

# ORG MAN Presentation

MONEY BASICS: LEARN IT, LIVE IT, MASTER IT





# EVOLUTION OF MANAGEMENT THEORIES

Management is simply getting things done through people, and all types of organizations small, medium, or large exist to serve a purpose and earn profit with the help of people.

Management ensures that people's efforts are directed efficiently toward organizational goals, and its theories emerged after the Industrial Revolution to improve productivity and efficiency.



## 1910S-1940S: MANAGEMENT AS SCIENCE

management focused on science, efficiency, and strict top-down control.

## 1950S-1960S: 7 FUNCTIONAL ORGANIZATIONS

functional organizations and the HR movement emphasized people, goal-setting, and performance management.



## 1970S: STRATEGIC PLANNING

the focus shifted to strategic planning, with tools like SWOT and contingency theories guiding resource allocation and strategy.

## 1980s: COMPETITIVE ADVANTAGE

Focus on competitive advantage through efficiency and productivity using TQM, Six Sigma, and Lean.



## 1990s: PROCESS OPTIMIZATION

Emphasis on process optimization and company-wide strategy with benchmarking, reengineering, and tools like Balanced Scorecards.

## 2000s: BIG DATA

organizations leveraged Big Data for better decision-making and efficiency, while modern management shifted from top-down control to a participatory style that promotes innovation and engagement.



## 1.2 PRINCIPLES OF MANAGEMENT

Henri Fayol, a French management theorist (1841–1925), developed the foundational 14 Principles of Management, which outline essential guidelines for effective management.

# DIVISION OF WORK

Breaking tasks into smaller parts and assigning them based on skills boosts efficiency, productivity, and accuracy, applicable to both technical and managerial work.

# AUTHORITY AND RESPONSIBILITY

Authority is the right to give orders; responsibility is the obligation to perform. Both must be balanced, as they are interdependent.



# DISCIPLINE

Obedience, proper conduct, and respect for authority are crucial for smooth organizational functioning and culture.

# UNITY OF COMMAND

Each employee should report to only one superior to avoid confusion, conflict, and unclear accountability.

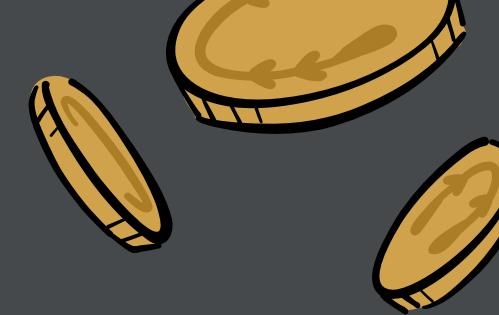


# UNITY OF DIRECTION

Everyone should work toward the same goal under a single plan and manager for coordinated action.

# SUBORDINATION OF INDIVIDUAL INTEREST

Company objectives take precedence over personal interests.



# REMUNERATION

Fair pay motivates employees, boosts productivity, and aligns performance with organizational goals.

## DEGREE OF CENTRALIZATION

Refers to the concentration of decision-making at the top; a balance between centralization and decentralization is ideal.





# SCALAR CHAIN

A formal chain of command from top to bottom; “gangplanks” allow emergency communication across levels with superiors informed.

# ORDER

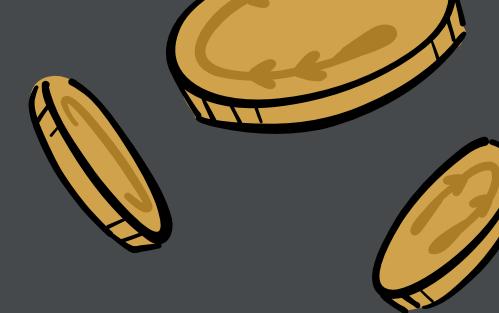
Ensures smooth operations through proper procedures, maintaining efficiency, safety, and adherence to rules.

# EQUITY

Treat employees fairly and justly, ensuring impartiality in all dealings.

