

Management Practice in an Organization

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Chapter One

1.0 Introduction

Every institution, Organization, sect, household and business needs proper management to ensure a smooth running of such Organizational set up. An institution such as an educational institution, if not properly managed, planned and controlled cannot achieve success. In a nutshell, good management needs to be established. Human, material and financial resources must be present to achieve managerial goals and objectives. If proper manpower budget is not well planned, the Organization would be faced with a high risk failure. Individual staffs control all the other resources of the Organization. Cole (2002) posit that Human resources Planning is not just a number game, even though labour statistics are an important element in it. Human resource planning is as much, if not more, concerned with the quality of personnel and with their deployment throughout the Organization. (Maxwell J. 2001) Posit that “Stop trying to grow your Organization. Work on people’s attitudes. If you do that, your organization will experience 10% growth overnight”. In an Organization, people are the most difficult resources to be managed. With this reason, proper care has to be established in selecting personnel to man sensitive positions within an Organization. Most Organizations in Nigeria especially in Public Sector, to achieve managerial success need set up an administrative department so as to have a proper coordination of the activities. An administrative office need plan to source for its manpower. The idea of selecting staff to man and occupy positions in most Organizations like the public sector is known as recruitment and appointment. Administrative functions also include discipline, promotion, training and the rest to achieve set targets. A housewife who plans her day to day domestic functions like getting the home tidied up, getting meals prepared at appropriate time, getting the children ready for school, ensuring that they are performing greatly in their academics and setting some control measures is already carrying out management act.

Management in a general context involves the act of getting things done and evaluating performance which is known as controlling. Controlling is one important aspect of management that ensures that things are done orderly that is in a proper way. A micro business for instance a block industry that is just establishing needs to carry out a feasibility study in determining how best the business is to be managed in respect of costing, financing and in every expected outcome. Raw materials like water, cement, soil and so on needs to be put into consideration in the management of such businesses. It needs capital, assets like land and building, plant and machinery, motor vehicle and so on for the commencement of such. In a nutshell, management encompasses every spheres, every activity, be it in religion, sports, market and so on.

1.1 Philosophy of Management

Management is an art and science that encompasses all activities within an Organization. It is the life wire, root and core of every institution, Organization, firm, and business micro, macro, public or private. It involves the planning, coordinating, controlling, organising of all the activities that go on within an Organization. Philosophy is seeing things and knowing why things are the way they are. It is more of the basic laws which drive other acts.

(Springer M. 2005) p15 posit that philosophy of Management is being able to identify and manage what needs to be done. He called this process "**requirements management.**" Springer further describes the Requirements of management which involves five steps;

1. Identification,
2. Analysis,
3. Allocation,
4. Verification, and
5. Traceability.

(Springer 2005) found out that Requirements identification is the process of collecting stated and derived requirements from both internal and external sources. External documentation that provides a source for program stated and derived requirements include the customer supplied description of what is needed (the "request for proposal"). Internally, even though the customer never asked for, as an example, a specific gauge of wiring, the electricians are required by code to install only a certain gauge of wiring. This, therefore, is considered an internal requirement, meaning it came from the contractor, not the customer.

An explicitly stated requirement is one which is stated directly by the customer—for example, "I want a four bedroom house with 2½ baths." In this case, the two stated requirements are: (1) four bedrooms, and (2) 2½ baths. Now, as a contractor, you know that creating four bedrooms requires a whole lot of other activities. Philosophy of Management is the way by which management should function. It is the flow of management activities by which an Organization's objectives could be achieved. There are certain ethics that management of an Organization need inculcate in order for the Organization to succeed and to meet its goals. They include;

- a.. **Open Communication:** In order for an Organization to function and perform successfully, there is need to communicate freely among employees, employees and employers, (i.e) the need for

vertical and horizontal communication must be feasible. The Top management level should be able to know what happens at the lower level, be able to review, analyse and take adequate measures to correct whatever lapses or variance. Open communication should assist serve as a control measures for evaluating performance. Informal communication should be encouraged in an Organization. It should not be formal always. This would make the staff freer and open in reporting issues.

- b. **Responsibility:** Each staff should be faced with responsibilities of performing certain task and duties delegated to them. When staffs are faced with responsibility, they are equally empowered by authority to perform their responsibilities. In other words, responsibility and Authority are inseparable.
- c. **Affinity to action:** Individual staff should not be too satisfied that he has reached the climax of his achievement. In other words, the longing to put in their best and perform better is something that should awaken within them. It should be a desire that would unfold within an individual. Each individual should be able to develop new ideas that would create room for improvement. There can never be stagnation but improvement in what we can do for the betterment of the Organization's goal.
- d. **Teamwork:** Working as a team obviously has a great and positive impact on the success of every Organization. Management of any Organization should thereby encourage teambuilding which enables staff to share ideas that would lead to the success of the Organization.
- e. **ICT:** Information Communication Technology (ICT), is a means of receiving and sending of information in an electronic form amongst management staff and outside the Organization through the **internet** access with the use of an electronic device known as the computer. With the aid of a computer, it can also be used to process raw data into information. Management should avail each individual staff the opportunity to acquaint them with recent technology. People do not like change. This is because people dislike adjusting to new ideas which might task their brains. Wilson W. posits that "If you want to make enemies try to change something". The management of an Organization should encourage the use of computers amongst its employees in the Organization. This would give management competitive advantage and also meet with current trend in its external environment.
- f. **Customers' satisfaction:** It is a common saying, that "Customers are always right". Organizations depend on their customers for their growth and success. When customers are

satisfied and happy, they tend to call back. In other words, they should be treated with all hospitality and fairness.

