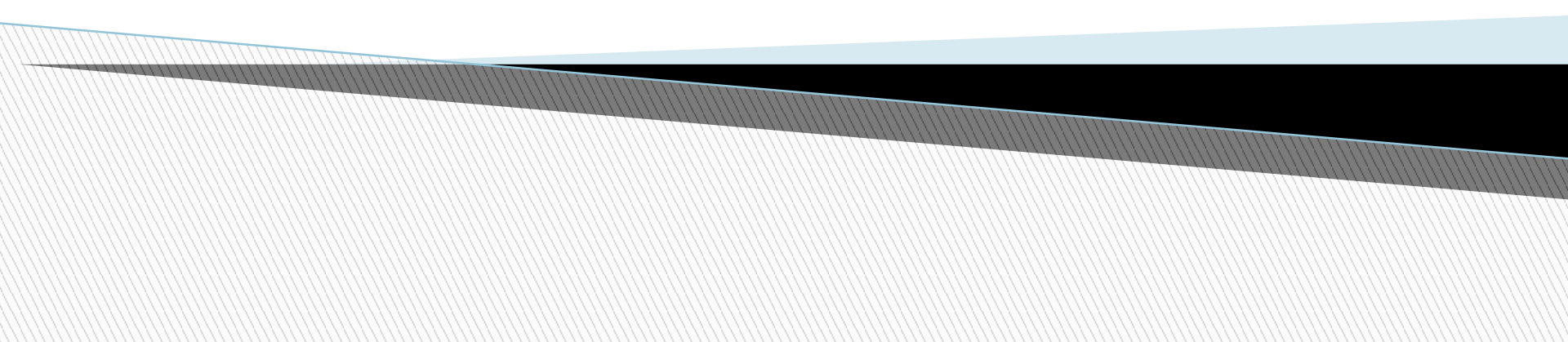


# **Lecture 3 Universal functions of management**

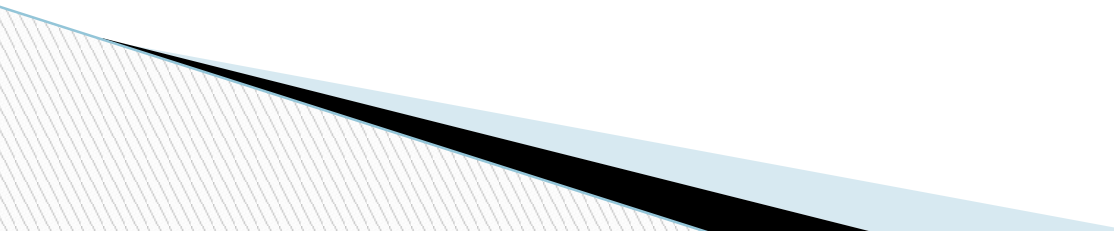


**Management** is the process of working with people and resources to accomplish organizational goals.

Good managers do these things **effectively** and **efficiently**.

To be *effective* is to achieve the organization goals.

To be *efficient* is to achieve the goals with minimum waste of resources.

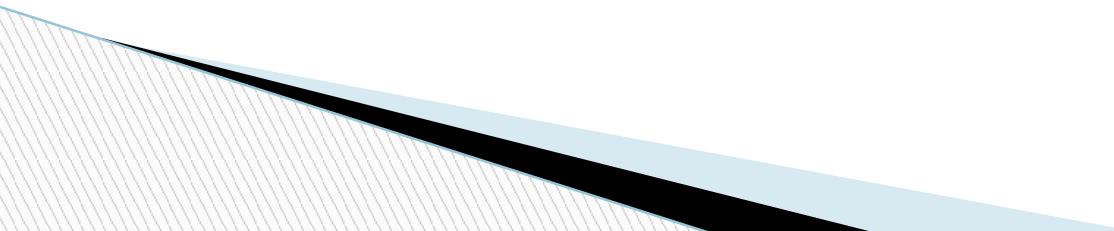


## Planning

The management function of systematically making decisions about the goals and activities that an individual a group a work unit or overall organization will pursue in the future

## Organizing

The management function of assembling and coordinating human physical informational and other resources needed to achieve the goal

