

Business administration assignment

[Business](#), [Management](#)



PROCESSES INVOLVES IN BUSINESS ADMINISTRATION Business

Administration: Business administration and management is a popular career choice, especially in the United States and other capitalist countries where big business is so prevalent. Business managers typically carry a great deal of responsibility and may count among their duties anything from basic decision-making to training and employee relations. Typical training for corporate managers includes receiving an advanced degree referred to as the M.

B. A. (Master of Business Administration). With the large number of managers in the world, and the various responsibilities undertaken by the collective group, such degrees are becoming more common and resources for managers more prevalent. The links herein are related to business administration and management. What is an Organization? “ It is an entity where two or more persons work together to achieve a goal or a common purpose. ” There are so many organizations around us.

Daily we visit and see many organizations hospitals, colleges, factories, farms and government offices. Mosque/Church is also an example of an organization. People go there and say prayers. Activities of praying are to achieve a certain goal. Similarly, any unit in which two or more persons are working together for some purpose is called an organization. People Purpose Process POLCA If there is a Business entity or organization, then there must be some People. They work as whole for a common Purpose, so there must be a defined purpose.

If a Business entity doesn't have any purpose, it will not survive for long run. To achieve the purposes by using people, the processes are needed. Without any Process, you cannot achieve any type of purpose or goal. For achieving these goals, we use some processes. So that process is also obvious and important for a Business entity. The last important thing for any Business entity is that it requires main pillars of management i. e. POLCA: Main processing functions for business management are, • Planning • Organizing • Leading Controlling • Assurance A manager must perform all these management functions with Assurance! Other responsibilities are: • Communication • Hiring, Training And Employees Development • Information System All above processes are includes mainly decision making and decision taking. In fact the business administration is responsibilities are to manage the resources of business entity for growth of business by suitable decisions making and decisions taking. Management is set of instructions and responsibilities of managers.

MANAGEMENT AND MANAGERS IN BUSINESS ADMINISTRATION PROCESS The concepts of managers and management are explored in this session. Every Business entity, regardless of size, type, or location, needs managers who have a variety of characteristics. Managers may come from any nationality or be of either gender. Managers are mainly administrators of any business entity. Four questions are addressed: 1. Who are managers? 2. What do managers do? 3. What is management? 4. Why study management? 1. Who are Managers? A manager is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals. " 2. What do managers do? No two managers' jobs are

alike. But management writers and researchers have developed some specific categorization schemes to describe what managers do. We can focus on following five categorization schemes while making mind what do managers do: Management functions and management process as detailed below: Traditionally, a manager's job has been classified according to the following four functions

Planning: determining Business organizational goals and the means for achieving them Organizing: deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom Leading: inspiring and motivating workers to work hard to achieve organizational goals Controlling: monitoring progress towards goal achievement and taking corrective action when needed Management process is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead, and control. 3. What is Management? Simply speaking, management is what managers do.

However, this simple statement doesn't tell us much. We define management as the process of coordinating and integrating work activities so that they are completed efficiently and effectively with and through other people. 4. Why Study Management? Management is important for our Business organizations. The importance of studying management can be explained by looking at the way we interact with organizations every day in our lives. Every product we use, every service we receive, and every action we take is provided or affected by organizations. These organizations require managers. PROCESSES IN BUSINESS ADMINISTRATION MANAGEMENT

PROCESS) MANAGEMENT PROCESS In fact processes involves in Business Administration are management of responsibilities and duties anything from basic decision-making to training and employee relations. It is the set of ongoing decisions and work activities in which managers engage as they plan, organize, lead, and control. The management process includes more than the four management functions The process also includes: • Work Methods • Managerial Roles • Managerial Work Agendas. Principles of Administrative Management

1. Division of work Specialization increases output by making employees more efficient. . Authority. Managers must be able to give order. Authority gives them this right. Along with authority, however, goes responsibility.
3. Discipline. Employees must obey and respect the rules that govern the organization.
4. Unity of Command An employee should receive orders from one superior only.
5. Unity of direction. The organization should have a single plan of action to guide managers and workers.
6. Subordination of individual interests to the general interest. The interests of any one employee or group of employees should not take precedence over the interests of the organization as a whole. .
- Remuneration. Workers must be paid a fair wage for their services.
8. Centralization. This term refers to the degree to which subordinates are involved in decision making.
9. Scalar Chain. The line term refers to the degree to which subordinates are involved in decision making.
10. Order. People and materials should be in the right place at the right time.
11. Equity. Managers should be kind and fair to their subordinates.
12. Stability of tenure of personnel Management should provide orderly personnel

planning and ensure that replacements are available to fill vacancies. 13.

Initiative.

Employees who are allowed to originate and carry out plans will exert high levels of effort. 14. Esprit de corps Promoting team spirit will build harmony and unity within the organization. **MANAGERIAL LEVELS AND SKILLS** Before going on the process I want to explain here different roles, skills and level of managers or management which required completing the Management process in Business Administration. Level of Managers in an Organization: First-line managers (or first-line supervisors) are those managers having the least authority and are at the lowest level in the hierarchy of the organization.

