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OSU3401 – PRINCIPLES OF MANAGEMENT

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## Question One

- (1) Assume that you are planning to start a new business on your own. In that context, develop an organizational structure for your intended organization. Draw your proposed organizational chart and tell us how you are going to implement the different aspects of organizing such as specialization, departmentalization, delegation of authority, chain of command, span of control, coordination, handling formal and informal communication etc. Further, tell us how you are going to motivate employees in your organization using the knowledge of motivational theories. You can enrich your answer by explaining how these elements are operationalized, what challenges you may encounter in those stages, how you can face them etc. Try to think and apply the concepts in a much practical way. (You may provide a brief introduction to your imagined business organization in the first part of your answer).

## Introduction

I intend to open a textile producing company "GREEN STYLE Ltd". The main concept of GREEN STYLE Ltd. is creating environment-friendly, high-quality textiles to the local and foreign market. Sustainability will be an underlying focus of the company, including biodegradable materials, responsible water usage and ethical labor practices. GREEN STYLE Ltd will target different customer segments: fashion brands, corporations, and the general public.

## PROPOSED ORGANIZATIONAL STRUCTURE

GREEN STYLE Ltd will have a functional organizational Structure as its organizational structure. A manufacturing organization would benefit most from this of structure since it enhances Efficiency and knowledge by grouping personnel according to certain functions.

## THE ORGANIZATIONAL CHART



## Implementing the Aspects of Organizing

### 1. Specialization

Each department takes aim at its field of expertise. For example, the operations team will oversee quality control, production processes, and the purchase of raw materials. The marketing team will be responsible for consumer relations, branding, and advertising. The finance team will handle payroll, financial reporting and budgeting.

### 2. Departmentalization

The business will be split into departments based on its functions: Operations Department: Manage the supply chain logistics and production. Marketing: Focuses on branding and customer acquisition. The Finance Department handles the business's compliance and financial maintenance.

### 3. Delegation of Authority

Power will cascade down from the top (CEO) to department heads, who will pass tasks down to their teams. For example, the Operations Manager delegate production tasks to supervisors, who will in turn manage the workers.

### 4. The Command Chain

Accountability and communication are guaranteed by a well-defined chain of command. Workers will be aware of who to ask for advice and report to. For instance: Employees are answerable to production supervisors. The Operations Manager is the person to whom supervisors report. The CEO receives updates from the operations manager.

### 5. Span of Control

The span of control will be constrained in order to preserve efficiency: To prevent overwork, each manager will supervise no more than five or six direct subordinates.

## 6. Coordination

To guarantee efficient coordination, regular interdepartmental meetings will be held. For example, the marketing team will work with finance to budget marketing campaigns and with operations to schedule production.

## 7. Handling Communication

Formal Communication occurs via organized meeting, official emails, presentation, intranet, extranet and monthly reports. Casual communication: To enhance connection between staff, the organization will back team building activities.

## Motivating Employees Using Motivational Theories

Employee motivation is essential to Green Style Ltd.'s success. To keep workers interested, I'll combine a few motivational theories:

### 1.Maslow's Hierarchy of Needs (Abraham Maslow)

- **Physiological Needs:** Fair wages, safe working conditions, and health benefit
- **Safety Needs:** Job stability, well-defined career progress
- **Social Needs:** Team off-sites, success celebrations
- **Esteem Needs:** "Employee of the Month" recognition programs.
- **Self-Actualization:** The prospect of learning new skills and innovating

### 2.Herzberg's Two-Factor Theory

Hygiene Factors: competitive salaries, job security, and a clean environment.

**Motivators:** Excellent-performance bonuses, high-stakes challenges, career-path opportunities.



### 3. Equity Theory

Make sure workloads, pay and recognition are fair so you don't erode trust and motivation.

### 4. Expectancy Theory

This concept is based on the basic premise that “when workers believe the effort improve their performance and the performance improve there is some incentive, they will be motivated.” Measurable achievement and attainable goals will reinforce this belief.

**Solution:** Arrange training programs to assist employees in adjusting to new technologies and processes.

**Challenge:** Communication Barriers

**Solution:** For seamless communication, use modern tools like Slack and Zoom.

**Challenge:** Staying Motivated

**Solution:** Address employee concerns via regular feedback sessions

### Impact of motivation theories on employee performance

- Increased employee commitment
- Improved employee satisfaction
- Ongoing employee development
- Improved employee efficiency
- Reduce employee turnover

### Motivation is Important to a business as

- The more motivated the employees are, are the more empowered the team is

- The more is the teamwork and individual employee contribution, more profitable and successful is the business.
- During period of changes, there will be more adaptability and creativity.
- Motivation will lead to an optimistic and challenging attitude at workplace.

### What is management leadership's role in Motivating Employee?

As a manager it is part of your duty to determine how to motivate employees so that there is no drop in productivity and/or their satisfaction with the work.

- Combine work goals with employee goals.
- Understand what motivates each employee.
- Leads by example.
- Create a fair system for all.

