

Principle of Management

MGM111

Dr. Magdy alhaj

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تسعى لتكون الكيان الأول الذي يتبنى مبدأ المجتمع التعليمي

Overview of management-2

chapter-2



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Learning Outcomes

Describe function or process of management and function of project

Discuss some major changes in management

Discuss the principal challenges managers face

Functions of Management

planning

organizing

leading

controlling

Functions or Process of Management



Function or process of management



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Functions of project

product

marketing

**Human
resource**

finance

Business Function of Organization cont..

Business Functions:-

- I. Human resources
- II. Sales and marketing
- III. Research and development
- IV. Production/operation
- V. Customer service
- VI. Finance and accounts
- VII. Administration and IT

Planning



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- **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.**



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PLANNING

- Planning is determining the objectives and formulating the methods to achieve them. It is more simply said than done. A job well planned is half done. During planning one needs to ask oneself the following:
- What am I trying to accomplish i.e. what is my objective?
- What resources do I have and do I need to accomplish the same?
- What are the methods and means to achieve the objectives?
- Is this the optimal path?

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.

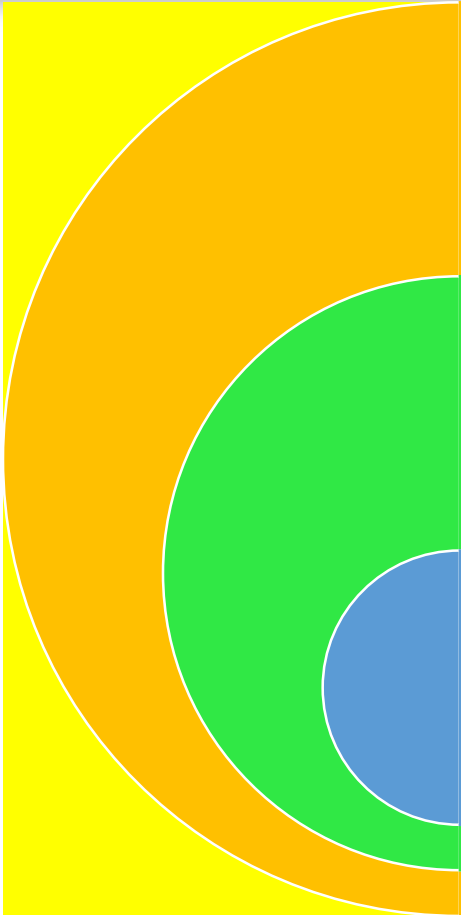
Principles of Planning

- ✓ **Take Time to Plan**
- ✓ **Planning can be Top to Down or Bottom to Top**
- ✓ **Involve and Communicate with all those Concerned**
- ✓ **Plans must be Flexible and Dynamic**
- ✓ **Evaluate and Revise**

Steps in Planning

1. Determining the goals or objectives for the entire organization.
2. Making assumptions on various elements of the environment.
3. To decide the planning period.
4. Examine alternative courses of actions.
5. Evaluating the alternatives.
6. Real point of decision making
7. To make derivative plans.

Steps in the Planning Process



- Deciding which goals the organization will pursue

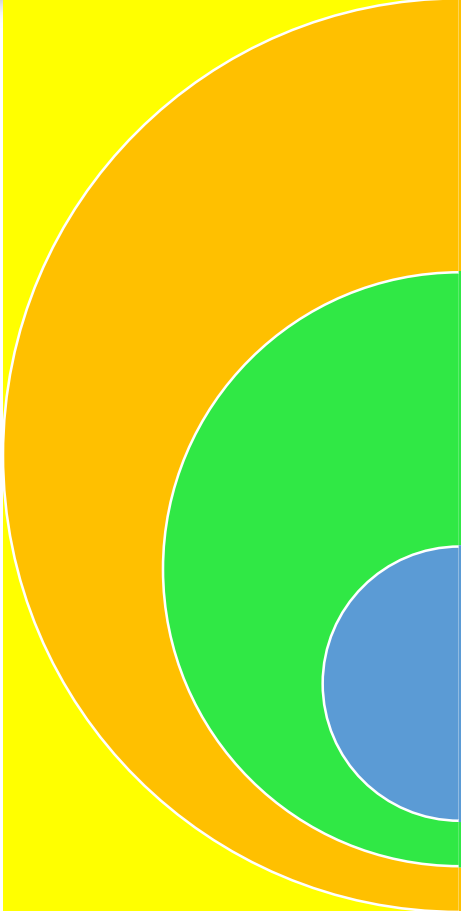
- Deciding what courses of action to adopt to attain those goals