- g. **Fairness to employees:** The remunerations of the employee should be attractive. The same rules and laws should apply to every employee in an Organization. There should not be any form of biasness in whatever form. If such is bound to happen, it would be creating an unhealthy environment.
- h. **Flexibility and Resilience:** Employees of an Organization should not be rigid as to adjust to changes. Changes might come in form of new technology; market strategies that would help move the Organization forward. Being able to rise again after a fall is a good quality that should be emulated in order to achieve Organizational goals and objectives. Such an act is known as managerial resilience.
- i. **Individual Differences:** Management should develop the skill that would enable them to identify each individual's quality. Management should know that it is the collaboration of each individual's quality and skills which lays their strength that brings forth growth and development. It is in this that the Organization can grow and succeed.
- j. **Collaborative Decision Making:** The management of every Organization should involve every staff at all levels within the Organization to participate in the decision making of an Organization. The essence of this is to carry all personnel along and also to have a clear view and understanding of all situations in the internal and external environment.
- k. **Employee recognition:** Employees should be recognized especially when they do extraordinary things. They should be motivated in their jobs if possible be given some incentives that would motivate them into putting best in their jobs. They should be spoken well of.
- l. **Courageous and Determined:** Being courageous and determined is one of the good qualities an individual should possess to achieve success in every endeavour. Determination can lead to managerial resilience. Creativity: Employees should not just be the "do only what is required of you". They should have the spirit to initiate new ideas and be creative in their work. Creativity is life and movement. The spirit to create should burn out from each individual.

Chapter Two

2.0 Overview of Management

Management as defined by (Kreitner 1995) page 4 is a process of working with and through others to achieve organizational objective in a changing environment. Central to this process is the effective and efficient use of limited resources. (Heinz W. Et al.) Posit that management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. The key aspects of management are getting things done through people in an effective, efficient and economic manner in order to achieve the organization's objectives. It is the effective and efficient use of related resources, human, material, capital for the actualization of a goal known as the overall Organization's goal.

2.1 Effectiveness and Efficiency

(Laurie 1996) defined Effectiveness as concerned with 'doing the right thing', and relates to inputs and what the manager does. (Laurie J. 1996) posit that Efficiency "is concerned with 'doing things right', and relates to inputs and what the manager does". This however involves balancing the amount of resources used to achieve an objective, against what was actually accomplished. Here the more favourable the ratio of benefits to costs, the greater the efficiency. It is the achievement of ends with the least amount of resources. Most Organizations who are more profit oriented rather than satisfying their customers, end up running into loss that they least expected. A scenario is a block industry that moulds/produces blocks to sell for erecting building. If for every 100 blocks to be moulded or produced, the quantity of sand to be used to produce a quality product (block) is one tipper load of sand and the quantity of cement needed to produce that same quality is thirty (30) bags, the company is said to meet the needs of the consumers. This also goes in achieving the objective of the Organization. In some industries where inefficiency does not exist, and the management in the quest to maximise profit rather than maximising quality, they tend to use less materials like cement, thereby increasing the quantity of sand. It is found out that the quality is poor at times even lead to loss when the finished products (blocks) cannot be used as to achieve the purpose for which is meant for. It goes further causing damage rather than benefit to the end user.

Greitney illustrated how effectiveness and efficiency can be balanced.

	Effectiveness	Efficiency
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1	Where the job is done	Limited resources are wasted
2	Where the job does not get done because	Available resources are underutilised
3	The job gets done and	Limited resources are not wasted

(James, et al 2000) posit that management is a process of planning, organizing, leading and controlling the work of organizing members and of using all available Organizational resources to reach Organizational goals. Managers are people responsible for directing the efforts aimed at helping Organization achieve their goals. (James 2000) found that effectiveness is the ability to minimise the use of resources in achieving Organizational objective "doing things right". He found that effectiveness is the ability to determine appropriate objective 'doing the right thing'.

2.2 The Management Process

(James, et al 2000) posit that the Management process is a systematic way of handling activities.

- a) *Planning*: The process of establishing goals and a suitable course of action for achieving those goals.
- b) *Organising*: Process of engaging two or more people in looking together in a structured way to achieve a specific goal or set of goals.
- c) *Leading*: Process of directing and influencing the task related activities of group members on a entire Organization also motivating employees.
- d) *Controlling*: is a process of ensuring that actual activities conform to planned activities

Managers are to ensure that, decisions and actions taken by the employees/staff of the Organization must yield positive result. These decisions should be such that it tends towards achieving the Organizational objectives. However such decisions should have certain attributes and element like;

- i. Establish Standards
- ii. Measuring current Performance
- iii. Comparing this performance to the established Standards;
- iv. Taking corrective action if deviations are detected.

Controlling, as a management function assist the manager in tracking Organizational performance. Increasingly, most Organizations have established new ways in building quality control. One popular

approach in use is the Total Quality Management (TQM). TQM focuses management on the continuous improvement of all operations, functions, and above all, processes of work.

2.3 Evolution of Management Theory

(James et al 2000) posit that Thus, we can understand the evolution of management theory in terms of how people have wrestled with matters of relationships at particular times in history. It consisted of numerous attempts at getting to know these newcomers to industrial life at the end of the nineteenth century and beginning of the twentieth century in Europe and the United States.

Management theory forms the basis and foundation to the success or failure of any business enterprise. Different Organizations form theories that would suit the need of+ the objective of their own business. The better known approaches to early management theory include scientific management, Organization theory and management science which I shall limit myself to in this research work.

2.4 The Theory of Management

The essence of studying management is the development and growth of management thinking which can also be termed as management theory. The role of management theory is to provide a means of classifying an effective Organizational structure by which employees would adopt. For instance the principles of management which are interrelated like the delegation of authority, equality, responsibility and unity of command. When theories are applied; it brings about change in human behaviour especially in ways of doing things. It could be how managers or employees should dress, communicate and compose themselves in an Organizational environment. This also explains the need for management practice. The study of management is very important since historical knowledge helps in understanding the nature of management and reason for the attention given to main topic areas. It also views the interrelationships between the development of theory, behaviour in Organizations and management practice.

(James et al 2000) found that Coherent group of assumptions put forth to explain the relationship between two or more observable facts and to provide a sound basis for predicting future events. Theories are perspectives with which people make sense of their world experiences. Formally, a theory is a coherent group of assumptions put forth to explain the relationship between two or more observable facts. First theory provides a stable focus to understanding what we experience. A theory provides criteria for determining what is relevant. To (Henry Ford) found that a large and compliant work force was one relevant factor as he theorised about his business. In other

words, his theory of management includes, among other things, this assumption about the supply of labour.

Secondly, theories enable us to communicate efficiently and thus move into one and more complex relationships with other people.

Chapter Three

3.1 Scientific Management

Monetary incentives have been seen in recent past to be a motivating factor for higher levels of output. Most Organizations tend to obtain increase productivity from employees through technical structuring of the work Organization.

