

Business office administration essay



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The business office administration study is intended to expose the learners or the entrepreneur who has invested his resources in a business venture and is expectant of profit; the customer service officer who on a daily basis functions to create a good image for the business by providing solutions and answers to customer enquiries, to the basic concept and practice of business office administration. It is hoped that this paper would improve learners' understanding of the concept and practice of business office administration.

2 Concept of Business The concept of business has been given various definitions by scholars, but none can be said to be conclusive or one best definition. According to the New International Webster Comprehensive Dictionary of English Language (Deluxe Encyclopedia Edition), business is “a commercial enterprise or establishment” “an activity one follows regularly and also for profit”. Dungeon (2006) refers to the concept as “the sum of all activities involved in the production and distribution of goods and services for profit”.

Stephenson (1976) defines business as “the regular production or purchase and sale of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants”. Lewis Henry (1962) sees business as “human activities directed towards producing or acquiring wealth through buying and selling of goods”. Also, according to Discuses (1973) the concept of business refers to a form of activity conducted with an objective of earning profit for the benefit of those on whose behalf the activity is conducted. From the foregoing definitions one thing appeared prominent and common, and that is the word “Profit”.

Thus any productive and distributive activity of goods and services not backed or driven by the basic aim of earning of profit cannot be classified as business. Businesses therefore exist only when it has the capacity to improve the financial and material status of the organization and its employees.

1. 3 Concept of Administration Administration has been aptly defined by Adams (1913) as the capacity to coordinate several social energies in an orderly manner such that they can operate in unity to achieve the set objective of the organization.

Lick and Rick (1939) in their views opined that administration is the system of knowledge and practice that promote the understanding of leadership. Furthermore, Lick (1948) stated the functions of Administration to include; planning, organizing, staffing, budgeting, coordinating, training, delegating and reporting. Administration therefore can be defined as the effective and application of human

1. 4 Concept of Office According to Dungeon (2006), an office is a place where administrative, clerical and information processing activities are carried out.

The International Webster Comprehensive Dictionary of the English Language defined office as a room or alluding in which a person transacts his business or carries on his stated occupation; distinguished from shop, store, studio, etc. Basically, an office can be seen as that central place where coordinative, planning, budgeting, reporting and directing activities of business are carried on.

2. 1 Starting a Business: In starting-up a business there are five (5) basic steps to consider: and drawing up business ideas. 2. Conducting and preparing a feasibility report. 3. Incorporating the business. 4. Locating the business 5.

Understanding warning signal and courses of business failure. 1.

Indemnifying Business Ideas: In drawing up a business plan one needs to ask the following question: 1. What are the need areas of the society?

(Conducting a research can give you an idea). 2. What do I enjoy doing? 3.

What pet idea do I have? 4. What sector of the economy is flourishing? 5.

What is my background knowledge and skills? 6. What form of business do I

want? Conducting and Preparing Feasibility Report: This entails a

comprehensive evaluation study of the proposed business to ascertain its workability, visa-visa, its prospect of good returns on investment.

Therefore in conducting and preparing a feasibility port, the following components must be considered: 1. Statement of Business Purpose (e. G. , proposed business name, location, description of products, etc.) 2.

Managing team (details of personnel requirement, structure, duties, etc.) 3.

Description of Business Environment (prospect of success within the next

areas) 4. Technical Appraisal (Factory, Adman building , Raw materials,

Utilities, Machinery) 5. Production Operation (Required machine for

production, Expected capacity of the operation, Maintenance management).

6.

Manpower Analysis (Skills needed, Number of staff, Cost of staff

maintenance, etc. 7. Marketing and Distribution Plan (marketing strategy to

achieve sales projections) 8. Project Implementation Plan (Project phases are

given time line, etc.) 9. Financial Economy Analysis (To determine the

financial viability of the project ; cash flow analysis, profit and loss statement

over the 1st errs, break-even period analysis, method of cost control, capital

requirement sources, etc.) 10. Critical Risk and Associated Problems in the business (This aims to increase the credibility of the business). 11.