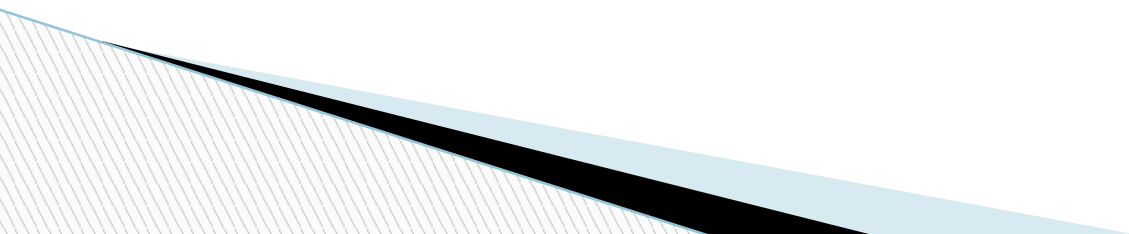


## Leading

The management function that involves the manager's efforts to stimulate high performance by employees

## Controlling

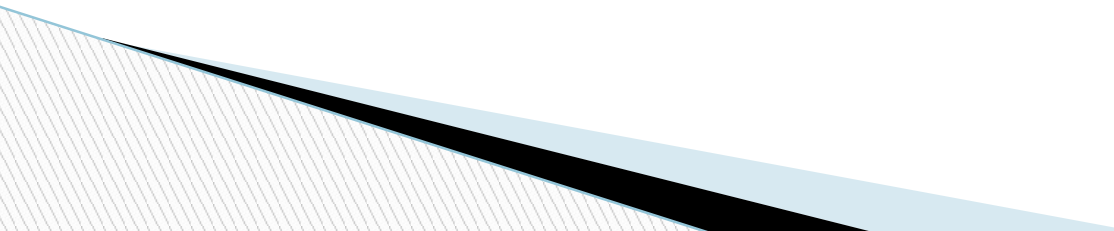
The management function of monitoring the progress and making needed changes



Management as a combination of different activity actions.

Each function of management is oriented to solving different specific and complicated tasks

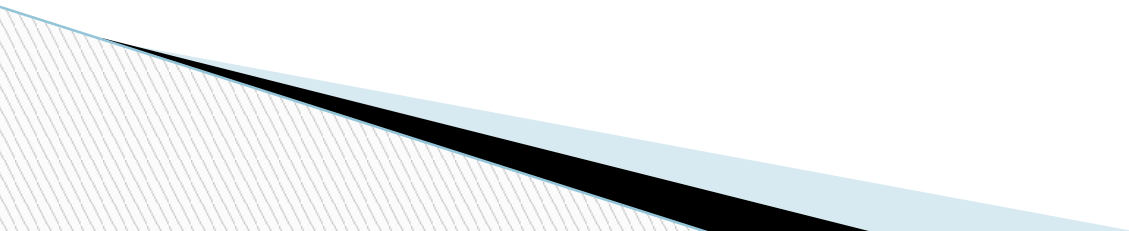
To arrange the work of a company a great number of managerial tasks should be made.



Two main questions should be  
answered:

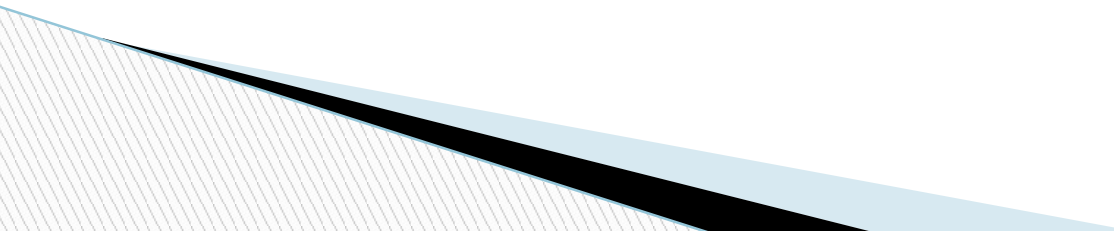
WHAT DO MANAGERS DO?

WHAT FUNCTIONS DO THEY  
HAVE?



