English (1)

By: ***dr. Hanan Mohamed Nour ELDin***

Chapter I
Managers and Management

Manager :

A person who is responsible for the work performance of one or more than one person .

Managers could be in several position titles like: supervisor, team leader, and division head. A manager mobilizes his employees and resources to accomplish the goal of the organization.

An organization is a systematic arrangement of people brought together to accomplish some specific purpose. Your college or university is an organization.

A classic definitions is that “leaders do the right things and managers do things right”.

A more standard definition is usually some thing like mangers work toward the organization’s goals using its resources in an effective and efficient manner in a traditional sense , large organizations may have different results of managers including top managers , middle managers and first line managers .

Top managers are responsible for overseeing the whole organization and typically engage in more strategic and conceptual matters, with less attention today detail.

Top managers have middle managers working for them and who are in charge of a major function or department .

Middle managers may have first-line managers working for them and who are responsible to manage the day-to-day activities of a group of workers .

Note that you can also have different types of managers across the same levels in the organization. A project manager is in charge of developing a certain project, ex. Development of a new building (see project planning) .

A functional manager is in charge of a major function , such as a department in the organization, e.g Marketing, Sales, Engineering , Finance , Etc .

A product Manager is in charge of a product or surface.

Similarly , a project line manager is in charge of a group of closely related products .

General managers are in charge of numerous functions within an organization or department .

The three tasks of world class managers :

In introducing the three well-established approaches to management and the systems and contingency approaches, we have established that all modern managers , in any country in this world , essentially face three managerial tasks :

1- Managing work and organization

2- Managing people

3- Managing production and operations

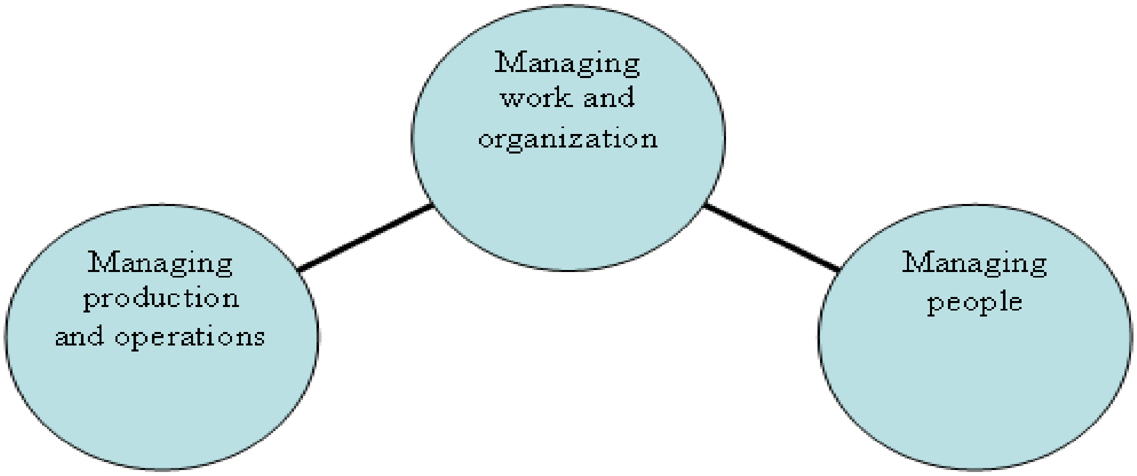


Figure 1

(The work of management)

The work of management involves three interrelated tasks: managing work, managing people, and managing production and operation .

Managers just don't go out and haphazardly perform their responsibilities. Good managers discover how to master five basic functions: planning, organizing, staffing, leading, and controlling.

Not everyone can be a manager. Certain skills, or abilities to translate knowledge into action that results in desired performance, are required to help other employees become more productive. **These skills fall under the following categories**:

-**Technical Skills**: This skill requires the ability to use a special proficiency or expertise to perform particular tasks. Accountants, engineers, market researchers, and computer scientists, as examples, possess technical skills.

Managers acquire these skills initially through formal education and then further develop them through training and job experience. Technical skills are most important at lower levels of management.

Human Skills: This skill demonstrates the ability to work well in cooperation with others. Human skills emerge in the workplace as a spirit of trust, enthusiasm, and genuine involvement in interpersonal relationships.

A manager with good human skills has a high degree of self‑awareness and a capacity to understand or empathize with the feelings of others. Some managers are naturally born with great human skills, while others improve their skills through classes or experience.

No matter how human skills are acquired, they're critical for all managers because of the highly interpersonal nature of managerial work.

-**Conceptual Skills**: This skill calls for the ability to think analytically. Analytical skills enable managers to break down problems into smaller parts, to see the relations among the parts, and to recognize the implications of any one problem for others. As managers assume ever‑higher responsibilities in organizations, they must deal with more ambiguous problems that have long‑term consequences. Again, managers may acquire these skills initially through formal education and then further develop them by training and job experience. The higher the management level, the more important conceptual skills become.

Although all three categories contain skills essential for managers, their relative importance tends to vary by level of managerial responsibility.

Business and management educators are increasingly interested in helping people acquire technical, human, and conceptual skills, and develop specific competencies, or specialized skills that contribute to high performance in a management job.

Following are some of the skills and personal characteristics that the American Assembly of Collegiate Schools of Business (AACSB) is urging business schools to help their students develop.

-The different between managers and operative employees

Manager work in organization, but not everyone who works in an organization is a manger. For simplicity's sake, we can divide organizational members into two categories**: operatives and managers.**

Operatives:

Are people who work directly on a job or task and have no responsibility for overseeing the work of other . the people who attach gas tanks on the Harley Davison motorcycle assembly line, make your burrito at taco bell , or process your course registration in your college's registrar office are all operative .

In contrast, **Managers** direct the activities of other people in the organization. Customarily classified as top, middle or first-line, these individuals supervise both operative employees and lower-level managers.

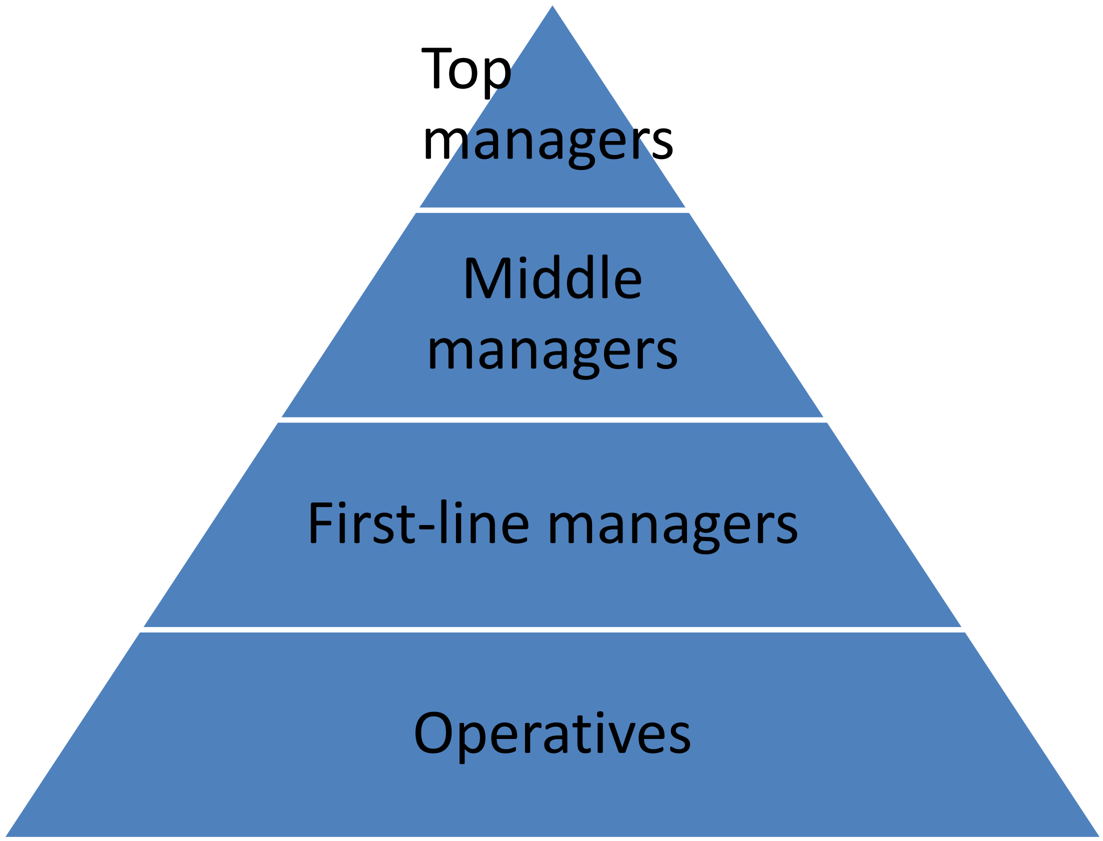
That does not mean, however, that managers don't work directly on tasks.