Evaluation and Conclusion (Methods used by calculate the prospect of the business – payback erred (BP) discount cash flow method, Average Rate of Return (EAR) on investment Incorporation of the Business: With the viability of the business established, the legalization of the proposed business through the relevant government agency should commence. The need for this is to ensure that the business is by law empowered to carry on its intended ventures. The law as obtain in Nigerian requires that business is registered with the Corporate Affairs Commission (CA) before commencement of activities.

Look up the Companies Act and Allied Matters Decree of 1990 (for limited liability Company) and Act of 1961 (for business name registration). Upon meeting the requirements for registration and certificate of incorporation issued, the registered business thenceforth exercise the power to own property, to sue and be sued, and have perpetual succession. Location of the Business: Of crucial in business survival strategy is its location. If a business is not well located no matter how funded the propensity for its success is very low.

Therefore, in sitting a business the entrepreneur must take into consideration the following. 1 . Proximity to raw material supply. 2. Availability of skilled manpower. . Competitors. 4. Availability of basic economic and social infrastructure Understanding Symptoms and Warning Signals: It is very essential that an entrepreneur after settling down for

business should remain alert for indicators of business failures and quickly work on them. Indication of failure includes: 1. Declining sales 2. Depleted working capital 3. High labor turn- over 4. Declining profit 5. Low quality product. 6.

Declining capacity utilization 3. 1 Forms of Business: Forms of business can be classified into two main categories, I. E. , Incorporated and Incorporated. The choice of the form of business depends on various factors. If the intended business entity is big and would attract shareholding e. G. , a bank, the law requires that it must be incorporated. Similarly, if the intended business entity is small, e. G. , the corner provision store, the law may permit its existence without incorporation. 3. 1. 1 The Sole Proprietorship Form of Business: This form of business is also referred to as the “ Single Proprietorship”.

Thus, as the control of its asset and bears alone its liability. The merit in this form of business are that operation are highly flexible ease to solve, high in privacy, low cost of running, ownership of all profit and enjoys minimum legal restrictions. Its challenges, however, are that a Sole Proprietor is saddled with unlimited liability. Creditors may proceed not only against the asset and property of the business, but also after the personal property of the owner. In other words, the law treats the business and the owner as one.

The businesses most often wind up with the death of the owner; its capacity to raise funds for expansion is limited and this could course its growth rate to be slow. 3. 1. 2 Partnership Form of Business: A partnership consist of two or more person who agree to contribute money and assets to a common fund

with the intension to undertake business as co-owners for the purposed of making profit and sharing same. The common examples of partnership are professional partnership like law firms and accounting firms. In partnership agreements are entered between parties and this agreement may either be oral or written.

When written it is referred to as “ Deed of Partnership”. It spells out the nature of the business, names of partners, amount invested by each partner, loss and profit sharing formula, restriction; duties of partner, dissolution of readership etc. (see Sec. 24 Partnership Act of 1890, which can be imported in the absence of a partnership agreement). A partnership may be general or limited. In a general form of partnership the partner have unlimited liability for the debts and obligations of the partnership, while in the limited partnership the partners are liable only for the amount of their capital contributions.

The merits of a partnership form of business includes: minimum legal restrictions, diversified managerial talents, flexibility of decision making, secrecy, access to more funds and freedom from double taxation. Its challenges are that partnership business has restrictions on transfer of ownership, unlimited liability, conflict authority and control, and dissolution of business with the death, withdrawal or incapacitation of any partner. 3. 1. 3 Company/Corporation A Company is a Juridical entity established under the Corporate Act laws of the government. It is endowed with rights, duties and powers of a person by law, I. E. It may sue or be sued. The word company is often used to denote different types of group of people Joined together for the purpose of carrying on some business for profit. The company is a typical

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example of incorporated business. It is formed by its group Decree of 1990. The process involves the filling of application for incorporation with the CA, and submitting therewith copies of its memorandum of association, article of association, and a statutory declaration of compliance with the requirements of the Companies and Allied Matters Decree and payment of the necessary stamp duties with the Corporate Affairs Commission (CA).

A company may be limited or unlimited. The limited company is that which has its members or owners limited to the amount of shares held by them in the event of equitation. While the unlimited company is that which has its members personally liable for the debts of the company. Note that a company whether limited or unlimited could be private or public. The Merits:

1. It has the ability to attract large financial resources
2. It has legal entity distinct from its owners
3. Ease of expansion
4. Liability of shareholders is limited to their shareholding
5. Efficiency of management
- 6.