First-line managers are at the lowest level of management and manage the work of non-managerial individuals who are involved with the production or creation of the organization's products. They're often called supervisors but may also be called line managers, office managers, or even foremen. Middle-level managers are those managers beneath the top-levels of the hierarchy and directly supervise other managers below them. It includes all levels of management between the first-line level and the top level of the organization. These managers manage the work of first-line managers and may have titles such as department head, project leader, plant managers, or division manager. They plan, allocate resources to meet objectives and coordinate and link groups, departments, and divisions within a company also included in it monitor and manage the performance. Top managers are those managers at the very top levels of the hierarchy who have the most

authority and who are ultimately responsible for the entire organization.

They are those who are responsible for making organization-wide decisions and establishing the plans and goals that affect the entire organization.

These individuals typically have titles such as executive vice president, president, managing director, chief operating officer, chief executive officer, or chairman of the board. They oversee overall planning for the organization, work with middle managers in implementing and planning, and maintain overall control over the progress of the organization. Key skills for Managers

Technical skills: Technical skills include knowledge of and proficiency in a certain specialized field, such as engineering, computers, accounting, or manufacturing.

These skills are more important at lower levels of management since these managers are dealing directly with employees doing the organization's work.

Human skills: Human Skills are associated with a manager's ability to work well with others both as a member of a group and as a leader who gets things done through others. Because managers deal directly with people, this skill is crucial! Managers with good human skills are able to get the best out of their people. They know how to communicate, motivate, lead, and inspire enthusiasm and trust. These skills are equally important at all levels of management.

Conceptual skills: Conceptual Skills are skills related to the ability to visualize the organization as a whole, discern interrelationships among organizational parts, and understand how the organization fit into the wider context of the industry, community, and world. Conceptual skills are the skills managers

must have to think and to conceptualize about abstract and complex situations. Using these skills, managers must be able to see the organization as a whole, understand the relationships among various submits, and visualize how the organization fits into its broader environment. MAMAGRIAL ROLES

However, the more traditional functions have not been invalidated. In fact, the functional approach still represents the most useful way of classifying the manager's job. Ten managerial roles in three categories mentioned below for managers to complete the management process. a. Interpersonal roles grow directly out of the authority of a manger's position and involve developing and maintaining positive relationships with significant others. 1) The figurehead performs symbolic legal or social duties. 2) The Leader builds relationships with employees and communicates with, motivates, and coaches them.) The liaison maintains a network of contacts outside the work unit to obtain information. b. Informational roles pertain to receiving and transmitting information so that managers can serve as the nerve centers of their organizational units. 1) The monitor seeks internal and external information about issues that can affect the organization. 2) The disseminator transmits information internally that is obtained from either internal or external sources. 3) The spokesperson transmits information about the organization to outsiders. c. Decisional roles involve making significant decisions that affect the organization.) The entrepreneur acts as an initiator, designer, and encourager of change and innovation. 2) The disturbance handler takes corrective action when the organization faces important, unexpected difficulties. 3) The resource allocator distributes

resources of all types, including time, funding, equipment, and human resources. 4) The negotiator represents the organization in major negotiations affecting the manager's areas of responsibility Now I want to explain the administrative management functions. in POLC PLANNING Planning; Why and what? Planning is one of the four functions of management. Why does Management plan?

Purposes of Planning 1. Planning is important and serves many significant purposes. 2. Planning gives direction to the business 3. Planning reduces the impact of change. 4. Planning establishes a coordinated effort. 5. Planning reduces uncertainty. 6. Planning reduces overlapping and wasteful activities. 7. Planning establishes objectives or standards that are used in controlling.

WHAT IS PLANNING? Planning involves defining the business or organization's goals, establishing an overall strategy for achieving these goals, and developing a comprehensive set of plans to integrate and coordinate organizational work.

Planning is in fact the advance decision making by managers. Keeping in mind that decision making and decision taking, may it be for present or for future is always required and is very much a managerial job. THE DECISION-MAKING PROCESS: A decision is a choice made from two or more alternatives. The decision-making process is defined as a set of different steps that begins with identifying a problem and decision criteria and allocating weights to those criteria; moves to developing, analyzing, and selecting an alternative that can resolve the problem; implements the alternative; and concludes with evaluating the decision's effectiveness.

Decision making is important part of the Business administration. All the performance and profits of the entity is demand upon the decision making.

Steps in an Effective Decision-Making Process

A. The first step is to identify the organizational problem, i. e. , discrepancies between a current state and condition and what is desired.

B. The generation of alternative solutions step is facilitated by using the four principles associated with brainstorming. Offer as many ideas as possible to increase the probability of coming up with an effective solution. Combine and improve on ideas that have been offered.

