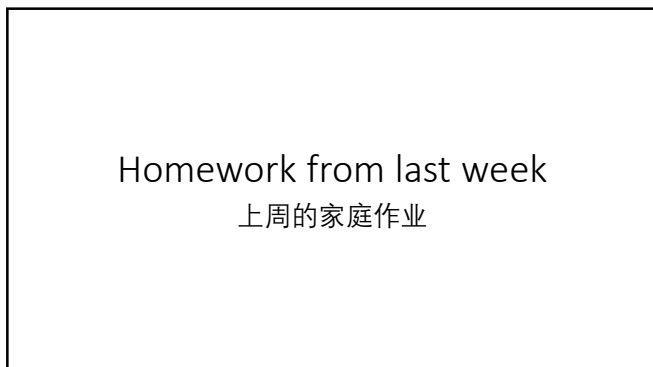




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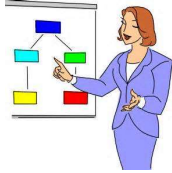
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3

Activity 5 – Design an Organisation Chart

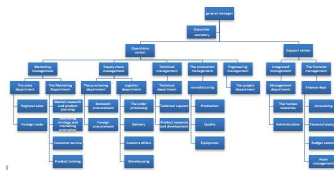
- Suppose you want to set up a new business with your friends. Decide the product you would like to sell as well as the target customers. Design the organisation chart of your business which you think is appropriate and explain why?



22

4

Feedback on Homework



My company is a smartphone company, and the chart above shows its organizational structure. First of all, I think a company must have good products, so I set up a technical department, a manufacturing department and a project department to ensure the quality of mobile phones. In order to ensure that mobile phones can be very good market opening and after-sales maintenance work, I set up the sales department and the Marketing Department. In order to ensure the supply of raw materials and timely delivery of products to customers in the sales process, I set up a purchasing department and logistics department. Finally, in order to ensure the normal operation of the company's personnel and funds, I set up the management department and the financial department. The general manager assistant is mainly responsible for the direct coordination and feedback between the general manager and other departments.

5

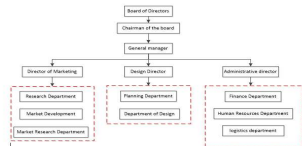
Feedback on Homework



We are selling a toy electric car. The general manager is responsible for coordinating various departments. The product function R&D department of the technical department develops toy cars with certain special functions according to the preferences of the public, and the product appearance R&D department designs the appearance according to the aesthetic taste of the public. The production department includes the production and assembly of car components, as well as the production of product packaging. The sales department includes online and offline marketing. The after-sale service department is responsible for after-sale maintenance of products and collecting and sorting out customers' feedback and expectation on product functions and appearance. The after-sale service department will feed back the collected information to the technical department.

6

Feedback on Homework



We are a game development company. The board of directors is composed of various shareholders, and its responsibility is to elect the chairman and general manager. The chairman's responsibility is to determine the company's development strategy. The responsibility of the general manager is to be responsible for the specific operation of the company. The marketing director is responsible for managing the research department, market development department, and market research department. The design director is responsible for the management of the planning department and the design department. The Chief Executive Officer is responsible for the management of the finance department, human resources department, and logistics department. The function of the research department is to conduct research on the product's response in the market. The function of the market development department promotes products and increases market share. The function of the market research department is to keep track of the latest development trends in the market. The function of the planning department is to propose a plan for the next product based on the latest report of the market research department. The function of the design department is to develop new products according to the plan of the planning department. The function of the finance department is to be responsible for the company's finances. The function of the human resources department is to recruit talents for the company. The function of the logistics department is to provide employees with a good working environment.

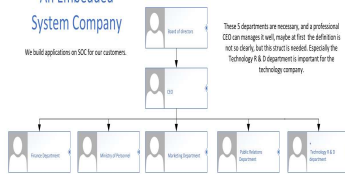
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Feedback on Homework



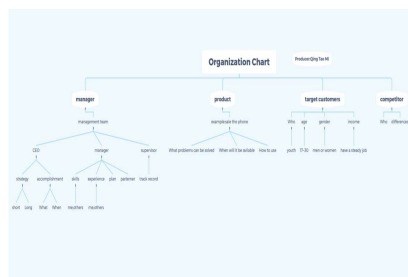
An Embedded System Company

We build applications on SOC for our customers.