## Question Two

The landscape of business management is constantly evolving at an unpredictable pace. Some argue that planning is crucial in this context where some argue that planning is not worthwhile in the contemporary environment. Explain your stance on this argument highlighting the importance, challenges, barriers, criticism of planning utilizing practical examples.

## Introduction

Only the companies that strive for organizational agility will be able to evolve in the face of technological evolution, globalization, and unpredictable economic and political changes. Some claim that in such a dynamic context any planning is useless but I strongly believe that the planning is a pillar of the good management of the companies as long as it is flexible and dynamic.

## The process of management

### **Planning**

Managers use logic and method to think thought goals and action. The process of establishing goals and a suitable course of action for achieving those goals.

### **Organizing**

Managers arrange and allocate work authority and resource to achieve organization goals.

### **Leading**

Managers direct influence and motivate employees to perform essential task.

### **Controlling**

Managers make sure an organization is moving towards organizational objectives.

## Importance of Planning

### 1)Setting Objectives

Planning helps businesses set clear, measurable goals. To do that, an enterprise like Tesla, for instance sets annual production targets that align to its overarching aim of accelerate the transition to sustainable energy.

## 2)Resource Allocation

Planning allows for a strategic allocation of resources (money, time, labor). For example, companies diverted R&D funds and human capital to focus vaccine research during the COVID-19 pandemic.

## 3)Risk Management

Scheduling helps companies forecast possible risks and plan alternatives. In disaster-prone regions, companies like Toyota in Japan have detailed risk management plans to minimize disruptions.

## 4)Guidance and Coordination

Planning serves as a road map for employees to ensure that all teams are working toward the same goals. For instance, Apple creates a coherent product development process by bringing together their design, engineering, and marketing teams.

## Challenges of Planning

### 1)Uncertainty in the Environment

Plans can quickly become obsolete as rules, market conditions, and technology evolve rapidly. For example, the downfall of Nokia stemmed from its inability to change course in the face of the smartphone revolution.

**Solution:** Use dynamic planning models, such as rolling forecasts, that are updated frequently.

### 2)Overreliance on Assumptions

Planning often relies on projections that may not account for extraordinary events such as the global financial crisis of 2008.

**Solution:** Include scenario analysis to prepare for a range of possible outcomes

### 3)Resource and Time Intensity

Creating comprehensive plans requires time and resources that small businesses may not have.

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**Solution:** Simplified frameworks (SMART goals, Lean Planning techniques).

## Barriers to Effective Planning

### 1)Resistance to Change

Management and employees might resist plans that would disrupt existing workflows. For example, Kodak refused to change its strategy for digital photography and went bankrupt.

### 2)Inaccurate Data

Low-quality data can result in inefficient strategies. Dependent upon old customer data, businesses may overlook new trends, such as the surge of e-commerce platforms during the pandemic.

### 3)Short-Term Focus

A lot of companies are treating profits today as no more important than future-planning. Companies that refused to invest in renewable energy, for example, which may find themselves swimming against the current as sustainability becomes the global mantra.

## Criticism of Planning

### 1) Rigidity

**Planning:** critics contend, could produce rigidity, especially in volatile markets. And while it may be tempting to stick to pre-established plans in times of crisis, such single-mindedness can lead to a halt in timely decision-making.

**For example:** a lot of companies died during the dot-com bubble because their rigid plans couldn't pivot to changes in the realities of the market.

## 2) Stifling Creativity

Excessive planning may discourage innovation by imposing strict guidelines. For example, companies with bureaucratic planning processes may struggle to compete with agile startups.

## 3) Planning Paradox

Contrarily, too much planning can stifle innovation with frameworks. For instance, organizations that follow bureaucratic planning processes can find it challenging to compete with nimble startups.

## My Stance: Planning with Flexibility

Planning is not only important, but it also needs to be done with flexibility and agility in mind. Tools for solution of modern businesses:

**Agile Planning:** Frameworks as potential example, frameworks in Agile work calls for lots of iterative plans particularly in software development (e.g. Scrum).

**Scenario Planning:** Generate several plans around what different future worlds may look like, such as oil company Shell when they change what they offer after they see the shape of energy markets shifting.

**Contingency Planning:** Be prepared for eventualities such as natural disasters or cyber-attacks, similar to Amazon's strong logistics strategies.

## Practical Example: Planning in Action

A good example from the real world is Starbucks. The company maintains its global vision while using flexible planning to adjust its menu and store designs to suit the tastes of each locality, despite global economic volatility. Example of Adaptive Plans: Its ability to plan for

long-term expansions and flexibility to mobilize short-term strategies (like launching delivery services during the ongoing COVID-19 pandemic) serves as testament to the effectiveness of adaptive planning.

## Conclusion

While planning is not without its challenges and critics, it remains underappreciated as a foundational form of a business. In the world of business, organizations have to learn to plan but also to break the mold because this is the only recipe for success. Well-planned companies are more equipped to face unforeseen problems, allocate their resources efficiently, and have a better chance of long-term success.