C. The choice of an alternative step comes only after the alternatives are evaluated systematically according to six general criteria:

1. Feasibility is the extent to which an alternative can be accomplished within related organizational constraints, such as time, budgets, technology, and policies.
2. Quality is the extend to which an alternative effectively solves the problem under consideration.
3. Acceptability is the degree to which the decision makers and others who will be affected by the implementation of the alternative are willing to support it. .
4. Costs are the resource levels required and the extent to which the alternative is likely to have undesirable side effects.
5. Reversibility is the extent to which the alternative can be reversed, if at all.
6. The ethics criterion refers to the extent to which an alternative is compatible with the social responsibilities of the organization and with ethical standards.

D Finally, the implementing and monitoring the chosen solution step must be planned to avoid failure of the entire effort. Implementation requires careful planning.

The amount of planning depends upon whether the projected changes are minor or major. Irreversible changes require a great deal of planning.

Implementation requires sensitivity to those involved in or affected by the implementation. Monitoring is necessary to ensure that things are progressing as planned and that the problem that triggered the planning process has been resolved. Decision Making Situation: Decision-making situations differ according to the types of problems that must be handled.

Certainty is a situation in which a manager can make accurate decisions because the outcome of every alternative is known. However, this isn't characteristic of most managerial decisions. Uncertainty is a condition in which the decision maker chooses a course of action without complete knowledge of the consequences that will follow implementation. Risk is the possibility that a chosen action could lead to losses rather than the intended results. Uncertainty is seen as the reason why situation is risky. A rapidly changing environment is a major cause of uncertainty.

RATIONAL DECISION MAKING Managers as Decision Makers: Although we know about the decision-making process, we still don't know much about the manager as a decision maker. In this session, we'll look at how decisions are made, the types of problems and decisions managers face, the conditions under which managers make decisions, and decision-making styles. The nature of managerial decision making: Decision making is the process through which managers identify organizational problems and attempt to resolve them. Decision makers face three types of problems. A crisis problem is a serious difficulty requiring immediate action. • A non-crisis problem is an

issue that requires resolution, but does not simultaneously have the importance and immediacy characteristics of crises. • An opportunity problem is a situation that offers a strong potential for significant organizational gain if appropriate actions are taken. • Opportunities involve ideas that could be seized, rather than difficulties that must be resolved. • Non-innovative managers tend to focus on problems rather than upon opportunities. Models of Decision Making: Rational Model:

According to the rational model of decision making, managers engage in completely rational decision processes, ultimately make optimal decisions, and possess and understand all information relevant to their decisions at the time they make them (including all possible alternatives and all potential outcomes and ramifications). Rational Model Step by Step: Defining Problem by gathering relevant information: Step 1 is identifying a problem. A problem is defined as a discrepancy between an existing and a desired state of affairs. Some cautions about problem identification.

Step 2 is identifying the decision criteria. Decision criteria are criteria that define what is relevant and important in making a decision. Step 3 is allocating weights to the criteria. The criteria identified in Step 2 of the decision-making process aren't all equally important, so the decision maker must weight the items in order to give them correct priority in the decision. Step 4 involves developing alternatives. The decision maker now needs to identify viable alternatives for resolving the problem. Step 5 is analyzing alternatives. Each of the alternatives must now be critically analyzed.

Each alternative is evaluated by appraising it against the criteria. Step 6 involves selecting an alternative. The act of selecting the best alternative from among those identified and assessed is critical. If criteria weights have been used, the decision maker simply selects the alternative with the highest score from Step 5. Step 7 is choosing a course of action and implementing the alternative. The chosen alternative must be implemented. Implementation is conveying a decision to those affected by it and getting their commitment to it. Step 8 involves evaluating the decision effectiveness.

This last step in the decision-making process assesses the result of the decision to see whether or not the problem has been resolved. GROUP DECISION MAKING Group decision making means when a group contains two or more than two of managers make decisions. Group creativity can be enhanced by means of a number of techniques. Two of which are following:

1. Brainstorming is a means of enhancing creativity that encourages group members to generate as many novel ideas as possible on a given topic without evaluating them. The ground rules used in brainstorming were described earlier in this chapter.

2. Computer assisted brainstorming have been found to give superior results.

The Nominal Group Technique (NGT) is a means of enhancing creativity and decision making that integrates both individual work and group interaction within certain ground rules. A NGT was developed to foster creativity and to overcome the tendency to criticize ideas when they are presented Lateral Thinking Vs Vertical Thinking Vertical thinking is logical but only in one

direction. You ignore the possibilities and alternatives around you or various other ways of doing same thing.