Some managers also have operative responsibilities themselves. For example, district sales managers for Frito lay also have basic responsibilities to service some accounts in addition to over seeing the activities of the other sales associates in their district. The distinction, then, between the two groups- operatives and managers –is that manager has employees who report directly to them.

A classic definition is that " leaders do the right thing and managers do things right" . A more standard definition is usually something like managers work towards the organizations goals using its resources in an effective and efficient manner .

-Types of Managers:

Identifying exactly who managers are in organization is often not a difficult task, although you should be aware that management positions come with a variety of rules:



(Figure 2)

Organizational levels

1- **<u>First-line managers:</u>**

They are usually called supervisors. They are responsible for directing the day –to-day activities of operative employees. In your college, for example, the department chair would be a first – line supervisor overseeing the activities of the department faculty (the operatives).

2- **<u>Middle managers :</u>**

Represent levels of management between the first-line manager (the supervisor) and top management. These individuals manage other managers-and possibly some operative employees- and are typically responsible for translating the goals set by top, a management into specific details that lower-level managers can perform. In organization, middle managers may have such titles as department or agency head, project leader, unit chief, district manager dean bishop, or division manager.

3- <u>Top managers</u>:

at or near the top of an organization are top managers. These individuals are responsible for making decisions about the direction of the organization and establishing policies that affect all organizational members .Top managers typically have titles such as: Vice president , president , chancellor, managing , director, chief operating officer ,chief executive officer, or chairperson of the board.

4-<u>Functional managers :</u>

Functional managers are responsible for a single area of the organization activity, like manager of marketing department for example.

5-<u>General managers :</u>

General Managers are responsible for more complex units that include many functional areas.

<u>- Management :</u>

Management is the process undertaken by one or more individuals to coordinate the activities of others to achieve results not possible by one individual acting alone.

Three fundamental tasks make up managerial work: managing work and organizations, managing people, and managing production and operations.

These three tasks are generally applicable to managers in all organizations.

The term management refers to the process of getting things done, effectively and efficiently, through and with other people. Several components in this definition warrant discussion. These are terms process, effectively, and efficiently.

The term process in the definition of management represents the primary activities managers perform. In management terms, we call these the functions of management.

Effectiveness and efficiency deal with what are doing and how we are doing it.

Efficiency:

means doing task right and referees to the relation ship between inputs and outputs.

For instance, if you get more output for a given input, you have increased efficiency. So, too, do you increase efficiency when you get the same output with fewer resources .

Since managers deal with input resources that are scarce – money, people, and equipment – they are concerned with the efficient use of those resources. Management, therefore, is concerned with minimizing resource costs.

Although minimizing resources costs is important, it is not enough simply to be efficient. Management is also concerned with completing. In management terms, we call this ability effectiveness.

Effectiveness:

Means doing the right task . In an organization, that translates into goal attainment.

Although efficiency and effectiveness are different terms, they are interrelated. For instance, it's easier to be effective if one ignores efficiency. Allied signal could produce more-sophisticated and longer-lasting frame oil filters if it is disregarded labor and material input costs.

- Function of Management :

In the early part of this century, a French industrialist by the name of Henri Fayol wrote that all managers perform five management functions. They plan, organize, command, coordinate, and control.

In the mid -1950s, two professors at UCLA used the functions of planning, organizing, staffing, directing, and controlling as the framework for a textbook on management that for twenty years was unquestionably the most widely sold a text on the subject.

The most popular textbooks still continue to be organized around management functions, though these have generally been condensed to the basic four: planning, organizing, leading, and controlling. Let us briefly define what each of these functions encompasses. Keep in mind before we begin , however , that , although we will look at each as an independent functions , managers must be able to perform all four functions simultaneously and that each function has an effect on the others . That is, these functions are interrelated and interdependent.

Every organization, regardless of size, has developed and implemented its own management concepts in order for it to run smoothly and accomplish the vision, goals and objectives it has set forth. As such, the basic functions of management, broken down into four different areas, allow for it to handle the strategic, tactical and operational decisions for the organization. The **four functions of management** are: planning, organizing, directing, and controlling.

1-**The planning function:**

Planning: This step involves mapping out exactly how to achieve a particular goal. Say, for example, that the organization's goal is to improve company sales. The manager first needs to decide which steps are necessary to accomplish that goal. These steps may include increasing advertising, inventory, and sales staff. These necessary steps are developed into a plan. When the plan is in place, the manager can follow it to accomplish the goal of improving company sales.

Encompasses defining an organization’s goal, establishing an overall strategy for achieving those goals, and developing a comprehensive hierarchy of plans to integrate and coordinate activities.

Setting goals keeps the work to be done in it proper focuses and helps organizational members keep their attention on what is most important.

Planning is a key component of managers' job functions. They design and devise ways to improve their companies and departments. However, factors inside and outside the company can affect managerial planning for better or worse. Fail-proof planning does not exist, but taking steps to mitigate any negative effects of planning can help ensure project success. Planning enables managers to adjust the environment in which their companies operate instead of only reacting to changes.

2-**The organizing function:**

Includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

A manager needs to organize her team and materials according to her plan. Assigning work and granting authority are two important elements of organizing.

Organizing is the process of identifying and grouping of the works to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most efficiently...

3-**The leading function:**

We know that every organization contains people. And it is part of a manager's job to direct and coordinate those people. Performing this activity is the leading function of management .when managers motivate employees, direct the activities of others, select the most effective communication channel, or resolve conflicts among members, they are engaging in leading.

Leading: A manager needs to do more than just plan, organize, and staff her team to achieve a goal. She must also lead. Leading involves motivating, communicating, guiding, and encouraging. It requires the manager to coach, assist, and problem solve with employees.