The process of company management is divided into **special function** with the purpose to point the certain types of work to a certain manager to streamline the process of production

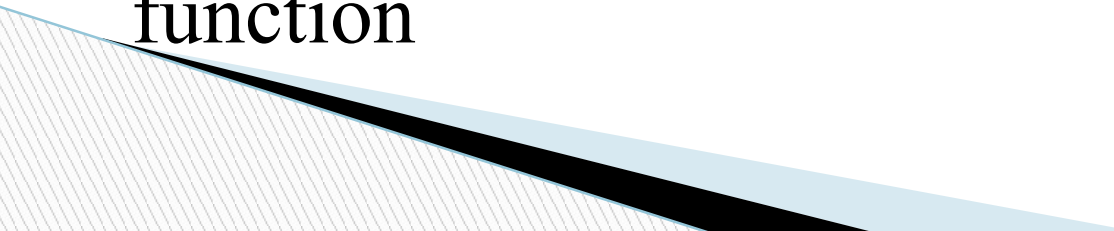
**Function** is the main category of managerial activity which combines the content, principles and methods

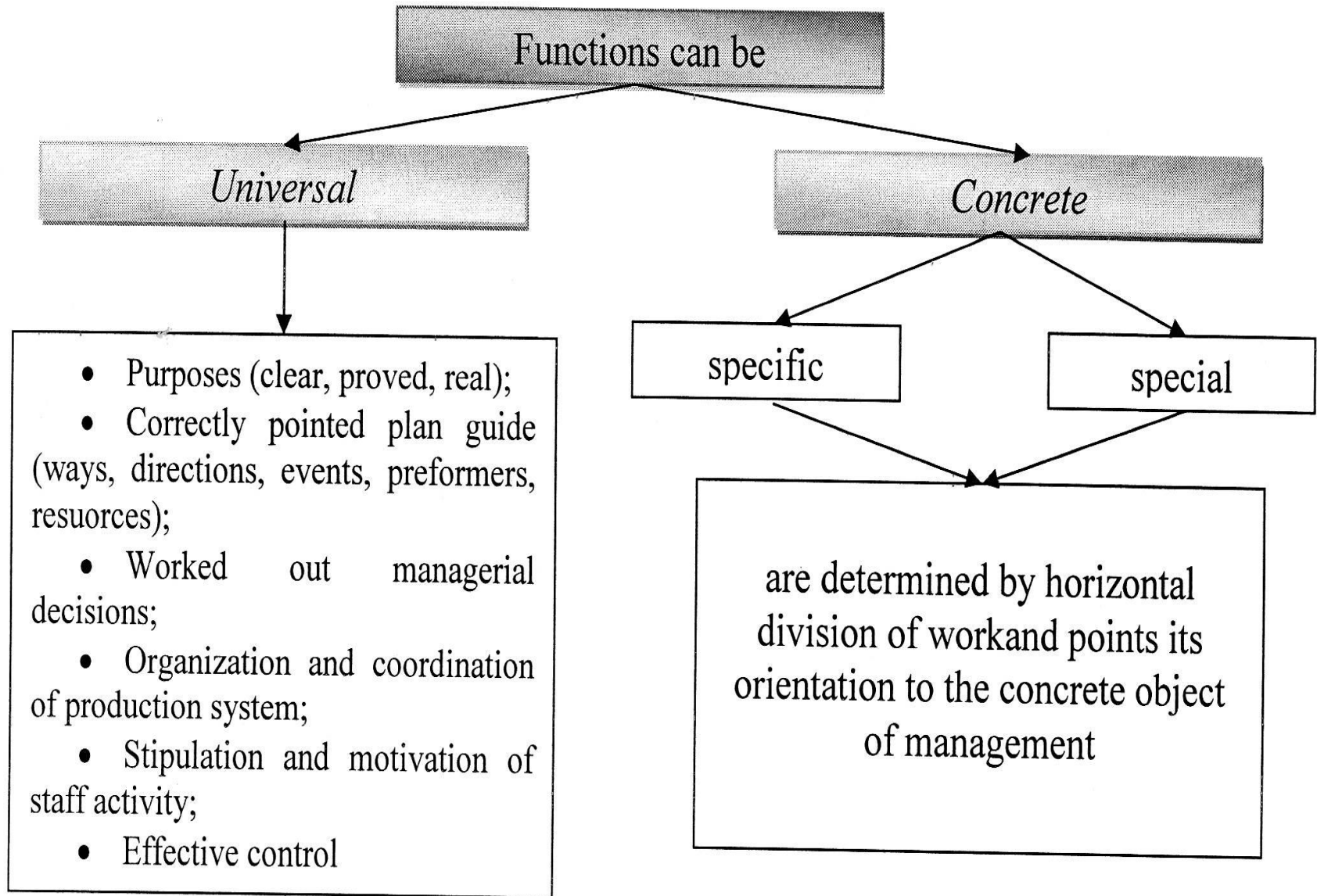


**Management function** is a clear range of issues and tasks solved by an authorized person or semi-department throughout the working activity of a company