Vertical way of thinking is the problem solving way the way computers do. Rotating a problem from different angles to try and locate alternative points of entry involves Lateral thinking. This is a creative processing that the human mind can do, but computers are generally unable to do. It is useful when one channel of thought reaches a dead end and another approach is needed. It can be difficult but satisfying to solve and will encourage you to examine lots of different clues and information without any prejudice. Delphi Method:

The Delphi method is a structured approach to gain the judgments of a number of experts on a specific issue relating to the future. A panel of experts is surveyed in the interest of compiling a list of likely scientific breakthroughs and the predicted time of their occurrence. The resultant list is resubmitted to the experts who then estimate whether the predicated breakthroughs are likely to occur earlier or later than the average estimated time frame. The next set of results is again submitted to the experts. 1) If a consensus is reached, dissenters are asked to explain why they disagree with the majority.) If there is a wide divergence of opinion this step is repeated. 2. Scenario Analysis: The Scenario analysis, developed in France, approach addresses a variety of possible futures by evaluating major environmental variables, assessing the likely strategies of other significant factors (e. g. , other organizations), devising possible counter strategies, developing ranked hypotheses about the variables, and formulating

alternative scenarios. Scenarios are outlines of possible future conditions, including possible paths the organization could take that would likely lead to these conditions.

One object of the method is to enable the organization to make decisions that do not greatly inhibit further freedom of choice. **PLANNING AND DECISION** Here I am introducing the planning tools and techniques that managers have at their disposal to assist them in performing the management functions. Management Science or Operation Research is a management perspective aimed at increased decision effectiveness by use of sophisticated mathematical models and statistical methods. **TECHNIQUES FOR ASSESSING THE ENVIRONMENT** Several techniques have been developed to assist managers in assessing the organization's environment.

Environmental Scanning Environmental scanning is the screening of large amounts of information to anticipate and interpret changes in the environment to increase their profits and revenue growth. **SWOT analysis** is an analysis of an organization's strengths, weaknesses, opportunities, and threats. It brings together the internal and external environmental analyses in order to identify a strategic niche the organization might exploit.

Competitor intelligence is an environmental scanning activity that seeks to identify who competitors are, what they are doing, and how their actions will affect the organization.

Environmental scanning provides the foundation for developing forecasts, which are predictions of outcomes. There are three categories of forecasting techniques. **Quantitative forecasting** applies a set of mathematical rules to

a series of past data to predict outcomes. b Qualitative forecasting uses the judgment and opinions of knowledgeable individuals to predict outcomes. c Judgmental forecasting Forecasting Forecasting is the process of predicting changing conditions and future events that may significantly affect the business of an organization. 1. Forecasting is important to both planning and decision making. 2.

Forecasting is used in a variety of areas such as: production planning, budgeting, strategic planning, sales analysis, inventory control, marketing planning, logistics planning, and purchasing among others. MANAGEMENT BY OBJECTIVE (MBO) Time Span of Goals and Plans 1. Strategic goals and plans generally involve time periods of 3-5 years. 2. Tactical goals and plans typically involve time periods of 1 to 3 years. 3. Operational goals and plans can be for as short a period as 1 week or as long as 1 year. Characteristics of Well-Designed Goals a. Written in terms of outcomes b. Measurable and quantifiable c. Clear as to a time frame d.

Challenging but attainable e. Written down f. Communicated to all organizational members Steps in Goals Setting—Five Steps a. Review the organization's mission. b. Goals should reflect what the mission statement says. c. Evaluate available resources. d. Determine individually, or with input from others, the goals. e. Write down the goals and communicate them to all who need to know. f. Review results and whether goals are being met.

STRATEGIC MANAGEMENT Strategic management is a process through which managers formulate and implement strategies geared to optimizing goal achievement, given available environmental and internal conditions.

Strategic management is that set of managerial decisions and actions that determines the long-run performance of an organization. It entails all of the basic management functions—planning, organizing, leading, and controlling.

Purposes of strategic management

1. One reason strategic management is important is because it's involved in many of the decisions that managers make.
2. Another reason is that studies of the effectiveness of strategic planning and management have found that, in general, companies with formal strategic management systems had higher financial returns than those companies with no such systems.

Strategic management has moved beyond for-profit organizations to include all types of organizations, including not-for-profit. The strategic management process is an eight-step process that encompasses strategic planning, implementation, and evaluation.

- A. The first step is identifying the organization's current mission, objectives, and strategies.
- B. Step 2 is analyzing the external environment. It's important to analyze the environment because, to a large degree, it defines management's strategic options.
- C. The third step is identifying opportunities and threats.
 1. Opportunities are positive external environmental factors.
 2. Threats are negative external environmental factors.
- D. Step 4 is analyzing the organization's resources. In this internal analysis, managers are looking at the organization's specific assets, skills, and work activities.
- E. Step 5 is identifying strengths and weaknesses
 1. Strengths are those activities the firm does well or the unique resources it controls.
 2. Weaknesses are those activities the firm doesn't do well or the resources it needs but doesn't possess.
- F. Step 6 is formulating strategies.

