



UNICOURSE

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Pearson BTEC Level 4 Higher Nationals in Business (RQF)

Unit: 4

Assignment 1: Information Pack

Learning Outcomes 1 & 2

Management and Operations



INTRODUCTION

The aim of this unit is to help students understand the difference between the function of a manager and the role of a leader. Students will consider the characteristics, behaviours and traits which support effective management and leadership. In addition, this unit will introduce the concept of operations as both a function and a process which all organisations must adopt to conduct business. Students will be introduced to contemporary and historical theories and concepts which will support their learning for this unit.

On successful completion of this unit students will have developed sufficient knowledge and understanding of how management and operations make a positive, efficient and effective contribution to an organisation at a junior level. This could be in the role of a team leader or managing a specific aspect of an operation function and/or process.

The knowledge, understanding and skill sets gained in this unit will help students to choose their own preferred areas of specialism in future studies and in their professional career.

This information pack is designed to give you the information and guidance that you will need to complete your assignments for this unit. In particular this information pack will look at the first 2 learning outcomes which make up assignment 1, these being.

1. *Difference between the role of a leader and the function of a manager.*
2. *Apply the role of a leader and the function of a manager in given contexts*

LO1 Differentiate between the role of a leader and the function of a manager

Management Theory

Management could be described as the art, or science, of achieving goals through people. Since managers also supervise, management can be interpreted to mean literally “looking over” – i.e., making sure people do what they are supposed to do. Managers are, therefore, expected to ensure greater productivity or, using the current jargon, ‘continuous improvement’.

More broadly, management is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims (Koontz and Weihrich 1990, p. 4). In its expanded form, this basic definition means several things. First, as managers, people carry out the managerial functions of planning, organizing, staffing, leading, and controlling. Second, management applies to any kind of organisation. Third, management applies to managers at all organisational levels. Fourth, the aim of all managers is the same – to create surplus. Finally, managing is concerned with productivity – this implies effectiveness and efficiency.

Thus, management refers to the development of bureaucracy that derives its importance from the need for strategic planning, co-ordination, directing and controlling of large and complex decision-making process. Essentially, therefore, management entails the acquisition of managerial competence, and effectiveness in the following key areas: problem solving, administration, human resource management, and organisational leadership.

By this notion it could be said that Management Theory is essentially a collection of ideas which set forth general rules on how to manage a business or organisation. Management theory addresses how managers and supervisors relate to their organisations in the knowledge of its goals, the implementation of effective means to get the goals accomplished and how to motivate employees to perform to the highest standard.

There are a number of recognised management theories in practice today, some more commonly used by organisations than others but each with their own purpose or style. This information pack will look at both the seminal theories and also the contemporary theories that are around today (Seminal being the theories that are considered to be landmarks and revolutionary and the contemporary theories being those that are used today in the ever-changing business environment). Some of these management theories include.

Scientific Management

Frederick W. Taylor

People have been managing work for hundreds of years, and we can trace formal management ideas to the 1700s. But the most significant developments in management theory emerged in the 20th century. We owe much of our understanding of managerial practices to the many theorists of this period, who tried to understand how best to conduct business.