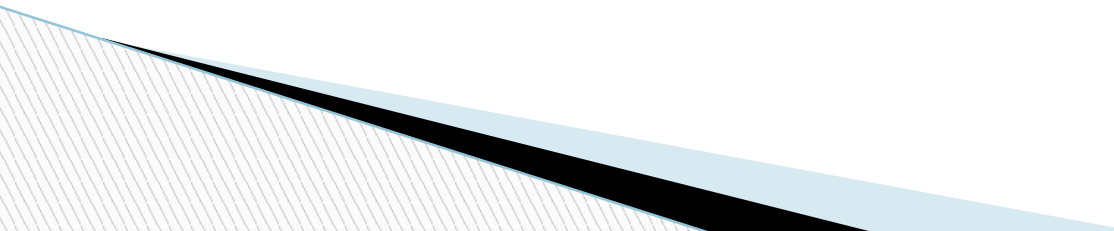
Content of any function is determined by the problems' specificity solved in the terms of a specific function

*Hanri Fayol* pointed the term management function





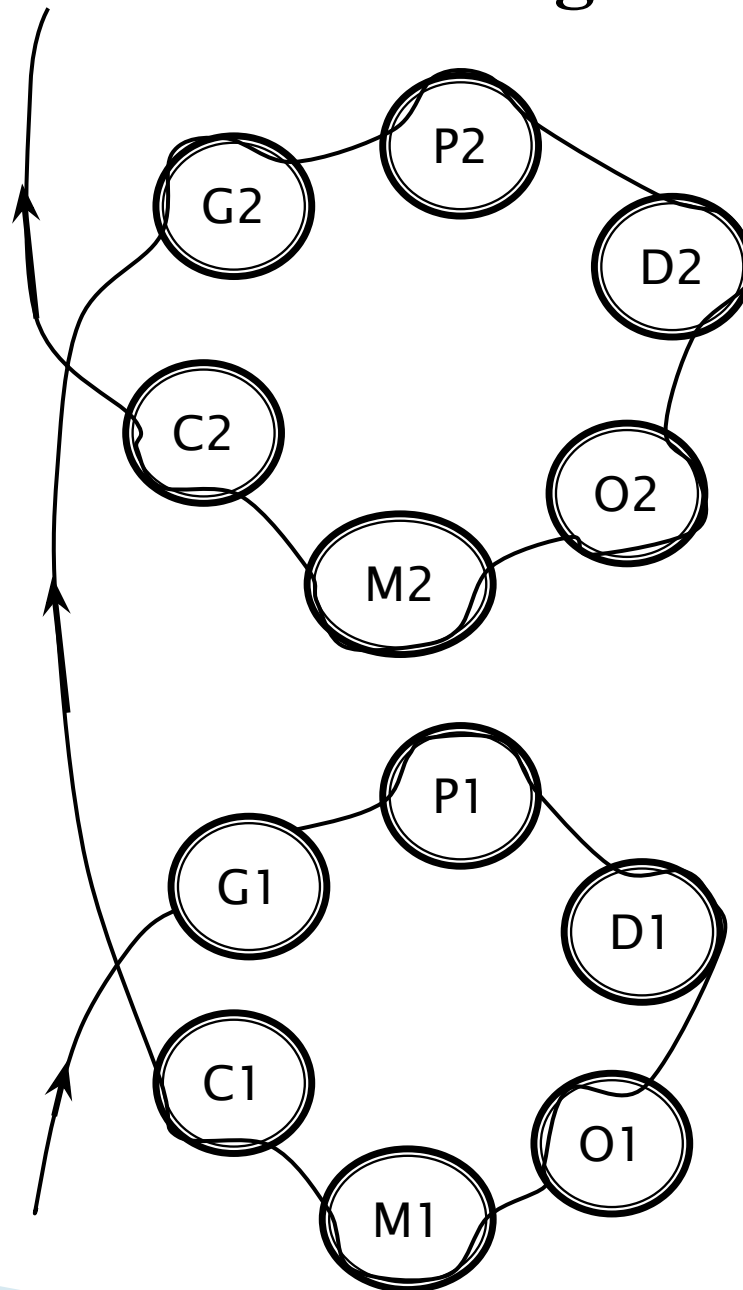
Circle of management: step by step  
implementation of functions: **goal, plan,  
decision, organization, motivation, control**



# Management spiral

It is parallel  
simultaneous or  
level processes.