Strategies need to be established for the corporate, business, and functional levels of the organization. In formulating strategies, managers hope to give the organization a competitive advantage. G. The next step is implementing strategies. The strategies must now be put into action. Strategies are only as good as their implementation. H. The eighth (and final) step in the strategic management process is evaluating results. Managers must evaluate the results to determine how effective their strategies have been and what corrections are necessary.

The Role of Competitive Analysis in Strategy Formulation

Before an effective strategy to gain a competitive advantage can be formulated, the organization's competitive situation needs to be carefully analyzed. A. A SWOT ANALYSIS is one method for doing so. The SWOT analysis involves assessing organization strengths (S) and weaknesses (W), as well as environmental opportunities (O) and threats (T). Strengths and weaknesses apply to internal characteristics. Strength is an internal characteristic that has the potential of improving the organization's competitive situation. A weakness is an internal characteristic that leaves the organization potentially vulnerable to strategic moves by competitors.

Opportunities and threats are found in the external environment. An opportunity is an environmental condition that offers significant prospects for improving an organization's situation relative to competitors. A threat is an environmental condition that offers significant prospects for undermining an organization's competitive situation.

ENTREPRENEURSHIP MANAGEMENT

What Is Entrepreneurship? 1. Entrepreneurship—the process where

individuals or a group of individuals risk time and money in pursuit of opportunities to create value and grow through innovation regardless of the resources they currently control. . Entrepreneurial ventures vs. small businesses Entrepreneurial ventures—organizations that are pursuing opportunities, characterized by innovative practices, and have growth and profitability as their main goals. Small businesses—organization that is independently owned, operated, and financed; has fewer than 100 employees; doesn't necessarily engage in any new or innovative practices, and has relatively little impact on its industry, usually remaining small by choice or by default. Why Is Entrepreneurship Important? 1.

Innovation—a process of changing, experimenting, transforming, revolutionizing, and a key aspect of entrepreneurial activity. 2. Number of New Start-Ups Assuming that some of these new businesses engage in innovative practices and pursue profitability and growth, then entrepreneurship has contributed to the overall creation of new firms. 3. Job Creation The latest figures show that virtually all new net jobs were generated by firms with fewer than 500 employees. The Entrepreneurial Process 1. Exploring the entrepreneurial context

It includes the realities of the new economy, society's laws and regulations that compose the legal environment, and the realities of the changing world of work. 2. Identifying opportunity and possible competitive advantages 3. Starting the venture It includes researching the feasibility of the venture, planning the ventures, organizing the ventures, and launching the venture. 4. Managing the venture It includes managing processes, people, and

growth. What Do Entrepreneurs Do? 1. Initially, an entrepreneur is engaged in assessing the potential for the venture, and then dealing with start-up issues. 2.

Once the venture is up and running, the entrepreneur's attention switches to managing it. 3. Finally, the entrepreneur must manage the venture's growth. ORGANIZING Organizations are experimenting with different approaches to organizational structure and design. Organizational structure can play an important role in an organization's success. The process of ORGANIZING—the second management functions—is how an organization's structure is created. The Nature of Organization Structure Managers are seeking structural designs that will best support and allow employees to effectively and efficiently do their work.

Organizing is the process of creating an organization's structure.

Organization structure is the formal pattern of interactions and coordination designed by management to link the tasks of individuals and groups in achieving organizational goals. An organizational structure is the formal framework by which job tasks are divided, grouped, and coordinated. 1. This formal pattern designed by management is to be distinguished from the informal pattern of interactions that simply emerges within an organization. 2. Organization structure consists primarily of four elements: a. Job design b.

Departmentalization c. Vertical coordination d. Horizontal coordination 3.

Organization design is the process of developing an organization structure.

Organizational design is the process of developing or changing an organization's structure. It involves decisions about six key elements: work

specialization, departmentalization, and chain of command, span of control, centralization /decentralization, and formalization. We need to take a closer look at each of these structural elements. The organization chart is a line diagram that depicts the broad outlines of an organization's structure.

While varying in detail from one organization to another, typically organization charts show the major positions or departments in the organization, the way positions are grouped together, reporting relationships for lower to higher levels, official channels for communications, and possibly the titles associated with major positions in the organization. 1. The organization chart provides a visual map of the chain of command, the unbroken line of authority that ultimately links each individual with the top organizational position through a managerial position at each successive layer in between. 2.

Nearly all organizations having just a few members have an organization chart. Responsibility is the obligation or expectation to perform and carry out duties and achieve goals related to a position. Authority is the right inherent in a managerial position to tell people what to do and to expect them to do it, right to make decisions and carry out actions to achieve organizational goals. While part of a manager's work may be delegated, the manager remains accountable for results. a. Accountability is the requirement of being able to answer for significant deviations from duties or expected results. . The fact that managers remain accountable for delegated work may cause them to resist delegation. Delegation is assignment of part of manager's work to others along with responsibility and authority. JOB

DESIGN/SPECIALIZATION AND DEPARTMENTALIZATION Building Blocks of

Organizing

1. Job design Job design is an essential part of organizational structure. Job design is the specification of task activities, usually repeated on a regular basis, associated with each particular job.
2. Work specialization Work specialization is the degree to which the work necessary to achieve organizational goals is broken down into various jobs. In Work specialization the tasks in an organization are divided into separate jobs. Another term for this is division of labor.
3. Job simplification Job simplification is the process of configuring or designing jobs so that job holders have only a small number of narrow, repetitive, activities to perform. Training new workers becomes relatively easy and workers become almost interchangeable. The advantage is that major production efficiencies may be gained.