(Taylor F. W.) the father of scientific management published his book in 1911 where he described the scientific method to the utilisation of workers could help improved productivity in an Organization. When he observed some inefficiency during his contact with the steel worker, Taylor became interested in making sure that workers have interest in their jobs. He believed that in the same way that there is a best machine for each job, so there is a best working method by which people should undertake their jobs. He considered that all work processes could be analysed into discrete tasks and that by scientific method it was possible to find the 'one best way' to perform each task. Therefore each job were broken down into component parts, each part timed, and the parts rearranged.

Taylor noticed that the workers engaged in what is called "soldiering". Here workers tend to put less effort and more time in job that ought not to consume much time as was used.

(Hoopes James 2003) found that the story of the downed Prussian soldier captures Taylor's idea of himself as the iron-willed hero subduing the rank and file. For 100 years now, Taylor has rightly symbolized cruel management power. Driving workers as if they were mindless machines, he aimed to extract their last ounce of energy. Devoid of human sympathy, he was a fist-shaking, foot-stomping tyrant with a power-hungry ego. (Hoopes 2003) posit that Taylor created dead-end factory jobs those "de-skilled" workers. His treatment of men as machines supposedly led American industry, especially the automobile industry into non creative stagnation by the 1970s. In short, Taylor is mostly remembered today as an example of how not to manage. That is unfortunate. It prevents today's managers from learning the many important lessons that he still has to teach, especially the importance of top-down power. More than anyone else, Taylor created modern management and gave it its central importance in economic life. For two generations, managers around the world openly looked to Taylor as their intellectual master. Even now that he is considered mostly an embarrassment in the history of management, profitable businesses follow his pioneering emphases on efficiency, low costs, and pay for performance. To dismiss his top-down methods out of democratic prejudice and dislike for his atrocious personality

3.1.1 Problem of Scientific Management

There were strong reactions against scientific management methods. The employees at that time found the job they were doing very boring, not interesting and requiring little skill. The idea of scientific management was adopted in the American Watertown Arsenal despite the lingering doubts of the controller.

(Mc Gregor) posit that "Every managerial act rests on assumptions, generalisations, and hypotheses - that is to say, on theory. Our assumptions are frequently implicit, sometimes quite unconscious, often conflicting; nevertheless, they determine our predictions that if we do a, b will occur. Theory and practice are inseparable.

3.2 Organizational Objective

When an individual gets up from his bed in the morning, takes his bath, get dressed-up and dashes into his car, he is sure to have an aim which he wishes to achieve. This aim is seen as an objective. Where two or more people come together, bringing their resources and skills together to achieve an objective, an Organization is said to have been formed. Organizations are established to achieve an objective which has been set to meet with the overall Organizational goal. An objective can be used to set standards.

(Kreitner 1995) highlighted Importance of Objectives as;

- **Target:** "...useful tools for measuring how well an organizational sub-unit or individual has performed". When targets are set, the Organization moves a step further in achieving its objectives.
- **Measuring Sticks:** "...Without objectives, managers at all levels would find it difficult to make coordinated decisions". It is apparently obvious that these objective moves management in setting yard sticks which could be used in measuring performance.
- **Commitment:** "The very process of getting an employee to agree to pursue a given objective gives that individual a personal stake in the success of the enterprise". The individual commitment gives rise to Organizational achievement.
- **Motivation:** "...People usually feel good about themselves and what they do when they successfully achieve a challenging objective". In other words, achieving objective is a source of achievements to Organizational goals.

3.3 Decision Making in an Organization

The existence and success of an Organization is dependent on the decision taken by the top executives. The present day happenings are full of uncertainties. This uncertainty needs a painstaking decisions and actions to meet to the objectives of the Organization. Decision is choosing between alternatives. Some decisions could be difficult and some easy to take. Decisions need to be taken by well experience staff of an Organization to enable it achieve its goals and objectives. Some decisions needs to be taken only at the top management level and some needs also the brain storming of staff and employees at the lower level. Decisions lead to other decisions. Decisions are influenced by alternatives. It is a continuous art in an Organization. Decisions like whether a business needs to be merged or continue on the same trade line are the concern of the top management. Whatever decisions taken by the top management leads to other decisions down the line.

Decisions can be taken in the areas of;

i. Pricing policy

In a marketing set up where the Marketing Manager needs to fix prices especially on a new product could be an odious task. In a highly competitive business environment the Marketing Manager needs to take a decision as to whether price penetration or price skimming should be appropriate for the growth of the business. Price penetration is the art of fixing low price on goods that are highly competitive with high prices outside. The Manager will consider lots of factors such that the Organization does not run into loss or its products being looked upon as poor quality products. Most Organization prefer to use price penetration so as to boost or create public awareness on their product or services.

No Organization is out to make loss, so also an Organization whose only interest is to maximise profit rather than satisfying its customers might be at disadvantaged. The decision taken by the Manager is dependent on the strategic plan of the Organization. The Organization's marketing plan could be to maximise sales and make constant minimal profit.

The other option for the Management could be to fix a high price which is known as Price Skimming. The Organization does this as they try to maximise profit which might last only for a short period of time. Firms that succeed in these are firms who enjoy a monopolistic market. An example of this is a Communication firm in Nigeria. MTN was the first GSM Company in Nigeria that had a great share in the economy of the country within the year 2000/2001 before later onwards other Networks and communication companies emerged. As at then, an MTN communication line could go for about twenty thousand naira (N20,000) compared to the

present cost that is almost free and sometimes free. The Organization made huge sums of money since the monopolised the market.

ii. Product line

The Management of a firm should decide on the products or services that are suitable for the consumption of the environment in which they operate. Such products or services should be at high demand. If decisions are not taken at the right time and as fast as possible especially on the production of a particular product or services, other manufacturers or service provider might take competitive advantage of it.

iii. Line of Business

It is the responsibility of the management to take decisions on whether to go into the field of production or into purchasing and selling of finished products. These decisions are strategic in nature and they are the task of the Strategic Managers. If the Organization decides to embark into the field of production, the management still has to take another decision as to the number of staff that would be needed, the various departments to be active and lots more. Decisions lead to decisions. If the Organization has taken a decision as to procure and sell, the further decision like sources of supply and other relevant decisions need to be taken. We can then see that decision is a continuous art in every Organization at all levels and in all operations.

iv. Human Resource

The Human Resources Manager decides what techniques and criteria to be used in sourcing for employees to man each section of the Organization. The employees must be well qualified and fit in the task accorded them. Sentiment should be out of place here. One of the factors affecting the right placement of staff on particular job is sentiment and bureaucracy. Nepotism has also been one of the major setbacks in placing the right staff to man a position especially in the public sector. In Nigeria corruption at this level cannot be overemphasised.

