

Topic Overview	
Topic	Business, Accounting and Financial Studies (Compulsory Part) 1(b) Introduction to Management - Management Functions
Level	S4
Duration	8 lessons (40 minutes per lesson)

Learning Objectives:

1. Understand the concept and general functions of management.
2. Demonstrate a basic understanding of the key management functions: planning, organising, leading and controlling.
3. Apply the following principles of effective management: division of work, unity of command, unity of direction, management by objectives, authority and responsibility and span of control.

Overview of Contents:	
Lesson 1	Role and importance of Management
Lesson 2	Planning
Lesson 3	Organising
Lesson 4	Leading
Lesson 5	Controlling
Lesson 6	Effective Management
Lesson 7	Authority and Responsibility
Lesson 8	An Integrated Activity – Planning for a 3-hour Talent Show

Resources:

- Topic Overview and Teaching Plan
- PowerPoint Presentation
- Classwork/Home Assignment
- Quiz

Suggested Activities:

- Class Discussion
- Matching
- Case Study
- Group Discussion

Lesson 1	
Theme	Role and importance of Management
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. explain the general functions of management and its importance; and
2. explain different roles of management.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher explains the concepts of management.	PPT #2	2 minutes
Part II: Content		
✧ Teacher explains 'company goals' with examples.	PPT #3	3 minutes
✧ Activity 1: Class discussion ■ Students are invited to share their ideas about setting company goals for an online game development company.	PPT #4	3 minutes
✧ Teacher provides suggested answer and makes conclusion.	PPT #5	2 minutes
✧ Teacher introduces the basic process of management and management functions - i.e. planning → organising → leading → controlling.	PPT #6	2 minutes
✧ Teacher continues to explain the three levels of management.	PPT #7 - 10	7 minutes
✧ Activity 2A : Matching ■ Teacher asks students to match the levels and works of managers in an online game development company.	PPT #11 – 12	2 minutes
✧ Teacher goes through the answer with students and makes conclusion.	PPT #13	2 minutes
✧ Activity 2B : Case Study ■ Teacher asks students to use their school as a case to identify the three managerial levels and their respective roles and duties.	PPT #14	3 minutes
✧ Teacher invites students to share their answers and makes conclusion.	PPT #15	3 minutes
✧ Teacher describes the roles of management.	PPT #16 – 19	7 minutes
✧ Activity 3: Class discussion ■ Teacher asks students to identify the managerial role performed in the given activities.	PPT #20	2 minutes
✧ Teacher goes through the answer and makes conclusion.	PPT #21	1 minute
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		1 minute

Lesson 2	
Theme	Planning
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. demonstrate a basic understanding of the management function of planning;
2. demonstrate a basic understanding of SMART goals setting; and
3. describe the planning process.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher recaps the four basic managerial functions.	PPT #2	2 minutes
Part II: Content		
✧ Teacher explains the reasons for and concept of planning.	PPT #3 – 4	5 minutes
✧ Teacher introduces the setting of <i>SMART</i> goals	PPT #5 – 7	9 minutes
✧ Activity 1: Class discussion ■ Teacher asks students to (i) discuss in groups the business to be started up and set their company goal; (ii) evaluate if goals set by other groups are SMART goals.	PPT #8	3 minutes
✧ Teacher invites students to share their answers and give appropriate feedback.	PPT #9	4 minutes
✧ Teacher explains the concept of planning process.	PPT #10 – 11	9 minutes
✧ Activity 2: Class discussion ■ Teacher guides students to draft the plan for the online game developing company	PPT #12	3 minutes
✧ Suggested solution is provided for students for reference.	PPT #13	3 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Lesson 3	
Theme	Organising
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. demonstrate a basic understanding of the management function of organising;
2. describe different types of organisational structure.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher recaps the four basic managerial functions.	PPT #2	2 minutes
Part II: Content		
✧ Teacher explains the concept of organising.	PPT #3 – 7	8 minutes
✧ Teacher explains the implications of organisation chart.	PPT #8	2 minutes
✧ Activity 1: Group discussion ■ Teacher asks students to form groups to discuss the importance of the organising function to a company.	PPT #9	4 minutes
✧ Teacher invites students to share their ideas and makes conclusion with suggested solution.	PPT #10	3 minutes
✧ Teacher explains different forms of organisational structure: ■ by level ■ by authority	PPT #11 – 12	2 minutes
✧ Teacher explains the concepts of departmentalisation ■ by function ■ by product ■ by location	PPT #13 – 15 PPT #16 – 21	5 minutes 9 minutes
✧ Activity 2: Design an Organisation Chart ■ Teacher asks students to design an organisation chart for a business.	PPT #22	3 minutes
✧ Invites students to share their design with rationale. Teacher provides feedback and makes conclusion.		2 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Lesson 4	
Theme	Leading
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. demonstrate a basic understanding of the management function of leading; and
2. describe different leadership styles.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher recaps the four basic managerial functions.	PPT #2	2 minutes
Part II: Content		
✧ Teacher explains the concept of leading.	PPT #3	3 minutes
✧ Activity 1: Class discussion ■ Teacher asks students to describe the characteristics of a good leader.	PPT #4	5 minutes
✧ Teacher explains the characteristics of a good leader.	PPT #5	5 minutes
✧ Teacher explains different types of leadership style.	PPT #6 – 10	12 minutes
✧ Activity 2: Class discussion ■ Students are required to identify the leadership style adopted by the management in the given situations.	PPT #11	4 minutes
✧ Teacher invites students to share their ideas and then concludes with the suggested solutions.	PPT #12	2 minutes
✧ Teacher remarks that there is no best leadership style for all organisations/situations.	PPT #13	5 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Lesson 5	
Theme	Controlling
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. demonstrate a basic understanding of the management function of controlling; and
2. describe the control process.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher recaps the four basic managerial functions.	PPT #2	2 minutes
Part II: Content		
✧ Teacher explains the concept of controlling and control process.	PPT #3 – 8	15 minutes
✧ Activity 1: Group discussion ■ Teacher asks students to form groups to design a controlling system for a restaurant to improve its service to customers.	PPT #9	8 minutes
✧ Teacher invites students to share their answers and provides suggested solution for their reference.	PPT #10	4 minutes
✧ Activity 2: Class discussion ■ Teacher asks students to fill in the worksheet regarding the management functions performed by the manager of a local fast food shop.	PPT #11 – 12	4 minutes
✧ Teacher goes through the answers with students and makes conclusion.	PPT #13	2 minutes
✧ Teacher explains the importance of controlling in business management.	PPT #14	3 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Lesson 6

Theme	Effective Management
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. apply the principles of effective management, including division of work, unity of command, unity of direction, and management by objectives.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher explains the importance of effective management and how to achieve effective management.	PPT #2	3 minutes
Part II: Content		
✧ Teacher explains the concept of division of work.	PPT #3	2 minutes
✧ Activity 1: Class Discussion ■ Teacher asks students to think of a kind of business and the job positions in the business then explains 'division of work' with the business they suggest.	PPT #4	3 minutes
✧ Teacher invites students to share their answers with elaboration.		2 minutes
✧ Teacher continues to explain the concept of division of work.	PPT #5 – 6	4 minutes
✧ Teacher explains the concept of unity of command.	PPT #7 – 8	3 minutes
✧ Activity 2: Class Discussion ■ Students are required to discuss the problems of having two supervisors in the case provided.	PPT #9	3 minutes
✧ Teacher goes through the answer with students with elaborations.	PPT #10	2 minutes
✧ Teacher explains the concept of unity of direction.	PPT #11 – 12	3 minutes
✧ Activity 3: Group Discussion ■ Teacher asks students to form groups to discuss the principles of unity of command and unity of direction with the case provided.	PPT #13	4 minutes
✧ Teacher goes through the answer with students and makes conclusion.	PPT #14	2 minutes
✧ Teacher explains the concepts of management by objectives and its advantages and disadvantages.	PPT #15 – 18	8 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		1 minute

Lesson 7	
Theme	Authority and Responsibility
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. apply the principles of effective management: authority and responsibility, and explain the concept of span of control.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher recaps the importance of an effective management.		2 minutes
Part II: Content		
✧ Teacher explains the concept of delegation.	PPT #2	3 minutes
✧ Teacher explains the concept of authority and responsibility.	PPT #3 – 4	4 minutes
✧ Teacher recaps the concept of organisational structure by level (discussed in Part 3 Slide 11) and explains the concepts of span of control.	PPT #5 – 6	4 minutes
✧ Teacher describes wide and narrow span of control.	PPT #7 – 8	7 minutes
✧ Activity 1: Class Discussion ■ Students are required to discuss the factors affecting the span of control.	PPT #9	4 minutes
✧ Teacher goes through the answer with students and makes conclusion.	PPT #10	3 minutes
✧ Extended Learning: Teacher discusses the recent trend of span of control.	PPT #11 – 13	5 minutes
✧ Extended Learning: Activity 2: Group Discussion ■ Students are required to discuss the challenges of managing a virtual team.	PPT #14	3 minutes
✧ Teacher invites students to present their ideas and provides answers.	PPT #15	3 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Lesson 8

Theme	An Integrated Activity – Planning for a 3-hour Talent Show
Duration	40 minutes

Expected Learning Outcomes:

Upon completion of this lesson, students will be able to:

1. apply the understanding of management functions and principles through an integrated activity.

Teaching Sequence and Time Allocation:

Activities	Reference	Time Allocation
Part I: Introduction		
✧ Teacher explains the background of the integrated activity.	PPT #2	2 minutes
Part II: Content		
✧ Activity 1: Group Discussion ■ Teacher asks students to apply the management functions – ‘planning’ to design the work schedule of the organising committee and determine the resources required.	PPT #3	5 minutes
✧ Teacher invites students to present their answers and provides suggested solution.	PPT #4	2 minutes
✧ Activity 2: Group Discussion ■ Teacher asks students to apply the management functions – ‘organising’ to design the organisation chart of the committee.	PPT #5	5 minutes
✧ Teacher invites students to present their answers and provides suggested solution.	PPT #6	1 minute
✧ Teacher asks student whether a tall or flat structure is more suitable in this case and why?	PPT #7	1 minute
✧ Activity 3: Group Discussion ■ Teacher asks students to decide the management style which can help motivate teammates to work on the tasks.	PPT #8	5 minutes
✧ Teacher invites students to share and explain their answers and provides suggested solution.	PPT #9	2 minutes
✧ Activity 4: Group Discussion ■ Teacher asks students to develop methods to monitor the progress of the action plan.	PPT #10	5 minutes
✧ Teacher invites students to present their answers and provides suggested solution.	PPT #11	2 minutes
✧ Activity 5: Group Discussion		

■ Teacher asks students to suggest the effective management principle to apply into the 2 scenarios given.	PPT #12 – 14	8 minutes
Part III: Conclusion		
✧ Teacher concludes the lesson by reviewing the key points covered.		2 minutes

Management Functions

Lesson 1 – Importance of Management and Role of Management



1

This session aims to provide students with a fundamental understanding of the importance and roles of management.

What Is Management?

• Management

- The process of achieving **company goals** effectively and efficiently by engaging in the four major functions of **planning, organising, leading, and controlling** of company's resources.

Resources include:

- Human resources e.g. employees
- Financial resources e.g. bank loan or investment from shareholders
- Physical resources e.g. machinery, inventory
- Information resources e.g. knowledge



2

Teacher explains the concept of management and introduces the four key management functions which are setting appropriate goals (planning), making work assignments (organising), communicating well with people and motivating them (leading) and monitoring and correcting the actions (controlling) of the organisation. Performing the four management functions could help a business to achieve its company goals effectively and efficiently with the resources available in the business. These four functions of management are important to organisational success. Hence, detailed discussion of each function will be found in Parts 2 to 5.

Company Goals

- Every company has its company goals.
 - E.g. The basic goal of Walt Disney is to promote the happiness and well-being of kids and families by inspiring them to join the company's activities in creating a brighter tomorrow. (sources: <http://thewaltdisneycompany.com/citizenship>)
- Other examples of company goals include:
 - Maintain growth of 10% net profit for each year.
 - Provide reliable products to customers.
 - Establish favourable image with public
- Manager therefore makes use of a company's resources to efficiently and effectively achieve the company goals.



