

Chapter 4 Management Functions I

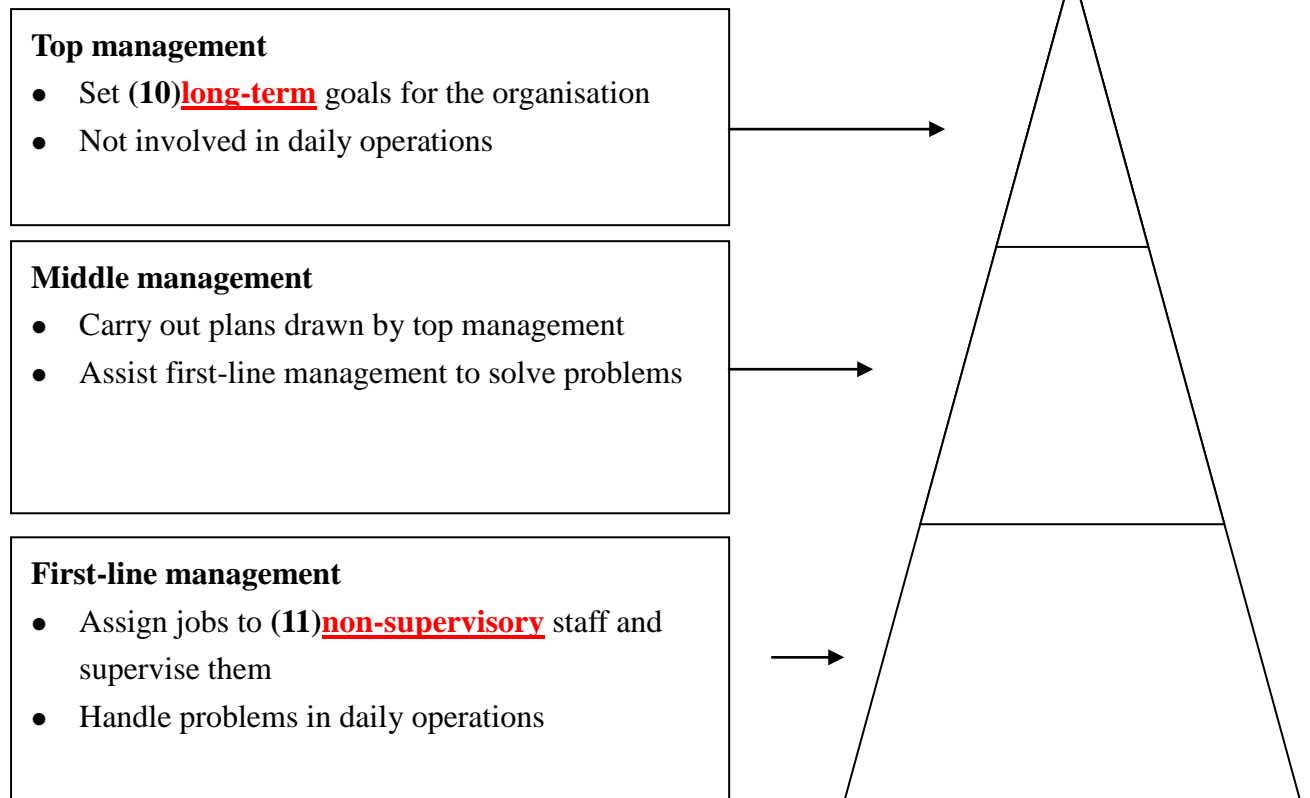
Summary

1. Basics of Management

1.1 Organisation and Management

Organisation	<ul style="list-style-type: none">• It comprises of people with (1)assigned roles who work together to achieve at least one (2)common goal.• It may not be a business, for example, a school.• Organisational goals vary among different organisations, while management is necessary to achieve the goals.
Management	(a) Definition: <ul style="list-style-type: none">• It is the process of (3)planning, (4)organising, (5)leading and (6)controlling resources effectively and efficiently within an organisation.• Managers are responsible to manage limited resources well to attain organisational goals.
	(b) Importance: <ul style="list-style-type: none">• Reducing (7)wastage of resources: Good management helps utilise resources more effectively and efficiently.• Promoting staff (8)morale: Employees have clear duties and are more united towards organisational goals.• Raising (9)goodwill: A well-managed organisation can build up a positive image.

1.2 Management Levels



2. Four Functions of Management

2.1 Planning

Definition	It is the process of setting goals and deciding ways to achieve the goals.
Importance	<ul style="list-style-type: none"> • Set clear goals: They motivate employees towards the correct direction. • Foresee (12) problems: Challenges are predicted and appropriate actions are taken. • Utilise resources better: It helps prevent wastage of resources and streamline production process. • Facilitate (13) controlling: It provides standards for evaluating performance.