8

Feedback on Homework



9

Feedback on Homework



Our food company is mainly divided into four major departments, namely, the marketing department, the design department, the research and development department, and the production department. If a company wants to operate smoothly, the marketing department is essential, and it is mainly responsible for market research, products, sales, and customer management. For example, in the era of developed online shopping, it is necessary to pay attention to the way of online sales, and do a good job of after-sales management, and maintain a good brand image. The design department is mainly responsible for promoting products and designing product packaging, because good packaging and interesting publicity are more attractive. Production department is the brain of the food company, mainly responsible for product development and production, product testing and transportation, is the most critical department of the company. Our products are for all customers. Although the demand is large, the competition is relatively large, which requires the coordination and cooperation of various departments of the company to make the company better.

10

Feedback on Homework



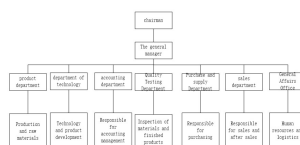
This is a robot company. The R&D department is responsible for developing new technology, the sales department is responsible for selling products, the finance department is responsible for keeping the books, and the production department is responsible for producing products. All departments cooperate to help the company develop.

11

Feedback on Homework



The product: electronic cigarette
My target customers: smoker
My main places: shop, supermarket.....
My organization chart are as follows:



12

Feedback on Homework

Organizational Structure of Mobile Technology Company

To sum up

The electric car industry is an emerging industry. Currently, all it is in danger of being exhausted, while electricity is inexhaustible. In the future, electric car will gradually replace oil-powered car. Therefore, I want to establish an electric car company with my friends. People who want to drive cars will be the target customers of our company.

The Director of Marketing is responsible for managing both the Product R&D Department, which is responsible for technical breakthroughs in electric car to improve market competitiveness, and the Market Research Department, which investigates market demand for electric car to align our products with the needs of our customers.

The design director manages the Publicity Department, which promotes the company's reputation and influence, and the Product Design Department, which meets the individual needs of individual users.

The administrative director is responsible for managing the Finance Department, Human Resources Department, Logistics Department, the Finance Department is responsible for the financial problems of the company, the Human Resources Department is responsible for recruiting talents to lay a solid foundation for the research and development of electric cars, and the Logistics Department is responsible for the transportation of products and parts.

13

Feedback on Homework

Organizational Structure of Mobile Technology Company

To sum up

This is a company mainly selling mobile phones for young customers. The product is characterized by low price and cool appearance. Our management positions are divided into the following six levels:

The first level: the board of directors of the company

The second level: the proxy of the company's board of directors and the decision-making committee

The third level: the manager

The fourth level: the major systems, title "systems president"

Fifth level: each level department, title "department director"

The sixth level: the second-level departments, title "department manager"

Such a structure allows managers and department managers to better play their professional knowledge and serve the presidents and boards of directors of various departments.

14

Feedback on Homework

Organizational Structure of Mobile Technology Company

To sum up

The mobile phone retail industry establishes a "sales-centric, financial-centric" business philosophy and establishes a "process-based, standardized, institutionalized, and data-based" management system that is the basic work for the survival and development of the mobile phone industry. Systematic mistakes are fundamental mistakes. When the market is good, you can make money no matter what you do. The prosperous market demand conceals the problems of management, operation and sales, and everyone is accustomed to extensive management. But as the market becomes saturated, it has been from the initial outbreak period to the current stable period, the market has reached the time when the superior and the inferior are eliminated. The previously covered problems have been exposed one after another and seriously affected the development of the enterprise. Management relies on processes and systems. It does not rely on people, but processes and System. It is precisely what mobile phone retail stores lack most.

15

17

18

6

Feedback on Homework



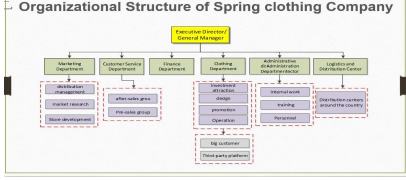


I think the investment of all shareholders is all sources of income, then the executive board, and the direct executive is the manager. The following departments are the departments that perform the company's specific things. As a specific social and economic organization, an enterprise has a complete target system that is constantly adjusted and updated according to changes in actual conditions, which is the prerequisite for its existence and development. Only by constantly adjusting and updating the target system according to changes in actual conditions can more people be attracted and stabilized in this specific social organization. However, as a specific socio-economic organization, an enterprise must first have a specific structure to provide flow direction and procedural constraints for the flow of its resources and information. This is not only because the decision-making for the formation of the corporate goal system, but also must be completed by specific post roles at a certain level of the corporate organization. According to the number of issues involved in its content and the size of its influence, the decision-making activities that form the target system of the enterprise are dispersed to different levels and aspects of the enterprise organization, and different post roles are allowed to complete.