Types of Departmentalization Departmentalization is the clustering of individuals into units and units into departments and larger units in order to facilitate achieving organizational goals. An organization design is an overall pattern of departmentalization. There are four major patterns of

departmentalization.

- The Functional Structure
- The Divisional Structure
- The Hybrid Structure
- The Matrix Structure

SPAN OF COMMAND, CENTRALIZATION VS. DE-CENTRALIZATION AND LINE VS. STAFF AUTHORITY

Methods of Vertical Coordination

Vertical coordination is the linking of activities at the top of the organization with those at the middle and lower levels in order to achieve organizational goals. Formalization is the degree to which written policies, rules, procedures, job descriptions, and other documents specify what actions are

(or are not) to be taken under a given set of circumstances.. Span of management or span of control is the number of subordinates who report directly to a specific manager. Managers should have neither too many nor too few subordinates.

Downsizing is the process of significantly reducing the layers of middle management, expanding the spans of control, and shrinking the size of the work force. Restructuring is the process of making a major change in organization structure that often involves reducing management levels and also possibly changing some major components of the organization through divestiture and/or acquisition. Centralization is the extent to which power and authority are retained at the top organizational levels. Decentralization is the extent to which power and authority are delegated to lower levels.

An organization is centralized if decisions made at lower levels are governed by a restrictive set of policies, procedures, and rules, and if situations not explicitly covered are referred to higher levels for resolution. A line position is a position that has authority and responsibility for achieving the major goals of the organization. A staff position is a position whose primary purpose is providing specialized expertise and assistance to line positions.

ORGANIZATIONAL DESIGN 1. Job rotation is the practice of periodically shifting workers through a set of jobs in a planned sequence.

Purpose of job rotation is cross training so that there is maximum flexibility in job assignments. 2. Job enlargement is the allocation of a wider variety of similar tasks to a job in order to make it more challenging. Job enlargement broadens job scope, the number of different tasks an employee performs in a

particular job. 3. Job enrichment, pioneered by Frederick Herzberg, is the process of upgrading the job-task mix in order to increase significantly the potential for growth, achievement, responsibility, and recognition.

Job enrichment increases Job depth, the degree to which individuals can plan and control the work involved in their jobs. ORGANIZATIONAL DESIGN

DECISIONS 1. Strategy and structure One of the contingency variables that influence organizational design is the organization's strategy. Most current strategy-structure frameworks tend to focus on three strategy dimensions: • Innovation—needs the flexibility and free flow of information of the organic organization • Cost minimization—needs the efficiency, stability, and tight controls of the mechanistic organization • Imitation—which uses characteristics of both mechanistic and organic 2.

Size and structure An organization's size significantly affects its structure. Larger organizations tend to have more specialization, departmentalization, centralization and formalization although the size-structure relationship is not linear. Technology also has been shown to affect an organization's choice of structure. Every organization uses some form of technology to transform inputs into outputs. 1) Unit production is the production of items in units or small batches. 2) Mass production is large-batch manufacturing. 3) Process production is continuous-process production. Environmental uncertainty and structure Environmental Uncertainty also affect organizational structure is environmental uncertainty. One way to manage environmental uncertainty is through adjustments in the organization's structure. LEADING LEADERSHIP MOTIVATING Motivation is the willingness to

exert high levels of effort to reach organizational goals, conditioned by the effort's ability to satisfy some individual need. A. Effort is a measure of intensity or drive. High levels of effort are unlikely to lead to favorable job performance unless the effort is channeled in a direction that benefits the organization.

Hence motivation is the force that energizes behavior, gives direction to behavior, and underlies the tendency to persist. 1. A person's motivation is not directly measurable, but must be inferred from behavior. 2. Performance is a function of ability, motivation and working conditions. 3. Besides hiring individual with ability to do the work, managers have the challenge to provide working conditions that nurture and support individual motivation to work toward organization goals. There are different Classical theories are explained by the old management theorists to help out the managers motivate the non managerial staff.

Like • Maslow's Need Theory • McGregor's Theory X and Theory Y • ERG Theory • Acquired-Needs Theory • Equity Theory • Expectancy Theory • Goal-Setting Theory MOTIVATING KNOWLEDGE PROFESSIONALS LEADERSHIP TRAIT THEORIES Motivating the " New Workforce i. e. Knowledge Professionals" Another current motivation issue revolves around motivating the " new workforce. " These special groups present unique motivational challenges to managers. These professionals possess specialty knowledge of markets, of customers, of supplier, of software, of hardware, of technology and are very important to run the organizations smoothly in 21st century.