3.3.1 Importance of Decision Making

Management is all about getting things done in an efficient and effective manner. The decision taken by management towards achieving its objective affects the outcome or the result. The morals and actions of the employees are been affected by the decision taken. Most Organization look upon the leader as one who should be responsible in taking decision. It should be noted that every individual has the capability of contributing to a decision taken in an Organization.

The leader is given credit if the decision he takes is the right one at a given circumstances for a test of time.

3.3.2 Causes of Delay in Decision Making

Decision could at times need some urgency in order to attain to setting objective and to prevent some unforeseen or premeditated circumstances. If they are not taken at the right time, it could be disastrous to the business and Organization. Factors that could cause delay in taking decision could be;

Overflow of Information: When there are too many information leading to too many alternatives, it could pose some difficulty to the decision maker. It leads to delay in taking the decision which might cause loss or disadvantage to the Organization. In a manufacturing Organization, a delay in decision taken by the management or production manager can give other rivals (Organization 'B') an edge over the Organization 'A'. This is so because certain complimentary products produced by the competing 'B' Organization might be preferred in the market to that of the Organization 'A'.

Inexperienced Personnel: For an Organization to function well and successfully, it needs the presence of experienced and qualified staff to man the Organization. Inexperienced staff or manager might not be disposable enough to take timely decision. Timely decisions need to be taken as quickly and as fast as possible in order to meet customers' need thereby reaching the Organization's objective. An example of this is a case of a Star Hotel in Nigeria who suddenly lost its customers due to poor management. Whenever there is power failure, the too standby generator plants are always made available to service the building. It happened that the management failed on their part to take timely decision to service the two plants until the equipment (generator sets) disappointed them at the time it was most needed. This led them to losing their client and equally led to loosing huge sums of money the company would have made from their client during that period. Not only that the top management failed to take decision, the engineers in charge of the maintenance were lax in performing their own duties.

3.4 Organizational Design and Structure

Organizations structures differ amongst Organizations. This is so because every Organization must design their structure in such a way that would be most suitable in meeting their targets and standards. These standards must be directed towards its objective. In this context, managers design structures in relation to task attached to each individual to form a structure that would bring to the accomplishment of the Organizational goals. In other words, Organization's objective is the main focus.

(James et al 2000) describes **Organizational design** as “the determination of the Organizational structure that is most appropriate for the strategy, people, technology, and tasks of the Organization”. He defines **Organization Structure** as the way in which an Organization’s activities are divided, organised, and coordinated. In addition describes Organizational Structure as “the framework that managers devise for dividing and coordinating the activities of members of an Organization”. Organizational Design is the decision making process by which managers choose an Organizational structure appropriate to the strategy for the Organization and the environment in which members of the Organization carry out that strategy.

(James et al. 2000) defines Organizational Design as “the determination of the organizational structure that is most appropriate for the strategy, people, technology, and tasks of the Organization”. “Also posit that Organizational Structure as the way in which an Organization’s activities are divided, organised, and coordinated”.

(Debra L. et al 1994) posit that “Organizational Design is the process of constructing and adjusting an Organization’s Structure to achieve its goals”. “Fredrick Taylor and Henri Fayol were major classical Approach to Organizational design. They believe that the most efficient and effective Organization had a hierarchical structure in which members of the Organization were guided in their actions by a sense of duty to the Organization and by a set of rational rules and regulations. When fully developed accordingly to Weber, such Organization were characterised by specialisation of tasks, appointment by merit, provision of career opportunities for members. Weber called this a bureaucracy.

Weber praised bureaucracy for its establishment of rules for decision making, its clear chain of command, and its promotion of people on the basis of ability and downsizing.

3.4.1 Organizational Structure

This is the way by which and Organizational activities are divided departmentally to achieve the stated objective of the Organization. These are divided among managers, employees.

(Govindaraja M et al 2005) found that Organizational Structure could be characteristics with some salient point which are highlighted.

- a. It leads to Division of Labour
- b. It helps in coordination
- c. It leads to accomplishment of goal
- d. Authority Responsibility Structure

3.4.2 Organizational chart

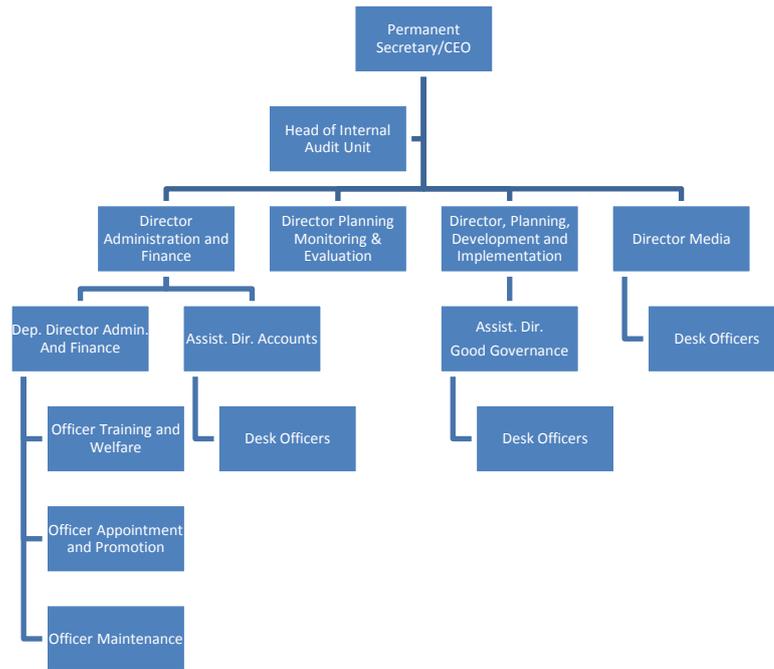
This is can also be called Organizational Organogram showing the hierarchal position of staff including their authority and responsibility.