Each new level is  
more effective and  
qualitatively



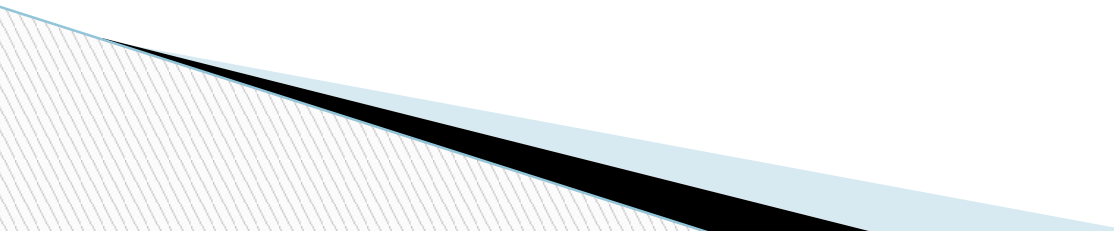
**Management spiral can be parallel simultaneous process.**

Each new level is more effective and qualitative

# PURPOSE IN MANAGEMENT

Means the future state of management object which can be reached by certain work of each member

PURPOSE should:

- show the company principles and philosophy;
  - decrease the uncertainty of current activity;
  - orient the staff;
  - be the base of criteria creation for future work.
- 

Assessment of the goal effectiveness  
SMART- goal is used.

It includes such demands to purpose  
formation:

Specific (S)

Measurable (M)

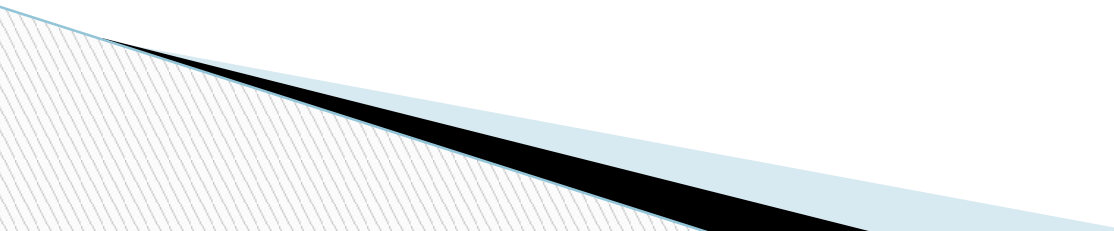
Achievable (A)

Relevant (R)

Time bound (T)



## **A specific goal will usually answer the five 'W' questions:**

- What: What do I want to accomplish?
  - Why: Specific reasons, purpose or benefits of accomplishing the goal.
  - Who: Who is involved?
  - Where: Identify a location.
  - Which: Identify requirements and constraints
- 

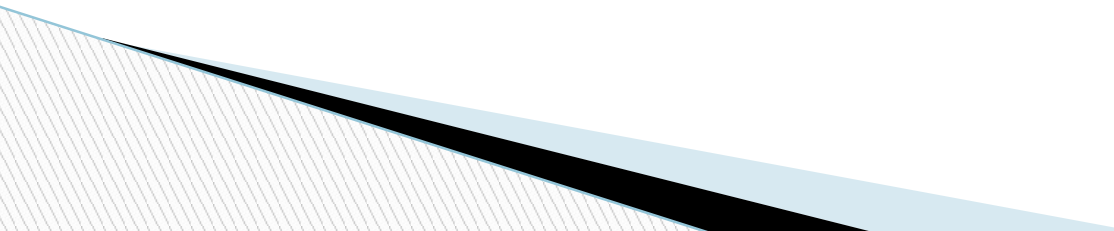
**A measurable goal will usually answer questions such as:**

- How much?
- How many?
- How will I know when it is accomplished?
- Indicators should be quantifiable

