

Planning organising leading



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Principles of Management

Question:

Why do so many new management initiatives and improvement projects fail?
What are the key factors involved and what can be done to improve success rates in general?

You are required to read and widely around the subject of change management and support your findings with appropriate academic quotes , models and theories as well as drawing on practical examples such as case studies.

1. 0 Introduction

Management can be defines as the process of planning, organising, leading, controlling framework of any organization. There is more emphasize on management concept and techniques by focusing on the following five themes.

- Managing today is increasingly technology and internet-based.
- Managers must manage change
- People are part of managing
- Teamwork is essential
- Diversity must managed

1. 1 The process of management (four basic functions)

- **Planning.** Planning is process of setting goals and deciding on the course of action. This is one of the key management functions which is difficult to be implemented. Planning becomes difficult because it involves forecasting future trends of the organization. As it well known that the business environment is very dynamic, changes occur very rapidly and unexpectedly.
- **Organizing.** Organizing is identifying jobs to be done, hiring people to do them, establishing departments and delegating authority down to subordinates.
- **Leading.** Motivating people in order to get things done
- **Controlling.** Checking progress against plans.

2. 0 Why do projects fail?

Most of the projects fail because of poor management and also poor organization of work. Some of the projects fail because of poor leadership and lack of good funds. Some of the leaders take things on their own like their own burden without involving their fellow members . And so because of such problems most of the projects fail and this is seen as follows:

2. 1 Communication break down: most of the organizations the managers fail to update their fellow members or workers about how the projects goes on and about the positive and negatives in short they fail to update their fellows about how the progress is going on in the management. There is a direct relationship between the size of a project team and the difficulty in keeping all members of that team up to date on changes, progress, tools, and issues. Such

problems are common on large projects, especially if people are working at different locations. In many troubled projects there isn't one person who has an overview of the whole project. Each project member needs to know how his or her one piece fits into the entire architecture.

2. 2 Late failure warning signals: here is where by the warning signs of projects being failed appear at the late hours of the day example there is no early signs nobody seem to acknowledge or to say that there is a problem or disaster which will or is going to appear and so they keep the problem to themselves without informing their fellows but when it becomes severe its when they single out the problem in which at then it becomes to late to solve such a problem.

2. 3 Failure to plan: most of the projects have got proper plans of the year, week, month and so they, the members do sit down and arrange the plan for the project but too bad and sad the plans are not followed by the members and so due to poor planning or failure to follow the plan system most of the projects fail to reach their plans or goals. Some projects manager often do not plan because they fear any plan they put together won't meet desired outcome. Even though detailed planning saves an huge amount of time in the long run.

2. 4 Skills that do not match the job: there are workers who are employed in companies without having proper skills , and so due to this they fail to do the way the job or project need to be done meaning they do it wrongly.

2. 5 Poor management: Some of the leaders fail to do their duties or their part sometimes the work becomes too much for them and so they fail to fulfill their part

3. 0 Mintzberg management role

According to Dessler (2001), some time ago, H. Mintzberg conducted a study of what managers actually do. In this research he found that many managers spent most of their time in interpersonal roles (figure head and leader) and less time in informational roles (spokesperson, negotiator, and liaison) and in decisional making roles (resources allocation and entrepreneurship). The imbalance between the roles played by the managers can cause most of the initiatives and improvements project fail.

4. 0 What can be done to improve success rates?

- Smaller organization units. the actual operating unit in most companies are getting smaller. There has been an explosion of new small ventures, with thousands of thousands of “ e-entrepreneurs” setting up their own new firms. And even in big firms the work is increasingly organized around mini-units.
- Team-based organization. New organizations stress cross functional teams and interdepartmental communication. For example according to Dessler (p22), GE's former chairman Jack Welch has talked of the boundary less organization, in which employees do not identify with separate departments, but instead interact with whomever they must to get the job done.

- Flatter organization structure. Instead of the familiar pyramid-shaped organization structure with many layers of management, flat organizations with just three or four levels overcome. this process reduces the number of managers therefore the remaining ones are left with more people to supervise, they are less able to interfere in the work of the subordinates, who thus have more autonomy.
- An emphasis on vision and values. Formulating a clear vision and values to which employees can commit themselves is more important than ever. Managers must communicate clear values regarding what is important and unimportant, and regard what employees should and should not do.
- Managers are change agents. Dessler (p23), as GE's Welch put it, “ you've got to be on the cutting edge of change. You can't simply maintain the status quo, because somebody's always coming from another country with another product or consumers' tastes change, r there is a technology breakthrough. If you are not fast and adaptable, you are vulnerable. ”
- Leadership is key. Empowering workers and the need to get workers thinking like owners put a premium on the people side of managing. Understanding how to work with and through people and how to use behaviour concept will be more important than ever.

Toyota car manufacturing company will be used as an example on how the value chain and the SWOT analysis can affect the management process of an organization.

5.0 Value chain

To understand the activities through which a Toyota corporation develops a competitive advantage and creates shareholders value, it is useful to separate the business system into a series of value generating activity referred to as the value chain. Porter identified primary and support activities as shown in the following diagram. The value chain evaluates which value each particular activity adds to the organizations products. An organization is more than a random compilation of machinery, equipment, people and money.

The term margin means the organization is able to deliver a deliver a product for which a customer is willing to pay more than costs of all activities in the value chain.

