

MGT503 IMP notes

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authority : the formal and legitimate right of a manager to make decisions, issue orders, and allocate resources to achieve organizational goals.

behavioral management theory : a method that focuses on people as individuals with needs (also known as the human relations movement).

compensation : all work-related payments, including wages, commissions, insurance, and other benefits.

continuous process : a system that produces goods by continuously feeding raw materials through highly automated technology.

control : the systematic process of regulating organization activities to make them consistent with the expectations established in plans, targets, and standards of performance.

concurrent control : method of regulation applied to processes as they are happening.

cost-leadership strategy : system that focuses on keeping costs as low as possible through efficient operations and tight controls.

crisis problem : an unexpected problem that has the potential to lead to disaster if not resolved quickly and appropriately.

cross-functional teams : groups of experts in various specialties (or functions) who work together on solutions to organizational problems.

decentralized organizations : firms that consciously attempt to spread authority to the lowest possible levels.

demographics : measurements of various characteristics of the people and social groups who make up a society.

development plans : a series of steps that can help employees acquire skills to reach long-term goals, such as job promotions.

division of labor : see work specialization.

labor: :

financial audits: : formal investigations to ensure that procedures, policies, laws, and ethical guidelines are followed in the handling and reporting of financial activities.

financial ratio analysis: : the relationship between specific figures on an organization's financial statements; helps explain the significance of those figures.

first-line management: : the lowest level of management.

flexiplace: : see telecommuting.

force-field analysis: : a technique to implement change by determining which forces drive change and which forces resist it.

functional authority: : authority to make decisions about specific activities undertaken by personnel in other departments.

job enlargement: : a type of job re-design that increases the variety of tasks a position includes (also known as horizontal job loading).

job sharing: : process in which one full-time job is split between two or more persons (also known as twinning).

joint venture: : a business relationship formed between a domestic and foreign firm.

kaizen: : a Japanese term used in the business setting to mean incremental, continuous improvement.

leading: : establishing and influencing others to follow a specific direction.

learning organizations: : firms that utilize people, values, and systems to continuously change and improve performance based on the lessons of experience.

legitimate power: : vested authority stemming from a formal management position in an organization.

licensure agreement: : contract that grants one firm the right to make or sell another company's products.
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line authority: : a manager's right to direct the work of his or her employees and make decisions without consulting others.

liquidity ratios: : measurements of an organization's ability to generate cash.

manager: : a person responsible for the work performance of one or more other persons.

quality: : reflects the degree to which a goods or services meet the demands and requirements of the marketplace.

quantitative approach: : using quantitative techniques, such as statistics, information models, and computer simulations, to improve decision making.

queuing theory: : a rationale that helps allocate services or workstations to minimize customer waiting and service cost.

quotas: : government regulations that limit the import of specific products within the year.

recruitment: : activities an organization uses to attract a pool of viable candidates.
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reengineering: : redesigning processes requiring input from every employee in the company to achieve dramatic improvements in cost, quality, service, and speed.

referent power: : influence that results from leadership characteristics that command identification, respect, and admiration from subordinates (also known as charismatic power).

resources: : the people, information, facilities, infrastructure, machinery, equipment, supplies, and finances at an organization's disposal.

risk: : the environment that exists when a manager must make a decision without complete information.

rule: : an explicit statement that tells a supervisor what he or she can and cannot do.

satisfice: : the making of the best decision possible with the information, resources, and time available.

scalar principle: : a system that demonstrates a clearly defined line of authority in the organization that includes all employees.

simulation: : a broad term indicating any type of activity that attempts to imitate an existing system or situation in a simplified manner.

situational theory: : see contingency theory.

small-batch production: : manufacturing of a variety of custom, made-to-order products.

social network: : see grapevine.

strategic change: : revision that takes place when a company changes its tactics (strategy) — possibly even its mission statement — to achieve current goals.

strategic plan: : an outline of steps designed with the goals of the entire organization as a whole in mind, rather than with the goals of specific divisions or departments.

structural change: : variation that occurs when a company changes its procedures, policies, and rules, and as a result, its organizational structure.