Ease of transfer of ownership The Demerits: 1 . Extensive legal Restrictions
2. Lack of secrecy 3. Double taxation 4. Limited personal interest 1. 5

Financing a Business: After deciding to start-up a business and the form of business to undertake, the next important stage is the sourcing of fund.

There are two major sources of finance for business organizations; I. Internal Sources- These includes funds generated from personal savings, family loan and contributions, ploughed back profits, sales of business property or rights, periodic contributions by partners or promoters. II.

External Sources- These may include funds generated from over-draft and loan from banks and private lenders, debentures, sales of shares, factoring,

leasing, trade credit and hire purchase, etc. 1. 5. Vital Guide to Obtaining Loan from Lenders As an entrepreneur who may want to access loan for ones enterprise, the following check list may serve as a vital guide to obtaining loan from lenders. 1. Prepare a comprehensive business plan 2. Prepare an executive summary highlighting the borrower name, address, business description, amount of loan requiring, purpose of loan, and statement of repayment. 3.

Profile of the business owner and managers 4. Business projection of say 5 years Raising funds for business start-ups or expansion has always been a problem for entrepreneurs. This is verily attributable to: 1. Entrepreneurs lack of knowledge on the existence of sources of finance and how to source them. 2. The inability of the entrepreneurs to convince financiers on the viability of their business 3. The Inability of the entrepreneur to package a sound business proposals 1. 6 Important Activities of a Business Office: Activities of a business include the following operational areas: 1 . Finance 2. Personnel 3.

Production 4. Marketing 5. Research and Development These five (5) functions or operational areas are inter-dependent. While financial inputs enable the purchase of raw materials and maintenance of personnel and chicanery, the marketing unit sales the finished products and services to the consumers, and generate information from these consumer on their preferred taste and service, and relate same to the production unit, which in turn transmit it to the research and development unit to act upon. The personnel on the other hand bring together the human element of the organization to achieve the goals of the business.

Of all other activities of business, the personnel operations are the critical success factor in business. It is the personnel that would carry out the financial activities, reduction activities, marketing activities and the research and development activities. Thus, the importance of personnel and its effective and efficient utilization to achieve organizational goal cannot be over emphasized. It is important for an entrepreneur to pay special attention to how to manage human resources for optimal business result. In doing this, the entrepreneur is saddled with the following scope of functions: 1.

Work analysis 2. Manpower planning 3. Recruitment 4. Selection ; placement of staff 5. Orientation ; solicitation 6. Compensation/maintenance 7.

Appraisal of staff performance 8. Employee training and development 9.

Labor relations 10. Personnel safety and welfare 11. Employee conduct and discipline 1. 7 Office Administration Understanding your office will not only enhance productivity and performance, but strong denominators in the work place. 1. 7. 1 Function of an Office The office, no matter its size or elegance performs the following functions: Receiving ; Processing information 2.

Personnel control and welfare 3. Arranging information 4. Storing ; Giving information 5. Planning 6. Budgeting ; financial control 7. Recruitment, placement ; training 8. Compensation 9. Coordinating 1. 7. 2 Importance of an Office in an Organization The office remains one crucial part of an organization, it is in fact the very heart of organization, and thus its importance cannot be overstated. The office maintains relevance because: 1. It is a repository of operating date and records for computing and paying personnel salaries, wages, benefits and person 2. It serves as a channel of communication 3.

It remains a channel of coordination and managerial control 4. It serves as an information center. 1 . 7. 3 Office Layout: Office layout simply implies the general arrangement of equipment and furniture thin a given office space. The essence for proper office layout is to ensure optimal comfort of staff, attractive appearance of the office, ensure equipments are within easy reach of the user, and ensure effective utilization of the office space. In the office layout however, there are three types, and these includes: * Group layout – where workers performing the same Job are grouped together in one office. Process layout – where machines, men and equipment are arranged according to the sequence of operation. * Electric layout – involves a combination of the first ; the second layout, I. , group and process layouts. 1 . 7. 4 Organizational Structure of the Office: An office can be arranged in two basic ways: * Open office * Partitioned or closed office/private office design The choice of the structure to adopt depends on the size and number of employees the organization have and their categories or specialization, and the convenience of the location of the building.

