance both: they pick the right objectives and execute them without burning through resources unnecessarily. This balance directly impacts profit margins, customer satisfaction, and competitive position.

Managerial Roles in Action

Henry Mintzberg identified ten managerial roles that managers perform beyond the four core functions. These roles help explain why management feels so varied from hour to hour. Sometimes you act as a figurehead, representing your team or company in meetings or with customers. Other times you become an information processor, gathering

updates from your team and passing decisions down from higher management. You might spend an afternoon mediating a disagreement between employees or troubleshooting why inventory numbers don't match the computer system.

The interpersonal roles—figurehead, leader, liaison—focus on relationships and representation. The informational roles—monitor, disseminator, spokesperson—center on collecting, processing, and sharing

information. A manager who reads sales reports, shares updates in team huddles, and explains company changes to confused employees works through all three informational roles regularly. The decisional roles—entrepreneur, disturbance handler, resource allocator, negotiator—involve making choices that affect people, budgets, and priorities.



Henry Mintzberg discovered his ten managerial roles by following managers and observing what they actually did all day.

Management Levels and Business Impact

Businesses organize managers into three levels. First-line managers supervise frontline employees who produce or deliver services—shift supervisors, team leads, and department managers. Middle managers oversee departments or multiple teams, translating strategic goals into action. Top managers—CEOs, presidents, VPs—set company direction and make major investment decisions.

Management applies whether you're running a Fortune 500 company or organizing a school fundraiser.

What Managers Actually Do: The Four Functions That Run Every Business

Management quality directly affects profits and competitive position. Effective planning avoids costly mistakes like overstaffing or inventory shortages. Efficient organizing increases output with the same resources, improving margins. Strong leadership reduces employee turnover—replacing trained workers costs thousands in recruiting and training. Controlling catches quality problems before they reach customers, protecting reputation and reducing returns. The difference between well-managed and poorly managed businesses shows in sales, customer loyalty, costs, and survival.

From Structure to Strategy

A local gym chain promoted one of its best personal trainers to manage a new location. The trainer had excellent technical skills and clients loved working with them, but managing ten trainers plus front desk staff required different abilities. Within a month, they felt overwhelmed trying to personally fix every issue and review every workout plan. Their regional manager explained the difference between doing the work and managing those who do it. The struggling manager learned to plan schedules, organize assignments by expertise, lead team meetings, and control quality through check-ins rather than hovering. Six months later, that location outperformed every other gym because the manager understood their job was building systems and developing people, not being the best trainer.



Studies show that employees quit bad managers, not jobs—making leadership skills critical for retention.

Moving Forward

Management isn't an inborn talent—it's a systematic approach to coordinating people and resources that anyone can learn through study and practice. The frameworks from Fayol and Mintzberg still work today because they're based on fundamental principles of

how humans organize work and make decisions together. Understanding management helps you recognize effective leadership, prepare for opportunities to manage teams, and work more successfully in any role because you grasp what managers are trying to accomplish and how you fit into larger business objectives.

The Four Management Functions

PLANNING – Decide what you want to achieve and map out how to get there before taking action.

ORGANIZING – Arrange resources and assign people to specific tasks so work flows smoothly toward goals.

LEADING – Motivate people and create an environment where team members want to contribute their best work.

CONTROLLING – Monitor progress, compare results to expectations, and make adjustments to stay on track.

Management skills transfer between industries more easily than technical skills, opening more career doors.

1: The Nature of Management - Guided Notes

Three Most Important Concepts

Identify and explain the three most important topics you learned from the article.

Concept 1: _____

Concept 2: _____

Concept 3: _____

Main Concept Overview

Complete the sentences below using words from the word bank.

Word Bank: efficiency, Henri Fayol, first-line, resources, managerial roles

1. Management is the process of working with and through people to accomplish goals using available _____ effectively.
2. The four management functions were first formalized by early management theorist _____ in the early 1900s.
3. _____ means doing things right by completing tasks with minimum wasted time, money, or effort.
4. Management researcher Henry Mintzberg identified ten _____ that managers perform beyond the four core functions.
5. _____ managers supervise employees who actually produce the product or deliver the service.

Matching Section

Match each term with its correct description by writing the letter in the blank.