structured problems: : familiar, straightforward, and clear difficulties with respect to the information needed to resolve them.

tactical plan: : steps detailing the actions needed to achieve the organization's larger strategic plan.

tariffs: : taxes placed on imports and/or exports in response to a political event.

interpersonal communication: : real-time, face-to-face, or voice-to-voice conversation that allows immediate feedback.

intrapreneurship: : organizational culture that allows employees flexibility and authority in pursuing and developing new ideas.

job : a study that determines all tasks and qualifications needed for each

analysis: : position.

job description: : a written statement of a job's requirements, processes, and rationale.

job enrichment: : a type of job re-design that not only includes an increased variety of tasks, but also provides the employee with more responsibility and authority (also known as vertical job loading).

job rotation: : temporarily assigning employees to different job, or tasks to different people, on a rotating basis.

team structure: : organizational design that places separate functions into a group according to one overall objective.

technology: : the knowledge, machinery, work procedures, and materials that transform inputs into outputs.

telecommuting: : a work arrangement that allows at least a portion of scheduled work hours to be completed outside of the office, with work at home as one of the options (also known as flexiplace).

Total Quality Management (TQM): : a philosophy that states that uniform commitment to quality in all areas of the organization promotes a culture that meets consumers' perceptions of quality.

twinning: : see job sharing

unity of command: : principle that states that an employee should have one and only one supervisor to whom he or she is directly responsible.

unstructured problems: : difficulties that involve ambiguities and information deficiencies and often occur as new or unexpected situations.

validity: : proof that the relationship between a selection device and some relevant job criterion exists.

vertical job loading: : see job enrichment.

vision: : the ability of the leader to bind people together with an idea.

wholly-owned subsidiary: a foreign firm owned outright, or with a controlling interest, by an out-of-country firm.
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work specialization: the degree to which organizational tasks are divided into separate jobs (also known as the division of labor).
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zero defects: a program that emphasizes doing it right the first time.

brainstorming: an idea-generating process that encourages the development of alternatives while withholding criticism of those alternatives.
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bureaucracy: a form of organization based on logic, order, and legitimate use of formal authority.
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decision tree: a diagram that analyzes hiring, marketing, investment, equipment purchases, pricing, and similar decisions. Decision trees assign probabilities to each possible outcome and calculate payoffs for each decision path.

delegation: the downward transfer of authority from a manager to a subordinate.
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embargo: a prohibition on trade in a particular area.

empowerment: giving individuals an organization autonomy.
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expectancy theory: a motivational theory stating that the three factors that influence behavior are the value of the reward, the relationship of the reward to performance, and the effort required for performance

expert power: a leader's special knowledge or skills regarding the tasks performed by followers.

exporting: selling of an organization's products to a foreign broker or agent.

feedforward method used to identify and prevent defects and deviations from controls: standards.

grapevine: the informal communications network within an organization (also known as social network and informal channels).

horizontal job loading: : see job enlargement.

human relations movement: : see behavioral management theory.

incentive pay: : links compensation and performance by paying employees for actual results, not for seniority or hours worked.

income statement: : a report that presents the difference between an organization's income and expenses to determine whether the firm operated at a profit or loss over a specified time.

informal channels: : see grapevine.

network structure: : an operating process that relies on other organizations to perform critical functions on a contractual basis.

open system: : a method in which an individual or organization must interact with various and constantly changing components in both the external and internal environments.

operational goals: : specific, measurable results expected from first-level managers, work groups, and individuals.

organizational change: : a significant change that affects an entire company.

organizational chart: : a pictorial display of the official lines of authority and communication within an organization.

organizational climate: : the byproduct of organizational culture; it is the barometer for determining the morale of the employees.

organizational culture: : an organization's personality.

organizational design: : the creation or change of an organization's structure, the configuration and interrelationships of positions and departments.

organizational development: : a plan that focuses on changing an entire organization by changing processes and organizational culture.