3

Teacher explains what are company goals by using Walt Disney as an illustration. The Walt Disney Company is a *market oriented* corporation that its sale does not depend on an aggressive sales force but rather on a customer's decision to purchase a product. The unique ability of Walt Disney to capture their customers' hearts is what distinguish them from other companies and makes them successful in the industry . (source: http://thewaltdisneyco.blogspot.hk/2011/09/chapter-2-strategic-planning-for_11.html)

Activity 1 – Class Discussion

- Can you suggest any company goals of an online game development company to achieve?



4

Teacher invites students to share their ideas.

Activity 1 – Solution



- Examples of company's goals:
 - Become the leader of the industry.
 - Integrate different elements from novels, comics, movies and music in order to create outstanding games.
 - Maintain a market share of 20% in the industry.
 - Introduce a new product next year.
 - Achieve a 10% growth in sales in a year.
 - Keep cost of goods no more than 50% of sales.
 - Achieve a net profit of \$2 million in next year.
 - ...

5

Teacher goes through the answer and concludes that different companies may have their own company goals in light of their business nature, size, corporate culture etc. which may be different from others.

Process of Management



6

Teacher introduces the basic process of management and management functions. Details will be discussed in the later lessons.

Managerial Levels – Vertical Dimension

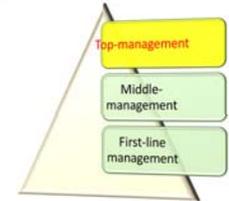


7

Teacher explains the different levels of management in a company with examples. Teacher should explain that different levels of management are responsible for different tasks.

Top-management

- Managers at the level are ultimately responsible for the following:
 - Make long-term plans
 - Establish policies
 - Represent the company
- Referred to as executives of the company
- Oversees the overall planning for the company
- Example: The Board of Directors of the company sets a goal of increasing company sales by 10% in the next year

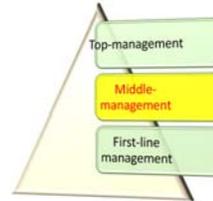


8

Teacher explains the major roles and tasks of top-level manager.

Middle-management

- Managers at middle-level are responsible for the following:
 - Develop detailed plans and procedures to implement goals
 - Make decisions
 - Direct first-level managers
- Example: Sales managers develop a new advertising campaign for one of the company's products in order to achieve 10% sales growth in next year.

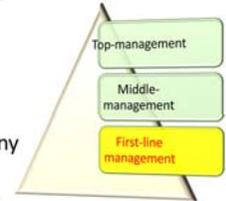


9

Teacher explains the major roles and tasks of middle-level manager.

First-line management

- First-line management is directly responsible for the following:
 - Implement plans
 - Assist middle-level managers
 - Oversee workers
 - Oversee the day-to-day operations to ensure the company is smoothly run
- Example: a store manager is responsible for making sure that there are sufficient inventories available for sale.



10

Teacher explains the major roles and tasks of first-level manager.

Activity 2A – Matching

- In what way do you think different managerial levels help an online game development company operate?



11

Teacher asks students to match the levels and works of managers in an online game development company.

Activity 2A – Matching



Top Level
Management •

Middle Level
Management •

First-line
Management •

- Directly responsible for assigning non-managerial employees to specific jobs.
- Focus on specific operations, products, or customer groups within an company.
- Responsible for developing detailed promotion plans and procedures to implement the firm's strategic plans e.g. enter into a new market.
- Making decisions such as whether or not to enter new market of another age group.
- Devote most of their time to developing long-range plans for their company.
- Working with the employees who produce and sell the firm's goods and services such as visit each large customer once each month to maintain a good relationship and introduce new product.

12

Teacher asks students to match the levels and works of managers in an online game development company.

Activity 2A – Solution



- Top Level Management
 - Directly responsible for assigning non-managerial employees to specific jobs.
 - Focus on specific operations, products, or customer groups within an company.
- Middle Level Management
 - Responsible for developing detailed promotion plans and procedures to implement the firm's strategic plans, e.g. enter into a new market.
 - Making decisions such as whether or not to enter new market of another age group.
- First-line Management
 - Devote most of their time to developing long-range plans for their company.
 - Working with the employees who produce and sell the firm's goods and services such as visit each large customer once each month to maintain a good relationship and introduce new product.

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Teacher invites students to share views and concludes that the strategic plan set by the top-level management will then be assigned to middle-level management for further development into action plan while first-line management is responsible for the execution of the plan making sure that it is smoothly run.

Activity 2B – Case Study

- Identify the three managerial levels in a secondary school and list the roles and duties at each level.



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Teacher asks students to use their school as a case for discussion.

Activity 2B – Solution



Level	Position/Title	Roles/Duties
Top	Principal	Helps to set goals for the school that align with the School Board and public including parent expectations. Oversees the educational programs and developments in the school (and in the broader educational community) and must keep Board Members abreast of these issues. Oversees staff and make decisions that impact the overall educational success of the school.
Middle	Department/ Division Heads	Organise, manage, evaluate, and supervise effective and clear procedures for the operation and functioning of the department consistent with the philosophy, mission, values and goals of the school. Evaluate and monitor all curricula of the department.
First-line	Panel/ Subject Heads	In charge of the overall organisation and teaching of the respective subject and its related matters, such as planning the school-based syllabus, preparing the scheme of work, selection of textbooks and teaching materials etc.

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Teacher invites students to share their answers and makes conclusion.

Roles of Management

There are three general types of roles of management:



Decisional



Informational



Interpersonal

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Teacher introduce the three roles of management.

Decisional Role of Management

- Managers should be able to make decisions such as deciding which new projects to invest, handle unexpected event or crisis and assign resources between divisions of the company.
- Example:
 - The Board of Directors considers whether to invest \$3 million in research and development of a new online game for young adults.
 - How will the management of an online game development company do when they are facing a lawsuit from their competitor regarding the infringement of patent of a well known game?



Teacher explains the decisional role associated with methods managers use in planning strategy and organising resources in order to achieve the goals of the company. The planning and organising process will be discussed in the next lesson.

Regarding the example of infringement of patent, teacher can explain to students that the BOD or CEO should decide whether they should continue the sale of such game but facing the risk of huge compensation or stop the sale to avoid litigation and adverse company image because of the infringement. Middle manager should follow the decision of the BOD/CEO and develop appropriate plan to implement such decision. For example, [develop a new promotion plan in order to enhance the sales and company image if the company is continue to sell the products.](#) First-level manager will then ask the sales force to keep promotion and selling of the game accordingly.

Informational Role of Management

- Managers are required to receive and transmit both internal and external information for analysis and decision-making.
- Example:
 - The CEO of the online game developing company announces the financial performance and future development of the company in its annual general meeting.
 - The Finance Manager reviews the financial report for announcement and explains it to the CEO.
 - The Accounting Supervisor supervises the accounting staff to prepare the financial report for Finance Manager's review.



Teacher explains the informational role associated with the tasks needed to obtain and transmit information in the process of managing the organization.

Interpersonal Role of Management

- Manager's task is to co-ordinate different people of the company. i.e. to build relationships with subordinates and outsiders.
- Examples
 - Manager provides guidance to subordinates and resolves disputes or grievances.
 - Manager also represents the company to interact with suppliers, customers and investors.



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Teacher explains the interpersonal role of management includes linking and coordinating activities of people both inside and outside the company.

Activity 3 – Class Discussion

- Identify the managerial role performed in each of the following activities.
 - Training
 - Budgeting
 - Hold meetings
 - Organising resources to develop new product
 - Hold press conference
 - Performing activities that involve outsiders



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Teacher refers students to student worksheet and asks them to identify the activities at each managerial level.

Activity 3 – Solution

Role	Activities
Decisional	Budgeting Organising resources to develop new product
Informational	Hold meetings Hold press conference
interpersonal	Training Performing activities that involve outsiders



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Teacher checks answers with students and explain the managerial role performed in each of the activities.

The End

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Management Functions

Lesson 2 – Planning



1

This session introduces the first function of management – planning.

Four Key Management Functions

- **Planning**
 - The process of setting goals, and determining the appropriate action to achieve the goals of the company.
- **Organising**
 - The process of allocating and arranging both human and other resources through a formal structure of tasks and authority so that plans can be carried out successfully.
- **Leading**
 - The process of guiding and motivating employees to accomplish company's goals.
- **Controlling**
 - The process of regulating company's activities so that actual performance conforms to the goals and standards set at the planning stage.



2

Teacher introduces the four key management functions to students.

Reasons for Planning

- To coordinate human resource
- To reduce uncertainty in operation
- To reduce overlapping and wasteful activities



3

Teacher explains the reasons for planning.

- Establishes coordinated effort – planning provides a means for actively involving persons from all areas of an organisation.
- Reduces uncertainty in operation – planning involves forecasting of future events which can reduce the uncertainties in running the business and clarifying the consequences of any business decisions.
- Reduces overlapping and wasteful activities – good coordination enables better organisation of company's resources.

Planning

- Planning involves setting goals of the company and establishing a plan or strategy to achieve these goals.



4

Teacher starts going into the details of the concept of planning.

How to set goals? Be SMART!



• SMART Goals are

- **S**pecific – goals are clearly defined and focused.
- **M**easurable – outcome of the goal can be measured.
- **A**chievable – goals should be realistic and are able to accomplish.
- **R**elevant – goals are relevant to the business operation.
- **T**ime-bound – a specific period of time must be set for achieving the goal.

The use of SMART goal setting can help managers save time and resources by making the planning process more efficient and effective.

5

Teacher explains SMART is an acronym of the 5 criteria for setting goals including specific, measurable, achievable, relevant and time-based tool used by a company.

SMART Goals



- **Specific:** To set a specific goal, there are some questions to ask.
 - Who is involved?
 - What to accomplish?
 - When to start/end?
 - Where to start?
 - Example: setting the goal as “to achieve \$3 million sales for product A in the next year” is more meaningful than “to get more business”.
- **Measurable:** establish concrete criteria for measuring outcomes.
 - The criteria should be quantifiable so that the outcome can be easily measured.
 - Examples: to achieve \$1 million net profit in the next year or to obtain 20% market share in the industry.

6

Teacher further explains the concept of SMART goals with examples.

SMART Goals



- **Achievable:** it is important to ensure the goals are realistic and be attainable with consideration of the abilities and financial capacity of the company.
 - Example: it is not appropriate for a small company to set a goal of earning billions dollars in one year.
- **Relevant:** the goals should be set for business operation and based on current economic climate.
 - Example: a business can set a goal of increasing 20% in sales for its product A in the next year which is relevant to the goal of obtaining 20% market share in the industry.
- **Time-bound:** a goal should be bound within a time frame.
 - Example: it is not appropriate to set a goal of \$30 million sales without time limit or it will never be achieved as there is no sense of urgency.

7

Teacher further explains the concept of SMART goals with examples.

Activity 1 – Class Discussion



Part (a)

- Students are divided into groups of 4. Assuming that each group will have \$1,000,000 to start up a business.
- Discuss in groups and decide what business your group is going to start up and then set the company goal. Write your decision on the cue card provided by teacher.

Part (b)

- Pass your cue card to the next group. Now each group should evaluate the goal set by another group and decide whether it is a SMART goal.

8

Teacher asks students to set a goal of their business and discuss whether it meets the criteria of SMART.

Activity 1 –Suggested Solution

- Representative from each group should report their discussion and explain their conclusion.



9

Teacher invites each group to report their discussion and evaluate the appropriateness of goals set by groups as well as their comments on other groups.

Planning process

- Once managers understand the goals of the company, they can take steps to implement the planning process in their company.
- Implementation of planning process is important because if the planning cannot be transformed into action, it will not be able to generate benefits to the company.



10

Teacher explains the importance of the planning process.

Planning process



11

Teacher explains the steps of planning.

1. Setting company goals – Decide the SMART goal to achieve.
2. Listing alternative ways of achieving the goals – list as many available alternatives as possible for achieving those goals.
3. Selecting best way to achieve the goals with consideration of resources available – an evaluation of alternatives is conducted and the best alternative is selected.
4. Developing plans to pursue chosen alternative – develop strategic (long-term) and tactical (short-term) plans for achieving for the selected goal.
5. Putting plans into action – take actions to work out the plans.