4-**The controlling function:**

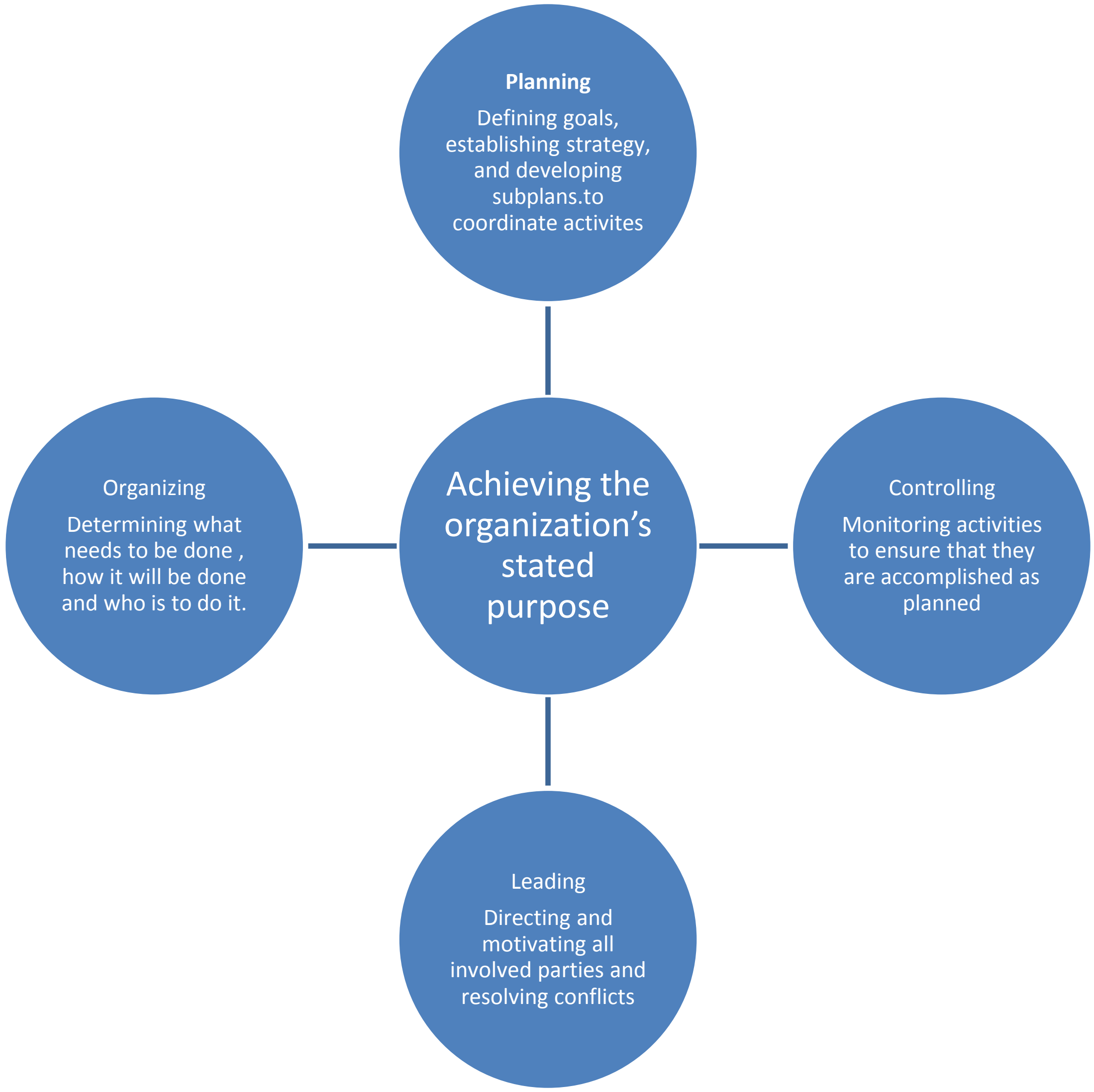
The managerial function controlling always maximize the use of scarce resources to achieve the purposeful behavior of employees in an organization.

After the other elements are in place, a manager's job is not finished. He needs to continuously check results against goals and take any corrective actions necessary to make sure that his area's plans remain on track.

All managers at all levels of every organization perform these functions, but the amount of time a manager spends on each one depends on both the level of management and the specific organization.

The final function manager’s perform is controlling. After the goals are set, the plans formulated, the structural arrangements determined, and the people hired, trained, and motivated, something may still go amiss. To ensure that things are going as they should, a manager must monitor the organization’s performance. Actual performance must be compared with the previously set goals.

If there are any significant deviations, it is the manager’s responsibility to get the organization back on track .This process of monitoring, comparing, and correcting is what we mean when refer to the controlling function.(see figure)



(Figure 3)

Four functions of management

Factors Can Affect the Planning Function of Management :

1-Competition

Companies that do not jump quickly into a promising product or service market may be outmaneuvered by their competitors. Planning may take a backseat to entering the profitable, emerging market for a new product or service when a company wants to beat its competitors.

In some cases, the higher costs of completing the project before competitors that comes from a lack of thorough planning do not have negative effects on the business. The higher profits that come from beating competitors to customers more than compensates for them. However, a hurried entrance into a new market can cost the company money in the long run and not make full use of managers' planning abilities.

2-Economy

The overall economy or health of the company's industry also may negatively affect a manager's ability to plan. When sudden downturns occur, planning must be stopped, adjusted or taken in a new direction. If the economy improves significantly, managers may scrap former plans and begin new ones.

Managers must be flexible to changing outside economic conditions even when they are in the midst of planning a project of special interest to them.

3-Managers

Managers themselves also affect their own planning function. If they are not good planners in general or do not have the experience, education or background in planning required to be successful, they are more likely to plan poorly. They may not fully commit to the planning process, as it can be complicated and time-consuming.

They also may sacrifice their visions of the long term for solving short-term problems. Managers may rely too much on their planning departments to construct and organize the vision for a project. The responsibility to plan still rests with them. Managers also may focus too much on the variables they can control instead of the variables that they cannot, such as the economy.

4-Information

When planning occurs, it is vital to have accurate information from consumers, the market, the economy, competitors and other sources. Managers who do not have accurate and timely information are more likely to plan poorly and inadequately.

- Managerial skills :

Managerial skills are;

1- Conceptual skill.

2- Human skill

3- Technical skill

1-Conceptual skill;

Conceptual skill involves the manager's thinking information processing, and planning abilities. This skill is especially important for top management.

2-Human skill:

