



Business Management BMA 204

Erandi Thennakoon

Business Management Syllabus



1. Introduction to management and Different perspectives of management (10%)
2. Functions of management process (35%)
 1. Decision making
 2. Organisational planning
 3. Organizational structure and design
 4. Leadership and motivation
 5. Organisational communication
 6. Organisational controlling
3. Operations management (10%)
4. Marketing management(15%)
5. Human resource management(15%)
6. Change management(5%)
7. Strategic management (10%)

Assessment Methodology

- Time - 03 hours
- All the questions should be answered
- Answers should be in one language
- Remember to refer **Action verb check list** with definitions

Paper Structure

➤ **Question 01** - Objective Test Questions(OTQs) (25 Marks)

- 1-5 (MCQ) – (10 Marks)
- 6-10 select the correct word and fill the blanks (05 Marks)
- 11-15 Write short Answers (10 Marks)

➤ **Question 02-06** -10 Marks questions (50 Marks)

➤ **Question 07** – 25 Marks Questions (25 Marks)



Introduction to Management and Different Perspective of Management



Introduction to Management

Management is a set of activities (Planning, Organizing, Leading, Controlling) to utilize organizational resources (Human resource, Finance, Physical resources, Information) in a better way to achieve organisational goals effectively and efficiently.



Definitions

Management is the attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling of organizational resources

Richard L. Daft.

Management is the art of getting things don through others

Marry Parker Follett

Management is the process of working with and through others to achieve organizational goals“ objectives in a changing environment -
Robert Kreitner

(Management Is the process of planning" organizing" leading" and controlling of all organizational member and usage of other recourses to be reaching the organizational goals which have been specified –
James A F Stoner)

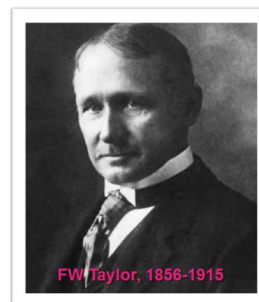
Management is a set of activities (including planning, Organizing, leading and controlling) directed at organizations' resources (human, financial, physical, and information) with the aim of achieving organizational goals in an efficient and effective manner
- Ricky W Griffin

The Nature of Management

- Management bases a purpose or purposes
 - Fundamental purpose – To achieve organisational goals**
 - Utilize organizational physical, financial, and human resources in efficiently and effectively
- Coordinates among resources
 - Always use physical, financial, and human resources to achieve organisational goals
- A Continuous process
- Important to every organisations
 - Even though organisational mission, size, cultures are different
- Works with individual groups \longrightarrow Organisational Goals
- A dynamic process – the process change time to time
- Management is an art (knowledge, abilities, experience, skills and creativity)
- Management is a science (based on fundamentals and methods constructed on topical observations)

The Role of Management

Management is an art of knowing what is to be done and seeing that it is done in the best possible manner - F. W Taylor



Management is an art of getting things done through and with people in formally organised groups. It is an art of creating an environment in which people can perform and individuals can co-operate towards attainment of goals. – Harold Koontz



The Role of Management

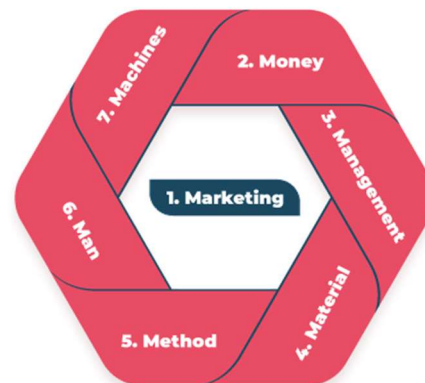
- It is an invention of organisational structure , explains different organisational aspects and interrelationship among the
- Consist with four fundamental functions - planning, organising, leading and controlling
- Different management levels in an organisation is a measure of success and help in solving problems and make correct decisions



Organisational Resources and Assets

- The inputs which are used for producing goods and services are considered as organisational resources. These resources can be identified as 7Ms.

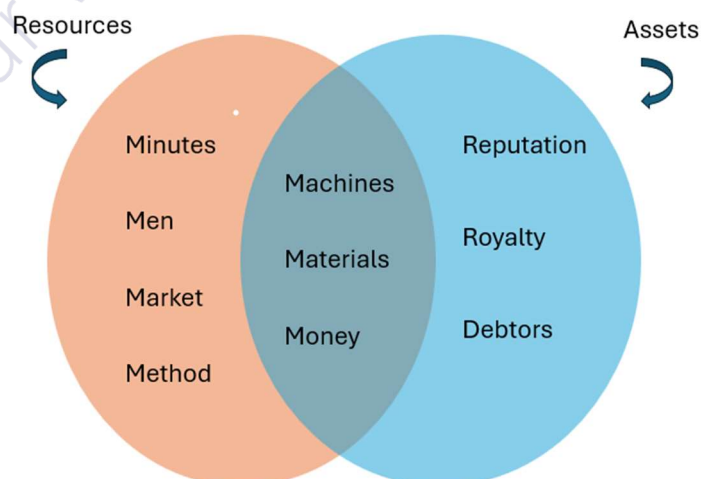
- Men
- Money
- Machines
- Materials
- Methods
- Management of time/Minutes
- Market



Resources	Significance
Men	Human resources (recruitment and selection, training and development, motivation and engagement, leadership)
Money	Financial resources (financial planning and budgeting, cost control, profitability, investment)
Machines	Physical equipment and technology (production equipment, information technology, communication technology, maintenance and repair)
Materials	Raw material, supplies and inventory (purchasing, inventory management, quality control, waste control)
Methods	Process, procedures and systems (standardization, workflow management, problem solving, continuous improvement)
Management of time/ Minutes	Time management
Market	Customer and target audience (market research, marketing and sales, customer service, market responsiveness)

Resources Vs. Assets

- **Assets** is a way of investing organisational funds (current assets and fixed assets)
- **Resources** are various factors which are used for producing goods and services



The Various Purposes of Organization

Organization's purpose is the end result which is expected to achieve in the given period.

Organisation's Purposes

1. Based on the importance

1. Primary purpose – the purpose of the organization which must be achieved
e.g. improvement/ existence
2. Secondary purpose – the purposes enhance to achieve organizational primary purposes
e.g. increase quality/ generating innovations/improvement of prestige

2. Based on criteria

1. Economic purpose – the results which generate through involving in economic activities
e.g. profits/sales
2. Non - economic purpose- the important purpose which should be achieved as socially and morally
e.g. welfare/ satisfaction/innovation

3. Based on time duration

1. Short term purpose (less than 01 year)
2. Long term purpose (ore than 10 years)

4. Based on SMART characteristics

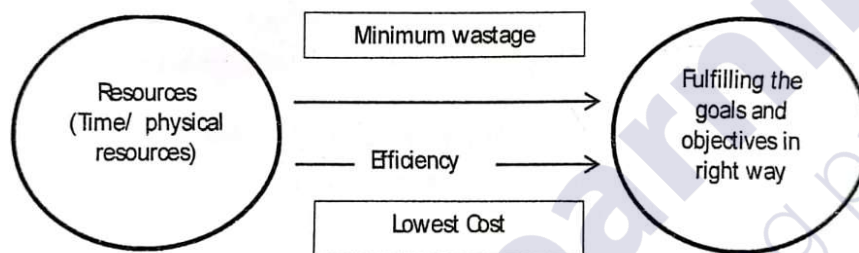
1. Goals – results are achieved within a definite time period (these are SMART)
e.g. Increasing profit by 10% in the year 2024
2. Objectives – the results are expected to achieve in long time (these are not SMART)



Efficiency

- 'Efficiency is doing things right' - Peter Drucker
- Obtaining maximum outputs using minimum resources in achieving goals and objectives
- How to utilize inputs to achieve organisational goals.