19

Feedback on Homework



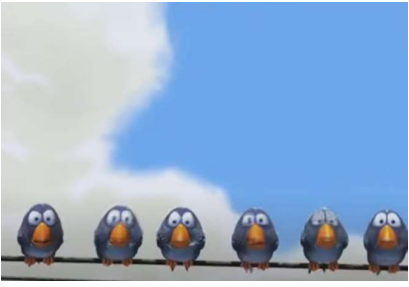


Organizational Structure of Spring clothing Company

To sum up

As one of the more and more extensive human needs, clothing sales will never appear saturation phenomenon. Companies adhering to the "Brand, taste, quality" principle. "Customer attention, cooperate to succeed" clothing concept. "Season fashion, excellent quality and reasonable price" business purpose, and entering the mainland market with the most advanced technology and management. The company is divided into market development department, customer service department, finance department, clothing department, administration department and distribution department. The comprehensive business, radiating the national marketing network, create a comprehensive modern clothing enterprise with deep management level.

20



Video –
Team Work
– 3:20min

21

Management Functions – Leading



1

22

Four Key Management Functions

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



2

23

Leading

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



3

24

Activity 6 – Breakout rooms

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



4

25

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Activity

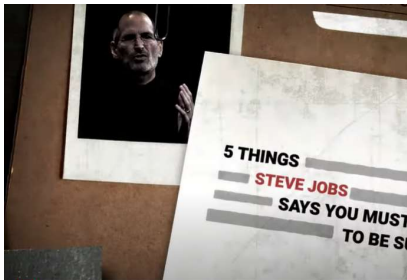
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26



Video –
Steve Jobs
– 2.18 min

27

Activity 6 – Solution

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

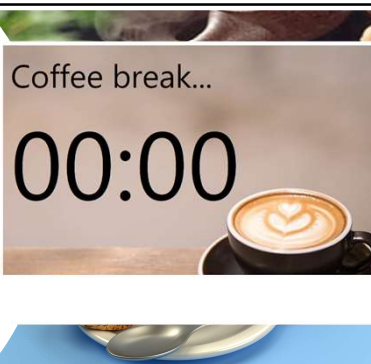


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Break

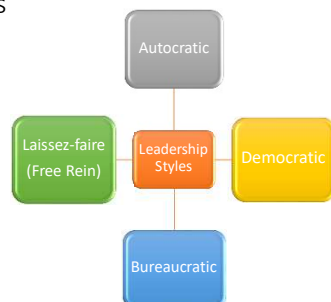
Please take a 15 min rest break



29

Leadership Styles

Psychologist Kurt Lewin identified three different styles of leadership



6

30

Autocratic Leadership

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



7

31

Democratic Leadership

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



8

32

Bureaucratic Leadership

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



9

33

Laissez-faire Leadership

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



10

34

Activity 7 – Breakout Rooms

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



- Laissez-faire
- Democratic
- Autocratic

11

35

Finishing in...

20:00



Activity

20 min to complete this activity

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Available for PowerPoint by Flow Simulation Ltd

36

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

37

Which Leadership Style is the Best?

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

13

38

Management Functions – Controlling

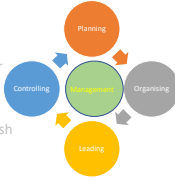


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39

Four Key Management Functions

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

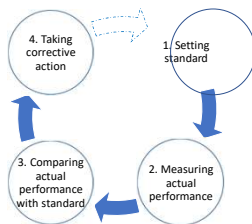


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Controlling

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



3

41

Control Process – Step 1 Establishing Standard

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

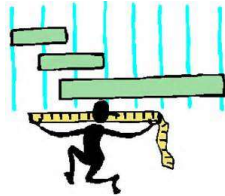


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42

Control Process – Step 2 Measuring Actual Performance

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

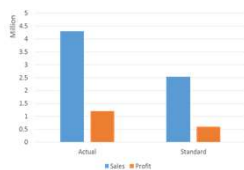


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Control Process – Step 3 Comparing Actual Performance with Standard