Activity 2 – Class Discussion

- You are the manager of the online game developing company. The goal of the company is to obtain 20% market shares in the industry.
- With teacher's guidance, you should work out a plan for the company.



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Teacher guides students to discuss and work out the plan for the online game developing company.

Activity 2 – Suggested Solution



1. Setting company goals – obtain 20% market shares in the
2. Listing alternative ways of achieving the goals – i. introduce industry new products; ii. recruit new sales team.
3. Selecting best way to achieve the goals – it is better to recruit new sales team as the cost is relatively lower than developing a new product.
4. Developing plans to pursue the chosen alternative – a short-term plan is considered which is to recruit 20 sales staff next year.
5. Putting plans into action – Human Resources Manager arranges the recruitment.

13

Teacher invites students to share their opinion and guides them to complete the task.

The End

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Management Functions

Lesson 3 – Organising



1

This session introduces the second function of management – organising.

Four Key Management Functions

- **Planning**
 - The process of setting goals, and determining the appropriate action to achieve the goals of the company.
- **Organising**
 - The process of allocating and arranging both human and other resources through a formal structure of tasks and authority so that plans can be carried out successfully.
- **Leading**
 - The process of guiding and motivating employees to accomplish company's goals.
- **Controlling**
 - The process of regulating company's activities so that actual performance conforms to the goals and standards set at the planning stage.



2

Teacher recaps the four key management functions to students.

Organising

- Organising is the process of allocating and arranging the resources of the company such as employee, facilities and equipment, finance, to achieve the goals of the company.



3

Teacher explains the concept of organising.

Organising Steps



4

Teacher explains the steps involved in organising.

Organising Steps

A restaurant wants to improve the service for its customers. How should the restaurant manager organise the staff to achieve this goal?



5

Teacher uses a restaurant as an example to illustrate the organising steps.

Organising Steps

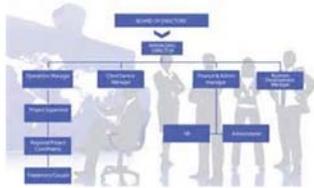


- Step 1** • Restaurant manager should determine the specific area that the restaurant requires to improve e.g. to reduce the waiting time of customers.
- Step 2** • To designate the jobs to be done within the restaurant such as defining that serving customers includes taking orders, clearing tables and cooking food.
- Step 3** • To assign work to specific employees and provide resources required: To determine who will take orders, who will clear the tables, who will cook the food.
- Step 4** • To coordinate the work of different groups and employees: To determine the details of the relationship between the individual employees. i.e. how they work with each other.
- Step 5** • To evaluate the results of implemented organising strategy by gathering the feedback from customers and see if the restaurant has attained its goals. If not, corrective action should be taken.

6

Organisational Structure

- Good management should be able to design an organisational structure to ensure employees can carry out the work assigned to them effectively.
- The use of an organisation chart can also help to visualise the relationships between levels of the organisational structure.



7

Teacher explains the importance of the use of organisation chart.

Implications of an Organisation Chart

- Show the activities of the organisation by level.
- Highlight subdivisions of the organisation.
- Identify different types of work performed.
- Provide information about different management levels.
- Show the lines of authority in the organisation and the flow of communications within an organisation.



8

Teacher explains the different implications depicted in an organisation chart.

Activity 1 – Group Discussion

- Discuss why organising function is important to a company.



9

Teacher asks students to form groups to discuss.

Activity 1 – Solution



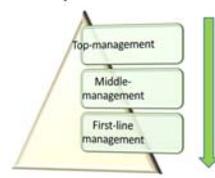
- The organising function is important because:
 - Specialisation is achieved through division of work. E.g. by separating the works amongst cooking, serving and janitorial etc.
 - It clarifies the authority of each manager. E.g. the restaurant manager report to the operation manager of the company.
 - It clarifies the duties and responsibilities of every job position. E.g. who take the orders, who cleans the tables.
 - It facilitates effective administration through a clear clarification of job positions and specification.

10

Teacher invites students to share their ideas and makes conclusion.

Organisational Structure by Level

- The organisational structure is based on the level of management.
- The line of authority moves directly from the top level to the lowest level in a step-by-step manner i.e. Lower level managers follow the orders from higher level managers.
- The authority and responsibility at each level is clearly defined.
- Example: The general manager issues order to various departmental managers. Thereafter, the departmental manager gives instructions to front line managers.

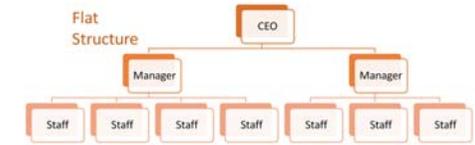


11

Teacher recaps different levels of management covered in Part 1 Slide 7 and explains the concept of organisation structure by level.

Organisational Structure by Level

- The way that a company's structure develops often falls into a tall structure or a flat structure.
- Tall structure
 - A structure that has more hierarchical levels of management.
- Flat structure
 - A structure that has fewer hierarchical levels of management.



12

Teacher introduces the concept of tall and flat structure of an organisation.

Organisational Structure by Level

- Large company often requires a taller organisational structure. As a company grows, the number of management levels increases and the structure grows taller. It is because a manager cannot supervise so many immediate subordinates at one time. It is not practical and feasible for a large company to have a flat structure.
- Small company often requires a flat organisational structure. It is because a tall structure will make a small company to deal with greater bureaucracy and salaries for middle management.

• What structure should a family-owned restaurant be?

• Ans: Flat structure

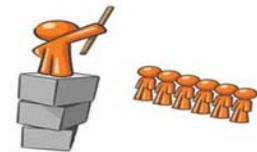


13

Teacher compares the differences between tall and flat structures and explains the structure in relation to the size of the company.

Organisational Structure by Authority

- Authority is the right to perform or command. Staff with authority is allowed to perform certain tasks and direct subordinates to perform by delegating the authority.
- The position of individuals on an organisation chart indicates their relative amount of authority. The higher the position, the more the authority.
- There are two main types of authority can exist within an organisation:
 - Line authority
 - Staff authority

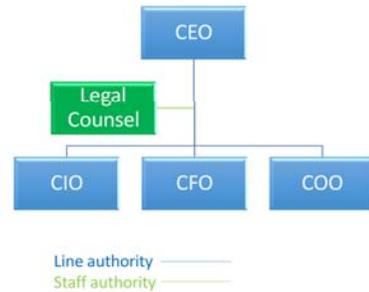


14

Teacher explains the concept of organisational structure by authority.

Organisational Structure by Authority

- Line authority – consists of the right to make decisions and to give orders to subordinates. It is the most fundamental authority with an organisation and it reflects existing superior-subordinate relationships.
- Staff authority – consists of the right to advise or assist those who possess line authority. Example Legal Counsel of a company.



15

Teacher explains the concepts of line authority and staff authority.

Departmentalisation by Function

- To divide an organisation into separate units according to their key function performed in the firm. E.g. Production, Marketing, Finance, etc.
- Advantages
 - Easier to lead and control
 - Resources can be allocated by departments
- Disadvantages
 - Lack of communication between departments
 - Employees become narrow specialists



16

Teacher explains the concept of departmentalisation and its advantages and disadvantages.

Departmentalisation by Function

- Departments are formed by business functions.
- Examples: production, marketing, finance, logistic, administration



17

Teacher describes the organisational structure a company which is organised by functions and different departments are formed to perform different functions/tasks of the company.

Teacher is encouraged to explain further with their school organisation chart.

Asks students to:

1. Identify and explain the different levels in the organisation structure.
2. Explain whether it is a tall chart or flat chart.
3. Explain the direction of authority in relation to the organisation chart.
4. Explain whether the school/organisation is structured by functions.

Departmentalisation by Function

Advantages	Disadvantages
Resource allocation	Overspecialisation
Better communication within department	Departmental Barriers



18

Teacher explains the advantages and disadvantages of organising by function:

Advantages:

Resources allocation: costs are reduced by avoiding duplication of work and use of company resources. For example, there is only one accounting department to serve different product lines instead of setting up individual accounting department for each product line.

Better communication: each staff in the same department will have the same working experience or training which allows better communication within the department.

Disadvantages:

Overspecialisation: staff just focus on a particular area of work in the organisation and become the expert on it but there is no chance for them to develop wider knowledge or skills.

Departmental barriers: overspecialisation leads to communication barriers between departments because there is a lack of understanding of duties between departments.

Departmentalisation by Product

- Departments are formed according to the goods and services a company offers.
- Examples: fashion, leather, jewellery, accessories



19

Teacher describes the organisational structure of a company which is organised by product.

Departmentalisation by Location

- Departments are formed according to geographic regions.
- Examples: North America, European, Asia Pacific, Latin America



20

Teacher describes the organisational structure of a company which is organised by location. Teacher can explain to students most multinational companies are firstly organised by location and then sub-organised by products. e.g. under the Asia Pacific division, there are different product divisions. Then each product division is sub-organised by functions.

Departmentalisation by Product & Location

Advantages	Disadvantages
Management Focus	Wasting Resources
Better Service	Competition



21

Teacher explains the advantages and disadvantages of organising by product and location which are the same:

Advantages:

Management focus: department head can simply focus on the operation of its own products/area.

Better service: department can provide better service when it only focuses on its own products/operation.

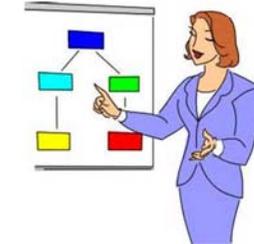
Disadvantages:

Wasting resources: costs may increase because of duplication of work and use of company resources. For example, each product division has its own accounting department.

Competition: different products may compete with each other when they have the same target customers.

Activity 2 – Design an Organisation Chart

- Suppose you want to set up a new business with your friends. Decide the product you would like to sell as well as the target customers. Design the organisation chart of your business which you think is appropriate and explain why?



22

Teacher asks students to design an organisation chart for a business they would like to set up, then invites them to present their design and concludes that the design depends on the size, variety of products, types of business (sole proprietorship, partnership or a limited company) etc. There is no one absolute organisation chart design which can fit for all business.

The End

23

Management Functions Lesson 4 – Leading



1

This session introduces the third function of management – leading.

Four Key Management Functions

- **Planning**
 - The process of setting goals, and determining the appropriate action to achieve the goals of the company.
- **Organising**
 - The process of allocating and arranging both human and other resources through a formal structure of tasks and authority so that plans can be carried out successfully.
- **Leading**
 - The process of guiding and motivating employees to accomplish company's goals.
- **Controlling**
 - The process of regulating company's activities so that actual performance conforms to the goals and standards set at the planning stage.



2

Teacher recaps the four key management functions to students.

Leading

- **Leading** involves how manager directs and motivates employees to perform tasks in order to achieve the company goals.



3

Teacher explains the concepts of leading.

Activity 1 – Class Discussion

- Can you describe the characteristics of a good leader like the former Chairman of Apple Computers Inc., Steve Jobs?

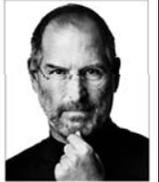


4

Teachers invites students to share their ideas.

Activity 1 – Solution

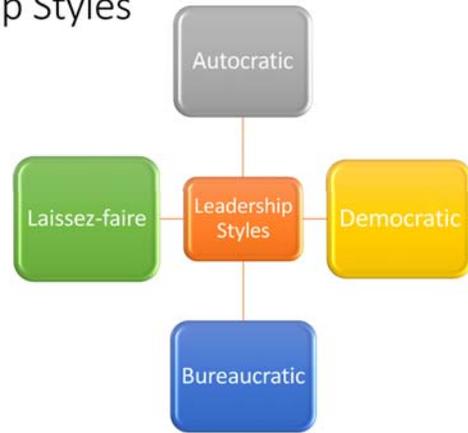
- Characteristics of a good leader:
 - Able to determine the objectives and policies of the company.
 - Responsible for the execution of the company policies.
 - To serve as a planner about how to lead people to achieve goals.
 - Being the representative of the company for external relation and communication.
 - To serve as a role model such as being persistent and innovative for subordinates to look up to.