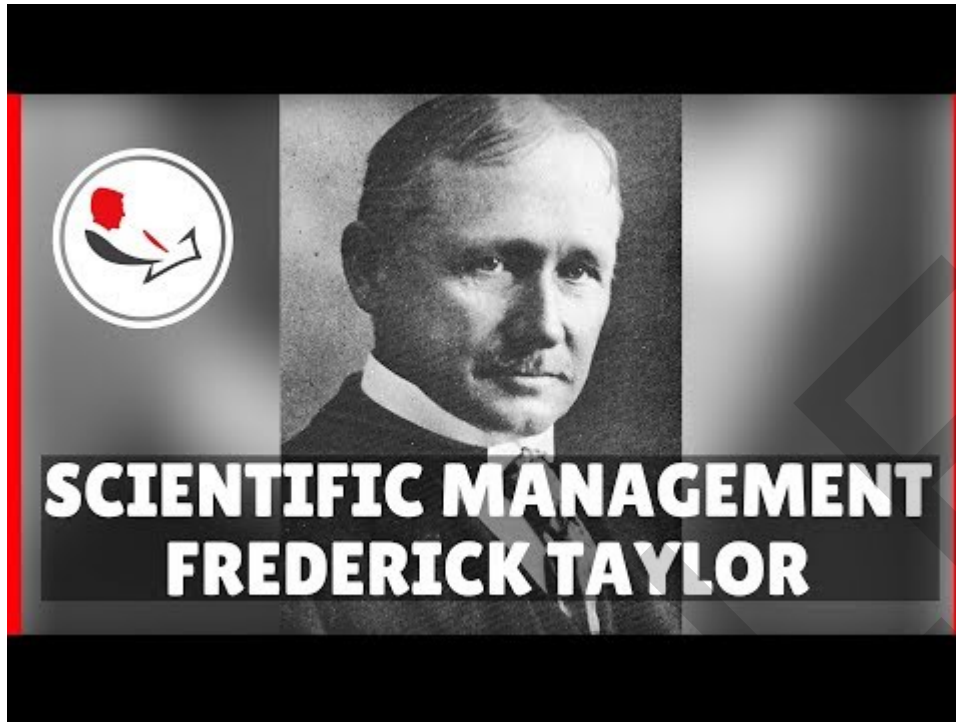


Figure 1 Scientific Management in Practice

Classical Organisational Theory

Henry Fayol

Henri Fayol identified 5 functions of management, which he labelled: planning, organizing, commanding, coordinating and controlling. Henri Fayol theorized that these functions were universal, and that every manager performed these functions in their daily work.

Planning

Managers must plan for future conditions, develop strategic objectives and secure the achievement of future goals. Therefore, managers must evaluate future contingencies affecting the organisation, and shape the future operational and strategic landscape of the company.

Organizing

Managers must organize the workforce in an efficient manner and structure and align the activities of the organisation. Managers must also train and recruit the right people for the job, and always secure a sufficiently skilled and educated workforce.

Commanding

Managers must supervise subordinates in their daily work and inspire them to achieve company goals. Likewise, it is the responsibility of managers to communicate company goals and policies to subordinates. The commanding of subordinates should always be consistent with company policies, and every manager should treat subordinates in line with the standards of the company.

Systems Approach Theory

"All organisations are perfectly designed to get the results they are now getting. If we want different results, we must change the way we do things." - Tom Northup

The systems approach to management is a concept which views a company as an interconnected purposive system that consists of several business sections. The entire system can be broken into three parts namely - input, process and output.

- Input involves the raw materials, funds, technology, etc.
- The process refers to activities related to management, technology, operations, etc.
- Output are the products, results, etc.
- The response or feedback in a system focuses on the information and data which is utilized for executing certain operations. These inputs aid in correcting the errors found in the processes.

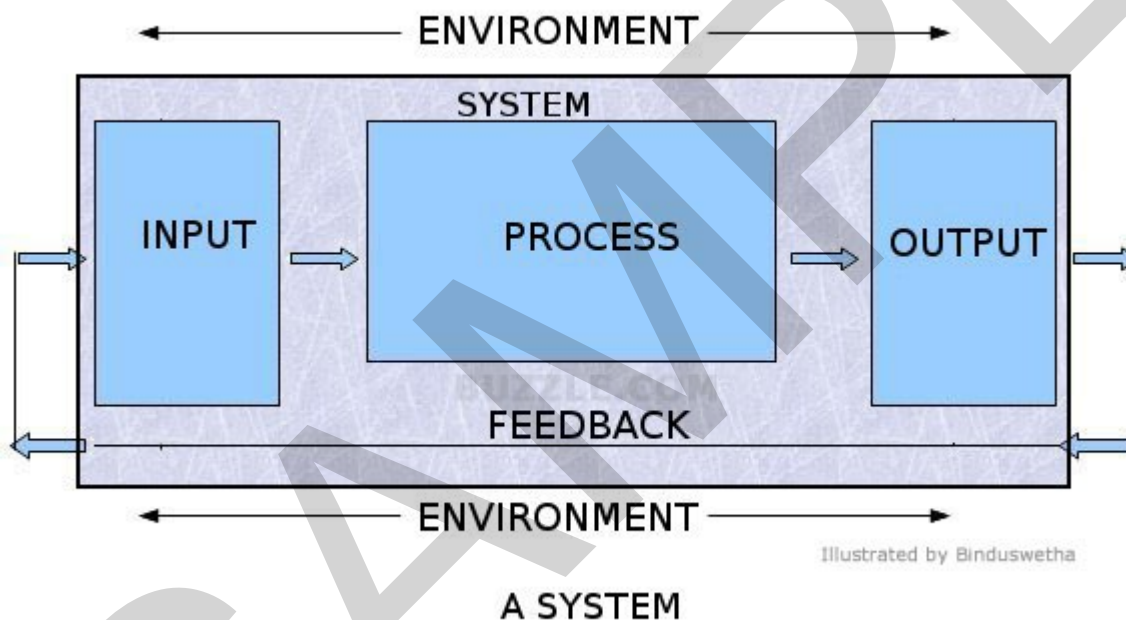


Figure 3 Systems Approach Illustration

It is a management approach which enables the leadership to see the company as a unified part or a major section of the larger outside corporate environment. Even a small activity in a section of a company has a substantial effect on other sections of the company. Such a system may be biological, physical or social, and may enable the management to efficiently determine the long-term goals of the company. The systems approach states that, for realizing the operations of an entity, it is essential to see the entity as a whole system.

