Management challenges

Business, Management

Shrinking budgetary allocation is common in many businesses, which can be caused by external factors such as lack of profit, or internal factors such as a deliberate decision to cut costs. Whichever the cause may be, people tasked with the management of a business should learn how to deal with such eventualities. A choice has to be made and a strategy undertaken in order to ensure that the business would not only survive, but even succeed in its venture.

Shrinking budgets are nothing more than challenges on the management of scarce resources (Tjosvold & Poon, 1998). Contrary to instinct and common belief, shrinking budgets do not hinder the productivity of an organization. True, shrinking budgets do demand more efficient actions and grounded decisions, but they also push managers into performing better.

Tjosvold and Poon note the opinion of researchers on organizational power and politics to the effect that " conflicts over scare resources intensify competition (Tjosvold & Poon, 1998)." They also claim that conflict over scarce resources lead to effective distribution of resources.

The scarcity of resources brought about by the shrinking budget can be productive because of the demand to step up to a higher level. This breeds a sense of competition in the team, which pushes people to work harder to produce better output (Tjosvold & Poon, 1998). On the other side of this perspective is one that denies the usefulness of competition (Tjosvold & Poon, 1998).

This side emphasizes cooperation among members of a management team in order to come up with a business plan that manages the effects of the

lowered budget (Tjosvold & Poon, 1998). Thus, shrinking budget could lead to unity, cooperation, relationship development and organizational power theorizing (Tjosvold & Poon, 1998). Thus, taken in the proper perspective, shrinking budgets could actually raise productivity to a higher level (Tjosvold & Poon, 1998).

Workplace Diversity

Diversity is another aspect of business management that has caught the interest of many practitioners and researchers. Generally, the widely held opinion is one in favor of various kinds of diversity in the workplace, such as gender andcultural diversity(Miller, 1999).

For example, promoting gender diversity in a business organization is now being considered as an effective way of building good human resources. Women are often seen as a minority in various business firms, since they occupy a small percentage in a corporation's workforce (Miller, 1999). However, present changes are reversing this trend through the increased hiring of women in business organizations (Miller, 1999).

The policy towards increasing the number of women recruits in business and professional organizations is a positive and bold move that is directed towards removing unduediscriminationin the professional setting.

Provided that the woman applicant possesses the qualifications required by the available position, there is no reason to choose a male employee possessing the same qualifications over a female employee, if such decision is based solely on the applicants' genders. Thus, simultaneous with the

recognition of the inequalities in society regarding hiring of men and women, promoting gender diversity in the workplace shows a deliberate policy of equalizing the market for men and women alike.

Another aspect of diversity is cultural diversity. This concept works optimally for a multinational business, which has business connections in various localities (Miller, 1999). Hiring people from all sorts of cultural backgrounds would allow the business organization to reach out to the locals of the place, thereby increasing the company's goodwill, and eventually, profit (Miller, 1999). Thus, a company that has sales agents of the same cultural background as the consumers has more chances of capturing that market (Miller, 1999).

Cultural diversity also leads to a better understanding by the company of possible issues that lead to misunderstanding and disagreements among people working in the same workplace (Miller, 1999). Thus, it is apparent that cultural diversity can play a major role in promoting the well being of a business organization. It should be noted, however, that the organization must ensure equal treatment to people even though they are coming from different cultural backgrounds (Miller, 1999). This way, cultural diversity would only benefit the business organization, and not hinder its development (Miller, 1999).

Ethics and the Organization

Ethical principles and policies play a big role in the operations and success of a business organization (Hamner, 2006). While ethics is commonly treated as

a legal concept, it deals more with proper behavior of people in any situation (Hamner, 2006). The concern about ethical or unethical behavior of members of a business organization springs from the realization that such behavior has great effects on the success orfailureof such organization (Hamner, 2006). In particular, unethical behavior within an organization has adverse effects, which could consist in loss of huge sums ofmoney(Hamner, 2006).

The best effect of having a clearly formulated ethical policy and ethical code within an organization is the influence of such policy and code on the conduct and attitude of members of the organization (Hamner, 2006). A strong support by the management in favor of ethical behavior will breed acultureof ethics that would make people value ethics, to the extent that unethical behavior would seen out of place in the organization (Hamner, 2006).

To be effective promoters of ethical behavior in a business organization, the management must devise incentive schemes for members of the organization who follow ethical rules (Hamner, 2006). Moreover, the ethical rules and policies should be able to cover all facets of ethical behavior, which includes moral, economic, and legal aspects (Hamner, 2006).

In sum, managing business necessarily means that one will have to deal with different challenges, such as shrinking budgets, workplace diversity, and ethical issues. However, all such challenges can be dealt with and used as means to succeed. Proper management would actually make organizations stronger and better once such kinds of challenges are met squarely.

References

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References