Inbound logistics	Operation	Outbound logistic	Marketing and sales
Just in time, so as to lower inven	Engine manufacturing, car parts assembling, and testing.	Warehousing and transportation of cars to dealers (distribution).	Brand management, advertising, pricing, selling, and

<p>tory cost</p>			<p>promotio n.</p>
<p>Firm infrastructure</p> <p>General management activities, finance and planning.</p> <p>The infrastructure can help or hinder Toyota's achievement of competitive advantage.</p>			
<p>Human resource management</p> <p>Recruiting, training, developing, and remuneration of staff.</p> <p>Bowman (2004: p64), “ the recruitment and retention of good staff has emerged as a major strategic issue for firms like chartered accountants and engineering contractors.” Toyota as well fall under this category mainly in its engineers employees.</p>			
<p>Technology development</p> <p>This includes machines, assembling</p>			

process, and know-how.

Procurement

This includes purchasing of inputs from suppliers. Although the costs of procurement activities form only a small proportion of overhead costs, the impact of poor procurement can be dramatic, leading to higher costs or poor quality.

The above value chain is not incomplete because there is no margin due to lack of enough drawing function in Ms Word. Below is the appropriate diagram of value chain.

source, <http://www.ukeducation.org>.

[uk/UkeduFrames/Documents/images/Value_chain_Diagram_1.jpg](http://www.ukeducation.org/uk/UkeduFrames/Documents/images/Value_chain_Diagram_1.jpg)

Explanation

Link between these value activities can be important sources of advantage. For example, good communication in Toyota between sales, operation and procurement enabled the JIT system to work well and helps to cut down inventory. Toyota will gain more competitive advantage by performing these strategically important activities more cheaply or better than its rivals (GM and Ford).

Toyota is now manufacturing more than six million cars a year; therefore procurement will be able to order the necessary materials for the correct date long time before they are needed because the production capacity is known. This will give a procurement an advantage of forwarding order information before time to inbound logistics, only then operations will be able to schedule in a way that guarantees the delivery of products in a timely and effective manner. Over six million cars manufactured by Toyota plus those manufactured by other companies like Ford and General Motors create an overcapacity, especially to developed countries like the United Kingdom. Therefore there is little chance of Toyota to suffer the loss reputation due to lack of Toyota cars in the market.

The value chain provides a useful approach to guide a systematic internal analysis of the firm's existing or potential strengths and weaknesses, Pearce and Robinson (2004). Since the macro-environment is difficult to analyse and control Toyota and other car manufacturers focus more on the value chain by systematically disaggregating a firm into its distinct value activities across the nine activity categories.

6. 0 SWOT analysis

Toyota's strengths

- Experience and knowledge
- High marketing reach and distribution
- Competitive advantage

Toyota's weaknesses

- Inability to sell their cars at higher prices like the GM car
- Undifferentiated products in relation to its competitors

SWOT analysis is a tool for auditing an organization and its environment.

	Strengths	Weaknesses
Opportunities	Analysis of the company's strengths so as to make advantage of the opportunities. For example Toyota has sufficient funds which can be used to make new models of car with extra facilities in	Analysis of the company's opportunities in order to eliminate weaknesses. For example, the inability to sell their cars at higher prices as GM cars can be eliminated by making new models of cars with the same or better quality than

	<p>order to satisfy customer needs to maximum.</p>	<p>those of GM.</p>
<p>Threats</p>	<p>Determination of how Toyota can use its strengths to face the threats.</p>	<p>Determination of a defensive plan in order to avoid weaknesses from being exploited by the competitors. It is not easy to prevent company information from being known to other people or companies. Since one major way in</p>

		<p>which people get private information from any company is through asking and bribing employees, then Toyota can prevent by satisfying its employees by paying them well.</p>
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Strickland and Thomson (1990) “ making opportunity is a big factor in shaping a company's strategy.”

With a 45% share of its domestic car market, a global franchise that may soon make it the world's biggest carmaker, Toyota Motor Corporation doesn't have many weaknesses. Yet there is one area where Toyota worries its dominance is slipping: domestic sales of luxury cars. While the company is still Japan's market leader in upscale autos, its three German rivals Mercedes-Benz, BMW, and Audi have become more attractive to Japan's wealthiest car buyers. “ Those three brands alone sold a combined 96, 000 vehicles in Japan last year, and overall imports account for about 60% of

total sales. http://www.businessweek.com/magazine/content/05_28/b3942068.htm. Source

One of the major Toyota's strengths is the strong brand name.

7.0 Kurt Lewin model

The unfreeze/ refreeze model is one of the simplest model for understanding organizational or social change. It was developed by Kurt Lewin.

- Step one: Unfreezing

How do we unfreeze an organization so that it will accept change? In other words, how do we make the system receptive to change? For example, if we want to introduce a no-smoking policy or an affirmative action program, the first thing we have to do is to get the organization receptive to change, otherwise our organization will naturally resist change.

The unfreezing process

Feeding back people's opinions is one good way to begin the refreezing process. In a company, we could set up a committee to investigate a problem, to see if they can get enough data to unfreeze the organization, or we could use a consultant to do the survey feedback.

- Step two: making the change

In step two we act actually make the change. We propose the solution to the problem that we may have identified or highlighted in step one. Then we get people doing it.

- Step three: refreezing

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This involves doing something to the system or the organization so that the change becomes a permanent part of its operation.

The two models are more or less the same in the sense that both try to make people accept change, implement change, and make that change permanent even though ADKAR model has five steps and Kurt Lewin's model has three steps

8. 0 Conclusion

There are a number of factors that contribute to why many new management initiatives and improvement project fails, ranging from social to technological factors. Despite so many factors causing projects to fail, there are also numerous ways in which projects and other organizational activities can be implemented in order to minimize failures. All in all, the four basic functions of management planning, organizing, leading, and controlling must be well done in order to ensure success is achieved in fast way.

9. 0 References

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