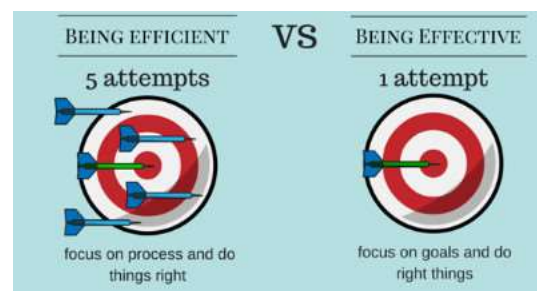
$$\text{Efficiency} = \frac{\text{The amount of utilized resources}}{\text{The amount of allocated resources}} \times 100$$



Effectiveness

- 'Doing the right thing is effectiveness' – Peter Drucker
- The **capability of producing a desired result** or the ability to produce desired output
- Relates with **output**

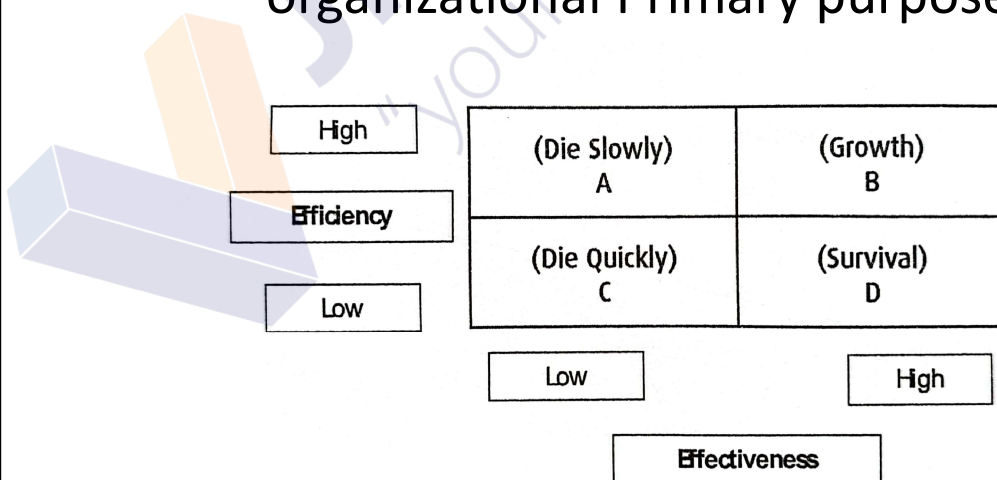
$$\text{Effectiveness} = \frac{\text{Actual output}}{\text{Expected output}} \times 100$$



Therefore,



The effect of effectiveness and efficiency on organizational Primary purpose



Situation A

Resources are not destroying. But **organisational purpose are not fulfilled.**
The organisation may **not success in the long term.**

Situation B

Resources are not destroying, and the **organizational desired results are fulfilled.** Organization will get the **success short term as well as in long term.**

Situation C

Resources are destroying in fast and the **organizational results are not fulfilled.** Therefore, there is **no survival in short term as well as long term.**

Situation D

Resources are destroying. But the **expected results are achieved.** It **cannot be achieved success in long term** even though the organizational survival is ensured.

Productivity

- Relationship between inputs and outputs in a specific time
- When **effectiveness and efficiency are achieved highly, productivity will also be higher**

$$\text{Productivity} = \frac{\text{Total Output}}{\text{Total Input}} \times 100$$

- **Productivity improvement** can be done in two ways.
 1. **Increase the output**
 2. **Decreasing the inputs**

Therefore, the relationship between efficiency, effectiveness and productivity can be shown as below.

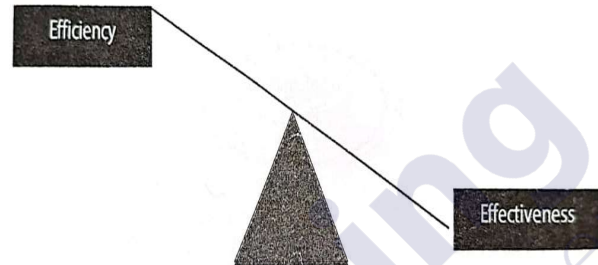
$$\text{Productivity} = \frac{\text{Output}}{\text{Input}} \begin{array}{l} \Rightarrow \text{the level of goal achievement} \\ \Rightarrow \text{the level of resource utilization} \end{array} \begin{array}{l} \Rightarrow \text{Effectiveness} \\ \Rightarrow \text{Efficiency} \end{array}$$

Balancing Effectiveness and Efficiency

1. Highest attention on efficiency

According to the figure, organisation **exerts huge effort on goal achievement** (highest weight on effectiveness)

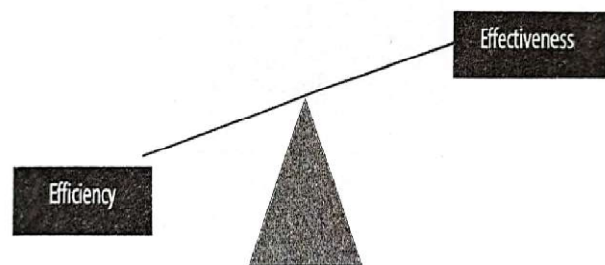
Organisation waste resources



2. Highest attention on effectiveness

The **utilization of resources decreases due to working to manage resources**

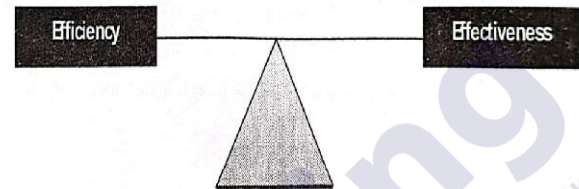
Organizational purpose cannot be achieved as expected



3. Trade-off between effectiveness and efficiency

Wastage of resources are avoided, and organisational purposes are also achieved.

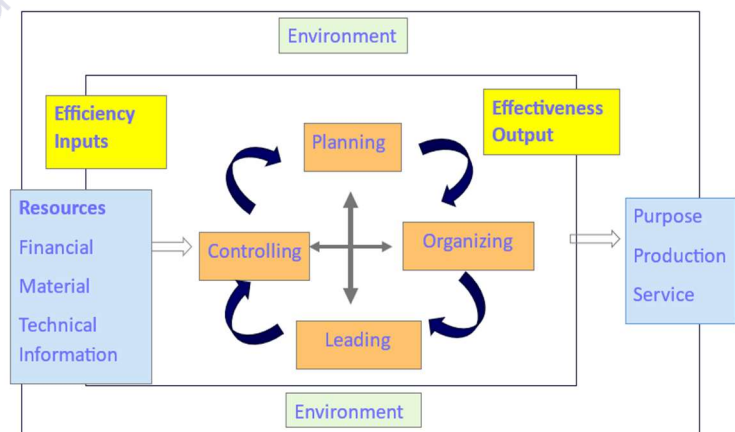
This is situation where organization can achieve its purpose as expected/planned

