

Exam notes

Business, Management



Chapter 1- PRE MID Study Questions : 1) What are the challenges of working in the new economy 2) What are the organizations like in the new workplace? 3) Who are the managers and what do they do? 4) What is the management process? 5) How do you learn the essential managerial skills and competencies? Overview of the 21st century workplace -Organizations must adapt to rapidly changing society -Economy is global and driven by innovation and technology-High performing companies gain extraordinary results from people working for them -Interdependent, knowledge based

STUDY QUESTION 1

Intellectual Capital- People are the ultimate foundations of organizational performance, it is the collective brainpower or shared knowledge of a workforce that can be used to create value. A knowledge worker adds to the intellectual capital of an organization. Globalization- National boundaries of world business have largely disappeared. Globalization is the worldwide interdependence of resource flows, product markets, and business competition that characterize the new economy. Technology- There is an increasing demand for knowledge workers with the skills to fully utilize the technology such as (internet computers and information technology)

Diversity- Workforce diversity reflects differences with respect to gender, age, race, ethnicity, religion, sexual orientation, and ability. Creates a diverse and multicultural workforce but challenges and offers opportunities to employers. Ethics- Code of moral principles, society requires business to operate according to high moral standards. Emphasis today is on restoring the strength of corporate governance. STUDY QUESTION 2 Some Critical

skills for success in the workplace are; mastery, contacts, entrepreneurship, love of technology, marketing, passion for renewal.

Organization- A collection of people working together to achieve a common purpose. Organizations provide useful goods and or services that return value to society and satisfy customer needs. Organizations are Open Systems- Composed of interrelated parts that function together to achieve a common purpose and interact with their environments. They transform resource inputs into product outputs(goods and services). Environmental feedback tells organization how well it is meeting the needs of customers and society.

Organizational Performance- value is created when an organization's operations add value to the original cost of resource inputs. Value creation occurs when businesses earn a profit or nonprofit organizations add wealth to society. Organizational Performance -Productivity: an overall measure of the quantity and quality of work performance with resource utilization taken into account -Performance Effectiveness: An output measure of task or goal accomplishment -Performance Efficiency: An input measure of the resource costs associated with goal accomplishment

Workplace changes that provide a context for studying management; belief in human capital, demise of " command and control", emphasis on teamwork, Preeminence of technology, Embrace of networking, New workforce expectations, concern for work-life balance, focus on speed.

STUDY QUESTION 3 Importance of human resources and managers; toxic workplaces that treat employees as costs, High performing organizations

treat people as valuable strategic assets, managers must ensure that people are treated this way.

Manager- a person in an organization who supports and is responsible for the work of others, they are the ones who help those whose tasks represent the real work of the organization. Levels of Management: a) Top Managers- responsible for performance of an organization as a whole or for one of its larger parts. b) Middle managers- in charge of relatively large departments or divisions. c) Project managers- coordinate complex projects with task deadlines d) Team Leaders or supervisors- in charge of a small work group of non-managerial workers.

Responsibilities of team leaders: Plan meetings and work schedules, clarify goals and tasks, and gather ideas for improvement, appraise performance and counsel team members, recommend pay raises and new assignments, recruit, develop and train team members, encourage high performance and teamwork, inform team members about organization goals and expectations, inform higher levels of work unit needs and accomplishments, co-ordinate with others teams and support the rest of the organization. Types of Managers: a) Line Managers: responsible for work activities that directly affect organizations outputs. b) Staff managers: use technical expertise to advise and support the efforts of line workers c) Functional managers: responsible for a single area of an activity d) General managers: responsible for more complex units that include many functional areas. e) Administrators: work in public and nonprofit organizations. Managerial Performance and Accountability- accountability is the requirement of one person to answer to a higher authority for relevant performance

results. Effective managers fulfill performance accountability by helping others to achieve high performance outcomes and experience satisfaction in their work.