# STABILITY OF TENURE

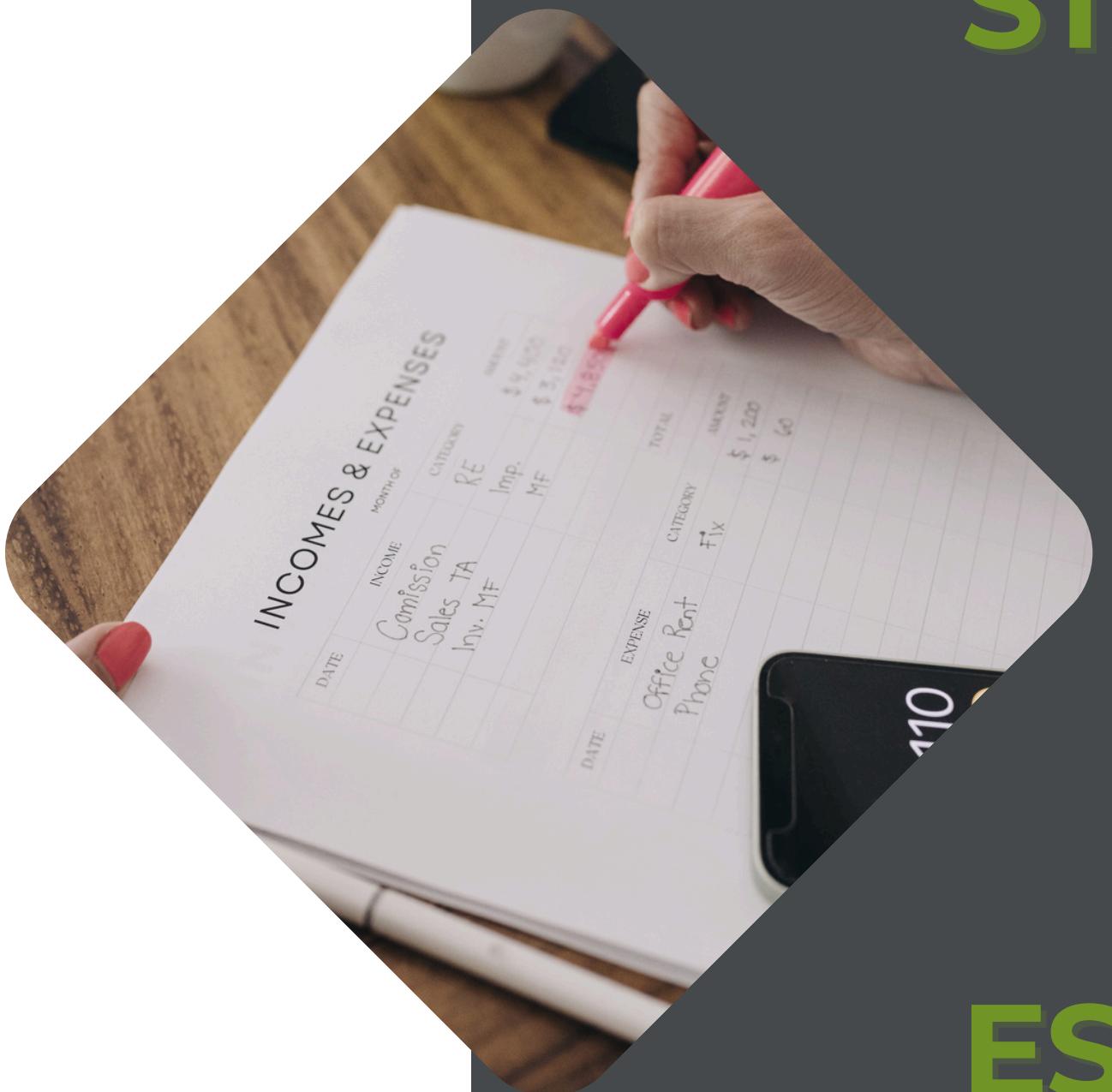
Maintain employees in their positions long enough for them to become effective and accustomed to their roles.





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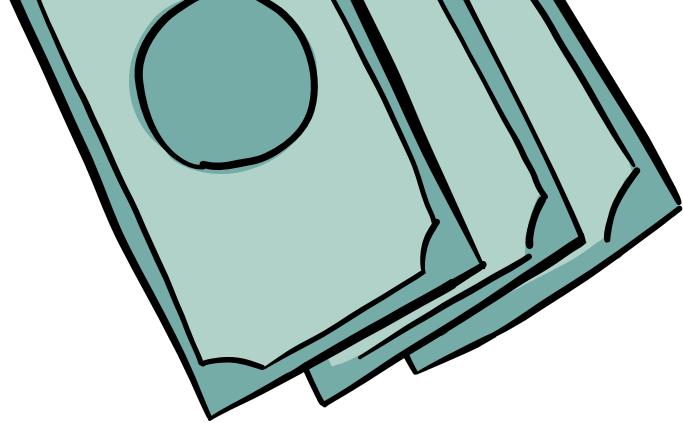
# INITIATIVE

Encourage employees' ideas and actions, as their initiative strengthens the organization and fosters engagement.