- Deciding how to allocate organizational resources

planning cont



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- 
- Complex, difficult activity
 - Strategy to adopt is not always immediately clear
 - Done under uncertainty

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**

Organizing

Organizing is assembling and coordinating the human, financial, physical, informational, and other resources needed to achieve goals

Process of Organizing



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- **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**

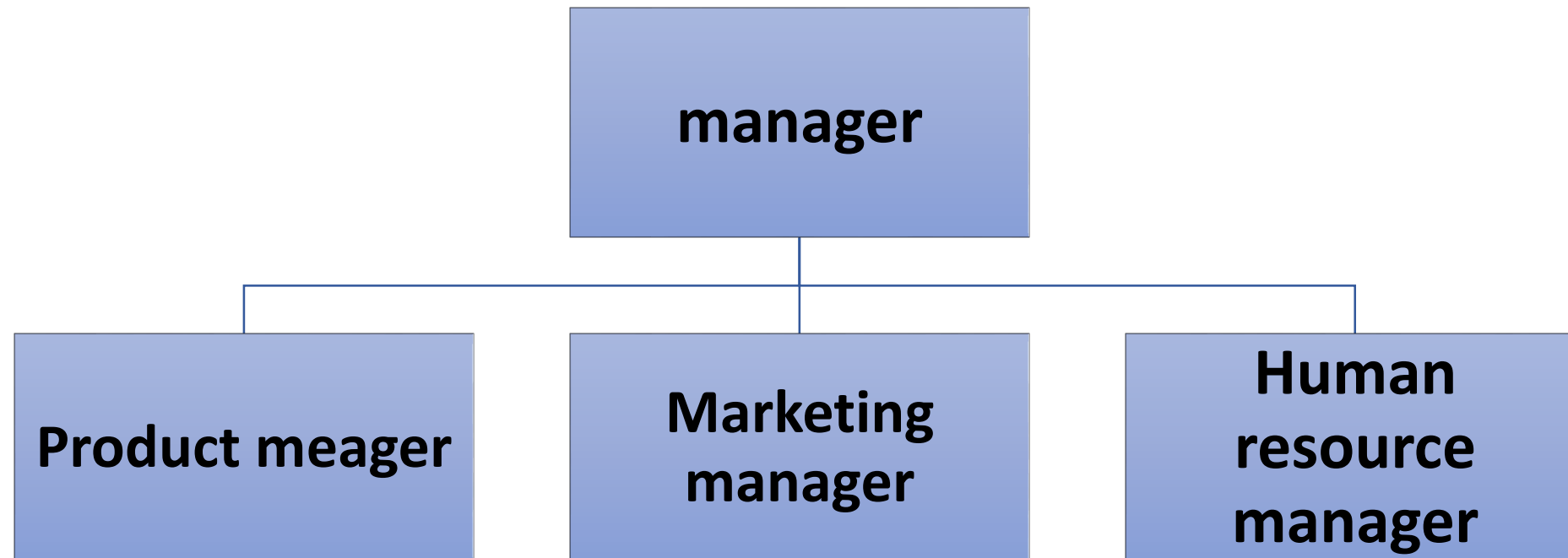
Organizing cont

- Involves grouping people into departments according to the kinds of job-specific tasks they perform

- Managers lay out lines of authority and responsibility

- Decide how to coordinate organizational resources

Functional Departmentalization



Leading



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- 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

Leading cont..