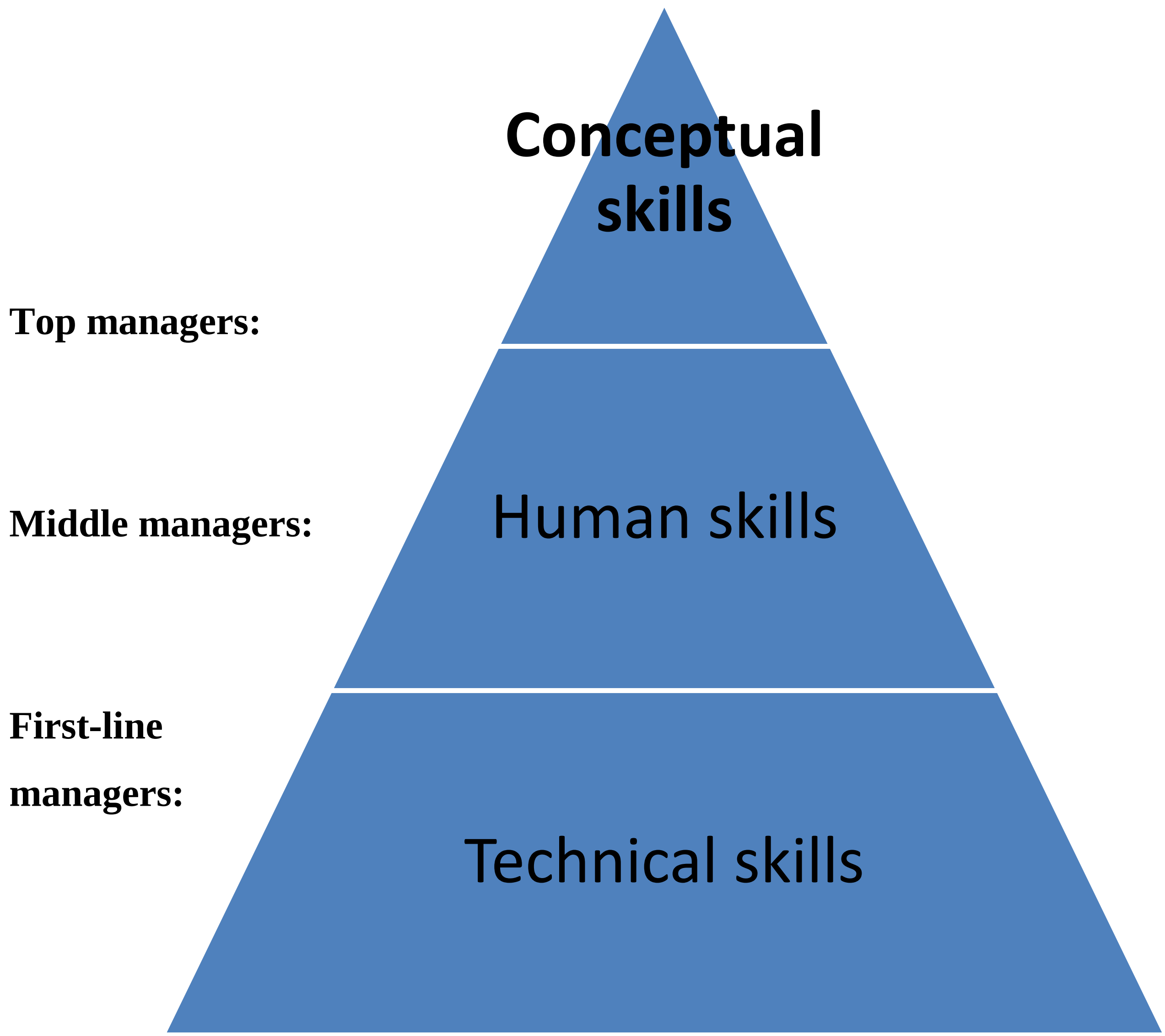
Human skill refers to the manager's ability to work with, and through, other people and work effectively as a group member. It is the ability to motivate, facilitate, coordinate, lead, communicate, and resolve conflict.

Human skill is important for all management levels.

3-Technical skill:

Technical skill refers to understanding of, and proficiency in the performance of specific. Tasks including mastery of the methods, technique, and equipment involved in a specific functions such as engineering, manufacturing.

Technical skills are most important at lower organizational level. (See figure)



(Figure 4)

Managerial skills

Summary

Managers:

Individuals in an organization who direct the activities of others

Operatives:

People who work directly on a job or task and have no Responsibility for overseeing the work of others .

First line managers:

Supervisors, responsible for directing the day- to – day activities of operative employees .

Middle manager :

Individuals at levels of management between the first line manager and top management .

Top managers :

Individuals who are responsible for making decisions of the direction of the organization and establishing policies that effect all organizational members.

Management:

Is the process undertaken by one or more individuals to coordinate the activities of others to achieve results not possible by one individual acting alone?

The process of getting things done, effectively and efficiency through and with other people

Three fundamental tasks make up managerial work: managing work and organizations, managing people, and managing production and operations.

These three tasks are generally applicable to managers in all organizations.

Efficiency:

Means doing the things right .

Effectiveness: Means doing the right thing.

Management functions are :

1-Planning: Includes defining goals, stabling strategy and developing plans to coordinate activities.

2-Organizing: Includes determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom, and where decisions are to be made.

3- Leading: Includes motivating employees, directing the activities of others, selecting the most effective communication channel , and resolving conflicts.

4- Controlling: The process of monitoring performance, comparing it with goals, and correcting any significant deviations.

Leadership: ability to influence others to perform tasks.

Self - objectivity: ability to evaluate yourself realistically.

Analytic thinking: ability to interpret and explain patterns in information.

Behavioral flexibility: ability to modify personal behavior to react objectively rather than subjectively to accomplish organizational goals.

Oral communication: ability to express ideas clearly in words.

Written communication: ability to express ideas clearly in writing .

Personal impact: ability to create a good impression and instill confidence.
Resistance to stress: ability to perform under stressful conditions.

Tolerance for uncertainty: ability to perform in ambiguous situations.

Chapter II

Planning

Planning is the core area of all the functions of management. It is the foundation upon which the other three areas should be building. Planning requires management to evaluate where the company is currently, and where it would like to be in the future. From there an appropriate course of action to attain the company's goals and objectives is determined and implemented.

The planning process is ongoing. There are uncontrollable, external factors that constantly affect a company both positively and negatively. Depending on the circumstances, these external factors may cause a company to adjust its course of action in accomplishing certain goals. This is referred to as strategic planning.

During strategic planning, management analyzes internal and external factors that do and may affect the company, as well as the objectives and goals. From there they determine the company's strengths, weaknesses, opportunities and threats. In order for management to do this effectively, it has to be realistic and comprehensive.

What is meant by the term planning?

As we stated in chapter I, planning encompasses defining the organization's objectives or goals, establishing an overall strategy for achieving those goals. And developing a comprehensive hierarchy of plans to integrate and coordinate activities. It is concerned, then, with ends (what is to be done) as well as with means (how it is to be done).

Planning can be further defined in terms of whether it is informal or formal. All managers engage in planning, but it might be only the informal variety.

In informal planning, very little, if anything, is written down. What is to be accomplished is in the head of one or a few people. Furthermore, the organization's objectives are rarely verbalized. This generally describes planning in many small business , the owner has a private vision of where he or she wants to go and how he or she expects to get there. The planning is general and lacks continuity. Of course, informal planning exists in some large organizations, and some small business has very sophisticated. Formal plans .

When we use the term planning in this book, however, we are implying formal planning. Specific objectives that cover a period of years are formulated. These objectives are written down and made available to organization members.

Finally, specific action programs exist for the achievement of these objectives. This means that management clearly defines the path it wants to take to get from where it is to where it wants to be.

Features of planning

- Planning focuses on achieving objectives
- Planning is a primary function of management
- Planning is pervasive
- Planning is continuous
- Planning is futuristic
- Planning involves decision making
- Planning is a mental exercise

Importance of Planning

Planning is being pushed down to lower levels of the organization . the fact that most managers plan in some form is ample evidence of its importance in management. We can identify the following four specific benefits:

- Coordinating Efforts
- Preparing for change
- Developing performance standards
- Developing managers
- Planning provides directions
- Planning reduces the risks of uncertainty
- Planning reduces overlapping and wasteful activities
- Planning promotes innovative ideas
- Planning facilitates decision making
- Planning establishes standards for controlling.

Planning Process

-**Setting objectives:** Objectives may be set for the entire organization and each department or unit within the organization.

-**<u>Developing premises</u>*<u>:</u>*** Planning is concerned with the future which is uncertain and every planner is using conjecture about what might happen in future.

