

Overview of management-2

Prepared by Dr. Magdy Al-haj

MGM111
Principle of Management

Lecture 2





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Chapter
2

Learning Outcome

- ☐ Describe function or process of management
- ☐ Explain Functional Area of Business
- ☐ Discuss some major changes in management
- ☐ Challenges for Management in a Global Environment



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Management Functions

planning

organizing

leading

controlling



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Function or process of management



Management Functions

Planning

Setting objectives and determining in advance exactly how the objectives will be met.

Organizing

Delegating and coordinating tasks and resources to achieve objectives.

Leading

Influencing employees to work toward achieving objectives.

Controlling

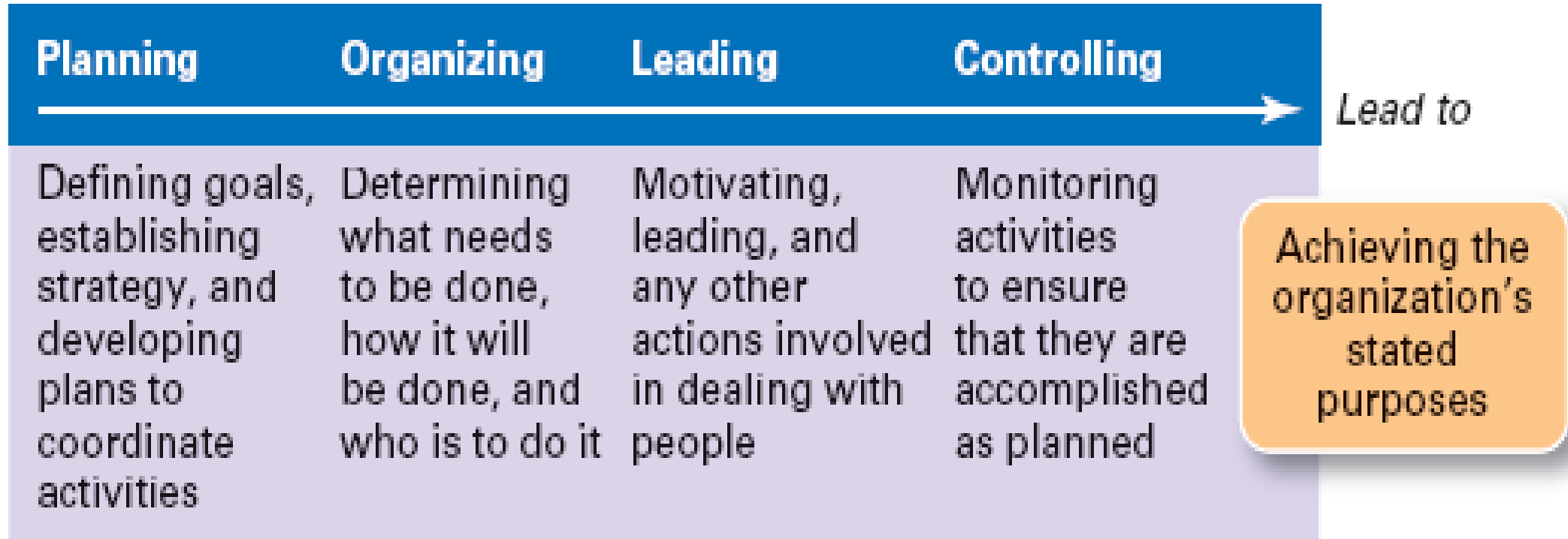
Establishing and implementing mechanisms to ensure that objectives are achieved.



Functions or Process of Management



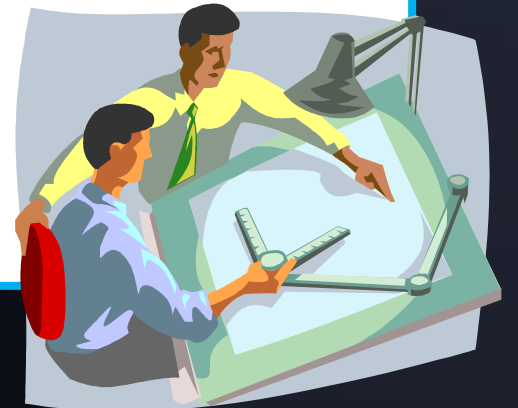
Management Functions



Planning



- ☐ Planning is setting objectives
- ☐ Process of identifying and selecting appropriate organizational goals and courses of action.
- ☐ Planning is determining the objectives and formulating the methods to achieve them. It is more simply said than done
- ☐ Determining how they'll be met