- | | |
|------------------------|---|
| _____ 1. Planning | A. Monitoring progress and making adjustments when reality doesn't match the plan |
| _____ 2. Organizing | B. Deciding what you want to achieve and mapping out how to get there |
| _____ 3. Leading | C. Arranging resources and assigning people to specific tasks so work flows smoothly |
| _____ 4. Controlling | D. Doing the right things by choosing goals and strategies that move the business forward |
| _____ 5. Effectiveness | E. Motivating your team and creating an environment where people want to contribute |

1: The Nature of Management - Guided Notes Continued

True/False Questions

Write T for True or F for False in the blank before each statement.

1. ____ Management is an inborn talent that only certain personality types can develop.
2. ____ Middle managers translate top management's strategic goals into actionable plans for their units.
3. ____ Efficiency means doing the right things, while effectiveness means doing things right.
4. ____ The informational roles identified by Mintzberg include monitor, disseminator, and spokesperson.
5. ____ Strong leadership reduces employee turnover, which saves businesses thousands of dollars in recruiting and training.

Fill in the Table

For each of the four management functions, provide a specific example of how a manager uses that function in the workplace.

Management Function	Example of How It's Used in the Workplace
Planning	
Organizing	
Leading	
Controlling	

Application Question

Describe how the four management functions (planning, organizing, leading, controlling) work together in a real workplace situation. You can use an example from the article or create your own.

1: The Nature of Management - Hypotheticals

Scenario 1: Managing Your First Social Media Team

You just got hired as a social media coordinator for a tech startup that sells AI-powered study tools. Your team of three content creators posts inconsistently, engagement numbers are dropping, and nobody seems clear on what content performs best. The founder expects you to turn this around in 30 days.

- Questions:
- a) Which management function should you focus on first to create consistency and improve engagement?
 - b) How could you use the controlling function to identify what content actually works with your target audience?
 - c) What interpersonal or informational role would help you understand why your team posts inconsistently?

Scenario 2: Internship at a Robotics Company

During your summer internship at a robotics manufacturing company, you notice the engineering team and production team rarely communicate. This causes delays when engineers design parts that are difficult to manufacture. Your supervisor asks for suggestions to improve workflow.

- Questions:
- a) Which management function is failing, and what evidence from the situation supports your answer?
 - b) What informational role could a middle manager use to solve the communication gap?
 - c) How would better organizing and planning reduce the delays between design and production?

1: The Nature of Management - Data Analysis

Management Training Impact on Store Performance

Store Performance Data				
Store Location	Monthly Sales Before Training	Monthly Sales After Training	Employee Turnover Rate Before	Employee Turnover Rate After
Downtown	\$180,000	\$225,000	35%	18%
Westside Mall	\$150,000	\$195,000	42%	22%
North Plaza	\$210,000	\$240,000	28%	15%
Southpoint	\$165,000	\$185,000	38%	25%
East Ridge	\$195,000	\$250,000	45%	20%

A retail company tracked performance across five stores before and after implementing management training for all first-line supervisors. The training focused on the four management functions and Mintzberg's managerial roles. Below is performance data for each store over a six-month period.

Analysis Questions

Question 1: Data Interpretation

Which store location showed the largest dollar increase in monthly sales after management training?

Question 2: Pattern Recognition

What overall trend do you observe in employee turnover rates across all five stores after managers received training? What might this pattern suggest about the relationship between management skills and employee retention?

Question 3: Business Application

Based on this data, should the company invest in management training for their middle managers next? Use specific evidence from the table to support your recommendation and explain how improved management at the middle level might create additional benefits beyond what first-line supervisor training accomplished.

1: The Nature of Management - Case Study

Turning Around a Struggling Restaurant Chain

Background: Chipotle Mexican Grill faced a serious crisis in 2015-2016 when foodborne illness outbreaks at multiple locations sickened hundreds of customers and destroyed the company's reputation. Sales dropped 30%, stock prices crashed, and the chain that built success on fresh ingredients suddenly struggled to win back trust. The decentralized management approach—giving individual managers significant autonomy—had failed to maintain consistent food safety standards.

What Was Done: CEO Brian Niccol implemented comprehensive management changes starting in 2018. The company established strict food safety protocols with mandatory manager training on controlling functions. Chipotle centralized key planning decisions about suppliers and food handling while maintaining local flexibility. They reorganized kitchen operations, created clearer communication channels, and invested in leadership development for middle managers. Digital ordering systems and real-time control measures tracked food temperatures and expiration dates.