Leadership The recognition of the important role that leadership plays in organizational performance is widely acknowledged by managers everywhere. Leadership is what makes things happen in organizations.

MANAGERS VERSUS LEADERS There are distinctions between managers and leaders. Managers are appointed and have legitimate power within the organization. Leaders are those persons who are able to influence others and who possess managerial authority. Leadership, then, is the ability to influence a group toward the achievement of goals.

The foundation of the management function of leading is the process of influencing others toward the achievement of organizational goals. Power is the capacity to affect the behavior of others. There are different types of power depending upon their sources originally identified by French and Raven. 1. Legitimate power stems from a position's placement in the managerial hierarchy and the authority vested in the position. 2. Reward power is based on the capacity to control and provide valued rewards to others. 3. Coercive power is based on the ability to obtain compliance through fear of punishment. . Expert power is based on the possession of expertise that is valued by others. 5. Information power result from access to and control over the distribution of important information about organizational operations and future plans. 6. Referent power results from being admired, personally identified with, or liked by others. **CONTROLLING**

AS A MANAGEMENT FUNCTION Introduction and Overview of Controlling

Regardless of the thoroughness of the planning done, a program or decision still may be poorly or improperly implemented without a satisfactory control system in place.

Controlling is that process of regulating organizational activities so that actual performance conforms to expected organizational goals and standards. While interrelated with all of the other management functions, a special relationship exists between the planning function of management and controlling. Planning, essentially, is the deciding of goals and objectives and the means of reaching them. Controlling lets manager tell if the organization is on track for goal achievement, and if not, why not. A well-developed plan should provide benchmarks that can be used in the control process.

Controls serve other important roles including helping managers cope with uncertainty, detecting irregularities, identifying opportunities, handling complex situations, and decentralizing authority. Like planning, controlling responsibilities differ by managerial level with control responsibilities paralleling planning responsibilities at the strategic, tactical, and operational level. Control as a Management Process A Controlling is one of the four major functions of POLCA management, is the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals.

A control system is a set of mechanisms that are designed to increase the probability of meeting organizational standards and goals. Control responsibilities differ according to managerial level. 1. Strategic control involves monitoring critical environmental factors that could affect the viability of strategic plans, assessing the effects of organizational strategic actions, and ensuring that strategic plans are implemented as intended. 2.

Tactical control focuses on assessing the implementation of tactical plans at departmental levels, monitoring associated periodic results, and taking corrective action as necessary.

Tactical control involves department-level objectives programs, and budgets.

3. Operational control involves overseeing the implementation of operating plans, monitoring day-to-day results, and taking corrective action when required. Operational control is the responsibility of lower-level managers.

The Control Process The basic process used in controlling has several major steps. 1. Determine areas to control. It is impractical, if not impossible, to control every aspect of an organization's activities. 2. Develop standards spelling out specific criteria for evaluating performance and related employee behaviors. . Make a decision about how and how often to measure performance related to a given standard. 4. Compare performance against standards. Reports that summarize planned versus actual results are often developed. 5. Recognize above-standard performance both to give precognition to top performing employees and also to aid improving performance on regular bases. 6. Assess the reason why standards are not met, and take corrective action. 7. Adjust standards and measures as necessary. ASSURANCE A manager must perform all theses management functions with Assurance.

Quality function which demands from every manager that he/she ensures that prior management support and management processes are in place before POLC management functions are executed. QUALITY ASSURANCE Quality assurance refers to any planned and systematic activity directed

toward providing consumers with products (goods and services) of appropriate, along with the confidence that products meet consumers' requirements. Quality assurance usually associated with some form of measurement and inspection activity has been an important aspect of production operations throughout history.

Egyptian wall paintings circa 1450 B. C. show evidence of measurement and inspection. Stones for the pyramids were cut so precisely that even today it is impossible to put a knife blade between the blocks. The Egyptians' success was due to the consistent use of well-developed methods and procedures and precise measuring devices. Quality is, in fact, not just functional excellence of products or services, but it is about whole aspects of product characteristics. Take a high quality watch produced by Company A for example.

No matter if the craftsmanship is exceptionally high, if the production cost and sales price are so high that nobody can afford to buy such watches, no one can claim that the watch quality is truly high. In other words, quality assurance is not just about functional excellence, but includes all aspects of production. COMMUNICATION Communication between managers and employees provides the information necessary to get work done effectively and efficiently in organizations. F. Managers use two types of communication in their work. 1. Verbal communication is the use of words to communicate.