-**<u>Identifying alternative courses of action</u>*<u>:</u>*** Once objectives are set, assumptions are made. Then the next step would be to act upon them.

-**<u>Evaluating alternative courses</u>*<u>:</u>*** The next step is to weigh the pros and cons of each alternative.

-**<u>Selecting an alternative</u>*<u>:</u>*** This is the real point of decision making. The best plan has to be adopted and implemented.

-**<u>Implement the plan</u>*<u>:</u>*** This is concerned with putting the plan into action.

-**<u>Follow-up action</u>*:*** Monitoring the plans are equally important to ensure that objectives are achieved.

<u>The elements of planning :</u>

The planning function requires mangers to make decisions about four fundamental elements of plans: objectives, actions, resources, and implementation.

Objectives specify future conditions that a manager hopes to achieve . For example, the statement “the firm’s objective is to achieve a

12 percent rate of return on investment by the end of fiscal year 2011 refers to a condition (12 percent rate of return) that the manager hopes to achieve at a specific time in the future (by the end of fiscal year 2011).

Actions are the means , or specific activities, planned to achieve the objectives. A course of action intended to result in a 12 percent return might be to engage in a product development effort aimed at introducing five new products in the to years period 2010 and 2011.

Resources are constraints on the course of action. For example; The total cost to be incurred in the development of five new products must not exceed 10 million. A plan should specify the kinds and amounts of resources required , as well as the potential sources and allocations of those resources. Specifying resources constraints also involves *budgeting* identifying the sources and levels of resources that can be committed to the courses of action.

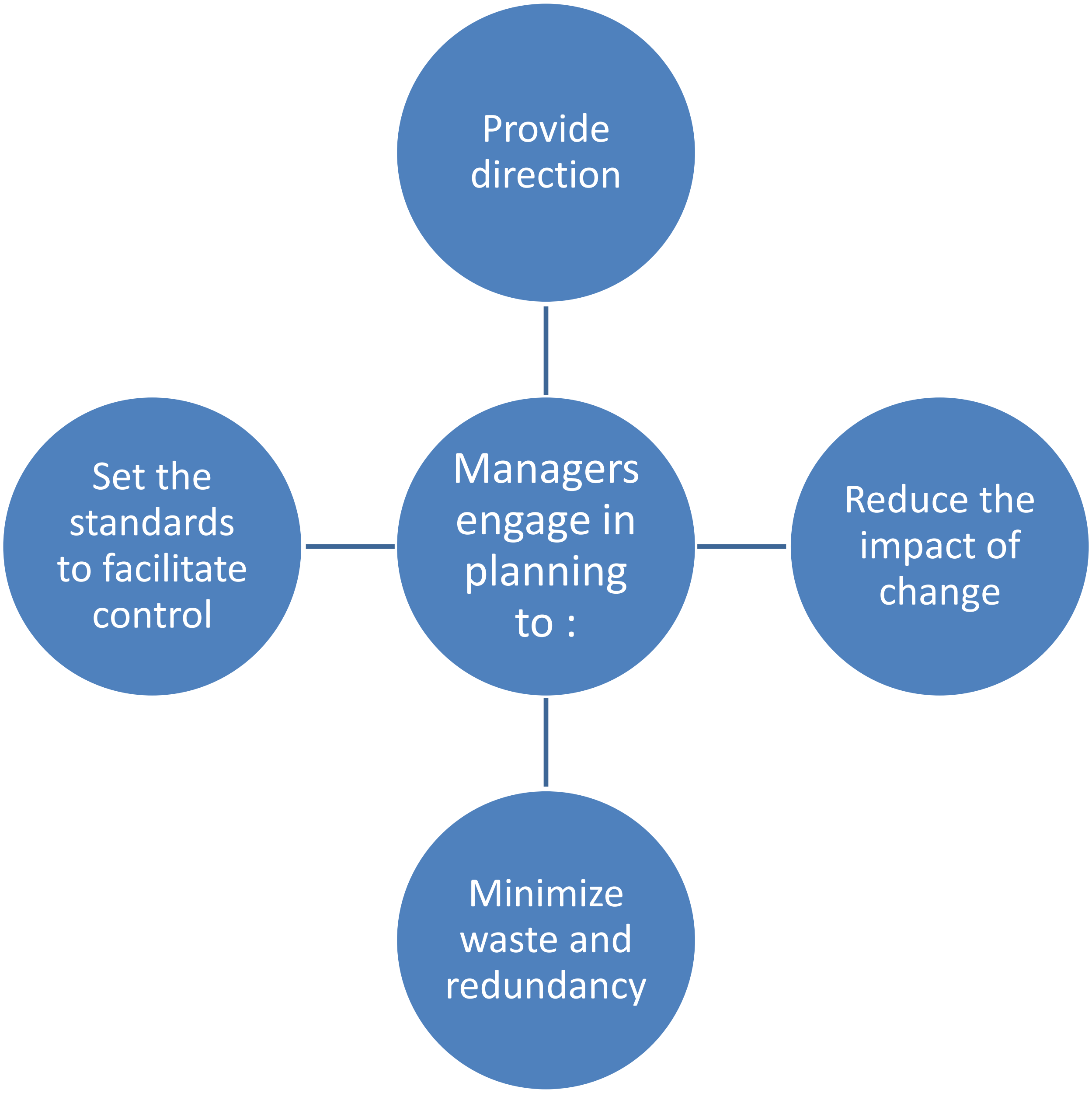
Finally, a plan must include ways and means to implement the intended actions. *Implementation* involves the assignment and direction of personnel to carry out the plan.

- Planning reasons

Managers should engage in planning for several reasons. Four of more popular justifications are that planning provides direction, reduce the impact of change, minimize waste and redundancy, and sets the standards to facilitate control (see figure2-1)

Planning establishes coordinated effort. It gives direction to managers and non-managers alike. When all organizational members understand where the organization is going and what they must contribute to reach objectives, they can begin to coordinate their activities. When they do, cooperation and teamwork are fostered. On the other hand, a lack of planning can cause various organizational members or their units to work against one another. Consequently, the organization may be prevented from moving efficiently toward its objectives.

By forcing managers to look a head, anticipate change, consider the impact of change, and develop appropriate responses, planning reduces uncertainly.



(Figure 5)

Reasons for Planning

Characteristic of policies :

1- <u>Flexibility :</u> A policy must strike a reasonable balance between stability and flexibility . conditions change, and policies must change accordingly.

2- <u>Comprehensive :</u> Are planned to be followed, a policy must be comprehensive enough to cover any contingency .

3- <u>Coordination :</u> A policy must provide for coordination of the various subunits whose actions are interrelated.

4- <u>Ethics :</u> A policy must conform to society's prevailing codes of ethical behaviors.

5- <u>Clarity :</u> A policy must be written clearly and logically. It must specify the intended aim of the action.

-Types of plans

The most popular ways to describe plans are.

1- By their breadth (strategic versus tactical)

2- Time frame (long term versus short)

3- Specificity (directional versus specific)

4- Frequency of use (single use versus standing)

Keep in mind , however, these planning classifications are not independent of one another. For instance, there is a close relationship between the short and long term categories and the strategic and tactical categories. (figure 1-2) illustrates the relationship of types of plans .