**An Achievable goal will usually answer the question:**

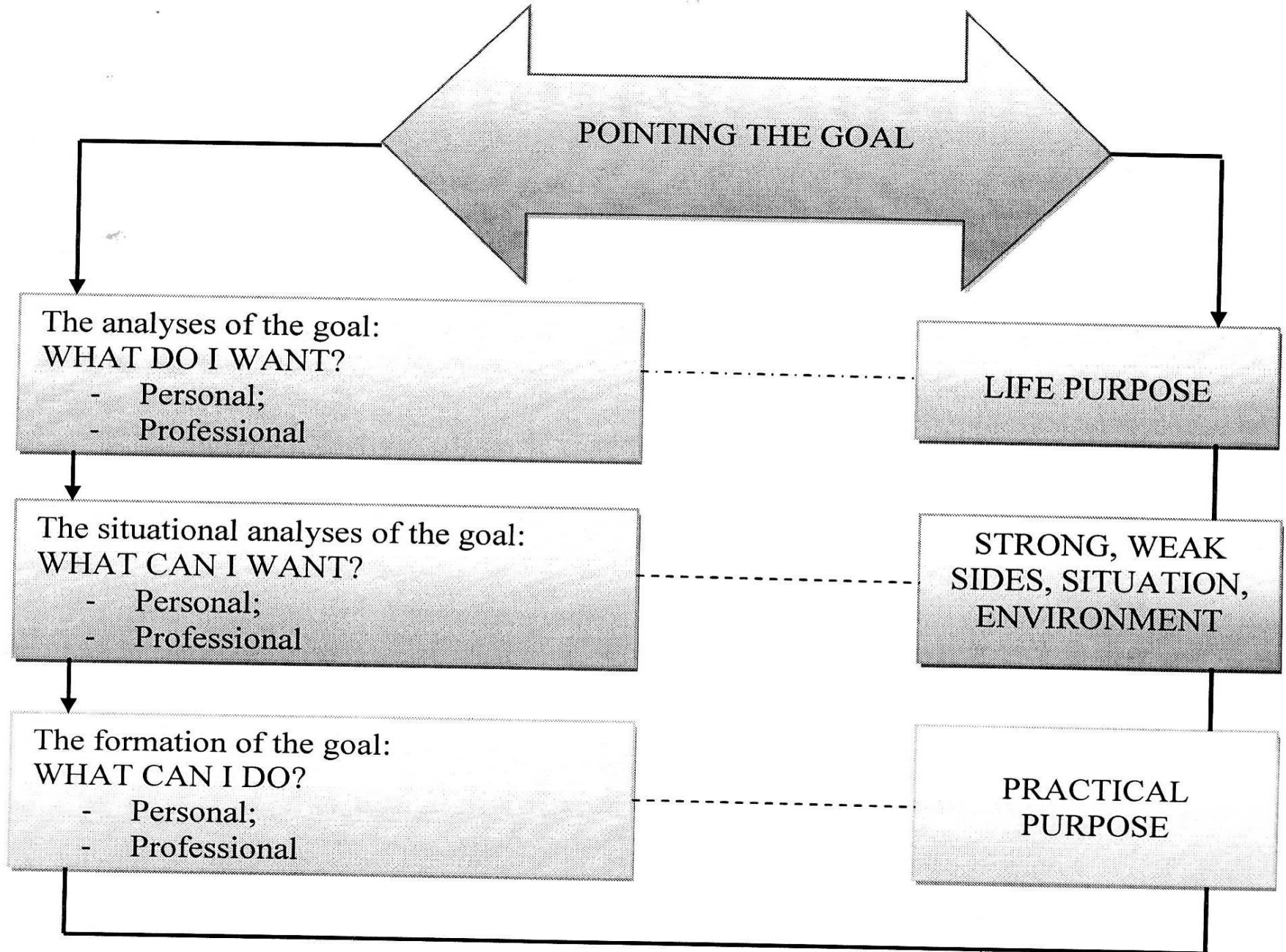
- How: How can the goal be accomplished?
- 

## **A relevant goal can answer yes to these questions:**

- Does this seem worthwhile?
  - Is this the right time?
  - Does this match our other efforts/needs?
  - Are you the right person?
  - Is it applicable in the current socio-economic- technical environment?
- 

**A time-bound goal will usually answer the question:**

- When?
- What can I do six months from now?
- What can I do six weeks from now?
- What can I do today?