Written communication includes letters, memoranda, reports, newsletters, policy manuals, etc. 2. Nonverbal communication is communication by means of elements and behaviors that are not coded into words. Nonverbal

Communication is communication transmitted without words. The best-known types of nonverbal communication are body language and verbal intonation. 3) One-way communication is the communication that results when the communication process does not allow for feedback. 4) Two-way communication is the communication that results when the communication process explicitly includes feedback. ORGANIZATIONAL COMMUNICATION

Formal versus Informal Communication 1. Formal communication refers to communication that follows the official chain of command or is part of the communication required to do one's job. 2. Informal communication is organizational communication that is not defined by the organization's structural hierarchy. Informal communication systems permit employees to satisfy their needs for social interaction. Direction of Communication Flow Downward communication—flows from a manager to employees and is used to inform, direct, coordinate, and evaluate employees. Upward communication flows from employees to managers.

Upward communication can be used in order to keep managers aware of how employees feel about their jobs, their coworkers, and the organization in general. Lateral communication takes place among employees on the same organizational level. Diagonal communication is communication that cuts across both work areas and organizational levels. HIRING, TRAINING AND EMPLOYEES DEVELOPMENT Selection or Hiring is the process of choosing from a group of applicants those individuals best suited for a particular position. Most managers recognize that employee selection is one of their most difficult, and most important, business decisions.

This process involves making a judgment -not about the applicant, but about the fit between the applicant and the job by considering knowledge, skills and abilities and other characteristics required to perform the job Selection procedures are not carried out through standard pattern and steps in this. Process can vary from organization to organization some steps performed and considered important by one organization can be skipped by other organization TRAINING, DEVELOPMENT AND EMPLOYEES BENIFITS Training Training is a process whereby people acquire capabilities to aid in the achievement of organizational goals.

It involves planned learning activities designed to improve an employee's performance at her/his current job. Training refers to the methods used to give new or present employees the skills they need to perform their jobs. The heart of a continuous effort designed to improve employee competency and organizational performance. Training typically focuses on providing employees with specific skills or helping them correct deficiencies in their performance. C. Development All efforts to provide employees with the abilities the organizations will need in the future D.

Training and Development Trends: Skill requirements will continue to increase Workforce will become significantly better educated & more diverse Corporate restructuring reshapes businesses Technology will revolutionize certain training delivery methods The role of training departments will change More flexible courses aimed specifically at performance improvement More firms will strive to become learning organizations Emphasis on human performance management will accelerate EMPLOYEE

BENEFITS Benefits are all financial rewards that generally are not paid directly to an employee.

Benefits absorb social costs for health care and retirement and can influence employee decisions about employers. 1. Benefits (Direct) Organization directly rewarded his employees with increment in wages and salary, with commission, bonuses and gain sharing. 2. Benefits (Indirect Financial Compensation) Most organizations recognize that they have a responsibility to provide their employees with insurance and other programs for their health, safety, security, and general welfare. These benefits include all financial rewards that generally are not paid directly to the employee.

MANAGEMENT INFORMATION SYSTEM At the start, works in businesses and other organizations, internal reporting was made manually and only periodically, as a by-product of the accounting system and with some additional statistic(s), and gave limited and delayed information on management performance. Previously, data had to be separated individually by the people as per the requirement and necessity of the organization. Later, data was distinguished from information, and so instead of the collection of mass of data, important and to the point data that is needed by the organization was stored.

Early on, business computers were mostly used for relatively simple operations such as tracking sales or payroll data, often without much detail. Over time these applications became more complex and began to store increasing amounts of information while also interlinking with previously separate information systems. As more and more data was stored and linked

man began to analyze this information into further detail, creating entire management reports from the raw, stored data.

The term “ MIS” arose to describe these kinds of applications, which were developed to provide managers with information about sales, inventories, and other data that would help in managing the enterprise. Today, the term is used broadly in a number of contexts and includes (but is not limited to): decision support systems, resource and people management applications, ERP, SCM, CRM, project management and database retrieval application. An ‘ MIS’ is a planned system of the collecting, processing, storing and disseminating data in the form of information needed to carry out the functions of management.

In a way it is a documented report of the activities that were planned and executed. According to Philip Kotler “ A marketing information system consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers. ” The terms MIS and information system are often confused. Information systems include systems that are not intended for decision making. The area of study called MIS is sometimes referred to, in a restrictive sense, as information technology management.

That area of study should not be confused with computer science. IT service management is a practitioner-focused discipline. MIS has also some differences with Enterprise Resource Planning (ERP) as ERP incorporates elements that are not necessarily focused on decision support. Any successful MIS must support businesses Five Year Plan or its equivalent. It

must provide for reports based up performance analysis in areas critical to that plan, with feedback loops that allow for titivation of every aspect of the business, including recruitment and training regimens.

In effect, MIS must not only indicate how things are going, but why they are not going as well as planned where that is the case. These reports would include performance relative to cost centers and projects that drive profit or loss, and do so in such a way that identifies individual accountability, and in virtual real-time. Professor Allen S. Lee states that “... research in the information systems field examines more than the technological system, or just the social system, or even the two side by side; in addition, it investigates the phenomena that emerge when the two interact. “