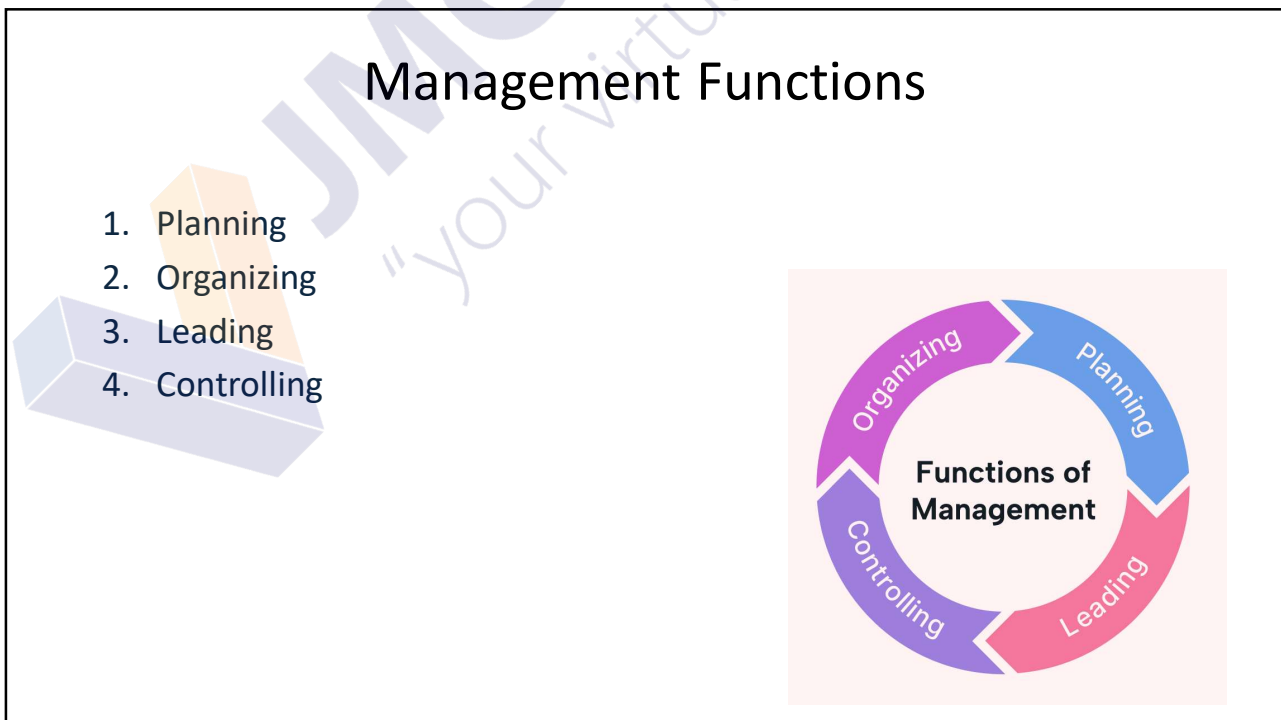
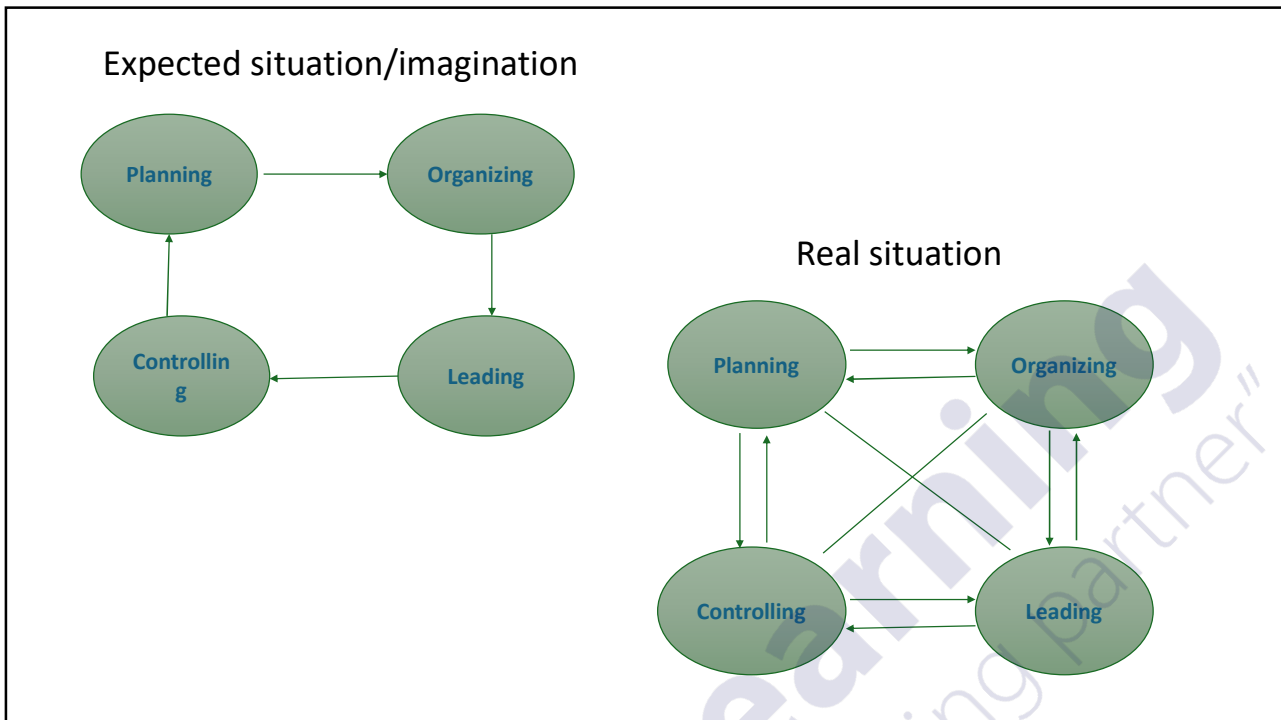


Functions of Management Process

Management is not a single activity; it is a process due to

1. It consist major four parts
2. It present the relationship between input, process and outputs



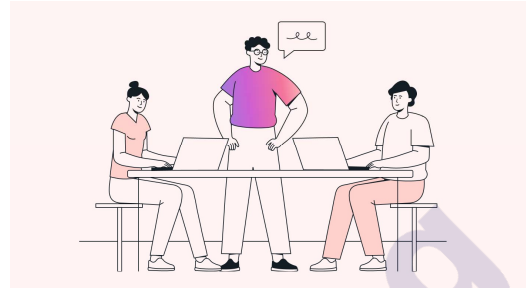


Management Functions

Planning

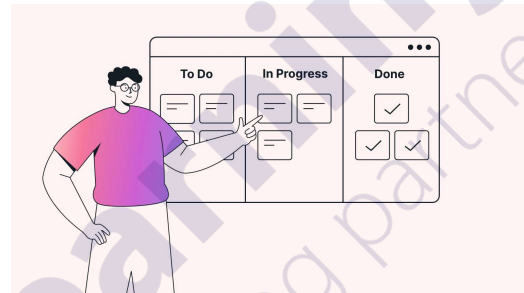
Determines organizational goals and how to achieve them.

The first and foremost activity to achieve desired results.



Organizing

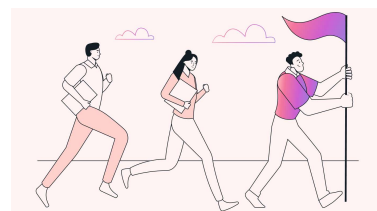
Delegating authority to the relevant persons or group of persons for fulfilling the activities which are identified in the planning process.



Leading

Use of influence to motivate employees to achieve organizational goals.

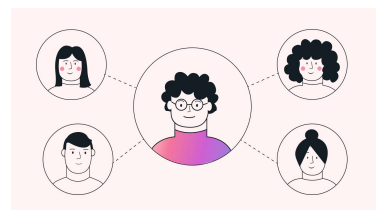
It involves to direct employees for achieving decided targets, monitoring them and providing the right direction



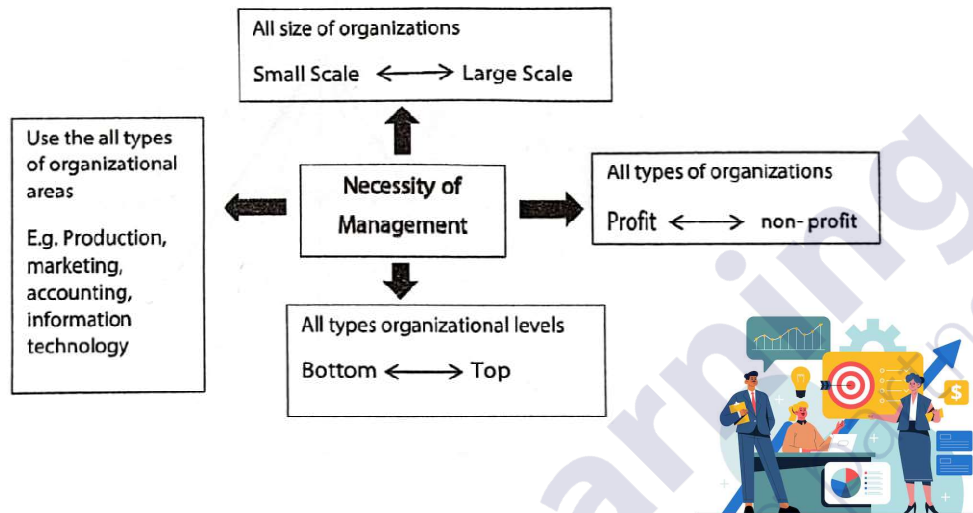
Controlling

Involves gaining excellent outcomes through business operations by comparing expected outcomes with actual outcomes and correcting deviations

Provide facilities to achieve organizational purpose by supervising and correcting organizational goals



Management Necessity



Management gives benefits to all the types of organizations.

- It works to achieve organisational goals effectively, through utilizing organizational physical, financial and human resources efficiently
- It leads to face the dynamic environment situations successfully
- It minimize the wastage of resources and reduce the cost
- The organizations which have a better management system have an ability of fulfilling the Reinter purposes of stakeholders
- There is a possibility of creating a good organizational structure through better management which leads to accomplish organizational goals.

What is a Manager?