# GOAL should be clear.

Examples:

DONT'S	DO'S
I'd like to become slim	Since Monday Sep.1 I'll go in for fitness at Sports Plus 2 times per week
I'd like my subordinate like me	Since Monday Sep.1 I'll make a scheduler for personal communication with all my subordinates
I will have healthier way of life	Since tomorrow I will give up smoking

# CLASSIFICATION OF GOALS AND WAYS OF THEIR FORMATION

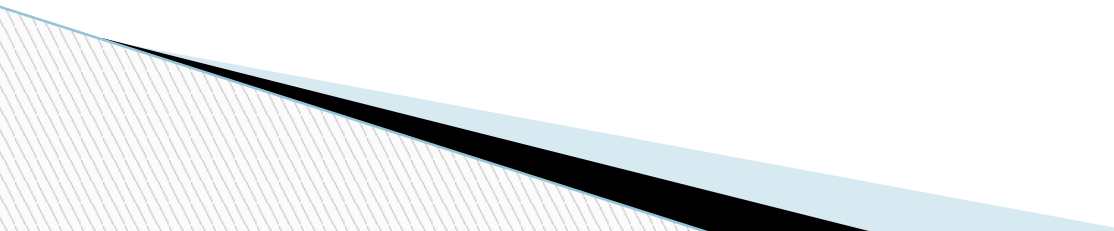
		Types	Peculiarities
1	Classical	General	Determined by principles of a company New market searching, increasing profitability, broaden the production
		Specific	Made according to kinds of activity Determined by quality and quantity index
2	Importance	Strategic	Long term planning of development; satisfaction the needs of staff and authority
		Tactic	Intermediate, oriented to certain activity. Determined by quality and quantity index
		Current	Short term goal, pointed by quantity index
3	Time	Short-term	Up to 1 year
		Middle-term	1-5 years
		Long-term	5-10 years
4	Content	Economic	Profitability
		Production	Amount of goods producing
		Marketing	Promotion, ways of profit maximization
		Administrative	Control; bureaucracy avoiding
		Scientific	Development of new approaches
		Social	Team-working, charity

# Quantity index segments

Q u a n t i t y i n d e x :	Profitability;	Amount of profit, dividends, ratio of profit and amount of selling
	Markets;	Market niche, market segments
	Efficiency;	Ratio of expenses to profit, expenses to one capita per unit
	Goods;	Charecteristics of a certain commodity, its popularity
	Financial resources;	Capital structure, shares, stocks
	Production power;	Buildings, technical support
	Human resources	Recruitment, job hunting, training, attraction of staff, qualification

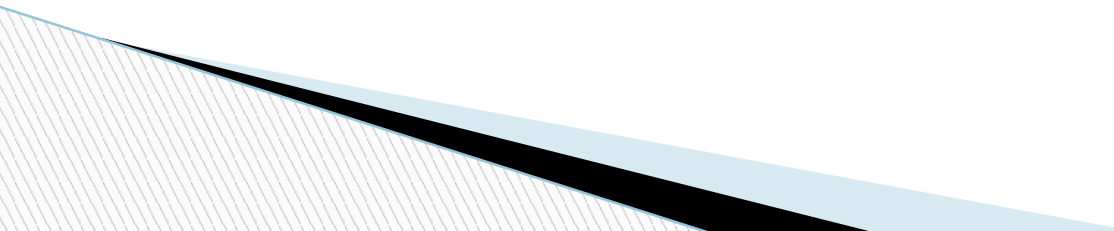
# EXAMPLE OF SMART Goal

**Broad Goal: I want to start a business.**

- Specific: I will sell handmade cards through Etsy.com.
  - Measurable: I will be ready to take my first Etsy order within four weeks, and I will aim to sell a minimum of five cards per week.
- 

Attainable:

I will get set up on Etsy first. Then, I will build an inventory of 30 handmade cards to sell. Finally, I will promote my business and build customer relationships through word of mouth, referrals and local networking



- **Relevant:** Selling handmade cards will allow me to benefit financially from my favorite hobby.
- **Time-Based:** My Etsy store will be up and running within four weeks, and I will have an inventory of 30 cards to sell within six weeks.

**SMART Goal:** Within a month, I am going to get set up to sell handmade cards on Etsy, which will allow me to benefit financially from my favorite hobby. Within six weeks, I will have an inventory of 30 handmade cards to sell and aim to sell a minimum of five cards per week, building customer relationships through word of mouth, referrals and local networking.