Elements of a System

A system is made of different subsystems: internal and external. These subsystems are interconnected and influence each other and the system as a whole. Each of the subsystem interacts with the adjacent subsystem and they work in synergy for the betterment of the entire system. The limits within which the internal subsystems function, are determined by the system boundary. The external subsystems, on the other hand, are those which lie outside the boundary limits, but still influence the system

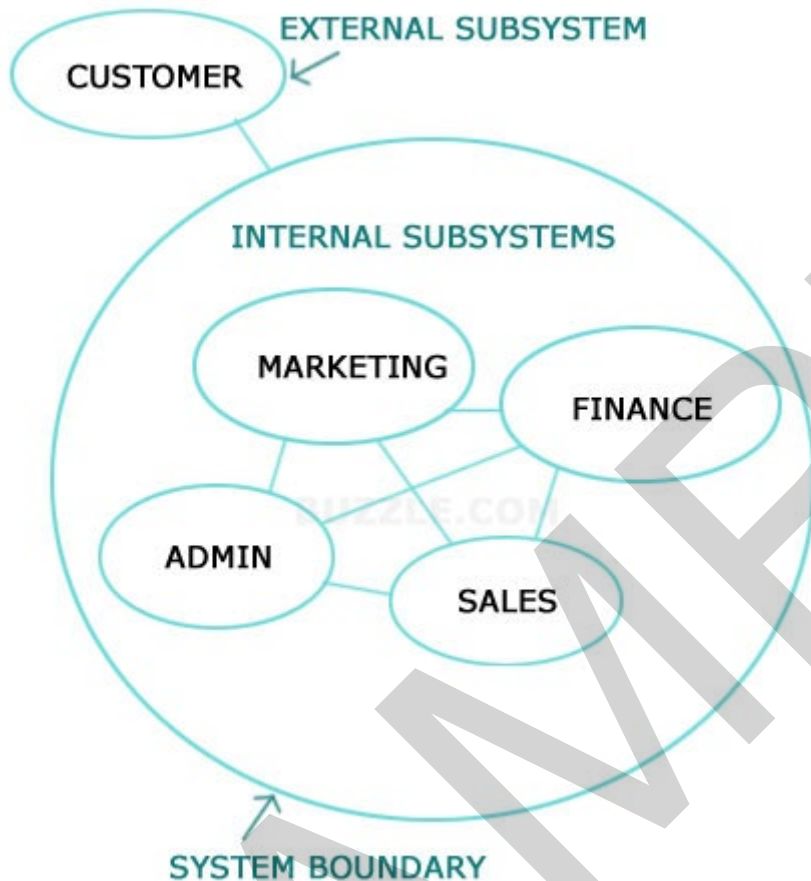


Figure 4 Elements of a system

For example: In a supermarket, the various subsystems are the marketing and advertising, sales, admin and finance department. These are the internal subsystems that lie within the boundary. The external subsystem here are the buyers or the customers who visit the store. Only when all these subsystems work together, the system is said to function effectively.

Open and Closed System

The organisation can act as an open or a closed system. An open system is the one where the elements of the system can interact with the environment. This interaction can involve the transfer of material, information or manpower. The purchase department in any organisation can be an example of open system. The buyers have to interact with suppliers (environment) and other internal departments to carry out the purchasing activity.

On the contrary, a closed system is the one which does not interact with the environment at all. There is no

exchange of information, material or manpower between the system and environment. It is sometimes referred as an 'isolated system'. An assembly line can be treated as a closed system if it does not interact for supply of raw materials. A research department can also be an example of closed system

McKinsey 7-S Framework

Compliments the System Theory.

- **Strategy:** this is your organisation's plan for building and maintaining a competitive advantage over its competitors.
- **Structure:** this how your company is organized (that is, how departments and teams are structured, including who reports to whom).
- **Systems:** the daily activities and procedures that staff use to get the job done.
- **Shared values:** these are the core values of the organisation, as shown in its corporate culture and general work ethic. They were called "superordinate goals" when the model was first developed.
- **Style:** the style of leadership adopted.
- **Staff:** the employees and their general capabilities.
- **Skills:** the actual skills and competencies of the organisation's employees.

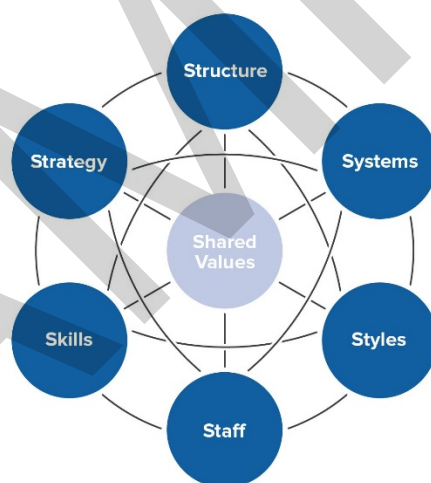


Figure 5 7-S Model



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