5

Teacher makes conclusion on qualities of a good leader by quoting Steve Jobs as an example.

Leadership Styles



6

Teacher introduces the common types of leadership style.

Autocratic Leadership

- Classical style
- Manager retains power and decision-making authority.
- Make unilateral decision, dictate work methods.
- Orders are issued to be carried out, with no questions allowed and no explanations given.
- It is best applied to situations where there is little time for decision-making or where the leader is the most knowledgeable person of the team.



7

Teacher explains autocratic manager does not consult employees but expects them to obey orders without asking for any explanation.

Democratic Leadership



- Participative style
- Encourage employees to involve in decision making.
- Let employees determine the work methods and use feedback as an opportunity for helpful coaching.
- Employees feel engaged in the process and are more motivated and creative.
- It is best applied where staff require a great deal of flexibility to complete the task or where the staff know the job well and do not require too much instruction.

8

Teacher explains democratic manager shares with employees decision making and problem solving responsibilities.

Bureaucratic Leadership

- Everything must be done according to procedure or policy.
- The company operates in a rational manner rather than relying on the feelings of the managers.
- It is best applied to situation where employees are working in dangerous environment that requires a definite set of procedures to operate.



9

Teacher explains bureaucratic manager requires employees to follow certain standards or procedures.

Laissez-faire Leadership

- “hands-off” style
- Manager provides little direction and gives employees freedom to make their own decision at work.
- This style can be effective where employees are highly qualified in an area of expertise.



10

Teacher explains laissez-faire manager gives most authority to employees and requires them to set goals, make decisions and resolve problems on their own.

Activity 2 – Class Discussion



- Which leadership style should be adopted by the management in the following situations? Briefly explain your answer.
 1. A newly recruited employee who is expected to pick up work in short time, the manager is being a coach to direct him in work.
 2. The existing project team who knows their job well and does not require too much instruction. The manager simply let the team make their own decision and provide feedback when they need help.
 3. An employee who is the expert of his job and knows more about the job than the manager. There is no need for the manager to give instruction and the employee is free to make his own decision at work.

11

Teacher asks students to identify the leadership style of the above situations.

Activity 2 – Solution



Situation	Leadership Style	Reason
1.	Autocratic	The employee knows little about the task assigned but the manager is the most knowledgeable person.
2.	Democratic	The team knows the job well and they can complete their works automatically with limited instruction given. Manager can allow the team to participate in decision-making.
3.	Laissez-faire	Employees are highly qualified in an area of expertise and manager can simply provide little direction and gives employees freedom to make their own decision at work.

12

Teacher invites students to share their ideas and makes conclusion.

Which Leadership Style is the Best?

- Many factors such as the leader's base of power, the difficulty of the task, and the characteristics of the employees will help determine the most appropriate leadership style in any particular circumstance.
- No one single leadership style is the best of all.

13

Teacher explains there is no best leadership style can fit all organisations.

The End

14

Management Functions Lesson 5 – Controlling



1

This session introduces the fourth function of management – controlling.

Four Key Management Functions

- **Planning**
 - The process of setting goals, and determining the appropriate action to achieve the goals of the company.
- **Organising**
 - The process of allocating and arranging both human and other resources through a formal structure of tasks and authority so that plans can be carried out successfully.
- **Leading**
 - The process of guiding and motivating employees to accomplish company's goals.
- **Controlling**
 - The process of regulating company's activities so that actual performance conforms to the goals and standards set at the planning stage.

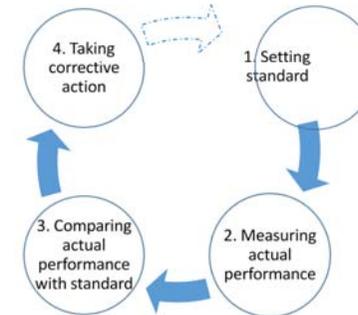


2

Teacher recaps the four key management functions to students.

Controlling

- Controlling is the process of evaluating and correcting individual performance to ensure that outcomes conform to the standard set before.



3

Teacher explains the concept of controlling which is the process of 1. establishing standard; 2. measuring actual performance; 3. comparing actual performance with standard; and 4. taking action to correct deviations.

Control Process – Step 1 Establishing Standard

- Standard must be reasonable and achievable.
- Ideal standard which is unachievable may frustrate employees and cannot help achieve the standards set.
- Low standard which is too easy to achieve cannot make improvement for company's operation.



4

Teacher explains the importance of reasonable and achievable standard. Standards can cover the areas of profitability, market position (e.g. market share), productivity, personnel development (e.g. training of employees), social responsibility (e.g. carbon emission reduction).

Control Process – Step 2 Measuring Actual Performance

- For a given standard, manager must decide how to measure actual performance.
- Setting control criteria:
 - Company
 - Sales
 - Costs
 - Output
 - Employees
 - Satisfaction
 - Turnover
 - Absenteeism
- Sources of data:
 - Observation
 - Statistical reports

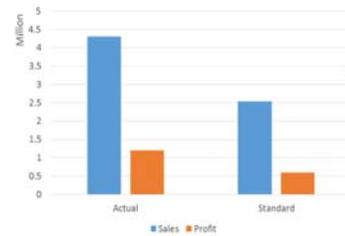


5

Teacher introduces different control criteria.

Control Process – Step 3 Comparing Actual Performance with Standard

- Compare the actual performance against the standards based on the control criteria and identify the deviations, if any.
- Deviations are noted if:
 - Actual performance below the standard.
 - Actual performance above the standard.



6

Teacher gives examples of items for comparison such as sales, costs, profit, productivity etc.
Teacher explains that 'deviations' means the goals of company may not be feasible in relation to the existing management plan or the existing capabilities of the company's resources.

Control Process – Step 4 Taking Corrective Action

- If no deviation or deviation is insignificant, no action is required.
- Otherwise, take corrective actions such as changing the existing strategy, employees' remunerations, training etc., OR
- Revise the standard if it is not realistic, fair and achievable.



7

Teacher explains the need of taking corrective action is to ensure the company can achieve a realistic goal.

Illustrative Example for the Control Process



Step 1

- Setting Standard

Monthly sales target set by Sales Directors. Sales managers are then required to achieve the sales target.

Step 2

- Measuring actual performance

At the end of each month, the sales figure of each manager is recorded so total monthly sales levels can be determined.

Step 3

- Comparing actual performance with standard

Compare monthly sales total to sales target to see if any deviation.

Step 4

- Taking corrective action

If monthly sales are significantly below the target, the Sales Director should reduce the target if it is unrealistic for the managers to achieve or do more promotion to stimulate the sales. If, on the other hand, monthly total are significantly high, which may indicate the target is too easy to achieve, then the Sales Director should increase the target total.

8

Teacher further explains the importance of controlling by using an illustrative example.

Activity 1 – Group Discussion

- A restaurant wants to improve the service provided to its customers. One of the targets is to reduce the waiting time for serving the food after the customer places an order.
- Please design a controlling system to measure the efficiency of service and customer satisfaction.



9

Teacher asks students to form groups to design a controlling system.

Activity 1 – Suggested Solution



Step	Action
1. Establishing standard	The food will be ready in 20 minutes after customer places an order.
2. Measuring actual performance	Source of data: actual time taken to serve the food; customer satisfaction survey. Control criteria: time taken; satisfaction.
3. Comparing actual performance with standard	Identify if there are any discrepancies for the time taken and the result of customer satisfaction survey.
4. Taking correct action	See if it is too tough to get the food ready in 20 minutes if the actual time required is far more than the standard and revise the standard to be a more realistic and achievable one.

10

Teacher invites students to share their answers and provides suggested solution.

Activity 2 – Class Discussion

- You have just been employed as the manager of a local fast food shop. You are reviewing the management tasks ahead and aware that they belong to one of the four major management functions. Identify the management functions performed in the activities listed in the Student Worksheet (Parts 5-2).



11

Teacher asks students to fill in the Student Worksheet (Parts 5-2) (shown in next slide) by putting a tick in the appropriate box.

Activity 2 – Class Discussion



Activity	Planning	Organising	Leading	Controlling
Decide whether to open a branch.				
Assign job duties				
Check register slips to ensure proper prices are being charged to customer				
Consider the use of technology to save costs				
Decide what new menu items to offer				
Monitor that shop opens and closes as scheduled				
Set target time to complete customer's order				
Check whether the budgeted profit is achieved for the year				
Explain the work plan with staff and the expectations on them				

12

Activity 2 – Solution



Activity	Planning	Organising	Leading	Controlling
Decide whether to open a branch.	✓			
Assign job duties		✓		
Check register slips to ensure proper prices are being charged to customer				✓
Consider the use of technology to save costs		✓		
Decide what new menu items to offer	✓			
Monitor that shop opens and closes as scheduled				✓
Set target time to complete customer's order				✓
Check whether the budgeted profit is achieved for the year				✓
Explain the work plan with staff and the expectations on them			✓	

13

Teacher discusses the answer with students and makes conclusion.

Importance of Controlling

- Controls can help managers:
 - Coping with uncertainty because of the standard set in advance, managers can react quickly to any sudden events.
 - Detecting irregularities such as poor quality, cost overruns etc. and managers can take remedial action as soon as when it arises.



14

Teacher explains the importance of controlling.

The End

15

Management Functions

Lesson 6 – Effective Management



1

This session introduces how to achieve an effective management.

Effective Management

- Effective management on people and other resources can make a business achieve its objectives with minimum resources used.
- In order to achieve effective management, a manager should be able to apply effective management principles such as division of work, unity of command, unity of direction and clear authority and responsibility.



2

Teacher explains the importance of effective management and introduce the principles of effective management.

Effective Management Principles: Division of Work

- Everyone in the organisation has a role (or position). His/her work is specialised and can be defined by his or her duties. For example, waiter/waitress, cook, cleaning workers, cashier are all different posts of a restaurant. Each of them has specialised duties. And the whole of them make the restaurant run smoothly.



3

Teacher explains the need for division of work.

Activity 1 – Class Discussion

In the Student Worksheet provided:

1. Name a kind of business you would like to start up.
2. List the job positions in such business.
3. Is there any division of work in the business? Explain your answer.

4

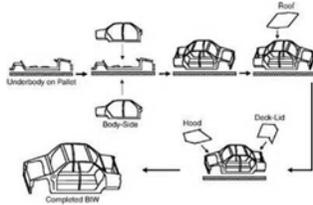
Teacher asks students to think of a kind of business and the jobs in the business.

There is no absolute answer, teacher invites students to share their answers and give feedback as appropriate.

Teacher then introduces the effective management principles – ‘division of work’, with students’ answers.

Effective Management Principles: Division of Work

- It is also called work specialisation/division of labour
 - Tasks are broken into small steps/parts with multiple people doing their individual part to make the entire job.
 - Example: in an assembly line in a car manufacturing firm, the production of cars are divided into various procedures such as installation of engine, installation of roof, installation of wheels etc, and workers in each procedure are only working on one particular task of the production.



5

Teacher continues to explain the concept of division of work.

Effective Management Principles: Division of Work

- Advantages
 - Increases productivity.
 - Fewer skills are required per person.
 - More conformity in the final product when each piece is always produced by the same person.
- Disadvantages
 - Boredom due to the constant repetition of tasks.
 - Results in poor quality of work and high turnover.



6

Teacher explains the advantages and disadvantages of division of work.

Advantages

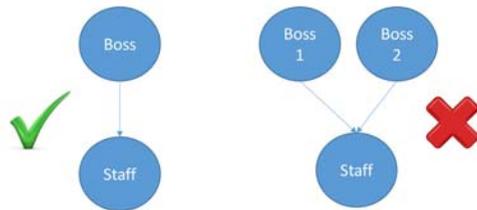
- Increases productivity – when workers specialise in a particular task, their skill at performing that task becomes more efficient.
- Fewer skills are required per person – workers only need to know how to perform their part of the task rather than the entire process for producing the end product.
- More conformity in the final product when each piece is always produced by the same person – workers concentrate on performing only one task makes the outcome of their task more consistent.

Disadvantages

- Boredom due to the constant repetition of tasks – the repetition of the same task is boring and reduce job satisfaction.
- Results in poor quality of work and high turnover – once workers become bored, their productivity often declines, absenteeism and resignation increase, and the quality of work goes down.