Breadth	Time frame	Specificity	Frequency of use
Strategic **Tactical**	**Long-term** **Short-term**	**Directional** **specific**	**Single** **use standing**

(Figure 6)

Types of plans

Tools of Planning

-**Objectives:** Objectives are very basic to the organization and they are defined as ends which the management seeks to achieve by its operations. They serve as a guide for overall business planning.

-**Strategy:** strategy is a comprehensive plan for accomplishing organization objectives. This comprehensive plan will include three dimensions,

(a) determining long term objectives,

(b) adopting a particular course of action, and

(c) allocating resources necessary to achieve the objective.

-**Policy:** They are guides to managerial action and decisions in the implementation of strategy.

-**Procedure:** Procedures are routine steps on how to carry out activities. Procedures are specified steps to be followed in particular circumstances.

-**Method:** Methods provide the prescribed ways or manner in which a task has to be performed considering the objective. It deals with a task comprising one step of a procedure and specifies how this step is to be performed.

-**Rule:** Rules are specific statements that inform what is to be done. They do not allow for any flexibility or discretion.

-**Programs:** Programs are detailed statements about a project which outlines the objectives, policies, procedures, rules, tasks, human and physical resources required and the budget to implement any course of action.

Budget: It is a plan which quantifies future facts and figures. It is a fundamental planning instrument in many organizations.

- Steps of planning :

There are specific steps which are usually in planning process. They are six steps as follow:

1-Defining the objectives .

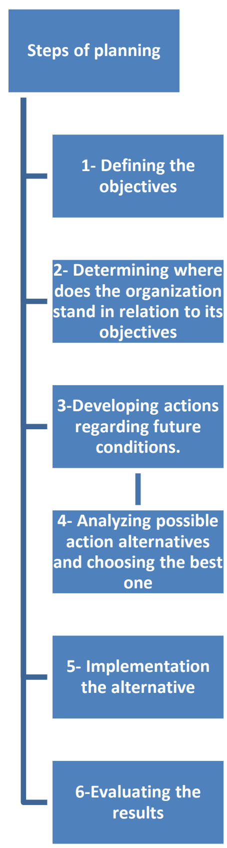
2-Determining where does the organization stand in relation to its objectives .

3-Developing actions regarding future conditions .

4-Analyzing possible action alternatives and choosing the best one.

5-Implementing the alternative.

6-Evaluating the results.(see figure 2-2)



(Figure 7)

Steps of planning

-Management by objectives MBO

At cypress semiconductor cooperation a computer chip manufacture in San Jose, California , every employee define specific, quantifiable objectives for which he or she will be responsible. When T.J Rogers took over as president, he wanted an objective setting program that would specify exactly was his managers and employees were expected to accomplish and that would motivate rather than intimidate. What he installed was a system of participatory objective setting.

Rogers was using management by objectives (MBO). It is a system in which specific performance objectives are jointly determined by subordinates and their superiors, progress toward objectives is periodically reviewed, and rewards are allocated on, the basis of that progress. Rather than using goals to control, MBO uses them to motivate.

What is MBO?

Management by objectives is not new. The concept almost goes back fifty years. Its appeal lies in its emphasis on converting overall objectives into specific objectives organizational units and individual members.

MBO makes objectives operational by devising a process by which they cascade down through the organization. As depicted in figure2-3 , the organization’s overall objectives are translated into specific objectives for each succeeding level-divisional, department , individual-in the organization. Because lower-unit managers jointly participate in setting their own goals, MBO works from the bottom up as well as from the top down.

The result is a hierarchy that links objectives at one level to those at the next level. For the individual employee, MBO provides specific personal performance objectives. Each person, therefore, has an identified specific contribution to make to his or her unit's performance. If all the individuals achieve their goals, then their unit's goals will be attained. Subsequently, the organization's overall objectives will become a reality.

The Focus of planning :

Planning focuses on the future: what is to be accomplished and how. In essence, the planning function includes those managerial activities that determine "objectives'' for the future and appropriate means for achieving those objectives. The outcome of the planning function is a plan, a written document that specific the courses of function of action the firm will take.

The elements of planning :

The planning function requires managers to make decisions about four fundamental elements of plans : objectives, action, resources, and implementation.

Objectives specify future conditions that a manager hopes to achieve . for example, the statement “the firm’s objective is to achieve a 12 per cent rate of return on investment by the end of fiscal year “2011” refers to a condition (12 per cent rate of return) that the manager hopes to achieve at a specific time in the future (by the end of fiscal year 2011).

Actions are the means, or specific activities, planned to achieve the objectives. A course of action intended to result in a 12 per cent return might be to engage in a product development effort aimed at introducing five new products in the two years period 2010 and 2011.

Establishing objectives and choosing courses of action also require Forecasting the future. A manager cannot plan without giving consideration to future events and factors that could affect what will be possible to accomplish .

Resources are constraints on the course of action. For example: the total cost to be incurred in the development of new products must not exceed 10 million dollars . A plan should specify the kinds and amounts of resources required, as well as the potential sources and allocations of those resources.

Specifying resources constraints also involves *budgeting*- identifying the sources and levels of resources that can be committed to the courses of action.

Finally, a plan must include ways and means to implement the intended actions.

Implementation involves the assignment and direction of personnel to carry out the plan.

Although the four elements of the planning function are discussed separately, they are in fact related. Objectives must be set according to what is possible, given the forecasts of the future and the budgeting of resources.

Moreover, availability of resources can be affected by the very actions management is planning. In the preceding example, if the 12 per cent return isn’t achieved , 10 million dollars may not be available because shareholders, bondholders, or other sources of capital will not invest the funds. Then other action may not feasible.

In some organizations, planning is the combined effort of managers and other personnel. On other organizations, planning is done by the top management group. In still others, the initial planning performed by one individual. Depending on the size and type of organization, the number of individuals holding responsibility for planning will vary. Normally, the larger the organization, the greater the number of individuals involved in the planning process.

Planning activities can range from complex, formal procedures to simple and informal ones. Although the form of planning activities varies from organization to another, the substance is the same. Plans and planning always involve activities, actions, resources, and implementation directed toward improving an organization's performance in the future.

The importance of planning:

Planning can accurate all levels in an organization, a production manager who identifies standard output and directs subordinates in using standard procedures is engaged in planning. Sales managers who define sales quotas and assign sales people to particular territories are engaged in planning. In both instances, these managers determine objectives (standard output, sales quotas), actions (standard procedures, assignments to territories), and resources (production workers, sales people)

In other companies, planning is being pushed down to lower levels of the organization.

The fact that most managers plan in some form is ample evidence of its importance in management. We can identify the following four specific benefits:

1- Coordinating Efforts:

Management exists because the work individuals and groups in organization must be coordinated, and planning is one important technique for achieving coordinated effort. An effective plan specifies objectives both for total organization, and for each part of the organization by working toward planned objectives, the behavior of each part contributes to and is compatible with goals for the entire organization.

2-Preparing for change:

An effective plan of action allows room for change. The longer the time between completion of a plan and accomplishment of an objective, the greater the necessity to include contingency plans. Yet, if management has considered the potential effect of the change, it can be better prepared to deal with it. History provides some vivid examples of what can result from failure to prepare change. The collapse of many banks, saving and loans, and airlines in the last few years is due in large part to that industries “management” lack of preparedness.

2- Developing performance standards :

Plans define expected behaviors and in management terms, expected behaviors are performance standards. As plans are implemented through an organization, the objectives and course of action assigned to each individual and group are bases for standards which can be used to asses actual performance.

Through planning, management derives a rational objective basis for developing performance standards are likely to be non rational and subjective.