James et al (Pg. 330) defines Organizational structure as “the way in which an Organization’s activities are divided, grouped and coordinated into relationships between managers and employees, managers and managers and employees and employees.”

Organizational Structure varies amongst Organization depending on the size and activities of the Organization. In a modern society of today an Organization that is into manufacturing of goods might need to design a structure suitable for the need of such an Organization. An example of such structure could be reflected in its organogram/chart below;



In a Public Sector Organization like New Partnership for Africa’s Development (NEPAD) of which its main objectives include; to eradicate poverty, to enhance the empowerment of youth and women, facilitate the growth and development of African Countries, encourage good governance. These objectives are facilitated through awareness creation. A Organizational structure of NEPAD is illustrated in the format below;



The Organizational structure above depicts that of small Accounting Unit (i.e) a small Government Organization.

Debra L. & James C. Q. Pg. 446 sees **Organizational Chart** as what James et al views as Organizational Structure. That "The Organizational Chart is the most visible representation of the Organization's structure and underlying components. Defines Organizational Structure as The linking of departments and jobs within an Organization".

Chapter Four

Functions of Management

4.0 Introduction

Management is a dynamic system of creating an enabling environment where goals of an Organization can be achieved. To achieve these goals, there is need for different activities to be carried out. Such activities which are the main functions of management include;

*Planning,
Organising,
Directing and
Controlling.*

Some other functions which I shall not go into details in this book but in other books include, **communication** in the book Effective Communication in an Organization, **Leading** in the book Leadership in an Organization and **Staffing** which also encompasses Motivation, in the book Human Resources Management.

In this Chapter, we shall discuss each of the management function highlighted above and how they influence management in their decision making process.

4.1 Planning

For over time, business activities, individual activities cannot succeed without initial planning. Planning is a process of gathering and putting together all the activities that needs to take place to achieve an objective. Planning is a product of brain storming and intellectual initiation. The result is an after mart of comparing various variables. It is the evaluation and analysing of ideas and choosing between option to come up with a valued and favourable opinion that is most suitable and best for a particular task or operation to be carried out by individual or staff of an Organization.

A popular saying goes that "if you fail to plan, you plan to fail." In other words, any business that does not have a plan, is expose to failure.

(Louis E. B. Et al 1987) posit that "Planning is a process by which managers set objectives, assess the future, and develop courses of action designed to accomplish these objectives".

Further to saying that plans are natural outgrowths of the planning process. They are detailed expressions of actions necessary to accomplish stated Organizational objectives. Once plans are formulated and implemented, they are periodically evaluated to determine their success in

moving the Organization in the direction of its stated goals. Plan is an act of Planning. Planning itself is a process of setting objectives suitable for an Organization that would meet to the goals of such Organization. Planning is futuristic in nature whereby causes of actions; are being developed to be accomplished by individuals towards achieving said objectives. Planning is deciding in advance what is to be done. It is a continuous process for management decisions which activates all other functions of management.

They are detailed expressions of actions necessary to accomplish stated Organizational objectives.

(James et al 2000) defines planning "as a particular kind of decision making that addresses the specific future that managers desire for their Organization". "Further posit that "Planning is not a single event, with a clear beginning and end. It is an on-going process that reflects and adapts to changes in the environment surrounding each or facing not only stiff competition and the rising expectations of customers, but also evolving technology".

(Govindaraja M. et al 2005) posit that planning is deciding in advance what to do, when to do and who is to do. Planning bridges the gap from where we want to go. It makes possible for things to occur which would not otherwise happen. In a research Institute carried out by the Institute for career Research 2005, it is observed that "Major political conventions and debates require careful and specialized planning, involving a large staff of planners and workers. Business trade takes place at important meetings, conventions and events. For example, the food and publishing industries hold conventions and trade shows to display their new products and offer samples.

Most Organizations plan their future activities during meetings held. Training and education appear to be the most common reasons for meetings. Virtually every type of business holds meetings of some sort.

It is estimated that typical executives spend anywhere from 25% to as much as 75% of their day in meetings. As an industry, more than \$8 billion in were spent in one year on meetings just within the continental United States. Executives believe that many of their meetings turn out to be a waste of time, and it's up to meeting planners to ensure that meetings add to a company's efficiency and profits, rather than just cost money and provide a pleasant diversion for those who attend.

In addition to corporate meetings, people need events planners for entertainment and cultural activities too. If your city offers special summer arts events, planners set up the activities, entertainment and food. What's more, events are held to celebrate special occasions in people's lives. Weddings, retirement parties and other family events require the help of an events planner to make them successful.

4.1.1 Importance of Planning

(Govindaraja M. et al 2005) posit that Planning are important;

- a. To off-set uncertainty and change
- b. To focus attention on objective
- c. To help in coordination
- d. To gain economy in operation
- e. To help in control
- f. To increase Organizational effectiveness

4.1.2 Planning Process

Comprehensive planning is a system of on-going managerial procedures, which include three types of activities. All of these procedural elements are necessary to perform comprehensive planning, but none is sufficient by itself. They include;

- *Gathering evidence*—Acquisition and interpretation of the evidence regarding internal capabilities of the enterprise and external business conditions needed to make planning decisions;
- *Decision making*—Selecting from alternative mission success standards (goals) and approaches for pursuing them (strategy); and
- *Implementation*—Defining instrumental action projects or programs, monitoring their progress, responding to departures of results from intentions, and performing all three elements of this procedure continuously.

4.1.3 Types Of Planning

Plan is Divided into three parts;

- Strategic Management Plan
- Tactical Management Plan
- Operational Plan

Strategic Management Plan:

This can mostly be classified as Mission Statement, Long Term Strategies and plans that would meet the Organization's goals and objectives. These are decisions carried out by Top Level Manager, Chief Executives or Directors that would affect the Organization's activities at the long run.

Tactical Management Plan:

These Plans are being carried out by the Middle Level Managers such as Directors, Heads of Departments and Units. These plans contain activities that need to be carried out annually or half yearly.

Operational Plan

These are plans carried out for the day-to-day operations and running of the Organization. These plans are mostly carried out by middle level management over a short period of time say weeks. Such plans could include carrying out exercise to track ghost workers. It could also be plan to check level of punctuality to work and truancy in an Organization.