(OD): :

organizing: the process of establishing the orderly use of resources by assigning and
: coordinating tasks.

orientation: a socialization process designed to provide necessary information to new
: employees and welcome them into the organization.

performance appraisal: a formal, structured system designed to measure an employee's job
: performance against designated standards.

philosophy of management: a manager's set of personal beliefs and values about people and work.
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plan: : a blueprint for goal achievement that specifies the necessary resource
allocations, schedules, tasks, and other actions.

planned change: : the deliberate structuring of operations and behaviors in anticipation of
environmental forces.

planning: : the act of determining the organization's goals and defining the means for
achieving them.

privacy laws: : legal rights of employees regarding who has access to information about
their work history and job performance.

procedure: : a set of step-by-step directions that explain how activities or tasks are to
be carried out.

process theories: : rationales that attempt to explain how workers select behavioral actions
to meet their needs and determine their choices.

profitability ratios: : measurements of an organization's ability to generate profits.

acceptance theory of management: : principle that emphasizes the willingness of subordinates to accept those
with authority to act.

accountability: : the answering for one's actions and accepting the consequences

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affirmative action : a plan that requires employers to make an extra effort to hire and promote people who belong to a protected group

boundary spanning: : the process of gathering information from the external environment to identify current or likely events and determine how those events will affect the organization.

centralized organization: : authority is concentrated at the top of the organization.

chain of command: : a line of authority that links all persons in an organization and defines who reports to whom.

classical administrative: : the branch of classical management theory that emphasizes the flow of information in organizations.

classical theory: : a theory, developed during the Industrial Revolution, that proposes "one best way" to perform tasks. Classical management theory developed into two separate branches: the classical scientific school and the classical administrative school.

closed system: : an organization that interacts little with its external or outside environment.

coercive power: : authority to punish or recommend punishment.

communication: : the exchange of ideas, messages, or information, by speech, signals, or writing.

contingency theory: : this principle examines the fit between the leader and the situation and provides guidelines for managers to achieve an effective fit (also known as situational theory).

differentiation strategy: : a plan whereby a company attempts to set the organization's products or services apart from those of other companies.

charismatic power: : see referent power.

classical scientific: : a branch of the school of classical management theory, whose emphasis is on increasing productivity and efficiency.

competitive any aspect of an organization that distinguishes it from its competitors in advantage: a positive way.
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condition situation that occurs when the decision maker has perfect knowledge of of all the information needed to make a decision.
certainty: :

content identifies physical or psychological conditions that act as stimuli for theory: : human behavior.

contingency development of alternative courses of action that can be implemented if planning: : and when the original plan proves inadequate because of changing circumstances.

employee legally required or voluntary compensation provided to employees in benefits: : addition to their salaries.

financial reports that provide management with information to monitor financial statements: resources.
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flextime: : an employment alternative that allows employees to decide, within a certain range, when to begin and end each work day.

formal the hierarchical arrangement of tasks and people within an organization.
structure: :

functional an organizational design that groups positions into departments on the structure: : basis of the specialized activities of the business.

functional work groups that perform specific organizational functions with members teams: : from several vertical levels of the hierarchy.

management: the process of administering and coordinating resources effectively, : efficiently, and in an effort to achieve the goals of the organization.

management collects, organizes, and distributes data in such a way that the information information meets managers' needs.
systems:
(MIS) :

mass a system used to manufacture a large number of uniform products in an production: assembly line.
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means-end chain: the effective design of organizational goals that encourages the accomplishment of low-level goals as a way of achieving high-level goals.

mechanistic structure: a highly bureaucratic organizational method, with centralized authority, detailed rules and procedures, a clear-cut division of labor, narrow span of controls, and formal coordination.

mission statement: a document that describes what an organization stands for and why it exists.

motion study: research designed to isolate the best possible method of performing a given job.

multinational corporations (MNC): organizations operating facilities in one or more countries.

need theory: a construct of motivation based upon physical or psychological conditions that act as stimuli for human behavior.

nonverbal communication: actions, gestures, and other aspects of physical appearance that can be a powerful means of transmitting messages (also known as body language).

ongoing plans: see continuing plans.

operational plan: developed by a first level supervisor as the means to achieve operational objectives in support of tactical plans.

organic structure: a management system founded on cooperation and knowledge-based authority.

organization: a group of individuals who work together to accomplish a common goal.

reward power: the authority to reward others.

selective perception: the tendency to single out for attention those aspects of a situation or person that reinforce or appear consistent with one's existing beliefs, values, or needs.

self-fulfilling: a belief that a manager can, through his or her behavior, create a situation where subordinates act in ways that confirm his or her original

prophecy: : expectations.