Quality of work life (qwl) - an indicator of the overall quality of human experiences in the workplace. Some indicators are: fair pay, safe working conditions, opportunities to learn and use new skills, room to grow and progress into a career, protection of individual rights, pride in work itself and in the organization. High performing managers: build working relationships with others, help others develop their skills and performance competencies, foster teamwork, create a work environment that is performance driven and provides satisfaction for workers.

The organization as an upside down pyramid: each individual is a value-added worker. A manager's job is to support workers' efforts. The best managers are known for helping and supporting. STUDY QUESTION 4 Management is the process of planning, organizing, leading and controlling the use of resources to accomplish performance goals. All managers are responsible for the four functions, and they are carried on continually. Functions of management a) Planning - the process of setting objectives and determining what actions should be taken to accomplish them.) Organizing- the process of assigning tasks, allocating resources and arranging the coordinated activities of individuals and groups to implement plans c) Leading- the process of arousing people's enthusiasm to work hard and direct their efforts to fulfill plans and accomplish objectives. d) Controlling- the process of measuring work performance, comparing results to objectives and taking corrective action as needed Managerial activities and roles a)

Interpersonal roles- involve interactions with persons inside and outside the work unit
b) Informational roles- Involve giving, receiving, and analyzing of information.
) Decisional Roles- involve using information to make decisions in order to solve problems or address opportunities
Characteristics of managerial work: Managers work long hours, work at an intense pace, work at a fragmented and varied tasks, work with many communication media, work largely through interpersonal relationships.
Agenda setting- Development of action priorities for ones job, includes goals and plans that p long and short
Networking- The process of building and maintaining positive relationships with people whose help may be needed to implement ones work agendas

STUDY QUESTION 5 Essential managerial skills: Skill-the ability to translate knowledge into action that results in desired performance
Technical skill- the ability to apply a special proficiency or expertise to perform particular tasks*
lower level managers have more of this
Human skill- the ability to work well in cooperation with others
Conceptual skill- the ability to think critically and analytically to solve complex problems. * top level managers have more of this
Managerial Competency- A skill-based capability that contributes to high performance in a management job.

Managerial competencies are implicit in: Planning, organizing, leading and controlling. Informational, interpersonal, an decisional roles. Agenda setting and networking.
Chapter 7-PRE MID Study Questions: 1) How is information technology changing the workplace? 2) What is the role of information in the management process? 3) How do managers use information to make decisions? 4) What are the steps in the decision-making process? 5) What are the current issues in managerial decision making? STUDY QUESTION 1

Knowledge and knowledge workers provide a decisive competitive factor in today's economy. Intellectual Capital- shared knowledge of a workforce that can be used to create wealth * irreplaceable organizational resources* Electronic commerce- the process of buying and selling goods and services electronically through use of the internet. Implications of IT within organizations: Facilitation of communication and information sharing, operating with fewer middle managers, flattening of organizational structures, faster decision making and increased coordination and control.

How IT is changing the office: progressive organizations actively use it to help achieve high performance in uncertain environments. Key developments in networked offices are instant messaging and peer to peer sharing (p2p) STUDY QUESTION 2 Data- raw facts and observations Information- Data made useful for decision making drives management functions Characteristics of useful info: timely, high quality, complete, relevant, understandable. Information system- Use of the latest IT to collect, organize and distribute data for use in decision making.

Management Information System (MIS)- specifically designed to meet the information needs of managers in daily decision making. Decision support system (DSS)- An interactive information system that allows users to organize and analyze data for solving complex and sometimes unstructured problems. Group Decision Support System (GDSS)- facilitates group efforts to solve complex and unstructured problems. *use groupware Artificial Intelligence(AI)- computer systems with the capacity to reason the way people do. Expert Systems (ES)- Software systems that use AI to mimic the thinking of human experts.