4-Developing managers:

Good planning involves the art of making difficult things simple. Toward this end, the act of planning requires high levels of intellectual activity. Those who plan must be able to deal with complex, abstract ideas and information . planner must think systematically about the present and the future. Through planning, the future state of the organization can be improved of its managers take an active role in moving the organization toward that future, planning, then, implies that managers should be proactive and make things happen rather than reactive and let things happen. Through the act of planning, managers not only develop their ability to think futuristically but, to the extent that their plans are effective, their motivation to plan also reinforced. The act of planning sharpens manager's ability to think as they consider abstract ideas and possibilities for the future. Thus, both the result and the act of planning benefit the organization and its managers.

Setting objectives and priorities :

The planning function begins with determination of future objectives, and these objectives must satisfy the expectations of many and often conflicting groups in the organization's environment. Whether the organization is a business, university, or government agency, the environment supplies the resources that sustain it. In exchange for these resources, the organization must supply the environment with goods and services at an acceptable price and quality. The increasing interdependence between organizations and their environments has caused corporate managers to turn more and more to formal planning techniques. Moreover, the evidence is clear that organizations using formal approaches to planning are more profitable than those that do not. Management initiates planning to determine the priority and timing of objectives.

In addition, management must also resolve conflict between objectives and provide measurement of objectives so that results can be evaluated.

Priority of objectives:

The phrase *priority of objectives* implies that at a given time, accomplishing one objective is more important than accomplishing others.

Managers always face alternative objectives that must be evaluated and ranked, and they must establish priorities if they want to allocate resources in a rational way. Managers are particularly concerned with the ranking of seemingly interdependent objectives.

Time frame of objectives :

Time dimensions imply that an organization's activities are guided by different objectives, depending on the duration of the action being planned. Managers usually identify short-run objectives can be accomplished in less than a year : intermediate objectives require one to five years: and long-run objectives extend beyond five years. The relationship between priority and timing is quite close, since long-run objectives are those that must be accomplished to ensure long-term survival of the organization.

Conflicting among objectives

At any time , shareholders (owners) employees (including unions), customers, suppliers, creditors, and government agencies are all concerned with the operation of the firm. The process of setting objectives must not overlook these interest groups, and plans must incorporate and integrate their interests. The form and weight to be given to any particular interest group illustrate precisely the nature of management's dilemma. Yet management's responsibility is to make these judgments. Some of the most common planning trade-offs faced by managers in business organization are as follows:

1- Short-term profits versus long-term growth.
2- Profit margin versus competitive position.
3- Direct sales effort versus development effort.
4- Greater penetration of present markets versus developing new markets.
5- Achieving long-term growth through related business versus achieving it through unrelated businesses.
6- Profit objectives versus nonprofit objectives (that is social responsibilities).
7- Growth versus stability.
8- Low-risk environment versus high-risk environment.

Measurement of objectives:

Objectives must be understandable and acceptable to those who will help to achieve them. In fact, many people believe that specific, measurable objectives increase the performance of both employees and organizations and those difficult objectives, if accepted by employees, result in better performance than do easier objectives. In practice, effective managerial performance requires establishing objectives in every area that contributes to over all organizational performance. Management expert Peter Drucker has stated that objectives should be established in at least eight areas of organizational performance:

1- Market standing

2- Innovations

3- Productivity

4- Physical and financial resources

5- Profitability

6- Manager performance and responsibility

7- Worker performance and attitude

8- Social responsibility

This classification in no way implies relative importance. Depending on the specific organization, the importance of any one objective may vary. For example, American objectives return on investment and capitals for shareholder as being most important, while the Japanese companies accord highest priority to market-standing objectives such as market share and product introduction rates.

Nevertheless, effective planning requires measurement must become an integral part of management process. A variety of measurements exists to quantify objectives in the area that Drucker suggest.

Courses of action :

Actions, the second element of the planning function, are the catalyst that can determine success or failure in meeting objectives. Planned courses of action are called strategies and tactics, usually differentiated by the scope and magnitude of the action. Whatever the name, a planned action is directed toward changing a future condition-that is, achieving an objective. For example, if an object is to increase productivity from five units of output per labor hour to six units per labor hour, a course of action has to be identified and implemented.

In some instances, managers simply do not know what action to take. In other instances, numerous alternative courses of action may be possible. For example, productivity increases can be achieved through a variety of means, including improved technology, employee training, management training, reward systems, and improved working conditions. In cases, managers must select the least costly but most effective alternative. Often, several possible courses of action exist for top managers who are planning for the total organization. As the plan becomes more localized to a simple unit in the organization, the number of alternatives tends to become fewer yet more familiar.

The important point is that courses of action and objectives are causally related: the objective is caused to occur by the courses of action. The intellectual effort required in planning involves knowing not only what alternatives will accomplish an objective but also which one is most efficient. Planning is a management process, deductive in nature and designed to produce orderly results.

In some instances, managers can test the effect of a course of action by forecasting. Is the process of using past and current information to predict future events.

Resources:

The third phase of the planning function is budgeting resources for each important plan. The sales forecast presumes that a firm has a product to sell, so managers must first utilize resources to acquire or produce that product.

And just as managers use forecasts to approximate income from sales, they must also forecasts the future availability of major resources, including people, raw materials, energy, and money. Indeed, result of such forecasts may influence management to attempt to leverage its resources. This can be done in many different ways including concentrating resources on few versus many strategic goals :accumulating resources more efficiently ; complementing one kind of resource with another, conserving resources whenever possible , and recovering resources from the market place in as a short a time as possible.

Given an adequate supply of resources, the manager's next task is the allocation of the resources necessary to implement a plan. The principal technique management uses in this phase of the planning function is the budget.

A very close relationship exists between budgeting as a planning technique and budgeting as a control technique. However, this section is concerned only with the preparation of budgets as a part of planning, prior to operations. After the organization has been engaged in activities for a time, actual results are compared with the budgeted results and may lead to corrective action. This, as we see later, is the management function of controlling.

Forecast data are based on assumption about the future. If these assumption prove wrong, the budgets are inadequate. So the usefulness of finance budgets depends mainly on the degree to which they are flexible to changes in conditions. Two principals means exist to prove flexibility: variable budgeting and moving budgeting.

Variable budgeting provides for the possibility that actual output deviates from planned output. It recognizes that variable costs are related to output, while fixed costs are unrelated to output.

To be complete, variable budgeting requires adjustments in all supporting budgets. The production, marketing, and administrative budgets must likewise allow for the impact of **output variation.**

Moving budgeting is the preparation of a budget for a fixed period, with periodic updating at fixed intervals. In this manner, the most recent information is included in the budgeting process. Premises and assumptions are constantly being revised as management learns from experience.

Moving budgets have the advantage of systematic reexamination; they have the disadvantage of being costly to maintain. Although budgets are important instruments for implementing the objectives of the firm, they must be viewed in perspective as on item on a long of demands for a manager's time.

Implementation of plans:

All the planning in the world does not help an organization realize objectives if plans can not be implemented. In some instances, the manager can personally take all the necessary steps to apply resources in planned actions to achieve objectives. But in most cases, the manager must implement plans through other people, motivating them to accept and carry out the plan. Authority, persuasion and policy are the manager's means of implementing plans.

Authority :

Authority is a legitimate form of power in the sense that it accompanies the position, not the person. That is, the nature of authority in organization is the right to make decisions and to expect compliance to these decisions. Thus a manager can reasonably expect subordinates to carry out a plan so long as it does not require illegal, immoral, or unethical behavior.