<p>Characteristics of effective goals (SMART goal)</p>	<ul style="list-style-type: none"> • (14)Specific: To avoid confusion and the plan getting sidetracked • (15)Measurable: Expressed in numbers for convenient evaluation • Attainable: Realistic, reasonable and achievable • Relevant: Related to other organisational goals • (16)Time-specific: The necessity to have a completion date
<p>Steps in effective planning</p>	<ol style="list-style-type: none"> 1. Identify the goal 2. Conduct analysis (e.g. SWOT analysis) 3. Develop action plan 4. Implement action plan (assign roles and set deadline) 5. Evaluate the results (adjust the plan if necessary)
<p>Types of plans</p>	<p>(a) By breadth</p> <ul style="list-style-type: none"> • (17)Strategic plans: overall goals • (18)Tactical plans: tools to achieve intermediate goals which support overall goals • (19)Operational plans: to facilitate daily operations <p>(b) By (20)time horizon</p> <ul style="list-style-type: none"> • Long-term plans: three to five years • Mid-term plans: one to three years • Short-term plans: one year or less

2.2 Organising

<p>Definition</p>	<p>It is the process of how a manager arranges resources in order to achieve organisational goals.</p>
<p>Functions</p>	<ul style="list-style-type: none"> • Define the work necessary to achieve goals • Break down the work into several tasks and allocate resources • Coordinate activities of different individuals and groups • Change (21)<u>organisational structure</u> to adapt to organisational needs
<p>Definition of organisational structure</p>	<p>It is a formal system of interaction and co-ordination of individuals and groups within an organisation to work for organisational goals.</p>
<p>Types of organisational structure</p>	<p>(a) By level:</p> <p>Tall organisation: more management layers, (22)<u>lower</u> span of control, thus (23)<u>slower</u> decision-making</p> <p>Flat organisation: fewer management layers, (24)<u>higher</u> span of control, thus (25)<u>quicker</u> decision-making</p> <p>(b) By authority:</p> <p>(26)<u>Line authority</u>: person at a higher position has the authority to instruct his/her subordinates</p> <p>(27)<u>Staff authority</u>: positions that support and advise line managers and departments</p>
<p>Importance of organisational structure</p>	<ul style="list-style-type: none"> • Define (28)<u>relationship</u> (superiors, subordinates, colleagues) • Assign tasks • Delegate (29)<u>authority</u> • Distribute information

Departmentalisation	<p>It groups similar jobs together for better management of employees and resources.</p> <ul style="list-style-type: none"> • By function • By (30)<u>geographical</u> location • By product/service
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2.3 Leading

Definition	It is the process of directing, guiding and motivating a group of people working together to achieve a goal.
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2.3.1 Comparison of leadership styles

	Autocratic leadership	Democratic leadership	Free-rein leadership
Meaning	Leaders make all decisions and solve all problems themselves.	Subordinates can get involved in decision-making.	Subordinates are given full autonomy to make decisions.
Nature of task	<ul style="list-style-type: none"> • Simple and routine • Arrangement is likely (31)<u>resisted</u> by subordinates 	<ul style="list-style-type: none"> • More complicated and (32)<u>creativity</u> required • Subordinates' support is required to complete the task 	
Urgency of decision	<ul style="list-style-type: none"> • Leader can make quick decisions 	<ul style="list-style-type: none"> • Requires time to discuss with subordinates 	<ul style="list-style-type: none"> • Employees can make quick decisions
Subordinates' ability	<ul style="list-style-type: none"> • Subordinates are not (33)<u>experienced</u> 	<ul style="list-style-type: none"> • Subordinates can handle the work independently 	
Subordinates'	<ul style="list-style-type: none"> • Subordinates are 	<ul style="list-style-type: none"> • Subordinates are (35)<u>enthusiastic</u> about work 	

personalities	(34) <u>passive</u> and not willing to take initiative	<ul style="list-style-type: none"> • They are willing to take up responsibilities
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2.4 Controlling

Definition	It is the process of monitoring the activities of an organisation to ensure that they go in line with the plan and organisational goals.
Steps in effective controlling	<p>Step 1: Establish performance (36)<u>standards</u>: for easy evaluation</p> <p>Step 2: Measure actual performance. Keep records regularly</p> <p>Step 3: Analyse (37)<u>deviation</u> between actual performance and standards. Consider the difference and take action when needed</p> <p>Step 4: Take (38)<u>corrective</u> measures: direct back to the original goals</p>
Characteristics	<ul style="list-style-type: none"> • (39)<u>Result-oriented</u>: To ensure organisational goals are achieved • Objective: Objective and measurable performance standards for comparison with actual performance • Timely: Timely evaluation and control • (40)<u>Fair</u>: Apply to all subordinates impartially • (41)<u>Flexible</u>: Can adjust to environment accordingly