Results: Within three years, Chipotle regained customer confidence and exceeded pre-crisis performance. Same-store sales growth reached 10% by 2020, stock prices tripled, and hundreds of new locations opened. Improved management systems reduced food safety incidents to near zero while maintaining fast service. Employee turnover decreased as managers felt better supported. The case demonstrates how strengthening all four management functions—especially controlling and organizing—directly impacts business survival and growth.

Conclusion Questions

Question 1: Understanding

How do the concepts from this lesson help explain what happened in this case?

Question 2: Evaluation

Was the business response effective? Why or why not?

Question 3: Application

What could other businesses or entrepreneurs learn from this example?

1: The Nature of Management - Action

How You Can Make an Impact Now - Using Management Skills to Solve Real Problems

When you start noticing problems around you, you're developing one of the most valuable skills in business. The gap between what exists and what could work better represents opportunity. Strong managers and entrepreneurs systematically address these gaps.

Consider how planning shapes outcomes before work begins. You see a coffee shop with long morning lines because they don't prep popular drinks in advance. That's a planning failure. Someone who thinks like a manager recognizes that anticipating patterns and preparing responses creates better experiences while reducing stress. Planning asks what could happen, what resources you'll need, and what might go wrong before it does.

The organizing function determines whether good plans succeed. You might work somewhere that constantly runs out of supplies or where three people get the same task while critical work sits undone. Poor organization wastes time and money regardless of individual effort.

When you organize effectively, everyone knows what to do, has what they need, and understands how their work connects to others.

The human element separates management from simple coordination. Leading creates an environment where people want to contribute rather than just showing up. You've experienced the difference between a manager who explains why tasks matter versus one who barks orders. When people understand purpose and feel recognized, productivity increases while turnover drops.

Controlling closes the loop by tracking results and learning from them. Businesses that ignore feedback, overlook patterns, or never measure whether strategies work eventually fail. When you monitor what's happening, compare it to expectations, and adjust based on that gap, you prevent small problems from becoming catastrophic failures.

If you could improve just one of these four functions in an organization you're part of now, which would create the most immediate positive change, and would strengthening that one function naturally improve the others over time?

1: The Nature of Management - Reflection Questions

1

How might understanding the four management functions change the way you evaluate your current or future boss?

Think about times when you've felt frustrated with a manager's decisions. Consider whether they were failing at planning, organizing, leading, or controlling. Would knowing these functions help you understand their choices better or communicate concerns more effectively?

2

Do you think efficiency or effectiveness matters more when you're just starting as a first-line manager?

You'll likely feel pressure to prove yourself by getting tasks done quickly and correctly. But you'll also need to make sure your team is working on the right priorities. Consider which one you'd focus on first and why your choice matters for your team's success.

3

If you started a business tomorrow, which management function would be your biggest weakness, and how could you improve it?

Be honest about your current strengths and gaps. Some people naturally plan everything, while others prefer action. Some excel at motivating people, while others struggle with confrontation. Recognizing your weak areas now means you can build those skills or find partners who complement your abilities.

1: The Nature of Management - Vocabulary

TERM	DEFINITION
Controlling	
Effectiveness	
Efficiency	
First-line Manager	
Informational Roles	
Leading	
Management	
Middle Manager	
Organizing	
Planning	

The Nature of Management

H T U N S P M D T A W S D V R C S K B R K D D Y
N Q S E K D T O R S Y N V L P P L A N N I N G O
J N F I F Y E K P D M U B I C D P Y D O B D W F
S K X K N C O N T R O L L I N G Y G X R U D A K
O T S U Z F U J X Y J M L E U B Z E Q E E X R E
I Q T N R H O F I R S T L I N E M A N A G E R F
T S I F Y K V R Y V U M U I X M O I U T Y H B F
K M J M F N D C M A M Z U M X Y R D J R N B F I
S C M X W E Y I U A N C G O D T K E W E M L Z C
O M Q A R E Y O J A T O F X O T F P K F P X O I
S O Q E N Z N H S K X I U C N Q Z R M F L J C E
O X K I M A K G L I D Q O F F K U W S E D Q D N
W R A V H L G K C I A B G N K O S N Y C Y R T C
N S G J S D Y E X Z Q C H E A R R S D T T Z Q Y
K A L A U T F A M H B S P O V L E T Y I J L H B
K O J H N R E X K E N Q V I A B R E A V B E M S
T R T L C I R X O R N L O I K T P O W E G H R M
W L L H E I Z G G W M T H N P X H N L N X B D S
S B E T C N P I O Q J A Y O W U X C D E S U Z U
U H A M M A E I N M E S B Q U H D M G S S V X D
B F D S X S F P C G U I M Q J X Q K T S P O N C
Z F I R F H E M H M K F V V F X P M O T I W Y P
Q N N M Q P T Q T B I D R J B L F J Y E U I R N
V T G C E C I Z B M I D D L E M A N A G E R X Q