Authority is often sufficient to implement relatively simple plans that involve no significant change in the status quo. But a complex and comprehensive plan can seldom be implemented through authority alone.

Persuasion:

Persuasion is a process of selling a plan to those who must implement ot- communicating relevant information so individuals understand all implications. In this sense, persuasion requires convincing others to base acceptance of the plan on its merits rather than on the authority of the manager.

A key variable influencing the effectiveness of persuasive efforts is the degree to which employees are legal to their organization. The longer employees stay with a company, the longer employees stay with a company, the more familiar they become with the business, and the better able they are to evaluate the relative pros and cons of any one plan.

Policy:

When plans are intended to be long-term or permanent fixture in an organization, management develops policies to implement them. Policies usually are written statements that reflect the basic objectives of the plan and provide guidelines for selecting actions to achieve those objectives. Once plans have been accepted by employers who must carry them out, policies become important management tools for implementing them.

Effective policies have these characteristics:

1- Flexibility :

A policy must strike a reasonable balance between stability and flexibility. Conditions change, and policies must change accordingly. On the other hand, some degree of stability must prevail if order and a sense of direction are to be maintained. No rigid guidelines exist to specify that exact degree of flexibility; only managerial judgment can determine the appropriate balance.

2- Comprehensiveness:

Are planned to be followed, a policy must be comprehensive enough to cover any contingency. The scope of the policy depends on the scope of the action controlled by the policy itself. If the policy is directed toward very narrow ranges of activity, for example, hiring policies it need not be as comprehensive as a policy concerned with, say, public relations.

3- Coordination:

A policy must provide for coordination of the various subunits whose actions are interrelated. Without coordinated direction provided by policies, each submit is temped to pursue its own objectives. The ultimate test of any subunit's activity should be its relationship to the policy statement.

4- Ethics:

A policy must conform to society's prevailing codes of ethical behaviors. The increasingly complex and interdependent nature of contemporary society has resulted in a great number of problems involving ethical dilemmas. And the manager is ultimately responsible for the resolution of issues that involve ethical principles.

4-Clarity:

A policy must be written clearly and logically. It must specify the intended aim of the action, and delineate the limits of freedom of action permitted to those who are to be guided b it.

The ultimate test of the effectiveness of a policy is whether or not the intended objectives are attained. Policies must be subjected to reexamination on a continual basis. If policy does not lead to the objectives, it should be revised.

Summary of chapter II

-Companies can no longer afford to forgo change if they want to complete in global markets. The planning function includes those managerial activities that result in predetermined courses of action -Planning necessarily focuses on the future, and management responsibility is to prepare the organization for the future.

-Planning requires managers to make decisions about objectives, actions, resources and implementation. These four factors are essential to effective planning.

-Good planning involves the art of making difficult things simple. Through planning, management coordinates efforts, prepares for change, develops performance standards, and manages development.

-Objectives are statements of future conditions that, if realized, are deemed satisfactory or optimal by the planner.

Managers always face alternative objectives that must be evaluated and ranked. All sets of objectives have three characteristics: priority, timing and measurement. Because determining objective is a judgmental decision, it is a difficult process. Necessary trade-offs May, in the short run, result in seemingly inconsistent priorities.

- To be useful in planning, objectives should be stated in measurable terms and should relate to significant organizational performance determinants. In particular, objectives should be set of profitability, marketing, productively, physical and financial resources, innovation, manager behaviors, employee attitudes and social responsibility. Depending on the specific organization, the importance of any objective may vary.
- Courses of action to achieve objectives must be specified. The terms *strategic* and *tactics* refer to planned courses of action.

An important part of specifying courses of action is that of forecasting future demand for the organization's output and future availability of resources.

- Resources requirements of a plan must be forecast and specified by budgets.

Management can select the type of budget the best suits the planning needs of the organization.

-The fourth part of planning is implementation, a phase that deals with the fact that plans usually are carried out other people.

-The three approaches to implementation are authority, persuasion and policy. Approaches can be used individually or in combination.

-Implementation by policy has the advantages of continuously reinforcing the plan for those who must implement it. Effective policies produced the planned course of action.

-Planning should not be thought of as an activity that only large business pursue. A positive relationship exists between the extent of planning activities and the performance of small business.

Questions

Chapter I

1-Who is the manager ?

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………….........

....

....

2- What is the organization?

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

……………….

3-What is the difference between managers and operative employees?

…………………………………………………………………………

…………………………………………………………………………

…………………………………………………………………………

……………………………………………………………………

……………………………………………………………………

…………………………

4-What are types of managers ?

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

………………

5-What is management?

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

………………………….

6-What is the difference between efficiency and effectiveness?

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

………………………

7-List and define the essential skills of managers?

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

………………

8-Define the levels of management?

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

…………………………………………………………………

……………….

9-What are the four functions of management ?

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………

Chapter II:

1. Define planning as a management function?

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………

2. What are the reasons for planning?

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………

3. What are types of plans ?

………………………………………………………………………

………………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

………………

4. What is the difference between strategic and tactical planning ?

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

………………

5. List the six steps of planning?

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

……………………………………………………………………

………………………………………………………………………

………………

6. Define the management by objectives MBO?

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………

7. Briefly discuss cascading of objectives?

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………………………………………………………………

………………

Meaning of Important Terms

1- Manage	**١- يدير**
2- Management	**٢- إدارة**
3- Employee	**٣- موظف**
4- Performance	**٤- أداء**
5- Planning	**٥- تخطيط**
6- Organizing	**٦- تنظيم**
7- Organization	**٧- منظمة**
8- Leading	**٨- قيادة**
9- Controlling	**٩- رقابة (تحكم)**
10- Activities	**١٠- أنشطة**
11- Objectives	**١١- أهداف**
12- Strategy	**١٢- استراتيجي**
13- Manager	**١٣- مدير**
14- Supervisor	**١٤- مشرف**
15- Responsible	**١٥- مسئول**
16- Responsibility	**١٦- مسئولية**
17- Marketing	**١٧- تسويق**
18- Production	**١٨- أنتاج**
19- Finance	**١٩- مالية**
20- Tasks	**٢٠- مهام**
21- Job	**٢١- وظيفة**
22- Arranging	**٢٢- ترتيب**
23- Resources	**٢٣- موارد**

24- Authority	٢٤- سلطة
25- Department	٢٥- قسم
26- Managerial skills	٢٦- مهارات إدارية
27-Enterprise Function	٢٧- وظيفة المشروع
28- Vertical	٢٨- رأسي
29- Obligation	٢٩- الالتزام
30-General manager	٣٠- المدير العام
31- Top management	٣١- الإدارة العليا
32- Middle management	٣٢- الإدارة الوسطى
33- First line management	٣٣- الإدارة السفلى
34- Functional manager	٣٤- مدير وظيفي
35- Technical skills	٣٥- مهارات فنية
36- Conceptual skills	٣٦- مهارات معرفية
37- Public relation	٣٧- علاقات عامة
38- Effectively	٣٩- بفاعلية
39- Efficiently	٣٩- بكفاءة
40- Economic	٤٠- الاقتصاد
41- Dividing work	٤١- تقسيم العمل
42- Delegating authority	٤٢- تفويض السلطة
43- Decisions	٤3- القرارات
44- Specific problems	٤4- مشاكل خاصة (محددة)
45- Planning	45- تخطيط
46- Span of control	٤٨- نطاق الرقابة