Effective Management Principles: Unity of Command

- Under unity of command, an individual should:
 - report to only one supervisor.
 - receive work assignments only from his/her supervisors.



7

Teacher explains the concept of unity of command.

Effective Management Principles: Unity of Command

- Advantages
 - Prevent dual subordination.
 - Easily assign responsibility to a subordinate.
 - Maintain discipline in the company.
 - Coordination of effort and integration of activities should be more easily achieved.
- Disadvantages
 - Not align with the changing business environment.



Teacher explains the advantages and disadvantages of unity of command.

Advantages

- Prevent dual subordination – if two managers tell the same employee to do different jobs at the same time, the employee will feel confusion, contradiction and frustration.
- Easily assign responsibility to a subordinate – as clear and well-organised authority and responsibility relationship is defined.
- Maintain discipline in the company – the unity of command ensure orderliness and avoid conflicting reporting structures in the organisation.
- Coordination of effort and integration of activities should be more easily achieved – the unity of command reduces/avoids duplication of work and enhance the communication between supervisor and subordinate.

Disadvantages

- Not align with the changing business environment – there is always a cross functional orientation and evolving matrix structures in the organisation, which will end up reporting to more than one boss.

Activity 2 – Class Discussion

- Alan and Benny are the owners of a boutique with 3 sales staff. Both Alan and Benny could give orders to the 3 staff. One day, Alan instructed Charles, one of the sales staff, to check stocks but at the same time Benny asked him to serve customers.
- Are there any problems when there are two supervisors for one subordinate?



9

Teacher asks students to discuss the problems of having two supervisors.

Activity 2 – Solution

- Answer
 - The principle of unity of command suggests that only one supervisor should give order to a subordinate so that the subordinate can understand what to do without confusion and can perform the duty effectively. This helps to provide clear instruction and avoid dual subordination.
 - If Charles receives orders from both Alan and Benny at the same time, he will certainly get confused about his duty because he faces the dilemma of who's order he should follow?



10

Teacher invites students to share their answers and makes conclusion.

Effective Management Principles: Unity of Direction

- All employees have the same objective and must be directed by one manager towards the achievement of that objective. i.e. there should be only one leader and one plan for a series of activities in order to achieve that particular objective.
- For example, all marketing activities such as promotion, pricing policy, distribution channel etc. must be directed by only one sales manager. The sales manager is in charge of all activities and directs his subordinates to achieve the goals such as a monthly sales target of \$1 million.



11

Teacher explains the concept of unity of direction. Teacher may also explain the differences between 'unity of command' and 'unity of direction':
'Unity of command' is concerned with taking order (command) from one boss whereas 'Unity of direction' is concerned with the direction of the efforts of all employees in an organisation towards the achievement of the same objective.

Effective Management Principles: Unity of Direction

- Advantages:
 - Efficient achievement of the objective of the division/company.
 - Better coordination among employees as efforts of employees are clearly directed and organised.
- Difficulties in achieving unity of direction:
 - Conflicts of interest among teams.



12

Teacher explains the advantages of unity of direction and the difficulties in achieving this.

Advantages:

- Efficient achievement of the objective of the division/company – each division is responsible for specific objectives can avoid unnecessary duplication of effort and minimising the waste of organizational resources.

Difficulties:

- Not easy to operate in an organisation with multiple teams working on differing plans- conflicts of interest in the objectives of teams may exist and different teams may not communicate well with each other. They all follow their own plan and work independently to achieve the objective.

Activity 3 – Group Discussion

- The objective of ABC Limited is to reduce the production cost by 5% this year. The production manager is therefore thinking about how to achieve this goal. He tells the supervisor to enhance the quality assurance procedure to reduce scrap rate and the waste of materials. He also asks the merchandiser to negotiate the price with suppliers or to reschedule the buying practice to obtain a bulk order discount.
- Describe the unity of command and unity of direction in this case.



13

Teacher asks students to form groups to discuss the principles of unity of command and unity of direction and illustrate the differences by referring to the case.

Activity 3 – Solution



	Unity of Command	Unity of Direction
Principle	A subordinate must have one supervisor and receive orders only from him.	“One leader, one plan” to achieve the same company objective.
Application	The production manager gives orders to his subordinates (i.e. supervisor/ merchandiser) and the subordinates should follow the instruction of the manager to perform their tasks.	The production manager in charge of production activity (enhancement of quality assurance) as well as buying activities (negotiation of price, change of buying practice). He directs his subordinates (i.e. supervisor and merchandiser) to carry out such work to achieve the goal of 5% reduction in production cost.

14

Teacher invites students to share their answers and makes conclusion by stating the main differences between the two principles.

Management by Objectives (MBO)

- MBO is a system in which specific performance objectives are set by subordinates and their supervisors collaboratively.
- Progress toward objectives is periodically reviewed.
- Links individual and unit performance objectives at all levels with overall organisational objectives.
- Motivates rather than controls.



15

Teacher explains the concept of management by objectives.
As the performance objectives are set by both subordinates and their supervisors, employees are more self motivated to achieve the goals as they are given a stake rather than an instruction.

Elements of MBO

- Goal specificity
- Participative decision making
- Explicit time period for performance
- Performance feedback



16

Teacher explains the element of management by objectives:
Specific goal set by top management based on mission of the company.
Participative decision making allows sub-ordinates considerable latitude in carrying out their activities and make subsequent decisions.
Explicit time period for performance is important to ensure that plans are being implemented as expected and goal will ultimately be met.
Performance feedback allows managers to meet with each of their subordinates to conduct performance reviews and provide feedback.

Illustrative Example of MBO



- The objective of ABC Limited is to improve customer service.
 - Step 1: The company identifies the most important aspect of customer service which is the response time to customer complaints e.g. number of days required for responding to a complaint as a measurement of performance.
 - Step 2: Customer service staff would develop with his or her manager a set of shared objectives which is to answer the customer complaint in writing within 3 days upon receipt of complaint.
 - Step 3: A performance review will be conducted after 3 months to ensure that plans are being implemented as expected and goal will ultimately be met.
 - Step 4: The performance review would give employees feedback on their progress in reaching their agreed objectives and rewards (e.g. bonus payment) would be given to the employees who made the most progress.

17

Teacher explain the concept of MBO by using an illustrative example.

Advantages and Disadvantages of MBO

- **Advantages**
 - Clear and precise objectives can be set.
 - Employees' commitment to achieve organisational goals.
- **Disadvantages**
 - Development of objectives can be time-consuming.
 - Increase the volume of paperwork in the organisation.



18

Teacher explains the advantages and disadvantages of MBO.

Advantages

- Clear and precise objectives can be set to emphasize what should be done in an organisation to achieve the organisational goals.
- Employees' commitment to achieve organisational goals through the participation in setting objectives by employees.

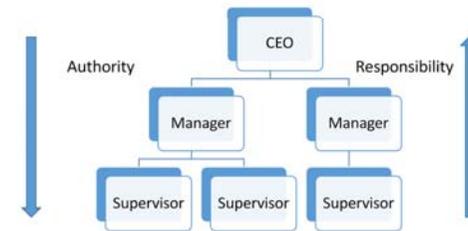
Disadvantages

- Development of objectives can be time-consuming, leaving both managers and employees less time in which to do their actual work.
- Increase the volume of paperwork in the organisation as objectives are expressed in writing, and gists of meetings are also recorded for future reference and viewing.

The End

19

Management Functions Lesson 7 – Authority & Responsibility



1

This session introduces the concept of authority and responsibility.

Delegation

- The act of assigning activities (authority and responsibility) from supervisor to subordinates.
- Through delegation, managers can release more time to perform high level tasks.



2

Teacher explains the concept of delegation.

Authority & Responsibility

- **Authority**
 - The right to perform a task or give orders to someone else.
 - The company authorises the management to carry out certain tasks.
 - The management has the authority to act on behalf of the company in matters of directing work and hiring and disciplining employees.
- **Responsibility**
 - Obligation to perform assigned tasks or to ensure the completion of tasks, and to bear the risk of receiving disciplinary punishment for committing any errors or flaws.



Responsibility

3

Teacher explains the concepts of authority and responsibility. However, having authority does not mean having the power to do whatever the manager likes. Authority implies responsibility to ensure success of business in the manager's duty.

Authority & Responsibility

- Adequate authority should be delegated to employees to complete their tasks or else they cannot perform these tasks effectively and efficiently.
- Employees however are accountable for the obligation to complete the assigned job as requested.

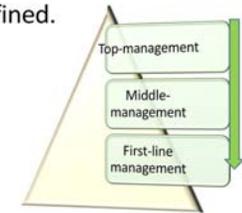


4

Teacher explains the relationship between authority and responsibility.

Organisational Structure by Level

- The organisational structure is based on the level of management.
- The line of authority moves directly from the top level to the lowest level in a step-by-step manner i.e. Lower level managers follow the orders from higher level managers.
- The authority and responsibility is clearly defined.



5

Teacher recaps the concept of organisational structure by level (part 3 – organising slide 11) and recalls that there are more levels in a tall organisational structure and fewer levels in a flat one. Teacher then introduces the concept of span of control in the next slide.

Spans of Control

- The number of subordinates who report directly to a manager.
- It is important to have vertical coordination especially in large organisations because if there are too many subordinates, the manager will become overloaded and find it difficult to coordinate the work effectively.



6

Teacher explains the concept of span of management which is related to the structure of an organisation.

Wide Span of Control

- A manager can supervise and control a large group of subordinates at one time.
- The advantages of this span are:
 - Lower cost of supervision
 - Better communication
 - Better supervision
 - Better coordination
- Suitable for repetitive jobs.
- E.g. A company just has two management levels (Directors and Managers), with each level controlling a group of 6 – 8 subordinates.



7

Teacher describes what is wide span of management.

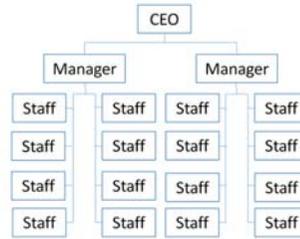
The advantages of this span are:

- Lower cost of supervision – because the business employs fewer managers
- Better communication – because there are fewer layers of management to pass a message through, so the message reaches employees much faster.
- Better supervision – with less supervision, employees feel greater ownership of their work and increase their motivation, morale, and productivity.
- Better coordination – more employees are on the same level and can work with each other with clear delegation of duties from one supervisor.

Suitable for repetitive jobs – because when the task is standardised, more number of employees can be supervised by a single supervisor.

Narrow Span of Control

- There are more levels in an organisation. Managers at each level supervise a small number of subordinates and report to the managers at a higher level.
- The features are:
 - Suitable when the work requires tight control and supervision.
 - Communication gaps can come.
 - Messages can be distorted.
 - Coordination is difficult to be achieved.
 - Specialisation can be achieved.
- E.g. A company has five management levels (Directors, Senior Managers, Managers, Assistant Managers and Supervisors), with each level controlling a group of 2 – 3 subordinates.



Teacher describes what is narrow span of management.

The features are:

Suitable when the work requires tight control and supervision – as there are just few number of subordinates to be supervised by a manager.

Communication gaps can come – as there are too many layers in the structure, the time to pass through a message become longer.

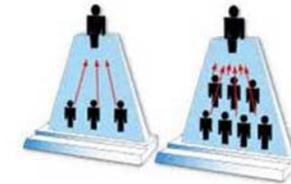
Messages can be distorted – too many layers can make the messages distorted during communication.

Coordination is difficult to achieve – more managers in the same level creating problems of coordination among managers.

Specialisation can be achieved – manager can supervise a small team of subordinates with similar skill.

Activity 1 – Class Discussion

- You are the manager of ABC Ltd with a flat organisational structure having one manager supervising six subordinates. Currently your company is thinking to re-design the organisational structure with a view to improve the operation efficiency. What are the factors affecting span of control?

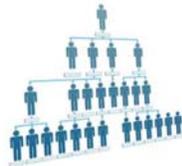


Teacher asks students to form into groups of three to four for the discussion.