The Manager is a person who **Leads organizational limited resources for the accomplishment of organizational goals**

or

Manager is the person who **does organizational management activities such as planning, organizing, leading and controlling**

Classification of managers

1. Based on vertical differences
(based on organizational hierarchy)
2. Based on horizontal differences



The Classification of Managers Based on Vertical Differences



Classification of Managers Based on Vertical Difference

First Level Managers (Lower-Level Managers)

- **Supervise and coordinate the task of operational employees**
- Minimum authority of an organization is given to these managers
- Use rules and procedures to motivate their followers
- Give technological support and promote effective operating system
- Provide necessary information to the Middle Level Managers
e.g. Line supervisor, head, chief clerk, group leader

Middle level managers

- The person who launch policies, strategies, plans decided by the top management
- **Coordinate and supervise the lower-level employees**
- Work as a bridge of coordinating top managers and first level managers
- Work as head of departments/ head of divisions
e.g. Marketing Manager, Human Resources Manager

Top Level Managers

- Represent a small group in an organization
- Establish organisational goals, strategies and policies
- See the organizational long-term future and common environmental trends and pay attention on overall organizational success
- Decision making – Acquiring an organization, investing in research and development, entering to the different market
- **Fulfil the recruitment, performance evaluation and supervision of middle level managers**
e.g. General Manager, Chief Executive Officer, Chairman



Classification of Managers based on Horizontal Difference

There are two types.

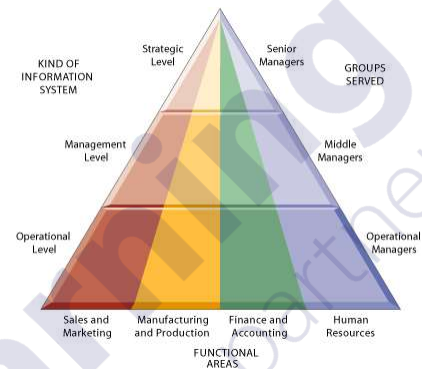
1. General Managers

A person who carries out more than one function and he/she is a generalist

2. Functional Managers

- Responsible for one activity of an organization
- They are specialists.

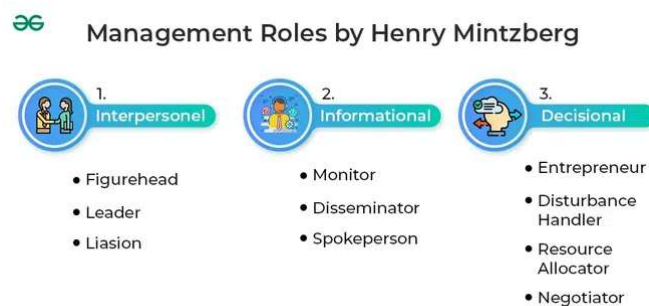
e.g. Production Manager, Human Resource Manager, Marketing Manager, Operation Managers



Management Roles

Henry Mintzberg, a Canadian academic and business management expert, classified managerial roles based on their purpose. He developed 10 managerial roles and divided them into 3 categories. The 3 categories are;

1. Interpersonal role
2. Informational role
3. Decisional role



Interpersonal Role

Type	Role	Description
Interpersonal Roles	Figurehead	<ul style="list-style-type: none"> Has the responsibility to fulfil organizational social events (Official dinner parties, seminars), legal activities as well as other occasions as a manager. Ability to persuade and inspire others as a figurehead
	Leader	<ul style="list-style-type: none"> Provide leadership for group of people, existing departments and whole organization Recruitment, training and development, motivation, performance evaluation, retention and termination of employees
	Liaison	<ul style="list-style-type: none"> Communication with internal parties as well as external parties. Consider on building effective communicational network with various parties (specially with the parties outside the vertical organisational hierarchy –spend more time with functional managers than employees work under them)



Informational Roles

Type	Role	Description
Informational Roles	Monitor	<ul style="list-style-type: none"> Always seeking information regarding employees, heads, other departments and peers. Pay attention on changes in the organizational environment Informal way of collecting information.
	Disseminator	<ul style="list-style-type: none"> Exchange compulsory information with all the related parties
	Spokesperson	<ul style="list-style-type: none"> Represent the organisation to provide information to external parties e.g. Press conferences



Decisional Role

Type	Role	Description
Decisional Roles	Entrepreneur	<ul style="list-style-type: none"> Creates organizational changes and contribute to control it Problem solving, idea generation, investment in new business opportunities by utilizing organizational resources
	Disturbance handler	<ul style="list-style-type: none"> Involve to resolve unexpected situations Should have ability to solve the confuse situation in such problematic situation
	Resource allocator	<ul style="list-style-type: none"> Should have a proper knowledge regarding the usage of organizational resources Should be able to allocate human resources and other organizational resources effectively
	Negotiator	<ul style="list-style-type: none"> Should directly participate for important discussions/agreements arise within the organization, department and groups with outsides



Requirements to be a Good Manager



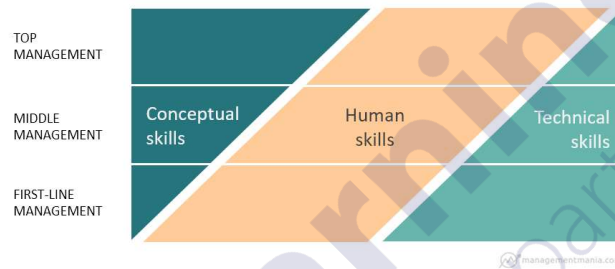
Management Skills

Managers play a vital role in organisation. Therefore, they should have divergent skills.

According to Robert L. Katz there are 03 types of management skills.

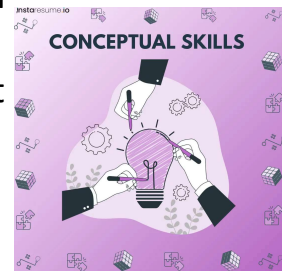
1. Technical skills
2. Interpersonal skills
3. Conceptual skills

Management Skills by Robert L. Katz



Conceptual skills

- The ability to coordinate and integrate all the interest and activities
- Ability of seeking the organisation as a whole
- Represent how an organization works as a whole in the environment
- **Top level managers** require more conceptual skills than middle level managers and lower-level managers
- Allows the manager to see the “big picture,” connect ideas, and solve complex organizational problems.



Interpersonal skills

- Ability to motivate organizational people, groups, understanding and communicating
- Managers in each level require interpersonal skills
- High tech organizations consider interpersonal skills as a compulsory skill
- Allow managers to make constructive criticism, address persistent issues, give praise, and create meaning behind the tasks that each person does regularly

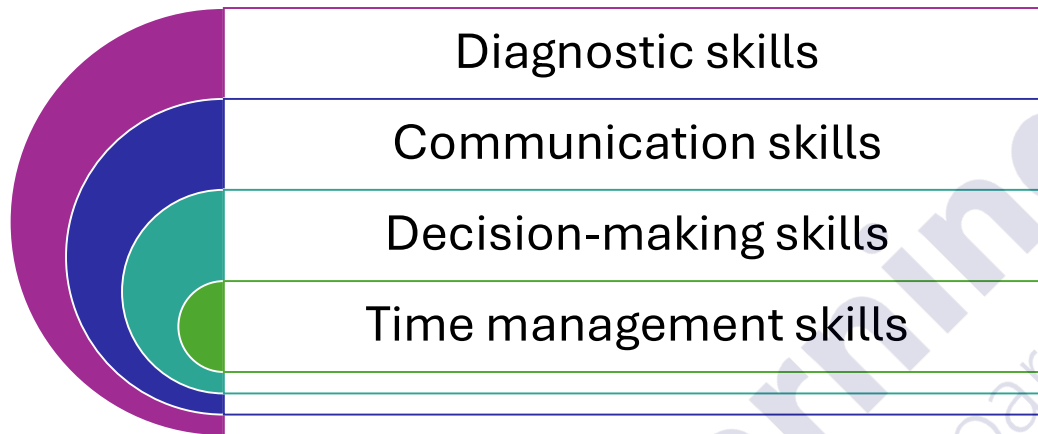


Technical skills

- Abilities and knowledge needed to perform specific tasks – practical tasks related to mechanical, information technology, mathematics or scientific tasks
- Involves the use of company or industry specific methods and processes, formal problem-solving techniques, technology systems and machinery and other tools
- First line managers or lower level managers need more technical knowledge



Other skills required for Managers



• Diagnostic skills

- Ability to judge or presume the reactions which can be received from any situation
- Example: **A doctor predicts the possible ill-health after analysing symptoms of a patient.**
- A manager should have an ability to find the reasons for a problem and take remedial actions

