

# [Mpo – a firm can only function well](https://assignbuster.com/mpo-a-firm-can-only-function-well/)

[Business](https://assignbuster.com/essay-subjects/business/), [Decision Making](https://assignbuster.com/essay-subjects/business/decision-making/)

MPO Outcome 3Assessment 1.      Henry Fayol was a French mining engineer andmanagement theorist. He is well known for his 14 principles of management and 5functions of management.

These principles of management serve as a guidelinefor decision-making and management actions. Fayol’s 5 functions of managementare: Planning – this is looking ahead, creating a plan of action is the mostdifficult of the five tasks therefore it requires an active participation ofthe entire organisation. Planning is demonstrated in J. O. C as in the 5 yearsprior to her redundancy, Suzy used her holiday time to achieve qualificationsand spent 6 months gaining valuable work experience before starting the business. Organising – a firm can only function well if it is well-organised. Managersmust train and recruit the right people for the job, and always secure asuitably skilled workforce.

This is shown by Suzy as she allocated tasks/rolesto appropriate employees e. g. Hafiz – Chocolate Production, Leon – ChocolateDevelopment. She also made sure there were sufficient raw materials and hadgood relationships with two main suppliers. Commanding – management should giveclear commands to its workforce so it can produce the desired output, clear cutinstructions also keep the employees motivated.

Suzy did this in J. O. C bygiving clear work instructions and motivating employees by involving them in chocolatetasting and naming. Coordinating – when all activities are harmonized, theorganisation will function better, eg in J. O. C Suzy ensures there is clearcommunication, regular meetings with employees and job reviews. Controlling – byverifying whether everything is going according to plan, the organization knowsexactly whether the activities are carried out in line with the plan. In J.

O. C Suzymeasures company’s performance by regular meetings in order to meet theobjectives. 2.      Two ways that organisations can measuremanagerial effectiveness are communication and leadership. A manager witheffective communication presents new ideas effectively and gains the support ofothers, they also encourage and recognise the contribution of others. Leadership empowers employees by delegating authority to lowest level possibleand demonstrates initiative, persistence and courage in meeting organisationalgoals. Qualitative methods of measuring if Suzy is doing a good job may includemeasuring employee satisfaction by conducting interviews or surveys and lookingat the number of grievances or attendance levels.

Some quantitative ways couldbe controlling the costs of inputs by implementing budgets and comparingbudgets at the end of every month to see what is actually spent. Wastage levelscould be measured by recording how much wastage there is every month. 3.

An appropriate behavioural theory of leadershipis McGregor’s X and Y theory. Theory X’s assumptions are that people are lazy, unmotivatedand don’t like to work, it also assumes that workers lack ambition, dislikeresponsibility and prefer to be led. They also have to be controlled, forcedand threatened to deliver work. Managers who believe that employees are likeTheory X tend to use an autocratic style of management, such as Charlie Largefrom CG Chocolates. He demonstrates his belief in Theory X as he would coercestaff to make an effort by threatening staff with dismissal or actually sackingthem if they made a mistake. He also believes that people must have externalincentives – eg he gave bonuses every quarter to those he thought were worthyand invited selected members of staff to play golf with him.

Whereas Theory Yassumes that staff want to work and are self-motivated to complete their tasks, want independence and seek responsibility and want to use their creativity. Theory Y is a more laid back, participative style of management. It is shownthat Suzy from J. O. C adopts the Theory Y outlook as she puts her trust in herstaff and gives them responsibilities such as naming the chocolates and blindtasting them, which also would also allow the staff to release their creativeside. 4.      A contingency theory of leadership is Hersey andBlanchard’s situational theory. To Hersey and Blanchard, their leadershipstyles stem from four basic behaviours, designated with a letter-numbercombination: S-1 Telling – Leader decides on course of action and announces it, high task, low relationship.

S-2 Selling Leader decides on course of action and sells it, high task, highrelationship. S-3 Participating – Leader involves followers in the decision-making process, highrelationship, low task. S-4 Delegating Leader allows followers todecide/implement, low relationship, low task. I would say that Charlie Largefrom CG Chocolates adopts the ‘ telling’ style as he is very stubborn and seeshimself as ‘ an expert in all areas’, he simply tells each member what to do, and how he would like them to do it, if they do no not abide by his rules theywill be threatened with dismissal or actually sacked.

Whereas Suzy sides moretowards the participating/delegating stage – eg she let employees have a say inthe decision-making process when they were allowed to name and taste thechocolates. She also delegated jobs, such as putting Leon in charge of chocolatedevelopment and the Newcastle operation and Hafiz was put in charge of chocolateproduction and the Stirling factory. 5.      Theories of leadership could be used to improvethe way Suzy leads the staff as good leaders are made not born.

The bestleaders are continually working and studying to improve their leadershipskills. The theories help you understand and interpret behaviour of the leaderand also the followers. eg J. O. C may want to use Tannenbaum and Schmidt’scontinuum theory has simple scales that a leader can use to give a “ thumbin the wind” assessment of what leadership style to use. It’s alsoimportant to have an understanding of these theories as what you do in one leadershipsituation will not always work in another situation, eg for Hersey andBlanchard’s theory – at the beginning/development stage of J. O. C Suzy may havehad to use the ‘ telling’ method as she wouldn’t know whether or not to trusther subordinates’ decision making yet.