Activity 1 – Solution

- Factors affecting the span of control:

- The ability of the manager
 - A high competence manager is able to handle more subordinates.
- The nature of work being performed
 - A manager can supervise more subordinates when they perform the similar work. E.g. a production manager can supervise more workers who perform the same task in an assembly line.
- Employees' training and experience
 - A manager can supervise more subordinates with sufficient job-related knowledge and skills. E.g. Accounting manager can supervise more accounting staffs with accounting knowledge.
- The use of information technology
 - A manager can supervise more subordinates by using electronic communications such as e-mail, teleconference etc.



10

Teacher invites students to present their ideas and provides answers for consolidation.

Extended Learning: Recent Trend of Span of Control

- Because of the development of information technology, there is a trend for managers to have a wider span of control so organisations can have fewer managerial positions to oversee the same number of subordinates.
- This can reduce the costs since fewer managers are required.
- Decision-making process is more efficient as there are fewer people involved in decision making.



11

Teacher explains to students the recent trend of span of control in organisations with the impacts of developments in information technology.

Extended Learning: Virtual Management

- Technological advancement has produced a business environment in which the traditional span of management has been replaced by a complex network of employees interact within the organisation over an electronic platform.
- Employees can work together across geographic or organisational boundaries by means of information technology such as webinars, videoconferences etc.



12

Teacher explains the concept of virtual management which has changed the traditional practice of management.

Extended Learning: Virtual Management

- There are some challenges for managers nowadays in cyberspace management.
 - How can a manager control a team that may be spread across 5 countries with over 20 branches?
 - How can a manager build a team when the team members only meet each other over the Internet?



13

Teacher explains the challenges of adopting virtual management.

Extended Learning: Activity 2 – Group Discussion

- You are the General Manager of a multinational company. The company has more than 15,000 employees over 150 locations in the world. There are 10 Regional Managers to oversee the operations of each location and they report to you through videoconference.
- How can you manage this company?

[In your answer, you can discuss the challenges of managing a virtual team and how to handle these challenges.]



14

Teacher asks students to discuss the challenges of managing a virtual team.

Extended Learning: Activity 2 – Suggested Solution



- Challenges:
 - With employees spread across the world, it is impossible to keep an eye on their work done. Therefore it is not easy to assess their performance other than the use of periodic financial or operating reports.
 - It is difficult to build up team spirit when each Regional Manager has not met each other.
- Strategies for facing the challenges:
 - Management is now more about delegation of tasks and responsibilities and supporting the subordinates to perform their jobs successfully.
 - Personal face-to-face interaction may become less frequent. However, by using internet, communications can be enhanced without the restriction of physical boundaries.

15

Teacher invites students to present their ideas and provides answers.

The End

16

Management Functions

Lesson 8 – An Integrated Activity

Planning for a 3-hour Talent Show



1

This session asks students to apply the knowledge about management functions to an integrated activity.

Planning for a 3-hour Talent Show

Background:

- Your school is going to arrange a 3-hour talent show at the end of this semester.
- The budget for this event is \$5,000.
- This talent show serves the following purposes:
 - Provide a fun, family event that brings the entire school together.
 - Provide an opportunity for the students to cultivate their performance skills.
 - Develop students' sense of belonging.
 - Enhance communication between teachers and students.
- You have been invited to join the organising committee of the event.



2

Students are divided into a group of 5 or 6 and discuss how to arrange a talent show for the school.

Activity 1 – Group Discussion

- You are required to discuss with your committee members to design the work schedule and determine the resources required.



3

Teacher asks students to apply the management functions – ‘planning’ to complete the exercise.

Activity 1 – Suggested Solution

Date	Tasks
1/5/20X5	Identify the purpose of the show, find a good date and coordinate the availability of the venue
8/5/20X5	Identify a theme for the talent show and determine the application period and the maximum number of participants. Determine judging criteria and invite judges
22/5/20X5	Promotion and invite applications
12/6/20X5	Application close
19/6/20X5	Determine the sequence of the performance and how the acts are going to be judged and how to decide who gets prizes
10/7/20X5	Rehearsal
14/7/20X5	Presentation of talent show
21/7/20X5	Evaluation

Resources required:

- Materials: stationery, promotion leaflet, application form, trophy, banner/backdrop, cameras, stage property, musical instruments, souvenir etc.
- Student helpers: two masters of ceremony, two registrars, three photographers, six venue assistants
- Fund: sponsor from the school



Activity 2 – Group Discussion

- You are required to design the organisation chart for this event. You have to determine how many members are required and assign their roles and job duties.



5

Teacher invites students to present their answers and provides suggested solution.

Teacher asks students to apply the management functions – ‘organising’ to complete the exercise.

Activity 2 – Suggested Solution

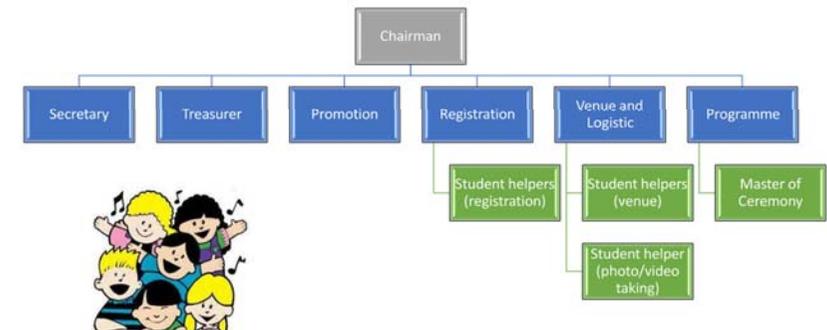


Title/Post	Roles/Duties
Chairman	Manage the coordination and invite judges for the event
Secretary	Prepare agenda and take minutes for each meeting
Treasurer	Prepare the budget and the final income and expenditure report
Promotion	Promote the event and receive applications
Registration	Prescreen each application to make sure that it does not exceed the individual time allotment and, further, that the performance is suitable for family audiences
Venue and logistic	Design banner/backdrop and arrange all logistic issues Arrange rehearsal for participants.
Programme	Prepare the programme rundown and arrange and notify participants the sequence of performance

6

Teacher invites students to present their answers and provides suggested solution.

Activity 2 – Suggested Solution



7

This activity regarding the organising function of the management.

Teacher asks students whether a tall or flat structure is more suitable in this case and why? (Ans: flat structure is more suitable as the size of the committee is small, flat structure can make better communication and coordination between different levels of committee and student helpers.)

Activity 3 – Group Discussion

- You have to consider how to direct and motivate student helpers to assist various tasks. Which leadership style is suitable in this case?



8

Teacher asks students to apply the management functions – ‘leading’ to complete the exercise.

Activity 3 – Suggested Solution



- Democratic leadership style is appropriate.
- Because the members of the project team should know their job well and do not require too much instruction. The chairman can simply let the team make their own decision and provide feedback when they need help. Team members will feel engaged in the process and so they will be more motivated and willing to contribute creative ideas.

9

There is no absolute answer, students may have different ideas. For example, they may suggest autocratic leadership style because they think the committee members and student helpers are new to the project and expected to pick up work in short time, the chairman is therefore required to direct them in work. Teacher can base on their sharing to provide feedback.

Activity 4 – Group Discussion

- You are required to develop a method to monitor the progress of the action plan and evaluate the event afterwards.



10

Teacher asks students to apply the management functions – ‘controlling’ to complete the exercise.

Activity 4 – Suggested Solution

Progress	Monitor Method
Enrollment	Set application deadline and maximum of participants
Delivery of banner/backdrop	Time control (no delay)
Performance during the show time	Time control (no overrun)
Spending	Use of budget



11

Teacher invites students to present their answers and provides suggested solution.

Activity 5 – Group Discussion

- Read the following scenarios and suggest an appropriate management principle to be applied to resolve the problem incurred in each case.



12

Teacher asks students to apply the effective management principles to complete the exercise.

Activity 5 – Group Discussion



- Scenario 1
 - To prepare for the talent show, each team member has his/her specialised duties as per the organisation chart.
 - Simon and Mary are the committee members and they are responsible for the Venue & Logistic, and Programme respectively.
 - During the show time, Simon asks John, the student helper for photo and video-taking, to take photos of the venue setting. At the same time, Mary also asks John to take video of the performance. John is therefore confused about his duty because he faces the dilemma of “who’s order he should follow?” at that time.
 - Which effective management principle can apply to the above situation?

13

Teacher asks students to apply the effective management principles to complete the exercise.

Activity 5 – Suggested Solution

- Scenario 1
 - In order to solve this problem, a [unity of command](#) should be adopted. i.e. John should only follow the instructions given by Mary (his immediate supervisor). If Simon wants John to take photos of the venue setting, he should inform Mary and requested for the assistance of John. Mary can therefore arrange the priority of photo-taking for John accordingly.



14

Teacher invites students to share and explain their answer and then provides suggested solution.

Activity 5 – Group Discussion



- Scenario 2
 - One of the objectives of the talent show is to provide equal opportunity for all participants to show their talent by performing in the show. The chairman is therefore thinking about how to achieve this goal. He tells the registration committee to make sure that each performance does not exceed the individual time allotment and, further, that the performance should be suitable for family audience. He also asks the programme committee to prepare the programme rundown and control the time of each performance.
 - Which effective management principle can apply to the above situation?

15

Teacher asks students to apply the effective management principles to complete the exercise.

Activity 5 – Suggested Solution

- Scenario 2
 - The chairman is in charge of all activities and directs all committees to carry out the activities to achieve the objective. This is the principle of unity of direction.



16

Teacher invites students to share and explain their answer and then provides suggested solution.

The End

17

Business, Accounting and Financial Studies

Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 1: Role and importance of Management

Activity 1 - Class Discussion

Can you suggest any company goals of an online game development company to achieve?
Suggest three goals and write in the space provided.



Activity 2A - Matching

In what way do you think different managerial levels can help an online game development company operate? Match the roles and duties on the right with the correct management level on the left.

Top Level Management •

- Directly responsible for assigning non-managerial employees to specific jobs.
- Focus on specific operations, products, or customer groups within an company.

Middle Level Management •

- Responsible for developing detailed promotion plans and procedures to implement the firm's strategic plans e.g. enter into a new market.

First-line Management •

- Making decisions such as whether or not to enter new market of another age group.
- Devote most of their time to developing long-range plans for their company.
- Working with the employees who produce and sell the firm's goods and services such as visit each large customer once each month to



Activity 2B - Case Study

Identify the three managerial levels in a secondary school and list the roles and duties at each level in the table below.

Level	Position/Title	Roles/Duties
Top	Principal	
Middle	Department/ Division Heads	
First-line	Panel/Subject Heads	



Activity 3 – Class Discussion

Identify the managerial role performed in each of the following activities. Write your answers in the space provided.

- i. Training
- ii. Budgeting
- iii. Hold meetings
- iv. Organising resources to develop new product
- v. Hold press conference
- vi. Performing activities that involve outsiders

Role	Activities
Decisional	
Informational	
Interpersonal	



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Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 2: Planning

Activity 1 - Class Discussion

Part (a)

- Students are divided into groups of 4. Assume that each group will have \$1,000,000 to start up a business.
- Discuss in groups and decide what business your group is going to start up and then set the company goal. Write your decision on the cue card provided by teacher.

Part (b)

Pass your cue card to the next group. Now each group should evaluate the goal set by another group and decide whether it is a SMART goal.



Activity 2 - Class Discussion

You are the manager of the online game developing company. The goal of the company is to obtain 20% market shares in the industry.

Each group should discuss and draft a plan for the company by completing the table below.

Name of the online game developing company	
(1) Company goals	
(2) Alternative strategies for achieving goals	
(3) Best way selected in (2)	
(4) Short term plan	
(5) Plans to action	



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Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 3: Organising

Activity 1 - Group Discussion

Discuss in groups why organising function is important to a company.



Activity 2 – Design an Organisation Chart

Suppose you want to set up a new business with your friends. Decide the product you would like to sell as well as the target customers. Design the organisation chart of your business and draw it in the space provided



Explain why the above organisation chart is appropriate for your business.

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Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 4: Leading

Activity 1 - Class Discussion

Can you describe the characteristics of a good leader like the former Chairman of Apple Computers Inc., Steve Jobs? List at least 5 characteristics of a good leader in the space provided.