• Communication skills

- To communicate effectively to other parties and obtain information effectively from them
- To inform correctly about expected things by communicating to the subordinates about the managers' ideas.
- To inform achievements and issues to higher level management
- Improve the ability to understand the accuracy of formal and inform communication in the organisation



- **Decision - making skills**

- The effective managers should have a good decision-making ability
- This is the ability to identify and judge the problems and take corrective actions to solve the problems and utilize business opportunities properly by selecting alternatives

- **Time management skills**

- TM is very important in an environment which is worked on time
- TM is useful to fulfil the delegated task within then given time period
- TM is the ability of prioritizing work, working effectively and delegating work in a proper way



Challenges which are faced by Managers in the Modern Business world

1. **Poor economies which exhaust the improvement**
 - Economies of many countries dropped due to the reasons like **increased price of crude oil, high inflation, high loan amount.**
 - Therefore, the managers who are in such economies have to face lot of management difficulties.
2. **The variety of management**
 - There are people who possesses various opinions, preferences and behaviours. Their ideas and responses directly influence on management.
3. **Globalization**
 - It is a factor that causes huge challenges in management.
 - Situations such as; variety of property ownership, variety of beliefs on value, variety of employee behaviours in globalized market
4. **Importance of quality**
 - Attention on quality is an important challenge for a manager today.
 - It is an important factor I order to face the competition
 - It affects organisational productivity



5. Ethics, social responsibilities and the relationship with good governance
 - Most of the organisations involve in unethical practices.
 - Therefore, organisations should create own code of ethics for its affair, and it should have a good corporate governance
 - Companies have social responsibility to protect environment and to prevent from environmental damages
6. Shifting towards service economies
 - The highest value to the world economy is come from service organisations
 - As a result, there is a trend to shift to the service sector
7. Information technology (IT)
 - There is no ability to survive in the market without information technology
 - Every manager should have a proper knowledge regarding the IT
 - Speed of the organizational operations and procedures can be increase through IT
 - Managers pay attention on various distributional channels to sell their products(internet, telephone, channels) using IT
8. The varieties of labor force
 - There is a mixture of labor force in the organization including different age levels, gender, culture, religious, nations
 - It is a challenge to manage varieties of people in each other including women, different skin colours, disable people, elder people, young people, homosexuals, people belongs to different country's culture and religions

Skills Related with Technology for Financial Professionals

- **Communications skills**

The ability to present written and verbal communication which need to communicate effectively

- **Problem solving skills**

The ability to use effective methods for solving problems

- **Interpersonal skills**

Ability to work as a team and having crisis management skills

- **Strategic capability**

The ability to create the strategies based on environment changes

- **Leadership skills**

The ability of estimating the changes and providing facilities for changes

- **Change Management skills**

The ability of estimating the changes and providing facilities for changes

- **Risk Management skills**

The ability of identifying possible risk and taking corrective actions to control it

Evolution of Management (Different Perspective of Management)

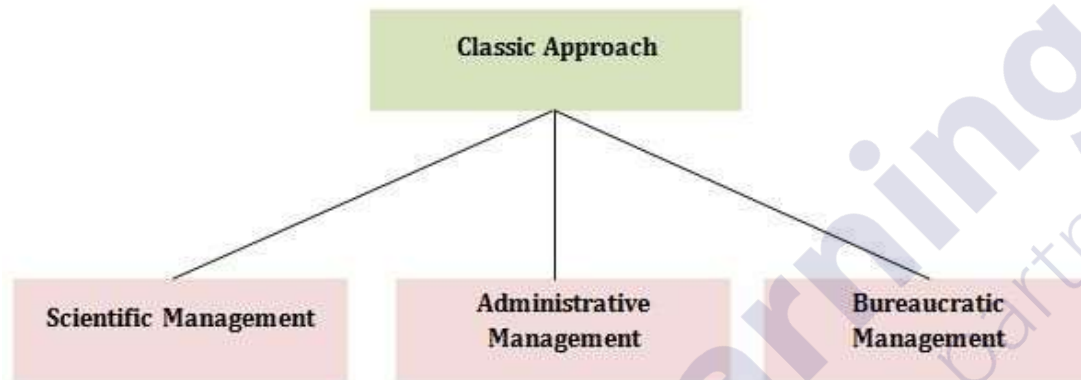
Studying the evolution of management perspectives provides valuable insights to understand how and why management thinking has changed over time, managers can identify which perspectives are most relevant to their current context and apply them effectively to improve organizational outcomes. This knowledge equips managers and leaders with the understanding and tools necessary to navigate complex organizational challenges, foster innovation, and achieve sustainable success in a dynamic business environment.

The Ancient Era of Management

- The usage of management inherits to thousands of years in past. It can be understood about the usage of management when inspecting historical heritage of countries like Egypt, Sri Lanka.
- Robert Owen (1771-1858) – the employee of organisation is considered as an organizational resource. His attention was given for employee wellbeing
- Charles Babbage (1792-1870) – His attention was given for the production efficiently. He was a specialist of mathematics, and it was emphasized the usage of mathematics for increasing the organizational effectiveness.

Classical Approach

- This approach called traditional approach/ conservative approach
- Emphasize technical and economic aspects
- Consist with three major branches



Scientific Management

Scientific management, also known as **Taylorism**, is a management theory developed by Frederick Winslow Taylor in the late 19th and **early 20th centuries**.

Taylor was an American mechanical engineer and management consultant who became one of the earliest advocates of applying scientific methods to management practices. He is often referred to as **the father of scientific management**.

Taylor's scientific management was a **pioneering approach to improving productivity and efficiency in industrial settings**



Basic Principles of Scientific Management

1. Replace rule of thumb work methods instead used Scientific method to study.
2. Employees' recruitment and selection are done scientifically. Therefore, it is delegated the responsibility to the appropriate worker for any task
3. Corporate with the workers to ensure that the scientifically developed methods are being followed
4. Divide the work and responsibility equally between organizational managers and employees

Criticisms for Scientific Management

1. High attention on technical aspects
2. Highly mechanical
3. Disregard the human factor
4. Group behaviours are ignored

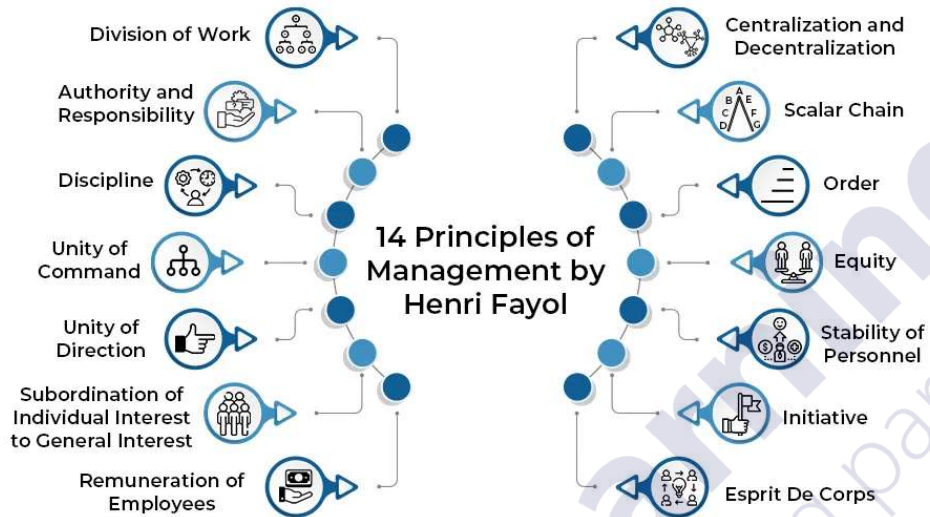


Classical Organizational Theories

- **Henri Fayol** (1841-1925) was a French mining engineer and management theorist who is considered one of the founders of modern management theory
- Fayol worked in the mining industry and rose to become the managing director of a large French mining company, where he observed and documented his experiences in management.
- In 1916, Fayol published his influential book "Administration Industrielle et Générale," which laid out his theories on management and organizational structure. This work was later translated into English as "General and Industrial Management."
- Henri Fayol's contributions laid the foundation for classical management theory and emphasized the importance of organizational structure, authority, and efficiency in achieving organizational goals.



Fayol paid his attention to the whole organization and following 14 management fundamentals were introduced.