# ESPRIT DE CORPS

Managers should build team spirit and trust to boost morale and ensure efficient, timely task completion.

# THE QUALITIES OF A GEM



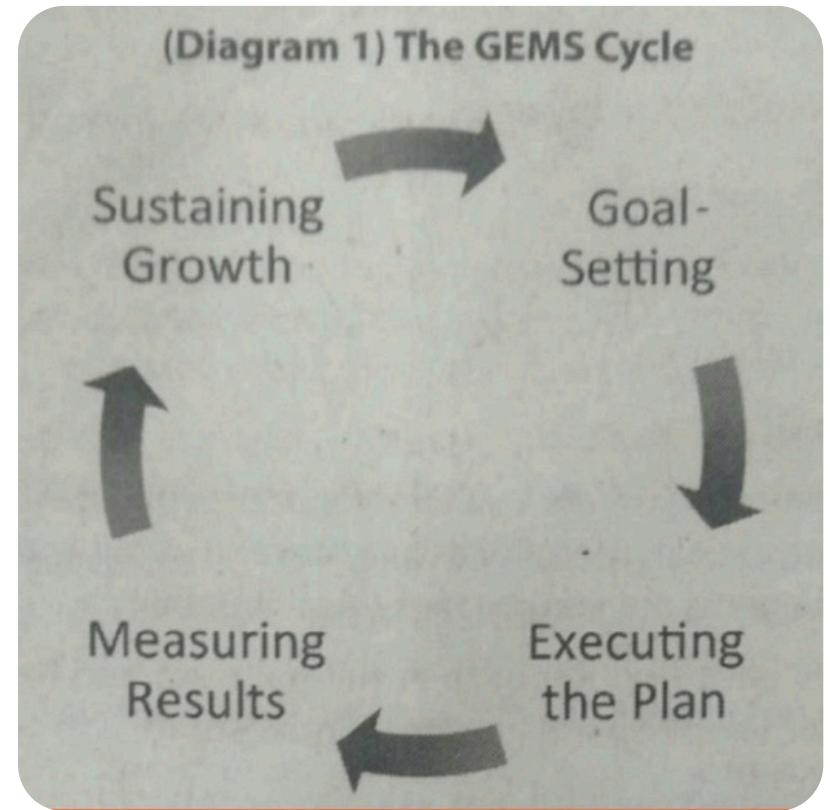
Gems, valued for their beauty, rarity, and durability, symbolize the 4 Gems of Management—Goal, Execution, Measurement, and Sustenance—which serve as vital pillars for organizational success, helping enterprises survive, grow, and remain stable during challenges.