Managerial advantages of IT utilizations 1) Planning advantages- better and more timely access to useful information, involving more people in planning. 2) Organizing advantages- more ongoing and informed communication among all parts of the organization, improved coordination and integration 3) Leading advantages- improved communication with staff and stakeholders, keeping objectives clear. 4) Controlling advantages- more immediate measure of performance results, allows real-time solutions to performance problems

STUDY QUESTION 3

Performance deficiency- actual performance being less than desired performance
Performance opportunity- actual performance being better than desired performance
Problem Solving- the process of identifying a discrepancy between actual and desired performance and taking action to resolve it.
Decision- a choice among possible alternative course of action.
Programmed decisions- apply solutions that are readily available from past experiences to solve structured problems, these problems are ones that happen often and are familiar.

Nonprogrammed decisions- develop novel solutions to meet the demands of unique situation that presents unstructured problems. Commonly faced by higher-level management
Crisis Decision making – a crisis involves an unexpected problem that can lead to disaster if not resolved quickly and appropriately.
Certain Environment- offers complete info about possible action alternatives and their outcomes
Risk Environment- lacks complete info about action alternatives and their consequences, but offers some estimates of probabilities of outcomes for possible action alternatives.

Uncertain Environments- Information is so poor that probabilities cannot be assigned to likely outcome of known action alternatives. Systematic v/s intuitive thinking- systematic thinking approaches problems in a rational step by step and analytical fashion. Intuitive thinking approaches problems in a flexible and spontaneous fashion. Multidimensional thinking applies both intuitive and systematic thinking. Effective multidimensional thinking requires skill at strategic opportunism. STUDY QUESTION 4 Decision making Process

Step 1- Identify and define the problem: focuses on information gathering, info processing and deliberation. Decision objectives should be established
Step 2- Generate and evaluate possible solutions; potential solutions are formulated and more info is gathered, data are analyzed, the advantages and disadvantages of alternative solutions are identified. Step 3-decide on a preferred course of action; classical decision model managers act rationally in a certain world, managers face clearly defined problems and have complete knowledge of all possible alternatives and their consequences this results in an optimizing decision.

OR behavioral decision model; managers act in terms of what they perceive about a given situation, recognizes limits to human information-processing capabilities, they will choose the first satisfactory alternative
Step 4- Implement the decision solution; involves taking action to make sure the solution decided upon becomes a reality, managers need to have willingness and ability to implement action plans. Step 5- evaluate results; involves comparing actual and desired results, positive and negative consequences of chosen course of action should be examined.

STUDY QUESTION 5 Availability Heuristic- people use information “ readily available” from memory as a basis for assessing a current event or situation

Representativeness Heuristic- People assess the likelihood of something happening based upon its similarity to a stereotyped set of occurrences

Anchoring and adjustment Heuristic- People make decisions based on adjustments to a previously existing value or starting point. Ethics double check- any decision should follow this ethics rule ask yourself “ how would I feel if myfamilyfound out about this decision? “ how would I feel if this was published in the newspaper” *ethical decisions satisfy the following criteria : utility, rights, justice, caring. Chapter 2- POST MID Study Questions 1) what can be learned from classical management thinking? 2) What ideas were introduced by the human resource approaches? 3) What is the role of quantitative analysis in management? 4) What is unique about the systems view and contingency thinking? 5) What are the continuing management themes of the 21 century? STUDY QUESTION 1

Classical Approaches to management: 1) Scientific Management-(Frederick Taylor) Develop rules of motion , standardized work implements and proper working conditions for every job. Carefully select workers with the right abilities for the job. Carefully train workers and provide proper incentives. Support workers by carefully planning their work and removing obstacles. (The Gilbreths) Motion study, science of reducing a job or task to its basic physical motions. Eliminating wasted motions improves performance.)

Administrative Principles (Henri Fayol) - RULES OF MANAGEMENT a) foresight- to complete a plan of action for the future b) organization- to provide and mobilize resources to implement the plan c) coordination- to fit

diverse efforts together and ensure information is shared and problems are solved. d) Control- to make sure things happen according to plan and to take necessary corrective action

PRINCIPLES OF MANAGEMENT

a) Scalar chain- there should be a clear and unbroken line of communication from the top to the bottom of the organization.) Unity of command- each person should receive orders from only one boss c) Unity of direction- one person should be in charge of all activities with the same performance objective.