Type of planning

- ☐ **Purposes or missions.**
- ☐ **Objectives-It is the ultimate goal towards which the activities of the organization are directed .**
- ☐ **Strategies-general program of action and deployment of resources**
- ☐ **Policies-general statement or understanding which guide or channel thinking in decision making.**
- ☐ **Procedures-states a series of related steps or tasks to be performed in a sequential way.**
- ☐ **Rules-prescribes a course of action and explicitly states what is to be done.**
- ☐ **Programs-comprehensive plan that includes future use of different resources.**
- ☐ **Budgets-statement of expected results expressed in numerical terms.**

Types of Managerial Decisions

- **Programmed**
- **Non programmed.**
- **Mechanistic-It is one that is routine and repetitive in nature**
- **Analytical-It involves a problem with a larger number of decision variables**
- **Judgmental-It involves a problem with a limited number of decision variables, but the outcomes of decision alternatives are unknown**
- **Adaptive-It involves a problem with a large number of decision variables, where outcomes are not predictable**



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A job well planned is half done

Organizing

- ☐ Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals
- ☐ Delegating and coordinating tasks
- ☐ Managers lay out lines of authority and responsibility
- ☐ Allocating resources



Process of Organizing

- **Determine what is to be done/ Division of Work**
- **Assign Tasks: Departmentalization**
- **Link Departments: Hierarchy Development**
- **Decide how much Authority to Designate/ Authority, Responsibility and Delegation**
- **Decide the Levels at which Decisions are to be made / Centralization vs. Decentralization**
- **Decide how to Achieve Coordination**

Leading

- ☐ Leading is stimulating people to be high performers. It is directing, motivating and communicating with employees.
- ☐ Articulating a clear organizational vision for its members to accomplish, and energize and enable employees so that everyone understands the part they play in achieving organizational goals
- ☐ Influencing employees to achieve objectives



CONTROLLING

- ☐ Establishing mechanisms to make sure objectives are met
- ☐ Implementing mechanisms to make sure objectives are met



Controlling

- **Controlling is the management function of monitoring progress and making changes.**
- **Steps in the Control Process**
 - 1) Establish Standards of Performance**
 - 2) Measure Actual Performance**
 - 3) Compare Performance to Standard**
 - 4) Take Corrective Action**



CONTROLLING CONCEPTS

- **Feed Forward Control**-Control that attempts to identify and prevent deviations before they occur is called feed forward control, sometimes called preliminary or preventive control.
- **Concurrent Control**-Control that monitors ongoing employee activities during their progress, to ensure they are consistent with quality standards, is called concurrent control.
- **Feedback Control**-In this case, the control takes place after the action. Sometimes called post-action or output control