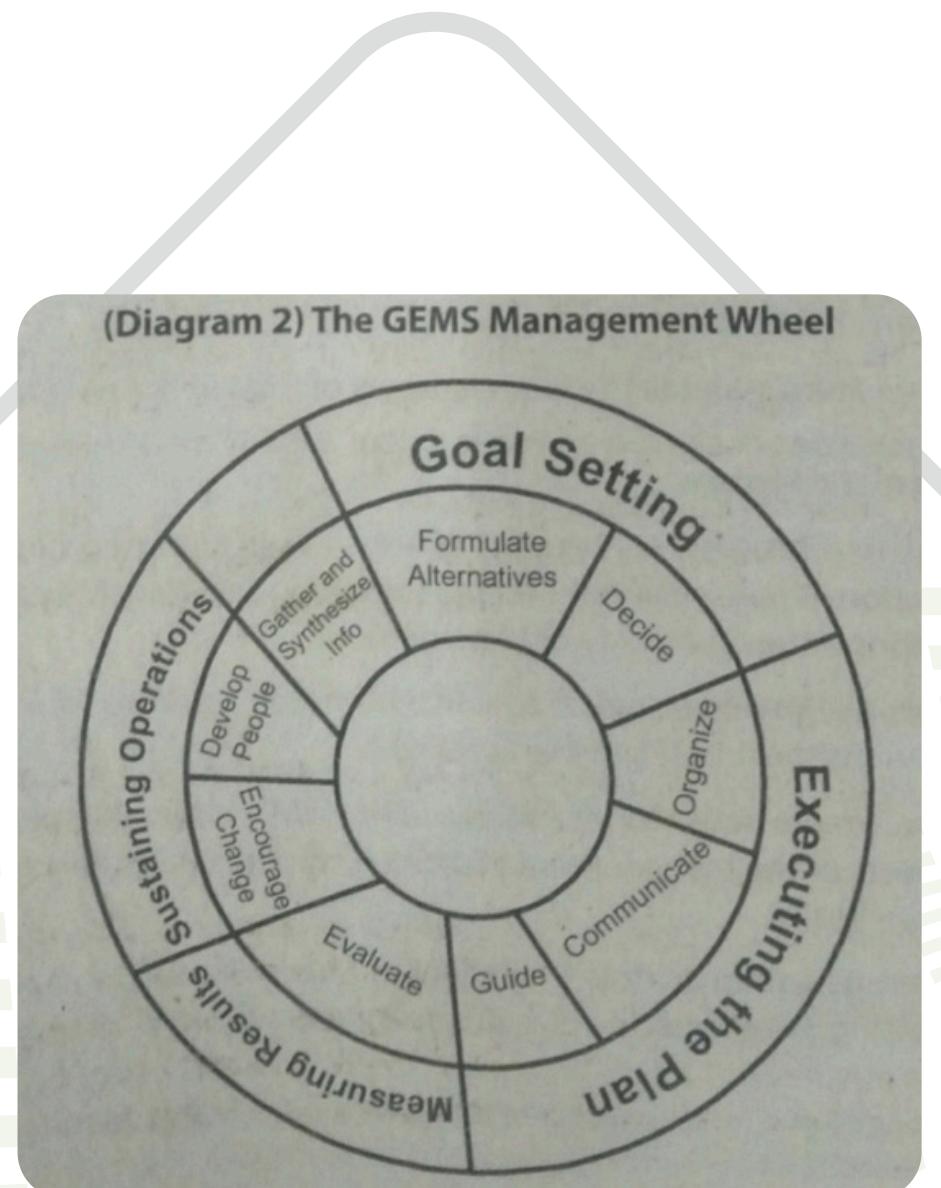
## THE MANAGEMENT PROCESS

Management is a continuous process that drives organizational growth through the 4 GEMS Goal-Setting, Execution, Measurement, and Sustenance valued as the foundation of management excellence.

# THE GEM CYCLE



The 4 GEMS Goal-Setting, Execution, Measurement, and Sustenance form a continuous management cycle, with variations only in application, focus, and duration for each organization.



the GEMS Management Wheel, illustrates the stages of management using simple examples told through the stories of a Corn Vendor, a Sari-Sari Store Owner, and a Grocery Manager

The management cycle starts with Goal-Setting, establishing objectives based on the organization's purpose, vision, and mission. To do this, the manager performs specific activities to define and align goals effectively.



# STAGE 1: GOAL SETTING

## 1. SYNTHESIZING INFORMATION

In the first stage, managers gather and synthesize data to assess a venture's feasibility by analyzing market demand, competition, costs, and overall viability. For example, Mang Juan, a corn vendor, studied prices, suppliers, and sales, then considered his stamina for daily work before deciding if the business was practical or if he should pursue other options.

## 2. FORMULATING ALTERNATIVES

Through data gathering, the manager decides on the business and prepares alternatives. For Mang Juan, options like peanuts or banana cue offered similar profit with less effort, making them practical backups to corn selling.



### **3. DECIDING ON COURSES OF ACTION**

**With data on corn, peanuts, and banana cue, Mang Juan evaluates his options using simple criteria: ability, consistency, interest, competition, and cost-effectiveness. A checklist of pros and cons helps him make the final choice.**

### **4. ESTABLISHING GOALS**

**If Mang Juan chooses to sell corn, he must set an operating objective a clear daily revenue target within a set budget for expenses to estimate his net profit before implementing his decision.**

## STAGE 2: EXECUTING

**THE PLAN**The next phase, directing goals, includes Organizing resources, Communicating with suppliers and customers, and Guiding helpers through training. As profits grow, Mang Juan plans to shift to a less demanding but more complex business, like a sari-sari store.