The open office and its merits: The open office is an UN-partitioned room where Its Merits are: 1. It saves space since no partitioning 2. It is cost effective 3. It facilitates effective communication among staffs 4. Reduces staff movement 5. Supervision of subordinates is easier 6. It reduces the incidence of fraud in the office Its Demerits are: 1. Office environment is mostly noisy – especially from phone calls 2. There is no privacy 3. It demoralizes some employees, especially the middle and top level managers who needs prestige to go with their position 4. Lack of secrecy 5. Infection are easily passed on 6.

Slightest noise distract the entire office

The Closed Office and its merits: The closed office is partitioned rooms with each Job designate having its own room.

1. It enhances concentration on the Job
2. It offers privacy . Motivates staff who needs prestige to go with their position
4. Enhance confidentiality of documents
5. Enhance productivity

Disadvantages:

1. It is expensive – partitioning and furnishing
2. It slows down communication and work flow
3. It encourages idleness on the Job
4. Supervision is made a bit cumbersome where the supervisor have to supervise a number of subordinate in various offices. . It reduces the number of staff an office floor can accommodate.

1. 8 Business Ethic ; Corporate Social Responsibility:

1. 8. 1 Ethic: Ethics involves learning what is right and then doing the right thing. Business ethics Hereford involve knowing what is right or wrong in the workplace and doing what is right, this is in regard to effects of products or services and in relationship with stakeholders. Many ethicists assert there is always a right thing to do base on moral principles and others believe the right thing to do depend on the situation.

Ultimately it's up to the individual. Managers are struggling in time of crises and confusion; they retain a strong moral compass. Ethics therefore, is the parameters of what is acceptable and unacceptable behavior. A standard on which people can compare their behavior.

1. 8. 2 An Ethical Organization: An ethical organization is one which is:

- * Obsessed with fairness
- * Responsibility is individual rather than collective
- * Clear vision of integrity throughout the organization
- * Ease of interaction with internal & external stakeholders
- * Reward system aligned with integrity

1. 8. Key Success Factors for Implementing an Ethical Organization:

- * Chief Executive support
- * Consider

establishing an ombudsman * Constant education of staff * Establishing an ethics committee from across organization

1. 8. 4 Resolving Ethical Dilemmas in the Organization: Ethical dilemmas exist when one is faced with having to make a choice among alternative, I. E. , whether or not to lie, steal, cheat, break terms of contract, etc. * Ethical dilemma faced by manager or the customer service officer are often more real to life and highly complex with no clear guideline whether in law or in religion. Ethical dilemmas are often choices between right & right than right & wrong. For instance, obeying Federal Government policies on “ Quota System” or “ Federal Character” in employment vs.. Applying the organization’s recruitment policy requirement.

1. 8. 5 Framework for Ethical Decision Making As a guide for deciding on a course of action, follow these steps: . Recognize the event, decision or issue: * You are asked to do something that you think might be wrong are aware of potentially illegal or unethical conduct on the part of others. You You are trying to make a decision and you are not sure about the ethical course of action. 2. Think Before You Act * Summarize and clarify the issue * Ask yourself – why the dilemma? * Consider the optima ; consequence * Consider who may be affected * Consult with others * Determine your responsibility, employees, sponsors, vendors? Relevant facts ; information * Refer to applicable policies or professional standard Assess the risk ; how you could reduce them * Review all the * Consult with others (your supervisor, unit manager or direction) 4.

Test your Decision * Consider your company core values ; code of ethics 1. 8. 6 Review the Ethics questions as follows: * Is it legal/ethical? * Does it feel right? * How would it look in the newspaper? * Will it reflect negatively on

you or the company? * Who else could be affected by this? * Would you be embarrassed if others know about your course of action? * Is there an alternative action that does not pose an ethical conflict? * Is it against your policy? What would a reasonable person think? * Can you sleep at night? 1.

Corporate Social Responsibility (CARs): Corporate social responsibility is simply seen as the obligation of an organization to protect, give back and contribute to the wellbeing of the community within which they operate. It is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. 1. 9. 1 Origin of Corporate Social Responsibility

The term “ Corporate Social Responsibility” came into common use in the late 1980s and early 1990s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, Strategic management: a stakeholder approach in 1984.