Planning requires setting objectives.

4.1.4 Business Planning in Nigeria

Nigeria is a large and vast country in West Africa made of thirty-seven (37) states with a population of over a hundred and sixty million (160m) people. Nigeria comprises of two main religious groups and their different religious beliefs with diverse cultures and ethnicities. Due to these differences in beliefs and cultures, it has coursed a great setback in economic, social and political development in recent years. In Nigeria Planning requires the consideration of so many factors in place especially in business growth. Lots of strategic decisions need to be taken so that business does not fail or go into liquidation. Let us take some few examples of some micro Organizations in Nigeria.

A scenario is a firm that embarks in the production of ice block making. In Nigeria, due to poor energy supply, this business setup needs several other supporting machines like compressors to power it and also a mighty plant (generator) to supply electricity when there tend to be power failure. The location of such establishment needs to be determined also by the management. It is the responsibility of the Panning Manager to take a strategic decision on where the office would be situated. Decisions like proximity to water supply, proximity to customers would be put into consideration. It should be situated in an environment where it would not cause health hazard to people around in other words not to be located in a residential environment.

Another scenario can be given for a micro-business that wishes to set up what is generally called a "Business Cetre" where activities like scanning of documents are done. Also inclusive are activities like photocopying of documents, binding of documents, typesetting, designing and printing of documents, and also could be attached a "cyber cafe".

In a business setting like this, the manager also needs to take a strategic decision on where the office shall be situated, of which the ideal place is mostly in a business concentrated area or school environment. He has to be conscious of constant power supply if not regular and to take a decision of substitute if there is failure. Decisions would be taken on the recruitment of staff with right qualification, well trained and high skills to operate the machines are to be sourced.

4.1.5 Planning Versus Decision Making

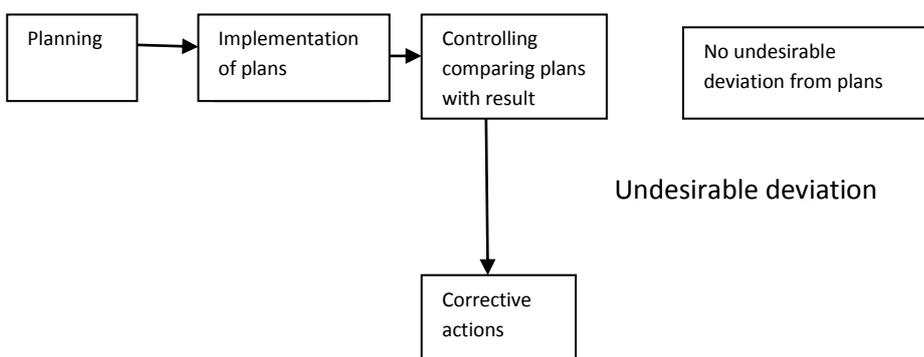
Decision Making is the process of identifying, analysing and evaluating options or ideas and choosing those courses of action that would be necessary to perform a given task. Decisions trigger actions designed to keep plans in motion. Decision making is closely related to planning. Most planning are mostly handled by top and middle management, decision making can be taking at both top, middle and low level management. However, not all decision making is planning, but all planning involves making decision.

Posit that “The better approach is not to give answers, but to ask questions of importance to the organization for growth opportunities. To state it another way, there should be a willingness by company decision makers to start not with the question "What do you think you should do?", but with the question, "What needs to be done" to develop and grow an organization that is committed to optimize its performance today and tomorrow. The willingness to change the way questions are asked can have a profound impact on making wise judgments about growing an optimized organization.

Efficiency of Plan: (Weirich H) posit that “the effectiveness of a plan pertains to the degree to which it achieves the purpose of objectives. The efficiency of a plan, on the other hand, refers to its contribution to the purpose and objectives, offset by the costs and other factors required to formulate and operate it”. (Weirich H.) found that “planning and controlling are inseparable”. In other words they both need each other to succeed.

Fig. 1

The table below depicts how control relates to plan;



4.1.6 Features of Planning

(Louis & David 1987) enumerated three basic features of planning;

- **Anticipatory Decision Making:** This involves Managers deciding what to do and how to do it before action is/ required.
- **System of Decision:** Managers recognises the interconnections between one decision or set of decisions and others. As a result, an entire network of decisions is present, and each impending decision should be considered not only in isolation but also in terms of how it will affect every related decision.
- **Creation of Desired Future States:** Managers engage in decision making concerning the objectives for their Organization.

4.2 Organizing

This is the process of coordinating all the activities of an Organization by using human, material and other available resources towards achieving the overall objective of an Organization. (Hersey P et al) sees Organization and the concept organising as a social system. Found that the focus of the administrative/structural sub-system is on authority, structure, and responsibility within the organization: “who does what for whom” and “who tells whom to do what, how, when, where, and why”. That “the informational/decision-making, sub-system emphasizes key decisions and their informational needs to keep the system operating’. (James et al 2000) posit that “Coordination is the process of integrating the activities of separate departments in order to pursue Organizational goals effectively’’. (Kreitner R. 1995) posit that Organization is a system of consciously coordinated activities of two or more people.

In the Organizational function of management I shall highlight and discuss seven (7) activities that takes place within an organizational setting. These include;

- a. **Job Description-** This allows employees to understand the scope and limit of job they are to perform. It describes where best an employee can perform and produce positive results. It is the duty of the Heads of departments or manager to develop job description that would be fit to the Organizational objective.
- b. **Job Specification-** This describes the duties and task of each employee. This task is shared according to the qualification experience and field of an employee.

- c. Job Specialization: When an employee has worked on a particular job for a period of time, he develops skills on such task. Maxwell J. Posit that “practice does not make perfect— it makes permanent”. Employees, having spent period of time on their job, seems to be specialist on the job.
- d. Span of Control- (Laurie J. 1996) found that Span of Control arises in line authority and refers to the number of subordinates who report directly to a given manager or supervisor. It does not refer to the total of subordinate operating staff, that is those staff who report first to another person. (Pg. 347) that if span of control in too wide it becomes difficult to supervise subordinates effectively and this places more stress on the manager.
- e. Unity of Command-
- f. Job design- This is the division of an Organization’s work among its staff. Job design explains the efficacy of each task towards achieving the objectives of the Organization.
- g. Job analysis- This can be viewed as the method and procedures used to collect information concerning the task, duties and responsibilities of the particular job. It requires gathering of skills in a Organizational environment.