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



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- **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

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

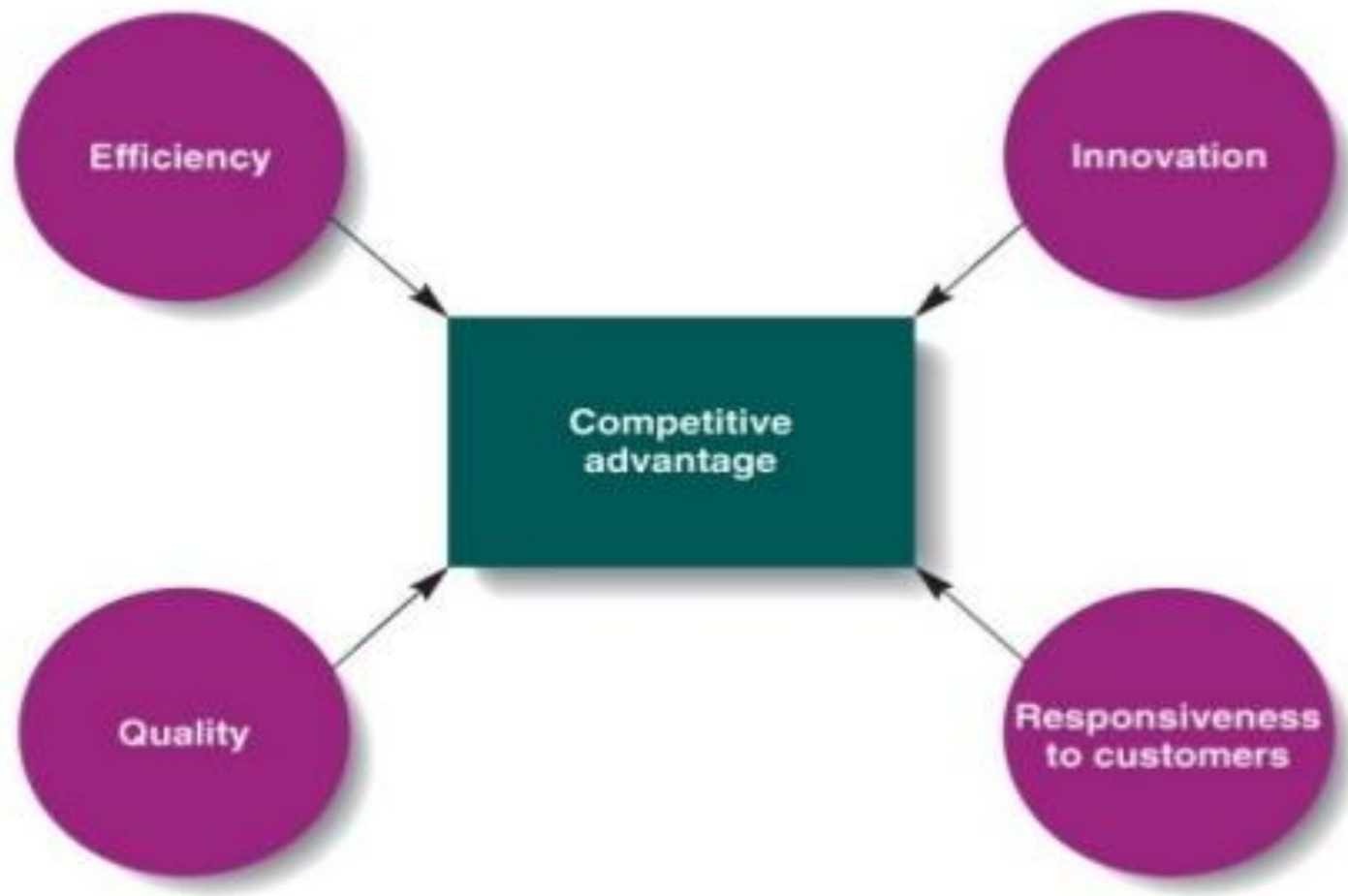
Building Competitive Advantage

- **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



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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.

Building Competitive Advantage

- **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

Maintaining Ethical and Socially Responsible Standards

- Managers are under considerable pressure to make the best use of resources
- Too much pressure may induce managers to behave unethically, and even illegally

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

Global Crisis Management



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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

Thanks