Question: Who are Managers?

Answer: A manager is someone who works with and through other people by coordinating their work activities in order to accomplish organizational goals.

Question: What do managers do?

Answer: We can focus on following five categorization schemes while making mind what do managers do: Traditionally, a manager's job has been classified according to the following four functions i.e.: Planning: determining organizational goals and the means for achieving them Organizing: deciding where decisions will be made, who will do what jobs and tasks, and who will work for whom Leading: inspiring and motivating workers to work hard to achieve organizational goals Controlling: monitoring progress towards goal achievement and taking corrective action when needed Good managers are those who assure themselves to perform these functions

Question: What is an Organization?

Answer: An entity where two or more persons work together to achieve a goal or a common purpose is called Organization.

Question: What are the four major approaches to the study of management?

Answer: The four major approaches to the study of management are scientific, general administrative, quantitative, and organizational behavior. Each is correct and makes an important contribution to our overall understanding of management.

Question: Discuss the three important themes in the definition of entrepreneurship?

Answer: First, is the pursuit of opportunities, because entrepreneurship is about pursuing environmental trends and changes that no one else has seen or paid attention to. Second, is innovation, because entrepreneurship involves changing, revolutionizing, transforming, and introducing products or services or new ways of doing business. Third, is growth, because entrepreneurs are not content to stay small or to stay the same in size.

Question: What are the functions of management in the hierarchy?

Answer: A number of aspects of the management process differ within the hierarchy. The importance of each of the functions of management differs from one managerial level to another. a. Planning tends to be more important for top-level managers. b. Organizing tends to be more important for both top and middle-level managers. c. Leading is more important for first-line managers. d. Controlling is important among all

levels of the hierarchy.

Question: What is scientific management?

Answer: Scientific management is defined as the use of the scientific method to define the “one best way” for a job to be done.

Question: Quantitative Approach to Management:

Answer: The quantitative approach involves the use of quantitative techniques to improve decision making. This approach has also been labeled operations research of management science. It includes applications of statistics, optimization models, information models, and computer simulations

Question: What is total quality management?

Answer: Total quality management is a philosophy of management that is driven by customer needs and expectations and focuses on continual improvement in work processes

Question: What is objective of total quality management(TQM)?

Answer: The objective of TQM is to create an organization committed to continuous improvement

Question: What is system?

Answer: A system is a set of interrelated and interdependent parts arranged in a manner that produces a unified whole.

Question: Describe Frederick W. Taylor’s contributions to scientific management?

Answer: Frederick Taylor defined four principles of management—develop a science for each element of an individual’s work; scientifically select, train, teach, and develop each worker; cooperate with workers to ensure that all work is done in accordance with the principles of science; and divide work and responsibility almost equally between management and workers.

Question: Explain Frank and Lillian Gilbreth’s contributions to scientific management?

Answer: Frank and Lillian Gilbreth studied work arrangements to eliminate wasteful hand and body motions. They also experimented with the design and use of proper tools and equipment for optimizing work performance.

Question: What is organizational behavior?

Answer: Organizational behavior is the field of study concerned with the actions or behavior of people at work.

Question: How is globalization affecting the way managers do their jobs?

Answer: Management is no longer constrained by national borders, and managers

in organizations of all sizes and types around the world are faced with the opportunities and challenges of operating in a global market.

Question: What is social responsibility?

Answer: Social responsibility is an obligation, beyond that required by the law and economics, for a firm to pursue long-term goals that are good for society

Question: What are two opposing views of social responsibility?

Answer: There are two opposing views of what social responsibility is. 1. The classical view is the view that management's only social responsibility is to maximize profits. 2. The socioeconomic view is the view that management's social responsibility goes well beyond the making of profits to include protecting and improving society's welfare.