In organising, tasks are distributed to each departments or unit. An instance is a factory where certain departments like **Production** department, **Sales** department, **Administrative** department, **Marketing** Department and so on, each departmental heads are responsible for specific task. Heads of Production Department ensures that proper jobs are delegated to each individual employee in the production department like making available raw materials, processing them at adequate time, at the adequate quantity and quality to meet customers’ need. In this sense, the main objective of this department would be centred more on customer’s satisfaction and not just for maximisation of sales or maximisation of profit.

At the Sales Department, the Head of department is of the responsibility to ensuring that prices of finished goods produced by the Organization’s production department are highly competitive. Here the head of department determines the best pricing policy to use that would be suitable for the Organization to achieve its objective. There are various pricing policy and most commonly known as Price Penetration, Price Skimming, Price Discrimination. This I shall discuss in details in my further write-up – Principles of Marketing.

The Head of Administrative Department ensures that in every department qualified personnel are recruited on each job. The Head of Administration in most Organizations are mostly the Heads of all other departments. The department work out remuneration due for each staff of the Organization. Staffs are being motivated by given incentives and rewards for outstanding efforts

put into their jobs. It is the task of the administrative Department to determine the right employee to be trained on particular jobs and those to be promoted. At the Market Department, the Head of the department has the task of ensuring that Advertisement are done, Product Promotion is encouraged. This department organise what is known as Product Branding. They are centred on looking at customers interest at all times. Organising at a logical sense tend to determine who does what and tend to gather all necessary resources to achieving the overall Organizational goal.

An illustration can be looked into of a building where a structure is being erected. The contractor of whom the job has been assigned to is duty bound to source for specialized human resources in place who would be capable of achieving the objective of setting up the building. These human resources are specialist in their fields of activities. Some of these human resources include meson, carpenter, electrician, and plumber.

Specialization invariably is as a result of division of labour. The disadvantage of this is that it leads to boredom some and no one individual can perform all the task that is required to achieve the goal of the Organization.

4.3 Directing

This involves the process of delegating tasks to staff of an Organization. It is also a process of passing instructions to staff on what to do. For directing to be effective, there must be proper communication. This is a process of distributing or delegating task by Heads of Department to staff or subordinates either in a Private or Public Sector. Directing is an act of assigning formal authority and responsibility for completion of specific activities to a subordinate.

4.4 Controlling

This is a process of ensuring that what has been done is in line with what was planned. Control guides management to monitor the effectiveness of their plan. What is most important in control is taking the most corrective actions that is suitable. (Flamholtz E. G 1996) posit that Organizational Control is a process which is designed to motivate people to achieve goals and to influence the probability that people will behave in the desired ways. It cannot guarantee, nor does it intend to, control 100% of people's behaviour

(Roberts J. Mockler) posit that Management control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these predetermined standards, to determine whether there are

any deviations and to measure their significance, and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives.

James et al Pg. 559 highlighted steps in the control process. They include thus;

Step 1 Establish Standards and Methods for Measuring Performance

Step 2 Measure Performance

Step 3 Does Performance Match the Standards

Step 4 If Step 3 is Yes, Do Nothing

Step 5 If Step 3 is No, Take Corrective Action and Re-evaluate Standards.

4.4.1 Need for Control

- To know if actual performance meets with plan.
- To Adjust to Change if performance deviates.

Control is needed so that plan does not deviate or go awry. It helps Managers monitor changes in the environment (*eg*)

- To Add Value
- To Facilitate Delegation and Teamwork

(Flamholtz E. G 1996) found that the concept of control views it as an ongoing process. Control is dynamic and not static. It must adjust to changes in goals over time.

4.4.2 Forms of Control

- Financial control
- Personnel control
- Material Control

Internal Audit is a Unit in an Organization either in the public or private sector with the sole responsibility of ensuring that rules, regulations and laws are adhered to. The unit ensures some level of control. The main test carried out by the Internal Audit Unit is the Compliance Test. The Administrative Department also do exercise some levels of control especially the Personnel Control. Such controls can be seen in the areas of appointment and recruitment. That is ensuring that well qualified personnel are recruited or appointed into the mainstream of the public sector or the private Organization. The administrative department ensures right discipline and adequate training

of its staff. The Internal Audit Unit however, controls all the other controls in the department. It ensure that all the controls of other departments comply to set down rules. To ensure Financial Control, the Internal Audit Unit wants to determine if funds are properly allocated. To determine If funds were disbursed according to each particular sub head in accordance to rules. This would guide against misappropriation and loss of funds. Materials are kept in the store. Control at this level ensures that quality materials are supplied.

Personnel Control enables the Organization to guide against unqualified personnel occupying positions which they are not qualified for, or underemployed. It would guide against unnecessary training;

- Weather the necessary resources are available,
- If the resources have been properly allocated.
- How available resources can be more efficiently used.
- If they are not been wasted.

In Financial control some basic elements are been considered;

- Budget Variance
- Financial Ratios
- Cash Management and
- Cost Control

Budget Variance as a Control Tool

Krietner R (pg 544) defines budget as "a formal financial projection". "They provide managers with standards for control. Control occurs when actual figures are compared with budgeted figures. Some refer to this process as "management by exception".

(Flamholtz E. G 1996) posit that control functions in various ways. Control motivates people to behave in ways consistent with Organizational goals. Control System must coordinate the efforts of several different parts of an Organization. I provides information about the results of operation, and peoples performance.

Chapter Five

5.1 Operations Management

(Roberta S. R. & Bernard W. T) posit that Operation Management is the technical core of an organization. It is the central function of an Organization. Operations interacts with marketing to receive estimates of customer demand and customer feedback on problems; with finance for capital investments, budgets and stockholder requirements; with personnel to train, hire, and fire workers; and with purchasing to order needed materials for production.

(Everett E. et al) posit that operation System is a "subset" of an Organization that produces the Organization's physical goods or services.

(Krietner R. 1995) found that Operation Management is a process of designing, operating, and controlling a productive system capable of transforming physical resources and human talent into needed goods and services.

Krietner highlighted four basic reasons for operations management.