Activity 2 - Group Discussion

Which leadership style should be adopted by the management in the following situation?
 Briefly explain your answer.

1. A newly recruited employee who is expected to pick up work in short time, the manager is being a coach to direct him in work.
2. The existing project team who knows their job well and does not require too much instruction. The manager simply let the team make their own decision and provide feedback when they need help.
3. An employee who is the expert of his job and knows more about the job than the manager. There is no need for the manager to give instruction and the employee is free to make his own decision at work.

Situations	Leadership Styles	Reasons
1.		
2.		
3.		



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Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 5: Controlling

Activity 1 - Group Discussion

A restaurant wants to improve the service provided to its customers. One of the targets is to reduce the waiting time for serving the food after the customer places an order.

Design a controlling system to measure the efficiency of service and customer satisfaction.

Step	Action
1.	
2.	
3.	
4.	



Activity 2 - Class Discussion

You have just been employed as the manager of a local fast food shop. You are reviewing the management tasks ahead and aware that they belong to one of the four major management functions. Put a ‘✓’ in the correct boxes to indicate the management function that the following activities are performing.

Activity	Planning	Organising	Leading	Controlling
Decide whether to open a branch.				
Assign job duties				
Check register slips to ensure proper prices are being charged to customer				
Consider the use of technology to save costs				
Decide what new menu items to offer				
Monitor that shop opens and closes as scheduled				
Set target time to complete customer’s order				
Check whether the budgeted profit is achieved for the year				
Explain the work plan with staff and the expectations on them				



Business, Accounting and Financial Studies

Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 6: Effectively Management

Activity 1 – Class Discussion

1. Name a kind of business you would like to do.

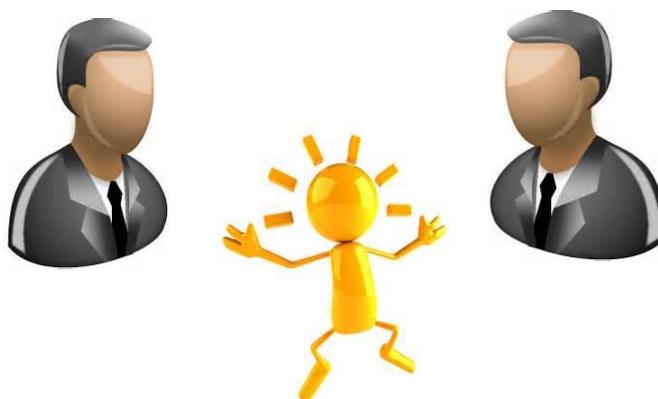
2. List the job positions in such business.

3. Is there any division of work in the business? Explain your answers.

Activity 2 – Class Discussion

Alan and Benny are the owners of a boutique with 3 sales staff. Both Alan and Benny could give orders to the 3 staff. One day, Alan instructed Charles, one of the sales staff, to check stocks but at the same time Benny asked him to serve customers.

Are there any problems when there are two supervisors for one subordinate? Explain your answer in the space below.



Activity 3 – Group Discussion

The objective of ABC Limited is to reduce the production cost by 5% this year. The production manager is therefore thinking about how to achieve this goal. He tells the supervisor to enhance the quality assurance procedure to reduce scrap rate and the waste of materials. He also asks the merchandiser to negotiate the price with suppliers or to reschedule the buying practice to obtain a bulk order discount.

Describe the unity of command and unity of direction in this case.

	Unity of Command	Unity of Direction
Principle		
Application		



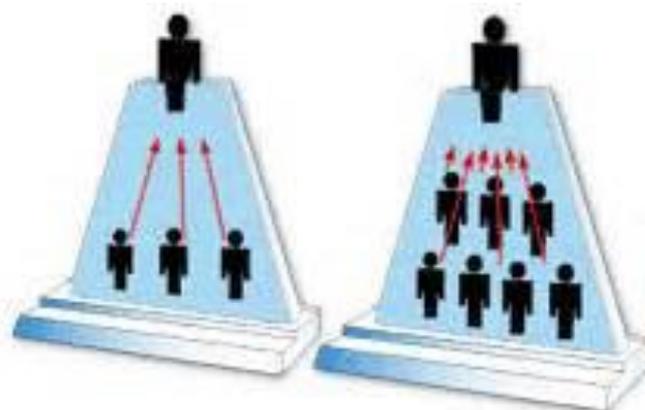
Business, Accounting and Financial Studies

Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 7: Authority & Responsibility

Activity 1 - Class Discussion

You are the manager of ABC Ltd with a flat organisational structure having one manager supervising six subordinates. Currently your company is thinking to re-design the organisational structure with a view to improving the operation efficiency. What are the factors affecting span of control? Suggest three factors with explanation.



Activity 2 – Group Discussion (Extended Task)

You are the General Manager of a multinational company. The company has more than 15,000 employees over 150 locations in the world. There are 10 Regional Managers to oversee the operations of each location and they report to you through videoconference.

How can you manage this company?

[In your answer, you can discuss the challenges of managing a virtual team and how you can handle these challenges.]

Challenges:

Strategies:



Business, Accounting and Financial Studies

Compulsory Part 1(b) Introduction to Management: Management Functions

Lesson 8: An Integrated Activity – Planning for a 3-hour Talent Show

Background:

- Your school is going to arrange a 3-hour talent show at the end of this semester.
- The budget for this event is \$5,000.
- This talent show serves the following purposes:
 - Provide a fun, family event that brings the entire school together
 - Provide an opportunity for the students to cultivate their performance skills
 - Develop students' sense of belonging
 - Enhance communication between teachers and students
- You have been invited to join the organising committee of the event.



Activity 1 – Group Discussion

You are required to discuss with your committee members to design the work schedule and determine the resources required.

Date	Tasks

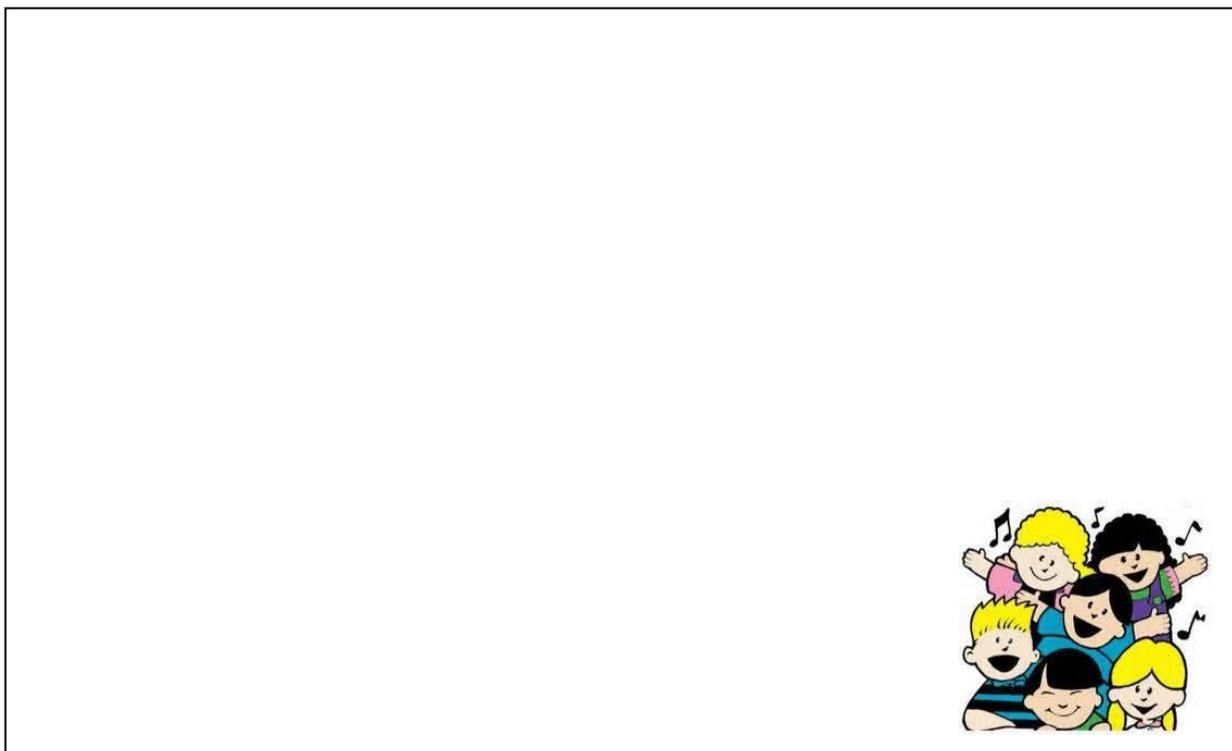
Resources required:

Activity 2 – Group Discussion

You are required to design the organisation chart for this event. You have to determine how many members are required and assign their roles and job duties. Write your answer in the space provided.

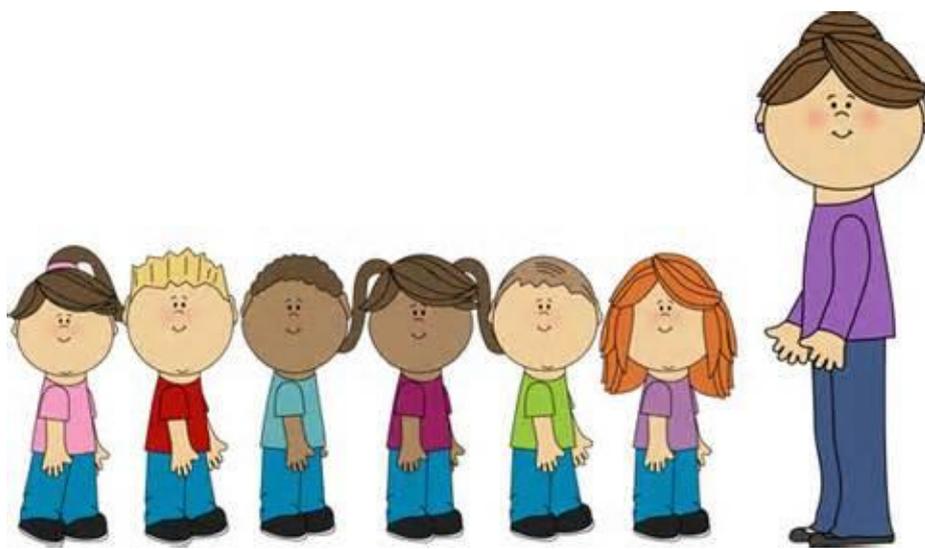
Title/Post	Roles/Duties
e.g. Chairman	Manage the coordination and invite judges for the event.

Organisation Chart:



Activity 3 – Group Discussion

You have to consider how to direct and motivate student helpers to assist various tasks. Which leadership style is suitable in this case? Explain your answer in the space provided.



Activity 4 – Group Discussion

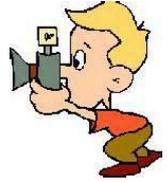
You are required to develop a method to monitor the progress of the action plan and evaluate the event afterwards.

Progress	Monitor Method
e.g. Enrollment	Set application deadline and maximum of participants.



Activity 5 – Group Discussion

Read the following scenarios and suggest an appropriate management principle to be a resolve the problem incurred in each case.



Scenario 1

To prepare for the talent show, each team member has his/her specialised duties as per the organisation chart.

Simon and Mary are the committee members and they are responsible for the Venue & Logistic, and Programme respectively.

During the show time, Simon asks John, the student helper for photo and video-taking, to take photos of the venue setting. At the same time, Mary also asks John to take video of the performance. John is therefore confused about his duty because he faces the dilemma of “who’s order he should follow?” at that time.

Question

Suggest an appropriate management principle to apply to this scenario. Explain your answer.

Scenario 2

One of the objectives of the talent show is to provide equal opportunity for all participants to show their talent by performing in the show. The chairman is therefore thinking about how to achieve this goal. He tells the registration committee to make sure that each performance does not exceed the individual time allotment and, further, that the performance should be suitable for family audience. He also asks the programme committee to prepare the programme rundown and control the time of each performance.

Question

Suggest an appropriate management principle to apply to this scenario. Explain your answer.