Middle Manager

Informational Roles

First-line Manager

Planning

Organizing

Management

Leading

Efficiency

Effectiveness

Controlling

The Nature of Management

Across

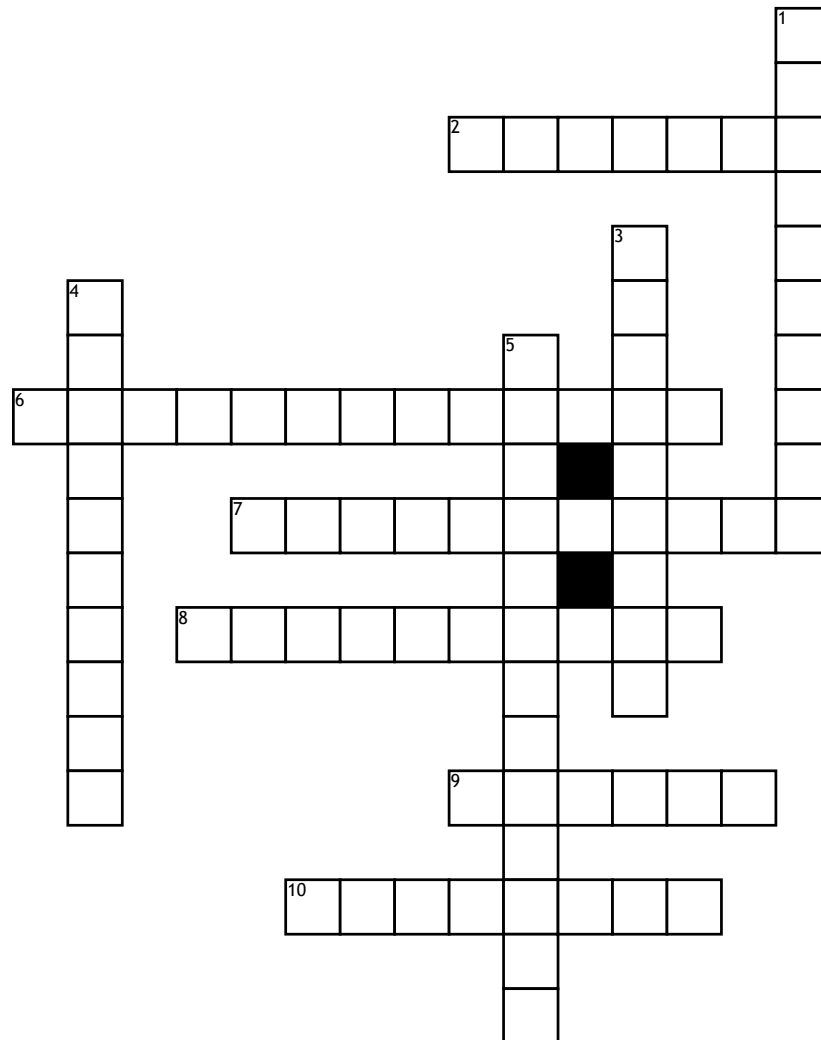
2. Motivating people and creating an environment where team members want to contribute toward shared goals.

6. Doing the right things by choosing goals and strategies that actually move the business forward.

7. Monitoring progress and making adjustments when performance doesn't match plans to ensure quality and accountability.

8. Working with and through people to accomplish goals using available resources effectively and efficiently.

9. Leader who oversees departments or multiple teams, translating strategic goals into actionable plans.
_____ Manager



10. Deciding what you want to achieve and mapping out how to get there before taking action.

Down

1. Arranging resources and assigning people to specific tasks so work flows smoothly toward goals.

3. Supervisor who works directly with employees who produce products or deliver services to customers. ____-____ Manager

4. Doing things right by completing tasks with minimum wasted time, money, or effort.

5. Managerial roles focused on collecting, processing, and sharing information throughout the organization. _____ Roles