1. Production is a core organizational function.
- 2.. The production function commands the flow of resources through the Organization.
- 3.. Society depends heavily on the outputs of productive Organization.
- 4.. The production function is tied closely to many serious societal problems such as resource scarcity, [periodic] inflation, and declining productivity".

Barnett (1996) sees Operations Management as "concerned with the efficient conversion of an Organizations resources into the goods and services that it has been set up to provide".

After researching on the definitions of past writers, I would define Operations Management as the planning and controlling of all the activities that process raw materials into finished goods. It can also be defined as all the activities carried out within an Organization in all departments (Marketing, Sales, Finance) to meet to the strategic plan of the Organization.

Operation Management is carried out in every activity of an Organization to meet to the needs of the consumers. It could be in form of service rendered to customer or goods provided to final consumers. In a business setting where beauty is the business of the day, which could be in a tailoring shop or a hair-styling shop, involves the processes of getting measurement of the customer,

cutting of the material and sewing it to bring it to final touch in an effective and efficient manner is what is referred to as Operation Management. Likewise all the processes involved in producing fabrics in a manufacturing industry are known as Operation Management.

Operations Management can help improve the competitiveness of the producer and even be of advantage to the community and country at large.

5.2 Brief History of Operations Management

Robert et al (1998) gave a brief history of Operations Management "Operations Management did not begin until the Industrial Revolution in the 1700s. Prior to that time, skilled craftspeople's and their own homes. Every piece was unique, hand-fitted, and made entirely by one person. Then the invention of an improved steam engine by James Watt and the availability of coal and iron ore set into motion a series of industrial inventions that revolutionized the way work was performed. Great Mechanical-powered machines replaced the labourer as the primary factor of production and brought workers to a central location to perform tasks under the direction of an "overseer" in a place called a "factory". The revolution first took hold in textile mills, grain mills, metalworking, and machine-making facilities"

5.3 Forms of Operations Management

Operations Management plays a lot of functions in so many areas of work activities. It could be carried out in different forms like;

1. Extraction
2. Manufacturing
3. Procurement
4. Sales
5. Total Quality Management
6. Advertising/Promotion
7. Transportation
8. Software packages

- Extraction. This involves processes of obtaining substance especially raw materials like coal, rubber, oil, cotton and so forth either from the soil or water. Some of these materials could be in liquid or hard form. The processes involved in the extraction activities are known as Operation Management. Mechanised equipment's are used to achieve this. Before

extraction is done or carried out, the management needs to know what level of materials they can obtain to determine its effectiveness.

- Manufacturing is an Operational Process of transforming raw materials that has been extracted into what is called finished goods. An instance is a textile industry. Here, we find different types of manufacturing equipment performing different task of making the cotton in a material form, another mixing the cotton with some percentage of nylon if need be, giving the material the colours and designs needed. All these requires some level of operations which the management needs to handle in an efficient and effective way toward achieving the Organization's objective.
- Procurement is a department of Operation Management which requires acquiring of material needed. It could be procurement of raw material or finished goods depending on the need of the Organization as it relates to its activities. In procurement, finished goods of an Organization could be raw material for another Organization. An example of this is crude oil which is being processed into refined oil, or raw cotton processed into material clothing. In this context, it serves as finished goods to the industry. To an Organization that buys this material or textile, it serves as raw material to them; an example is a tailoring Organization. A material which they prepare into final finished goods as readymade sewn clothing ready to be worn for the covering of man's nakedness.
- Sales is another part of Operations Management which requires some tactical decisions to be taken especially in areas of price determination, product modification and design, promotion. The Operation Manager is of the duty in determining what price that would have competitive advantage to the Organization. Here; the Operation Manager would be more conscious of its internal and external environment. He must be able to analyse his strength and weaknesses and also the opportunities and threats that surrounds the Organization.
- Total Quality Management (TQM). This is an intrinsic part of Operations Management. It encompasses the whole activities of management. The Operations Manager here need engage in activities that would distinguish the entire activities of the Organization from others. It ranges from quality of product or services, **quality of leadership**, quality of management employees and work processes. The Operations Manager should be conscious of **Time Management**. That is Product and Services should be available to users at appropriate time. It also considers how well a product or service meets to the specification of its users. An example of this is where a leather sofa or settee is demanded, and instead a settee made of wool or fabric was produced. This can cause the Organization to be at disadvantage to its competitors. The Operation Manager should inculcate the spirit of **team building**. Team Building helps to solve problems and improve quality of work in the

Organization. He should ensure control and waste elimination within the production department.

5.4 Task of Operations Manager

Operation Manager is of the duty to ensuring that he understands the objectives of the Organization's operation. He should understand this in terms of;

- Quality of Product
- Speed
- Dependability
- Flexibility
- Cost

Frank R. Et al (2007) (pg 6) highlighted the task of Operation Manager above.

The Operation Manager should be equipped as to ensure good quality product that would be competitive advantage to meeting consumers' needs. He should thereby ensure Total Quality Management.

He should ensure that products and services are provided at the earliest possible time so as not to cause disappointment to the consumers.

In place of dependability should focus on how the Organization is strong enough to keep to the promises of its customers. The Operation Manager should ensure flexibility of product that would be able to meet changing situations.

The Operation Manager should be able to determine the right cost suitable for the Organization's product. This cost is such that it would be highly competitive to face external forces.

5.5 Operational Risk

Samad-Khan found that Operational risk, broadly speaking, "is the risk of loss from an operational failure. Operational risk permeates all aspects of the risk universe — that is to say it overlaps with and exacerbates all other types of risks, such as market, credit, liquidity and underwriting risk. In fact, in the absence of operational failure, the other risks are much less significant".

5.6 Conclusion

Management is a continuous process of putting in place various activities necessary to achieve a stated and uniform objective. In this context of management which is geared towards achieving objective, resources are harnessed. These resources include human, material and financial resources. Management is said to be effective when targets are met. And said to be efficient when these targets are not only being met but also achieved with lesser resources put. For management to succeed, certain functions must be followed. Such functions include Planning, Organising, Delegating, Leading, Staffing, and Controlling. These functions are interdependent on each other such that Planning leads to staffing and vis-a-vis. The staff and people do the planning. Without Planning, there can be no basis for control which is ensuring that actual results meet with expected outcome.

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