**Business, Accounting and Financial Studies (BAFS) - Compulsory Part
1 (b) Introduction to Management—Management Functions**

Revision Exercise

Section A: Multiple Choice Questions (@1, total 10 marks)

1. Which of the following is not the resource of a company?

- A. Labour.
- B. Cash.
- C. Knowledge.
- D. Property owned by shareholders.

Level of difficulty: **

2. Which of the following is middle-level manager?

- A. President.
- B. Branch manager.
- C. Supervisor.
- D. Worker.

Level of difficulty: *

3. The informational role of a manager includes the _____ and _____ the activities of people both inside and outside the company.

- A. Linking, coordinating
- B. Receiving, transmitting
- C. Deciding, leading
- D. Planning, organising

Level of difficulty: **

4. Which of the following is not the reason for planning?

- A. Reduces operation uncertainty.
- B. Reduces overlapping and wasteful activities.
- C. Designate the jobs to be done within the company.
- D. Establishes goals and standards for control.

Level of difficulty: *

5. One of the advantages of organising by function is:

- A. Good communication between departments.
- B. Better service can be provided to customers.
- C. Resources can be allocated by departments.
- D. All of the above.

Level of difficulty: **

6. A good manager should have the following leadership skills except:

- A. Self-awareness.
- B. Self-regulation.
- C. Self-centred.
- D. Empathy.

Level of difficulty: *

7. A leadership style which manager retains all power and decision-making authority is called:

- A. Autocratic leadership.
- B. Bureaucratic leadership.
- C. Democratic leadership.
- D. Laissez-faire leadership.

Level of difficulty: *

8. For control purpose, a standard must be _____ and _____.

- A. Ideal, achievable
- B. Reasonable, achievable
- C. Meaningful, measurable
- D. Identifiable, reliable

Level of difficulty: **

9. According to the principle of unity of command, an individual should report to _____ supervisor(s).

- A. Only one
- B. Two
- C. Less than four
- D. Many

Level of difficulty: *

10. Under the _____, the company authorises the managers to carry out certain tasks.

- A. Unity of command
- B. Division of labour
- C. Management by objectives
- D. Principle of authority

Level of difficulty: **

Section B: Short Questions

- *** 1. You are the manager of a local boutique. The goal of the company is to obtain 20% sales growth for next year. (10 marks)
By using the planning process, prepare a plan for the company.
- ** 2. What is the relationship between span of control and 'organisational structure'? (8 marks)
What structure should a multinational company be? Why? (2 marks)
- *** 3. John is the General Manager of a professional accountancy firm, XYZ Limited. He has over 10 years marketing experience. There are four professional accountants in the company who report to him and the accountants supervise four teams of accounting staff to provide accounting services to its clients. John makes decisions for all operations including how to prepare the financial reports for their clients even he knows very little about accounting. He did not consult the accountants regarding the operation but just expected them to follow his orders without any explanations.
(a) Identify the leadership style of John. (2 marks)
(b) Explain whether this leadership style is effective in this case. If not, which style is more appropriate? (8 marks)
- ** 4. Using the list of job titles provided below, develop an organisational chart by using functional departmentalisation with unity of command. (10 marks)
- Chief Executive Officer
 - Vice President, Accounting & Finance
 - Finance Manager
 - Vice President, Logistic
 - Marketing Manager
 - Logistic Manager
 - Accounting Supervisor
 - Vice President, Marketing
 - Warehouse Supervisor
 - Customer Service Clerk
- ** 5. Briefly discuss the advantages and disadvantages of division of work? (10 marks)

Suggested Solutions

Section A: MCQs

1. D	2. B	3. A	4. C	5. C
6. C	7. A	8. B	9. A	10. D

Section B: Short Questions.

Question 1

1. Stating company goals – obtain 20% sales growth in next year.
2. Listing alternative ways of reaching goals – 1. design new fashion; 2. reduce sales price; 3. increase promotion in fashion magazine.
3. Developing assumptions upon which each alternative is based – 1. it is technically feasible to design new fashion; 2. there is still room for price reduction; 3. many competitors are doing the same to enhance sales.
4. Choosing best alternative for reaching goals – it is better to design new fashion because it can enhance the company’s brand and profit will be decreased if using price reduction or increasing promotion expense.
5. Developing plans to pursue chosen alternative – a short-term plan is considered to design 5 styles of fashion in next year.
6. Putting plans into action – Designer starts to think about the new design.

(@2 for
 steps 2 to
 6, total 10
 marks)

[Remarks: marks will be awarded to any other appropriate answers.]

Question 2

The span of control means the number of subordinates who report directly to a manager. A flat organisation structure is an organisation that has fewer hierarchical levels of management and a relatively broad span of control. Under a flat organisation structure, a manager needs to supervise a large group of subordinates at one time. (4 marks)

A tall organisation structure is an organisation that has more hierarchical levels of management and a relatively narrow span of control. Managers at each level supervise a small number of subordinates and report to the managers at a higher level. (4 marks)

A multinational company should adopt a tall organisational structure as the number of subordinates is so large that a few managers cannot supervise all of them on their own at one time. (2 marks)

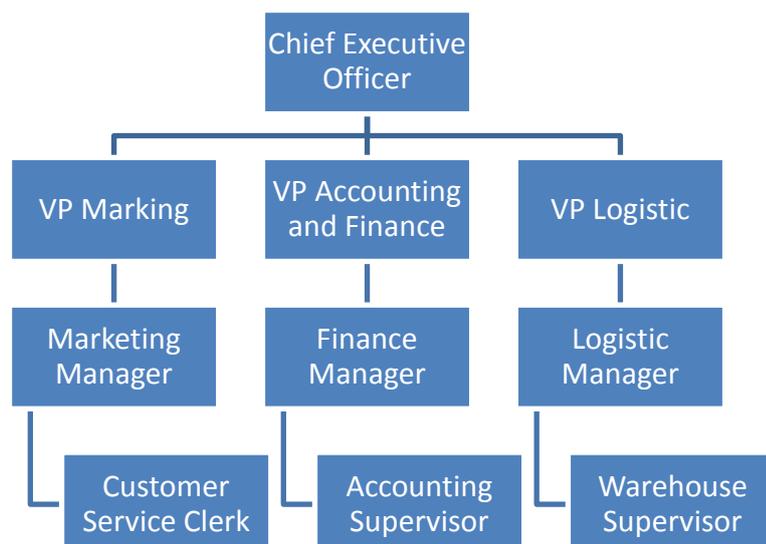
Question 3

- (a) The leadership style of John is autocratic as he retains all the power and decision-making authority. He makes decisions on his own without consulting employees and expects employees to simply follow the instructions without question. (2 marks)
- (b) Autocratic leadership is best applied to situations where there is little time for decision-making or where the leader is the most knowledgeable person of the team. In this case, John has little knowledge about accounting and hence may not be able to make appropriate decisions on preparation of financial reports. Therefore, this leadership style is not appropriate in this case. Instead, a laissez-faire leadership style should be adopted as it gives most authority or power to accountants who are highly qualified in the accounting practice and requires them to set goals, make decisions and resolve problems on their own. (8 marks)

Question 4

(@1, total
10 marks)

The organisational chart is presented as below.



Question 5

(@2, total
10 marks)

The advantages and disadvantages of division of work are:

Advantages

- Increases productivity – when workers specialise in a particular task, their skill at performing that task becomes more efficient.
- Fewer skills are required per person – workers need only to know how to perform their part of the task rather than the entire process for producing the end product.
- More conformity in the final product results when each piece is always produced by the same person – workers concentrate on performing only one task makes the outcome of their task more consistent.

Disadvantages

- Boredom due to the constant repetition of tasks – the repetition of the same task is boring and reducing job satisfaction.
- Results in poor quality of work and high turnover – once workers become bored, their productivity often declines, absenteeism and resignation increase, and the quality of work goes down.

**Business, Accounting and Financial Studies (BAFS) - Compulsory Part
1 (b) Introduction to Management—Management Functions**

<< Quiz >>

Section A: Multiple Choice Questions (@1, total 10 marks)

1. Which of the following is first-level manager?
 - A. CEO.
 - B. Vice President.
 - C. Supervisor.
 - D. Department head.

2. The role that manager makes decisions of handling unexpected event or crisis is called:
 - A. Decisional role.
 - B. Divisional role.
 - C. Interpersonal role.
 - D. Informational role.

3. Which of the following is not the reason for planning?
 - A. Establishes coordinated effort.
 - B. Reduces uncertainty in operation.
 - C. Reduces overlapping activities.
 - D. Designs a more comprehensive organisation.

4. Why is the organising function important to a company?
 - A. It helps to develop a good planning.
 - B. Manager can have better communication with outsiders.
 - C. Specialisation is achieved through division of work.
 - D. Deviation can be identified.

5. What is the purpose of using an organisation chart?
 - A. To specify work targets and assigning employees to carry out plans.
 - B. To visually illustrate the relationship of the organisational structure.
 - C. To implement the strategic plan.
 - D. To establish the objectives of the company.

6. A leadership style which manager encourages employees to involve in decision making is called:
- A. Autocratic leadership.
 - B. Bureaucratic leadership.
 - C. Democratic leadership.
 - D. Laissez-faire leadership.
7. Which of the following is not the control criterion to measure the performance of an employee?
- A. Satisfaction.
 - B. Salary.
 - C. Turnover.
 - D. Productivity.
8. Which of the following is a corrective action for a company if there is significant deviation after comparing the actual company performance with standard?
- A. Change employees' remunerations.
 - B. Change existing strategy.
 - C. Replace the management.
 - D. Conduct more training.
9. According to the principle of _____, tasks are broken into steps with multiple people doing their individual part to make the entire job.
- A. Division of labour
 - B. Unity of command
 - C. Unity of direction
 - D. Merging
10. Which of the following is not the element of management by Objectives?
- A. Integration of activities.
 - B. Participative decision making.
 - C. Performance feedback.
 - D. Goal specificity.

Section B: Short Questions

1. Due to a heavy bureaucratic structure and autocratic management, ABC Limited has been missing several business opportunities in the market. After realising the problems they were creating for themselves, the CEO of ABC Limited realised that strategic changes had to be made both in the company and with his own leadership style.
 - a. How would you define the new primary objectives of ABC Limited? (6 marks)
 - b. What do you think would be the best leadership styles of accomplishing the kinds of change that the CEO envisions? (4 marks)
2. A manufacturing firm wants to improve its production process. One of the targets is to reduce the scrap rate during the production. Please design a controlling system to measure the efficiency of reduction of scrap rate. (10 marks)
3. Many companies use management by objectives (MBO) in managing staff. Explain what is MBO. What are the advantages of adopting MBO? (10 marks)

Suggested Solutions

Section A: MCQs

1. C	2. A	3. D	4. C	5. B
6. C	7. B	8. B	9. D	10. A

Section B: Short Questions

Question 1

- a. The new primary objectives seem to be: (@2, total 6 marks.
Marks are awarded
for other relevant
answers)
- increasing their efficiency to market,
 - regaining lost market share,
 - maintaining quality products and services.
- b. The CEO realises that he must move to a more democratic leadership style if his company is going to be successful. (4 marks)

Question 2

Steps	Actions
1. Establishing standard	The scrap rate should be 5% or less comparing with the total units produced.
2. Measuring actual performance	Source of data: actual scrap/wastage during production.
3. Comparing actual performance with standard	Identify if there are any discrepancies for the scrap rate (more than 5% of the units produced).
4. Taking correct action	Provide trainings to workers. Provide guidance on production process for workers to follow. Order materials with better quality.

(10 marks. Marks are awarded for other relevant answers)

Question 3

MBO is a management system in which:

- specific performance objectives are set by subordinates and their supervisors collaboratively;
- progress toward objectives is periodically reviewed;
- links individual and unit performance objectives at all levels with overall organisational objectives; and
- motivates rather than controls as the objectives are set by both subordinates and their supervisors, employee acceptance is certainly a powerful motivator and they are given a stake rather than an instruction.

(@2, total 8
marks)

Advantages of MBO:

- Clear and precise objectives can be set to emphasis what should be done in an organisation to achieve the organisational goals.
- Employees' commitment to achieve organisational goals through the participation in setting objectives by employees.

(@1, total 2
marks)