MARY PARKER FOLLET Group and human cooperation; Groups are mechanisms through which individuals can combine their talents for a greater good, Organizations are cooperating communities of managers and workers. Managers job is to help people in the organization cooperate and achieve an integration of interests.

Forward-looking management insights; making every employee an owner creates a sense of collective responsibility (precursor of employee ownership, profit sharing, and gain sharing). Business problems involve a variety of inter-related factors. Private profits relative to public good (precursor of managerial ethics and social responsibility)

3) Bureaucratic Organization (max Weber)- Bureaucracy is an ideal intentionally rational and very efficient form of organization. Based on principles of logic, order, and legitimate authority.

Characteristics of Bureaucratic organizations : clear division of labor, clear hierarchy of authority, formal rules and procedures, impersonality, careers based on merit.

STUDY QUESTION 2 Human resource approaches include : 1) Hawthorne Studies - initial study examined how economic incentives and physical conditions affected worker output. No consistent relationship found.

“ Psychological factors” influenced results. Relay assembly test room studies manipulated physical work conditions to assess impact on output, was designed to minimize the “ psychological factors” of previous experiment.

Factors that accounted for increased productivity : group atmosphere and participative supervision. Employee attitudes, interpersonal relations and group processes- some things satisfied some workers but not others, people restricted output to adhere to group norms. Lessons from the Hawthorne Studies: Social and human concerns are keys to productivity, Hawthorne effect-people who are singled out for special attention perform as expected.

2) Maslow's theory of human needs- a need is a physiological or psychological deficiency a person feels compelled to satisfy.

Need levels: physiological, safety, social, esteem, self actualization. Deficit principle- a satisfied need is not a motivator of behavior Progression principle- a need becomes a motivator once the preceding lower level need is satisfied. *Both principles cease to operate at a self actualization level 3)

McGregor's Theory X assumes that workers: dislike work, lack ambition, are irresponsible, resist change, prefer to be led. McGregor's Theory Y assumes that workers are: willing to work, capable of self control, willing to accept responsibility, imaginative and creative, capable of self direction.

Implications of Theory X and Y : managers create self fulfilling prophecies, theory X managers create situations where workers become dependent and reluctant. Theory Y managers create situations where workers respond with initiative and high performance * central to notions of empowerment and self management 4) Argyris's theory of adult personality- classical management

principles and practices inhibit worker maturation and are inconsistent with the mature adult personality.

Management practices should accommodate the mature personality by: increasing task responsibility, increasing task variety, using participative decision making. STUDY QUESTION 3 Management science (operations research) foundations - scientific application of mathematical techniques to management problems. Techniques and applications include: mathematical forecasting, inventory modeling, linear programming, queuing theory, network models, simulations.

Quantitative analysis today- use of staff and specialists to help managers apply techniques, software and hardware developments have expanded potential quantitative applications to managerial problems. Good judgement and appreciation for human factors must accompany use of quantitative analysis. STUDY QUESTION 4 System-collection of interrelated parts that function together to achieve a common purpose. Subsystem- A smaller component of a larger system Open systems- organizations that interact with their environments in the continual process of transforming resource inputs to outputs.

Contingency thinking- tried to match managerial responses with problems and opportunities unique to different situations. * especially individual or environmental differences. No "one best way" to manage. Appropriate way to manage depends on the situation. STUDY QUESTION 5 Quality and performance excellence- managers and workers in progressive organizations are quality conscious. * quality and competitive analysis are linked Total

Quality Management (TQM) - Comprehensive approach to continuous quality improvement for a total organization, creates context for the value chain.

Global Awareness- pressure for quality and performance excellence is created by a highly competitive global economy. Has promoted increasing interest in new management concepts: process engineering, virtual organizations, Agile factories, network firms. Adoption of the theory Z management practices. Core Factors of a Learning Organization -mental models -personal mastery -systems thinking -shared vision -team learning In the 21st century managers must be Global strategists, masters of technology, inspiring leaders and models of ethical behaviour.