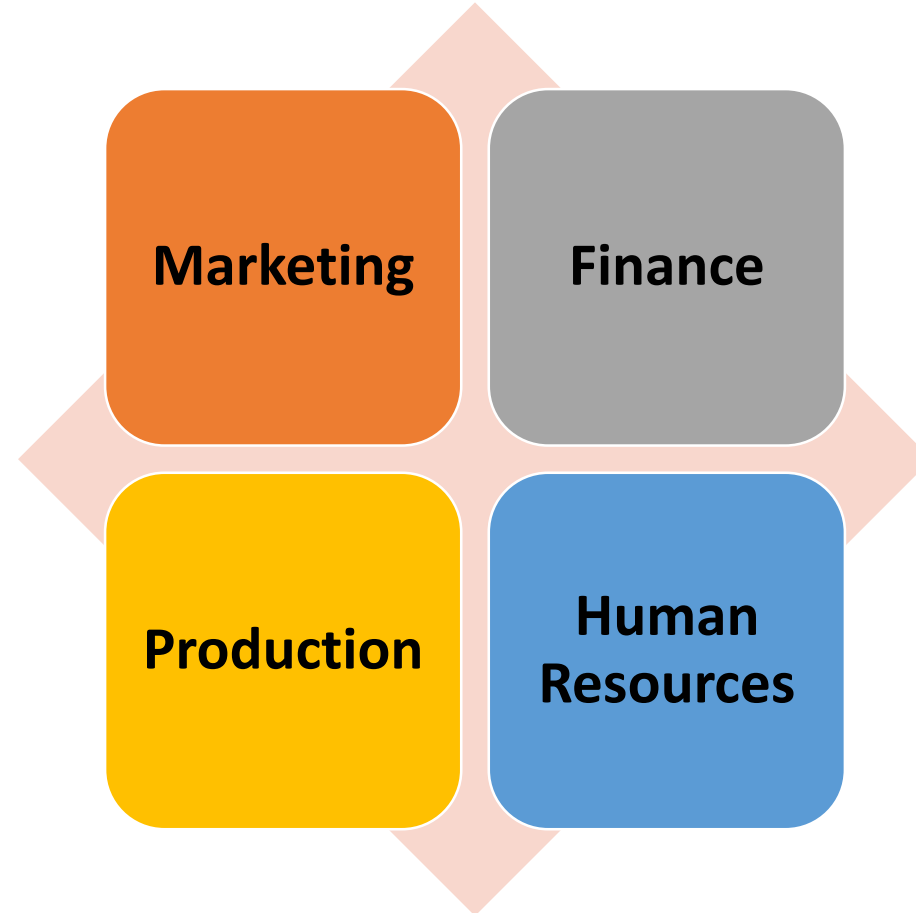
Functional Area of Business

product

marketing

**Human
resource**

finance



Other Functional Areas of Business

- ☐ Sales & marketing
- ☐ Research & development
- ☐ Customer serves
- ☐ Finance and accounting
- ☐ Administration and it

• Production

- Idea generation
- Processing (changing and improving the form of another product)
- Manufacturing (combines raw materials and processes goods into finished products)



Functional Area of Business

- **Marketing**

- Planning and executing the conception, product ,pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives



Functional Area of Business

- **Finance**

- Revenue, expenses, budget, financial records and financial statements



Functional Area of Business

- **Human Resources = HR**

- People who work for a business/organization
- Involves in planning & staffing, performance management, compensation & benefits, and employee relations



Universal Need for Management



• Characteristics of Global Competition

- Downsizing/rightsizing
- Empowerment
- High involvement (management to leadership)
- Information technology (Internet)
- Speed (time-based competition)
- Quality (continuous improvement)
- Electronic commerce (e-business and b2b)
- Learning and knowledge management
- Global diversity of employees



Challenges for Management in a Global Environment

- ☐ **Rise of Global Organizations.**
- ☐ **Building a Competitive Advantage**
- ☐ **Maintaining Ethical Standards**
- ☐ **Managing a Diverse Workforce**
- ☐ **Utilizing Information Technology and Technologies**
- ☐ **Global Crisis Management**

Building Competitive Advantage

- **Competitive Advantage – ability of one organization to outperform other organizations because it produces desired goods or services more efficiently and effectively than its competitors**

Building Blocks of Competitive Advantage



Building Competitive Advantage

*** Increasing efficiency**

- ☐ – Reduce the quantity of resources used to produce goods or services

*** Increasing Quality**

- ☐ – Improve the skills and abilities of the workforce – Introduce total quality management.

- **Increasing speed, flexibility, and innovation**
 - ❖ – How fast a firm can bring new products to market
 - ❖ – How easily a firm can change or alter the way they perform their activities
- **Innovation**
 - ❖ – Process of creating new or improved goods and services that customers want
 - ❖ – Developing better ways to produce or provide goods and services

Managing a Diverse Workforce

- To create a highly trained and motivated workforce managers must establish HRM procedures that are legal, fair and do not discriminate against organizational members



May be the result of:

- **Natural causes**
- **Manmade causes**
- **International terrorism**
- **Geopolitical conflicts**

Some Management Aspects

- ☐ • **Core Competency:** Specific set of departmental skills, abilities, knowledge and experience that allows one organization to outperform its competitors
- ☐ • **Restructuring:** Involves simplifying, shrinking, or downsizing an organization's operations to lower operating costs
- ☐ • **Outsourcing:** Contracting with another company, to perform a work activity the company previously performed itself
- ☐ • **Empowerment:** Involves giving employees more authority and responsibility over the way they perform their work activities

Emerging Trends in Management

- **Three major trends are impacting businesses today:**
 - **Electronic business (e-business):** Achieving management goals through the use of the Internet
 - **Global organizations:** Expanding business activities beyond national boundaries
 - **Ethics and social responsibility:** Leadership in promoting ethical and socially responsible business decisions

What Is Ethics?

- ☐ **Ethics is the set of moral principles by which people conduct themselves personally, socially, or professionally.**
- ☐ **Business Ethics is a set of laws about how a business should conduct itself.**

Social Responsibility

- **Social responsibility is the duty to do what is best for the good of society.**
- **The social responsibility of business takes into consideration all that businesses do or does not do to solve problems of society.**

Social Responsibility

- **Businesses have a ethical obligation to provide safe products, create jobs, protect the environment, and contribute to the overall standard of living in society.**
- **An ethical question in business occurs whenever there's a conflict of interest.**



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