

BTIT/597J/2021 MICHAEL KYUWA

BMG 4101 PRINCIPLES OF MANAGEMENT

1. Critically analyze what decision-making is. Look at the types of decisions an organization can make. Give practical, local examples.

A) Decision-making is the process of choosing the best course of action from among alternatives to achieve a goal

It involves gathering information, weighing options, and selecting solutions

B) Types of Decision-making

1. Programmed decisions - these are routine, well-structured choices made often in the same way. Rules or guidelines exist to handle them, so they don't require much thought each time

Example: a factory manager automatically orders the same number of raw materials each month based on production needs

2. Non-programmed decisions - these decisions are new or unique problems with no preset rule. They involve uncertain or incomplete information and need creative or careful judgment

Example: choosing whether to adopt a new technology in an organisation

3. Strategic decisions are big-picture choices that set long-term direction for a company or project. They involve major commitments and goals, usually made by top leaders.

Example: a CEO deciding to enter a new market

4. Tactical decisions - bridge strategy and operations. They focus on how to implement strategic goals in the medium term.

Example: a marketing manager choosing a specific advertising campaign to boost next quarter's sales

5. Operational decisions - keep things running smoothly. They involve short-term, everyday processes and are usually made by lower-level managers or supervisors

Example: store manager deciding each day's staff schedule

6. Individual decisions - these are decisions made by one person using their own judgment and information. They are often quicker and require no group input. They rely on one person's knowledge and perspective.

Example: an employee fixing a minor problem without consulting others

7. Group decisions - made collectively by multiple people. Teams discuss options, share information, and then decide together.

Example: a company board voting on a major policy

2. Is management an art or a science?

A) Management embodies elements of both art and science.

As a science, management has an organized body of knowledge and principles (developed through study and experience) that can be taught and tested, for example, principles like “unity of command” or “span of control” can be applied broadly and predictably across organizations

As an art, it requires personal skills, creativity, and intuition. Each manager applies the general principles in a unique way, using judgment and flair

Thus, management is a judicious blend of science and art

b) Delegation

Yes, management can be delegated

Managers delegate tasks to subordinates, but the core managerial responsibility remains.

Example: a supervisor may delegate a sales report to a team member, but the manager cannot delegate his/her accountability for the department's performance.

C) Responsibilities by management level

- i. Top-level managers – They set vision and strategy. They also scan the external environment and internal capabilities, craft long-term plans and company policies
- ii. Middle managers – They bridge strategy and action. They translate top-level goals into departmental plans, build systems, and oversee first-line managers
- iii. Lower managers – They handle daily operations: they supervise employees, ensure workflows meet targets, and address customer issues.

3. Strategic Leadership

Strategic leadership means setting a vision and preparing the organization to thrive amid change. It plays a central role in enabling organizations to survive, adapt, and thrive during periods of disruptive change.

Leaders identify long-term opportunities and risks and inspire the organization to adapt.

When unpredictable disruptions occur like a pandemic or technological shift, strategic leaders enable *organizational resilience* – the ability to absorb shock and emerge strong.

Practical examples

- a) During covid-19, Safaricom CEO Peter Ndegwa took bold steps to support customers – for nine months Safaricom waived fees on person-to-person M-PESA transfers to help Kenyans cope, this made Safaricom to bounce back in the second half of 2020 despite initial declines.
- b) In 2020 Equity Bank CEO froze some loan categories while aggressively expanding digital deposits and lending in other areas. The result was a 98% jump in profits during the crisis period.
- c) In 2024 Kenya Airways CEO Allan Kilavuka restructured routes, cut costs, and improved governance under an experienced board. These strategic moves – guided by leadership – restored profitability in a turbulent industry.

4. Directing function and various leadership approaches

The directing function of management is guiding and motivating people to work toward organizational objectives. It includes communicating plans, supervising work, and inspiring teams.

In practice, this involves managers acting as coaches and communicators: they set clear goals, give feedback, and create a positive work climate. Good directing keeps staff aligned and engaged.

Leadership Approaches

- i. Transformational leadership: Leaders inspire employees by articulating a compelling vision. Transformational leaders motivate people to exceed expectations and embrace change.
- ii. Transactional leadership - This style is based on clear roles, rewards, and penalties. Managers set definite targets and reward compliance. It provides structure and quick results which are good for task-oriented work but can limit creativity.
- iii. Participative (Democratic) leadership - Leaders involve team members in decision-making. By soliciting input and sharing control, this approach builds commitment and harnesses diverse ideas, which is valuable in global teams.
- iv. Servant leadership - Here the leader's primary goal is to serve the team. Servant leaders put employees' needs first and support their development. This style fosters loyalty and a collaborative environment.

- v. Delegative leadership - Leaders take a hands-off approach, delegating decisions and trusting staff to work autonomously. This can empower highly skilled teams but may cause direction to suffer if not managed carefully.