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



6

44

Control Process – Step 4 Taking Corrective Action

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

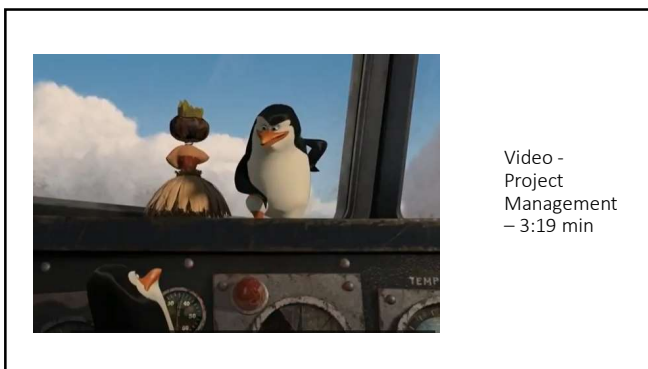


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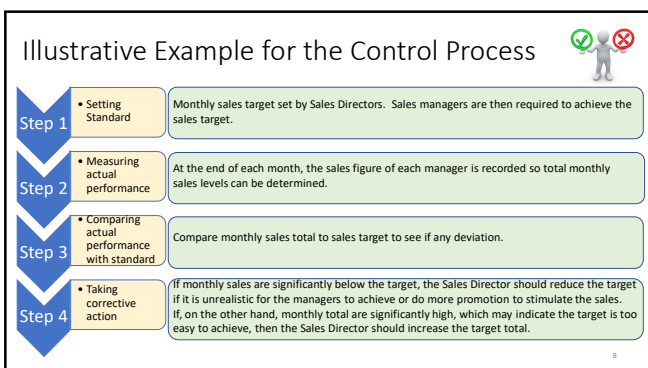
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46



47



48

Activity 8 – Group Discussion

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



49

Activity 8 – Suggested Solution



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

50

Activity 9 – Breakout Rooms – 20 min

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



51

Activity 9 – Breakout Rooms



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

12

52

Activity

20 min to complete this activity

Finishing in...

20:00

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Breaktime for PowerPoint by Flow Simulation Ltd.



53

Activity 2 – Solution



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

13

54

Importance of Controlling

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

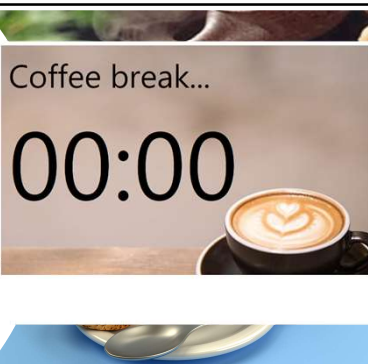


14

55

Break

Please take a 15 min rest break



56

Management Functions Effective Management



1

57

Video - Learn
how to manage
people and be a
better leader –
6.11 min



58

Effective Management

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



2

59

Effective Management Principles: Division of Work

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



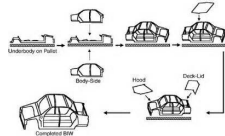
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60

Effective Management Principles:

Division of Work

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



5

61

Effective Management Principles:

Division of Work

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



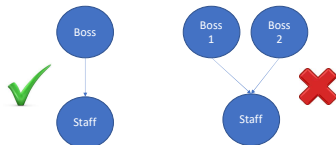
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62

Effective Management Principles:

Unity of Command

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



7

63

Effective Management Principles: Unity of Command

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



64

Activity 2 – Breakout Rooms

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



65

Activity

20 min to complete this activity

Finishing in...

15:00

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66

Activity 2 – Solution

• Answer

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



10

67

Effective Management Principles: Unity of Direction

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



11

68

Effective Management Principles: Unity of Direction

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



12

69

Activity 3 – Group Discussion

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



13

70

Activity 3 – Solution



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

14

71

Employee Relations

72

Employee Relations – Video 8:11



73

Employee engagement

Businesses perform better when their employees feel connected to the organisation and happy about their roles.

Employee engagement professionals try to measure this set of feelings, then figure out ways to improve or nurture them.



74

Organisation development

Organisational development or 'OD' is to do with improving an organisations effectiveness by taking a look at its:

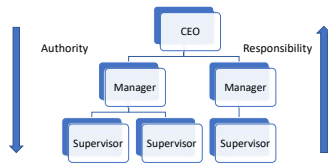
- Processes (how things are done)
- Structure (how a business is organised)
- Culture (how people behave in organisations)

Then creating a plan for how to improve them.



75

Management Functions Authority & Responsibility



1

76

Delegation

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



2

77

Authority & Responsibility

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



3

78

Authority & Responsibility

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

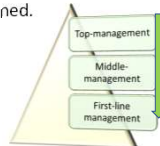


4

79

Organisational Structure by Level

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



5

80

Spans of Control

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



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Wide Span of Control

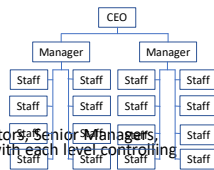
- A manager can supervise and control a large group of subordinates at one time.
- The advantages of this span are:
 - Lower cost of supervision
 - Better communication
 - Better supervision
 - Better coordination
- Suitable for repetitive jobs.
- E.g. A company just has two management levels (Directors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



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Narrow Span of Control

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



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