Question: What is E-business?

Answer: E-business (electronic business) is a comprehensive term describing the way an organization does its work by using electronic (Internet-based) linkages with its key constituencies (employees, managers, customers, suppliers, and partners) in order to efficiently and effectively achieve its goals.

Question: Compare and contrast national culture and organizational culture?

Answer: Like organizational culture, national culture is shared by all or most inhabitants of a country and shapes their behavior and the way they see the world. Organizational and national cultures differ in that national culture has a greater effect on employees than does organizational culture

Question: What is Management?

Answer: Simply speaking, management is what managers do. However, this simple statement doesn't tell us much. We define management as the process of coordinating and integrating work activities so that they are completed efficiently and effectively with and through other people.

Question: What is mega-environment?

Answer: The mega-environment, or general environment as it is sometimes called, is that segment of the external environment that reflects the broad conditions and trends in the societies within which an organization operates.

Question: what is task environment?

Answer: The task environment is that segment of the external environment made up of specific outside elements (usually organizations) with which an organization interfaces in the course of conducting its business

Question: what are the different ways for employees to learn an organization's

culture?

Answer: Employees “learn” an organization’s culture in different ways. 1. Organizational stories are one way that employees learn the culture. These stories typically involve a narrative of significant events or people. 2. Rituals are repetitive sequences of activities that express and reinforce the key values of the organization, what goals are most important, which people are important.

Question: In which areas psychologists help industry according to Hugo Munsterbeg ?

Answer: He argued that psychologists could help industry in three major areas: a. Finding ways to identify individuals best suited to particular jobs. b. Identifying the psychological conditions for optimum efficiency. c. Finding ways to influence individual behavior to be congruent with management’s objectives

Question: What are the assumptions of Maslow’s need theory?

Answer: Abraham Maslow (1908-1970) developed a theory of motivation that was based on three assumptions about human nature. a. Human beings have needs that are never completely satisfied. b. Human behavior is aimed at satisfying the needs that are yet unsatisfied at a given point in time. c. Needs fit into a somewhat predictable hierarchy ranging from basic, lower-level needs to higher-level needs: 1) Physiological (lowest) 2) Safety 3) Belongingness or social 4) Esteem Self-actualization (highest and NOT achieved by everyone)

Question: What is Globalization?

Answer: Organizational operations no longer stop at geographic borders. Managers in all types and sizes of organizations are faced with the opportunities and challenges of globalization.

Question: Why we use quantitative approach to management?

Answer: The quantitative approach involves the use of quantitative techniques to improve decision making. This approach has also been labeled operations research of management science. It includes applications of statistics, optimization models, information models, and computer simulations

Question: How many branches of quantitative management?

Answer: There are three main branches in the Quantitative Management Viewpoint: management science, operations management, and management information systems Management science (or operations research as it has been called) is an approach aimed at increasing decision effectiveness through the use of sophisticated mathematical models and statistical methods. This is NOT a term to be used synonymously with either the term “Scientific Management” described earlier featuring Taylor and others or “The Science of Management,” a term that usually refers broadly, to a deliberate, rational approach to management issues.

Operations Management is the function or field of expertise that is primarily responsible for the production and delivery of an organization's products and services. Management information systems (MIS) is the name often given to the field of management that focuses on designing and implementing computer-based information systems for use by management

Question: Who are early advocates?

Answer: Four people stand out as early advocates of the OB approach. These include Robert Owen Hugo Munsterberg, Mary Parker Follett, and Chester Barnard.

Question: What reflects the Hawthorne Studies?

Answer: 1. In the first set of studies, no correlation was found between changes in lighting conditions and individual work performance. In fact, performance nearly always went up with any change—brighter or darker—in illumination. 2. In the second set of studies, the concept of the Hawthorne effect emerged. The Hawthorne effect refers to the possibility that individuals singled out for a study may improve their performance simply because of the added attention they receive from the researchers, rather than because of any specific factors being tested in the study. 3. The third set of studies centered on group production norms and individual motivation.

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