Fundamentals

Facts

Division of work

Work should be divided among the individuals on the basis of their specialization, to ensure their full focus on the effective completion of the task assigned to them

Authority and responsibility

Authority means right to give orders while the responsibility means being accountable. Authority is given to exact obedience must be held accountable for anything that goes wrong

Discipline

The individuals working in the organization must be well-disciplined, this refers to the obedience, behaviour, respect shown by employees towards others

Unity of Command

An individual in the organization must receive orders from only one supervisor. If an individual has the reporting with more than one supervisor, then there may be more conflicts with respect to whose instructions to be followed

Unity of Direction

All the individuals or groups performing different kinds of a task must be directed towards the common objective of the organization

Subordination of individual interest to general interest

The individual or organizational interest must coincide to get the task accomplished. The purposes of one employee or group of employees should not go beyond the organizational goals and objectives

Remuneration of personnel

Remuneration should be fair and both employee and employer should satisfy

Centralization	The objective of centralization is the best utilization of personnels. The degree of centralization varies according to the dynamics of each organization
Scalar Chain	There should be a proper hierarchy in the organization. A chain of authority exists from the highest organizational authority to the lowest ranks
Order	This is related to the systematic arrangements of things and people in the organization. This means every material should be in its place and there should be a place for every material. For people right man should be in the right job
Equity	All the employees should be treated equally
Stability of Tenure of personnel	To achieve the maximum productivity a stable workforce is needed. The employees should be retained in the organization
Initiative	The manager must be motivative his subordinate to think and take actions to execute the plan
Esprit the Corps	This means unity is strength. Every individual must work together to gain objectives.

Bureaucratic Management Theory

Max Weber (1864-1920) was a German sociologist, philosopher, and political economist who is widely regarded as one of the founding fathers of modern sociology.

He made significant contributions to our understanding of society, organizations, and authority structures. One of his most influential contributions is the development of the bureaucratic theory of management.

Weber's bureaucratic theory emphasizes the rational-legal structure of organizations.

Max Weber's contributions to sociology and organizational theory, particularly his insights into bureaucracy, have had a lasting impact on our understanding of how organizations function and how authority is structured within them.



Characteristics of Bureaucracy Management Theory

1. Specialization
2. Hierarchy
3. Conditions
4. Impersonality
5. Appointed officers
6. Professional officers
7. Fulltime officers
8. Public /private divisions



Types of Bureaucracy (according to the way of use it)

1. **Mock Bureaucracy** – the situation where established rules and conditions are not implemented actually
2. **Representative Bureaucracy** – all staff and employees of the organization work in collaboratively to secure the organizational rules and conditions. This is an acceptable situation in bureaucracy
3. **Punishment Created Bureaucracy** – serious punishments are given due to violate rules and conditions. Therefore, people tend to be scared and do the task in this type of bureaucracy

Advantages of Bureaucracy

- The management is easier due to employees' behaviour in consistent manner based on the rules and procedures
- There are delegated duties and responsibilities for all the jobs. So that, the job roles are clear and easy to delegate
- It will be a reason for improving the performance due to specialization through division of labor
- There is an ability to continue the job due to leaving of employees as soon as he replaced

Disadvantages of Bureaucracy

- It leads to **red tape and paperwork** (red tape refers to excessive bureaucratic procedures, rules, and regulations that hinder or delay action or decision-making within an organization)
- The strict adherence to rules and procedures. Employees are not treated in the best way thus they may not have any attachment or sense of belongingness towards the organization
- As an employees get used to monotonous work, they may develop resistance towards change and may not be flexible and adaptive



Behavioural approach

The behavioral approach in management theory focuses on understanding and improving employee behavior as a key factor in achieving organizational effectiveness. It emerged as a reaction to the earlier emphasis on structure and formalities in classical management theories.

Features of Behavioral approaches

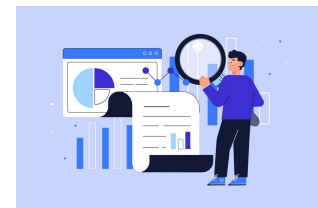
- Emphasis on Human Behavior, places significant importance on understanding human behavior within organizations.
- The behavioral approach highlights the impact of leadership styles on employee behavior and motivation.
- Emphasizes the importance of organizational development (OD) and change management.
- Psychological and Sociological Perspectives
- Advocates for creating a supportive work environment that aligns employees' needs and motivations with organizational goals - understanding and influencing employee behavior, organizations can enhance productivity, satisfaction, and overall performance.

Quantitative Approach

It was used in the intelligence of war which was used in 2nd World war in taking decisions . Mathematical forecasting, stock format, network format, simulation, and liner programming are the best examples for that.

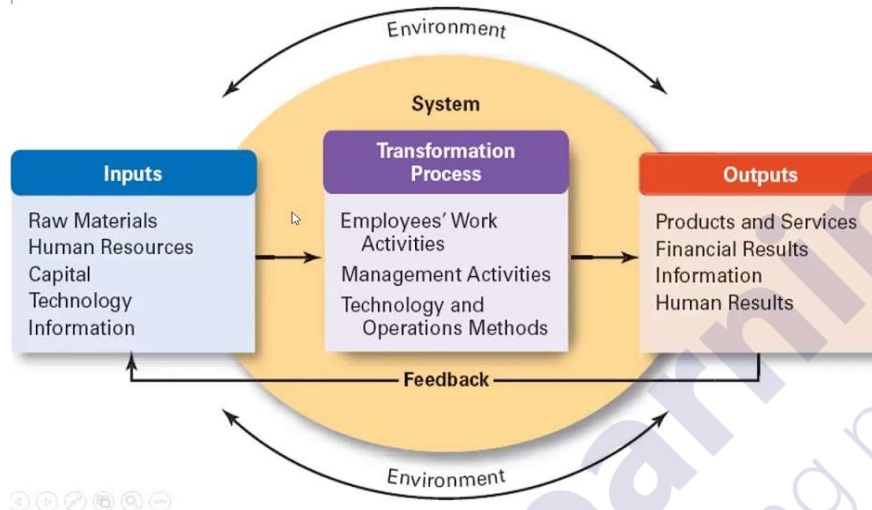
Characteristics of Quantitative approach

- Relies heavily on data-driven decision-making.
- Aims to optimize organizational processes and resources.
- Utilizes various quantitative techniques and tools to analyze and solve management problems
- Closely integrated with information systems and technology.
- Promotes a culture of continuous improvement and adaptation based on empirical evidence and feedback



The System Approach

The system approach is based on the concept that an organization is a system. A system is defined as a number of interdependent parts functioning for some purpose.



Basic components of a System Theory

Closed system

- The system **does not keep interrelations with the environment** for the existence of the organization and it is not influenced by the environment.
- All the **inputs and outputs are within the system**
- The organization is a closed system based on the opinion of traditional and scientific management philosophies
- Example: Research and Development division, Trade Secrets documentation systems

Open systems

- Systems which keeps interrelations with the environment for existence of the organization and is influenced by the environment
- Its converter inputs and outputs and release to the environment
- **All the organisations in the real world are open systems**

Sub systems

- All the parts of the system depend on operations of each system.
- **Any system is a subsystem of a large system**
- Example: department is a sub system of an organization; organization is a sub system of industry and industry is a subsystem of economy

Synergy

- The **outcome received of all subsystems are coordinated and implemented as a one system** is called a synergy
- It will implement effectively and efficiently when subsystems are working as a system than working in independently
- Example: the efficiency will increase when departments are coordinating collaboratively, and it will help to avoid duplications

Entropy

- A system goes to the finale and the trend of obsolescence is a global norm
- Therefore, the organizations should introduce new outputs and inputs, conforming the dynamic environment for the long -term survival and success

Characteristics of the System Approach

- Organization is considered as a system
- Managers can understand about the importance of environment
- Identify the inter relationship among subsystems
- Managers will be able to understand about how their decisions impact on sub systems

Contingency theory

- This also known as situational approach
- Contingency theory asserts that when managers make decisions, they must take in to account all aspects of the current situation and act on those aspects that are keys to the situation in hand.
- Views each organization different and therefore each should be managed differently
- Managers make decisions based on the current situation and after evaluating the relevant facts

Characteristics of Contingency Management Philosophy

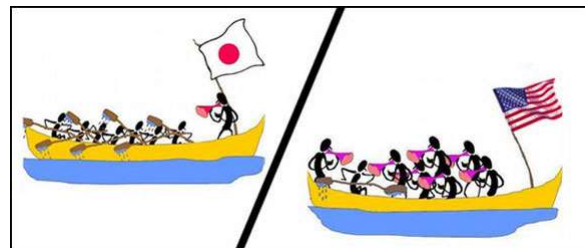
1. It cannot be used the global theories since organizations are different each other
2. It can be decided the most appropriate management behaviour based on unique characteristics of the situation
3. It cannot be used one particular management behaviour which used in one particular situation to another situation

Japanese Management Style

- Interest of Japanese management was created when the book entitled 'theory Z' by William Ouchi was published.
- It is a culturally based approach
- It emphasize the need for information flow from the bottom to the top of the organisation
- It also emphasize on continuous improvement in quality, consensus decision making and accurate inventory systems
- The main characteristic in Japanese Management style are it is **people oriented (human resources) as well as work oriented (production activities such as quality control, just in time concept).**
- Examples for Japanese Management style:
 - Kaizen –continuous improvement with the involvement of everyone in the organization
 - 5S- system of reducing waste and improving quality, Sort(Seiri), Set in Order(Seiton), Shine(Seiso), Standard(Seiketsu) and sustain(Shitsuke)
 - Total Quality Management

Key practices associated with Japanese management technique

- In – house training of managers
- Consensual and decentralized decision making
- Extensive use of quality control methods
- Carefully codified work standards
- Emphasis on creating harmonious relations among workers
- Lifetime employment and seniority compensation



Traditional style Vs. Japanese style

Western (Traditional style)	Japanese style
Capitalism	Companionism
Profit maximization	Increasing value added
Growing company	Growing with the company
Shareholders' satisfaction	Customers' satisfaction
Office priority	Shopfloor priority
System oriented	Human oriented
Innovative approach	Kaizen approach
Top – down approach theory by specialist	Top- down+ bottom approach
Result oriented	Practice by all people
Sophisticated technology	Process oriented
Optimization	Simple technology continuous challenge

Exam Questions

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which one of the following is **not** a role under the interpersonal category of management according to Mintzberg's categorization?

- (1) Figurehead. (2) Leader.
(3) Spokeperson. (4) Liaison. (02 marks)

1.2 Which one of the following is **not** a basic principle of scientific management introduced by Fredrick Taylor?

- (1) The scientific education and development of the worker.
(2) The scientific selection of workers, so that each worker would be given responsibility for the task for which he or she is best suited.
(3) Teamwork is fundamentally important to an organization.
(4) Initiate, friendly cooperation between management and labour. (02 marks)

2016 – January

1.4 “When the separate subsystems coordinate and operate as one system, they become more efficient and productive than if they were to operate alone”. This is known as:

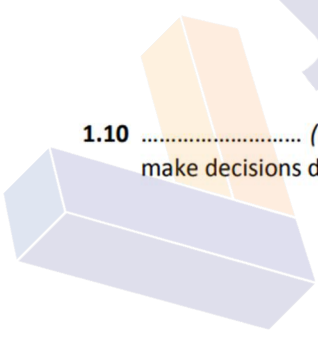
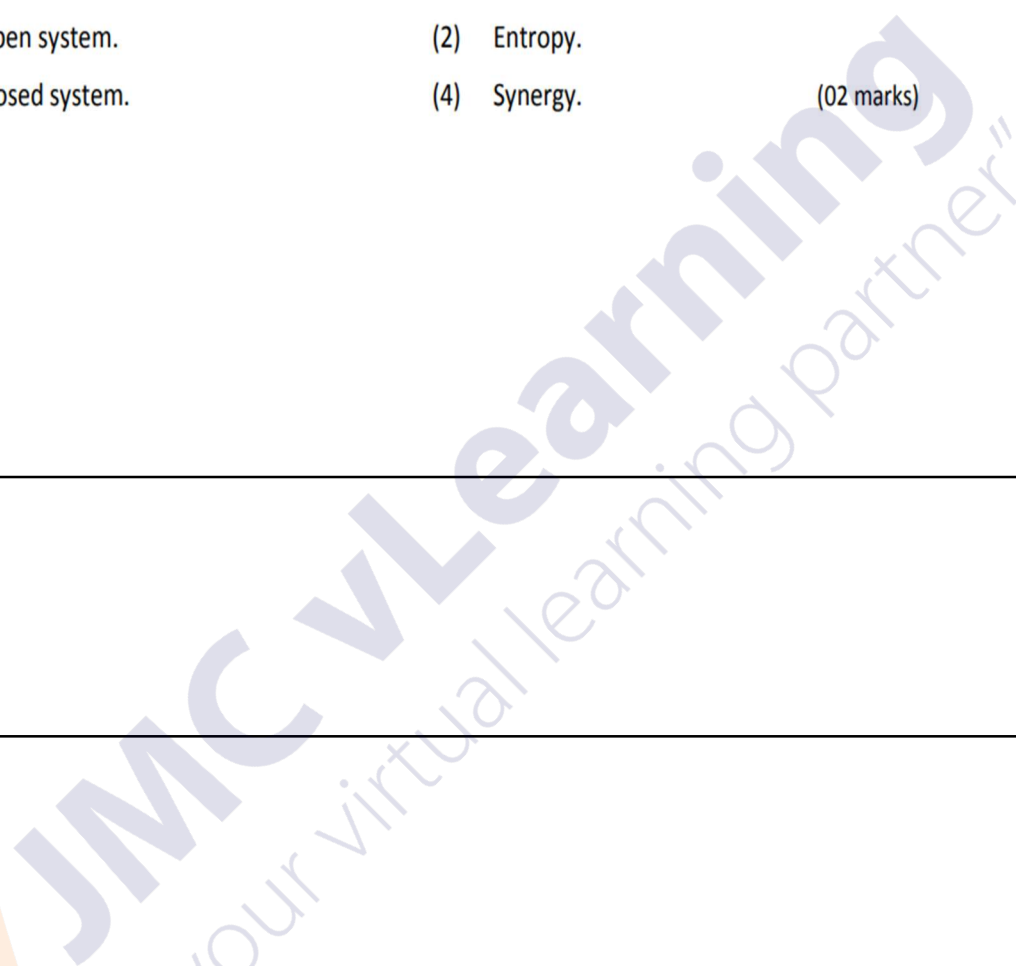
(1) Open system.

(2) Entropy.

(3) Closed system.

(4) Synergy.

(02 marks)



1.10 (*Technical skills / Conceptual skills*) refer to the skills to think, understand and make decisions during complex situations. (01 mark)

1.3 Which one of the following is a common principle of management introduced by Henri Fayol?

- | | |
|-----------------------|-----------------------|
| (1) Division of work. | (2) Centralization. |
| (3) Unity of command. | (4) All of the above. |

1.6 The management approach which incorporates various mathematical, statistical and analytical techniques and models together with computer simulations into management is known as (*Quantitative approach / Behavioural approach*).

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which one of the following is an example for top level management in an organization?

- | | |
|------------------------------|-----------------|
| (1) Human Resource Manager. | (2) Accountant. |
| (3) Chief Executive Officer. | (4) Supervisor. |

1.2 The skills of managers to think, understand and make decisions during complex situations is known as:

- | | |
|------------------------|---------------------------|
| (1) Conceptual Skills. | (2) Interpersonal Skills. |
| (3) Technical skills. | (4) Diagnostic Skills. |

2017– January

1.4 Consider the following statements:

- (a)** It refers to a system for reducing waste and improving productivity.
- (b)** It emphasizes the need of flowing information from bottom to top of the organization.

Out of the above, the correct statement/s regarding Japanese Management Style is/are:

- (1) **(a)** only.
- (2) **(b)** only.
- (3) Both **(a)** and **(b)**.
- (4) None of the above.

2017– January

State whether each of the following statements from question No.1.6 to 1.10 is TRUE or FALSE. Write the answer (True/False) in your answer booklet with the number assigned to the question.

- 1.6** Effectiveness is doing things right and efficiency is doing the right thing.
- 1.7** The bureaucratic management theory is considered as a human related approach, because they cover the human dimension of work.
- 1.8** According to the contingency approach, managers have to make decisions based on the current situation after evaluating the relevant facts.
- 1.9** Responsibility is the formal and legitimate right of managers for commanding, decision making and allocating resources in order to attain the expected outcome of the organization.
- 1.10** Open system is influenced by the environment and interacts with the environment to survive.

(02 marks each, Total 20 marks)

2017 – January

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which one of the following group is correct with reference to basic functions of the management process?

- (1) Planning, Decision Making, Unity of Command and Communication.
- (2) Planning, Decision Making, Delegation of Authority and Motivation.
- (3) Planning, Organizing, Leading and Controlling.
- (4) Planning, Organization Structure, Unity of Command and Controlling.

2017 – July

1.2 Skills specific to the job that are necessary for the performance of specific tasks in an excellent manner are:

- | | |
|-----------------------|------------------------|
| (1) Human skills. | (2) Conceptual skills. |
| (3) Technical skills. | (4) Diagnostic skills. |

State whether each of the following statements from question No.1.6 to 1.10 is **TRUE** or **FALSE**. Write the answer (True/False) in your answer booklet with the number assigned to the question.

1.6 Division of labour is a characteristic of bureaucracy.

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 The ratio between the inputs and outputs of an organization during a specific period of time is:

- | | |
|-------------------|--------------------|
| (1) Efficiency. | (2) Effectiveness. |
| (3) Productivity. | (4) Creativity. |

1.2 Which one of the following is a component of a system in systems theory?

- | | |
|---------------|-----------------------|
| (1) Inputs. | (2) Environment. |
| (3) Feedback. | (4) All of the above. |

2018 – Jan

1.3 Which one of the following is a practice associated with Japanese Management Style?

- | | |
|--------------------------------|---------------------------------|
| (1) Short term employment. | (2) Collective decision making. |
| (3) Individual responsibility. | (4) Individual decision making. |

2018 – Jan

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which one of the following is an example for a middle level manager?

- | | |
|------------------------------|-------------------------|
| (1) Chief Executive Officer. | (2) Accounts Executive. |
| (3) Finance Manager. | (4) Managing Director. |

1.2 The management theory which explains the human dimension of work is known as:

- | | |
|-------------------------|-------------------------|
| (1) Bureaucracy theory. | (2) Behavioural theory. |
| (3) Qualitative theory. | (4) Scientific theory. |

2018 – July

State whether each of the following statements from question No.1.6 to 1.10 is **TRUE** or **FALSE**. Write the answer (True/False) in your answer booklet with the number assigned to the question.

1.6 Act as a monitor, disseminator and spokesperson are the interpersonal roles of a manager.

1.7 Centralization is a principle of management which was introduced by Henry Fayol.

2018 – July

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which one of the following is a challenge faced by managers in 21st century?

- | | |
|-----------------------------|-----------------------------|
| (1) Diversity in workforce. | (2) Information Technology. |
| (3) Globalization. | (4) All of the above. |

1.2 Which one of the following is **not** a main managerial skill introduced by Robert Katz?

- | | |
|------------------------|-------------------------|
| (1) Technical skills. | (2) Human skills. |
| (3) Conceptual skills. | (4) Negotiation skills. |

1.3 Which one of the following is a characteristic of Bureaucracy?

- | | |
|----------------------|----------------------------|
| (1) Specialization. | (2) Flexible. |
| (3) Informal system. | (4) Short term employment. |

2019 – January

State whether each of the following statements from question No.1.6 to 1.10 is **TRUE** or **FALSE**. Write the answer (True/False) in your answer booklet with the number assigned to the question.

1.6 Productivity is a result of combination of efficiency and effectiveness.

2019 – January

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 The amount of resources that are used in performing a task is measured by:

- (1) Effectiveness. (2) Efficiency. (3) Productivity. (4) Management.

2019 – July

1.2 Which one of the following is **not** a principle of management according to Henry Fayol?

- (1) Division of work. (2) Centralization.
(3) Flexibility of work. (4) Authority and responsibility.

1.3 A key practice of the Japanese Management Style is:

- (1) Short term employment. (2) Collective decision making.
(3) Specialized career path. (4) Rapid evaluation and promotion.

2020 – January

1.4 Which one of the following is **not** a role of a manager according to Mintzberg?

- | | |
|-------------------------|-------------------------|
| (1) Interpersonal role. | (2) Decisional role. |
| (3) Motivational role. | (4) Informational role. |

*State whether each of the following statements from question No.1.6 to 1.10 is **TRUE** or **FALSE**. Write the answer (True/False) in your answer booklet with the number assigned to the question.*

1.6 Conceptual skills refer to skills and knowledge specific to the job that are necessary for the specific tasks to be performed in an excellent manner.

1.7 Specialization is a characteristic of bureaucracy.

2020 – January

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Select from the following, management skills introduced by Robert L. Katz:

- (1) Communication skills, Conceptual skills and decision making skills.
- (2) Conceptual skills, Interpersonal skills and Technical skills.
- (3) Diagnostic skills, Technical skills and Communication skills.
- (4) Technical skills, Communication skills and Leadership skills.

2020 – July

Select the correct word/words from those given within brackets to fill in the blanks of question No. 1.6 to 1.10. Write the selected word/words in your answer booklet with the number assigned to the question.

- 1.6 Efficiency explains about how to utilize inputs to achieve organizational goals. Simply, efficiency is (doing the right things / doing things right).

2020 – July

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

- 1.1 The main functions of the management process are:

- (1) Planning, Unity of Command, Motivation and Leading.
- (2) Planning, Organizing, Leading and Controlling.
- (3) Planning, Decision Making, Communication and Leading.
- (4) Planning, Effectiveness, Efficiency and Productivity.

2021 – January

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 The "efficiency" is:

- (1) The relationship between input and output.
- (2) Doing things right.
- (3) Doing the right thing.
- (4) The ability to produce desired output.

1.2 Which one of the following group consists of the interpersonal roles of the management?

- (1) Entrepreneur, Resource allocator, Negotiator.
- (2) Monitor, Disseminator, Spokesperson.
- (3) Figurehead, leader, liaison.
- (4) Leader, Disturbance handler, Monitor.

2021 – July

1.3 Consider the following statements:

- (a) Decision-making occurs prior to planning stage in the management process.
- (b) All managers at all levels of the hierarchy require to make decisions regarding the responsibilities assigned to them.
- (c) Decision making is important when carrying out other functions of the management process such as organizing, coordinating, and communicating.

Of the above, the correct statement/s in relation to decision making is/are:

- (1) (b) only.
- (2) (c) only.
- (3) (a) and (c) only.
- (4) (b) and (c) only.

1.4 The management theories which cover the human dimensions of work are known as:

- (1) Bureaucracy theories.
- (2) Behavioral theories.
- (3) Qualitative theories.
- (4) Scientific Management theories.

2021 – July

Write answers for question Nos. **1.11** to **1.15** in your answer booklet with the number assigned to the question.

1.11 State two(02) characteristics of Bureaucracy according to Max Weber.

Select the correct word/words from those given within brackets to fill in the blanks of question No. **1.6** to **1.10**. Write the selected word/words in your answer booklet with the number assigned to the question.

1.6 (Planning / Organizing) function begins with division of work into smaller units.

2021 – July

Question 01

Select the most correct answer for question No. **1.1** to **1.5**. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Which of the following managerial skills are highly required for top level managers when compared with middle and lower-level managers according to Robert L. Katz?

- | | |
|-----------------------------|------------------------|
| (1) Time management skills. | (2) Human skills. |
| (3) Technical skills. | (4) Conceptual skills. |

2022 – January

1.5 Consider the following statements relating to "Management":

- (a)** It helps to achieve organizational goals effectively by using the resources efficiently.
- (b)** It minimizes the wastages of resources and reduces cost.
- (c)** It helps to develop a good organizational structure.

Of the above, the benefits of "Management" are:

- (1) **(a)** and **(b)** only.
- (2) **(a)** and **(c)** only.
- (3) **(b)** and **(c)** only.
- (4) All of the above.

(02 marks each, 10 marks)

Select the correct word/words from those given within brackets to fill in the blanks of question No. **1.6** to **1.10**. Write the selected word/words in your answer booklet with the number assigned to the question.

1.6 (Efficiency / Productivity) means the relationship between inputs and output in a specific time.

Write short answers for question Nos. 1.11 to 1.15 in your answer booklet with the number assigned to the question.

1.11 Explain briefly, the difference between efficiency and effectiveness.

1.14 Identify the main functions of management process.

2022 – July

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 Efficiency means:

- (1) Doing the right thing.
- (2) Doing things right.
- (3) Relationship between input and output.
- (4) Converting input into output.

2023 – January

Question 01

Select the most correct answer for question No. 1.1 to 1.5. Write the number of the selected answer in your answer booklet with the number assigned to the question.

1.1 The relationship between input and output in a specific time is:

- (1) Effectiveness. (2) Efficiency. (3) Productivity. (4) Management.

1.2 Which one of the following is a characteristic of the Traditional (western) Management Style?

- (1) Customers' satisfaction. (2) Human oriented.
(3) Increasing value added. (4) Shareholders' satisfaction.

2023 – July