### 5. ORGANIZING

In a sari-sari store, organizing means managing suppliers, inventory, roles, schedules, and salaries for example, Mang Juan buys goods, his wife manages cash, and their children handle inventory.

### 6. COMMUNICATING

In a sari-sari store, communicating means explaining plans, goals, and systems to the workforce so operations run smoothly even without the manager present.

## **7. GUIDING**

**Guiding involves training the workforce to handle customers well and preparing a successor, like Mang Juan's son, to eventually take over the business.**

## **STAGE 3: MEASURING RESULTS**

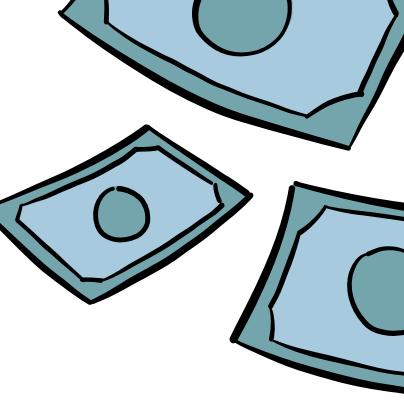
The third stage, Measuring Results, checks progress by comparing actual vs. planned activities. Small businesses like Mang Juan's corn sales allow quick evaluation, while larger ones like sari-sari stores or groceries take longer. Results are measured through quantitative data (sales, inventory, customer volume) and qualitative feedback (complaints, satisfaction) to guide improvements.

## **STAGE 4: SUSTAINING GROWTH**

**The final stage, Sustaining Operations, determines true business success. It focuses on developing people and encouraging change to ensure continuity and growth of the company.**

### **8. PROMOTING CHANGE**

**Change drives improvement. Managers sustain growth by encouraging creativity, innovation, and smart risks. In retail, variety, updates, and promotions attract customers. Since change involves trial and error, managers must allow mistakes and support employee ideas.**



## **9. DEVELOPING PEOPLE**

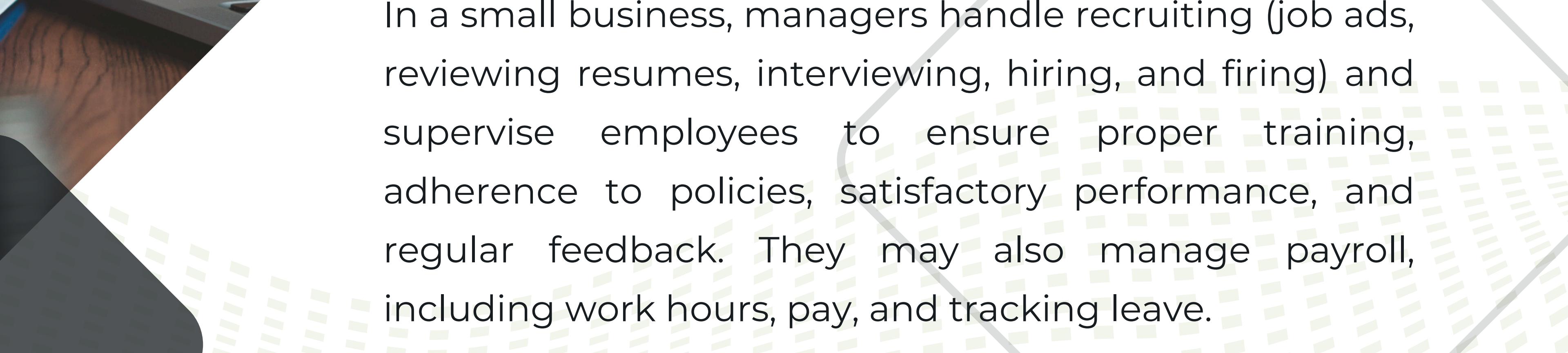
**Good management starts with hiring the right people and developing them through delegation, empowerment, guidance, and reward. This builds future leaders, motivates employees, and fosters creativity, while proper monitoring ensures honesty and balance in the workplace.**

# **Roles and Responsibilities of a Manager**



A manager oversees and supervises various aspects of a business. In small businesses, they often handle multiple, hands-on tasks, while in larger organizations, management is layered with specific duties for each level.

## **Staffing**



In a small business, managers handle recruiting (job ads, reviewing resumes, interviewing, hiring, and firing) and supervise employees to ensure proper training, adherence to policies, satisfactory performance, and regular feedback. They may also manage payroll, including work hours, pay, and tracking leave.

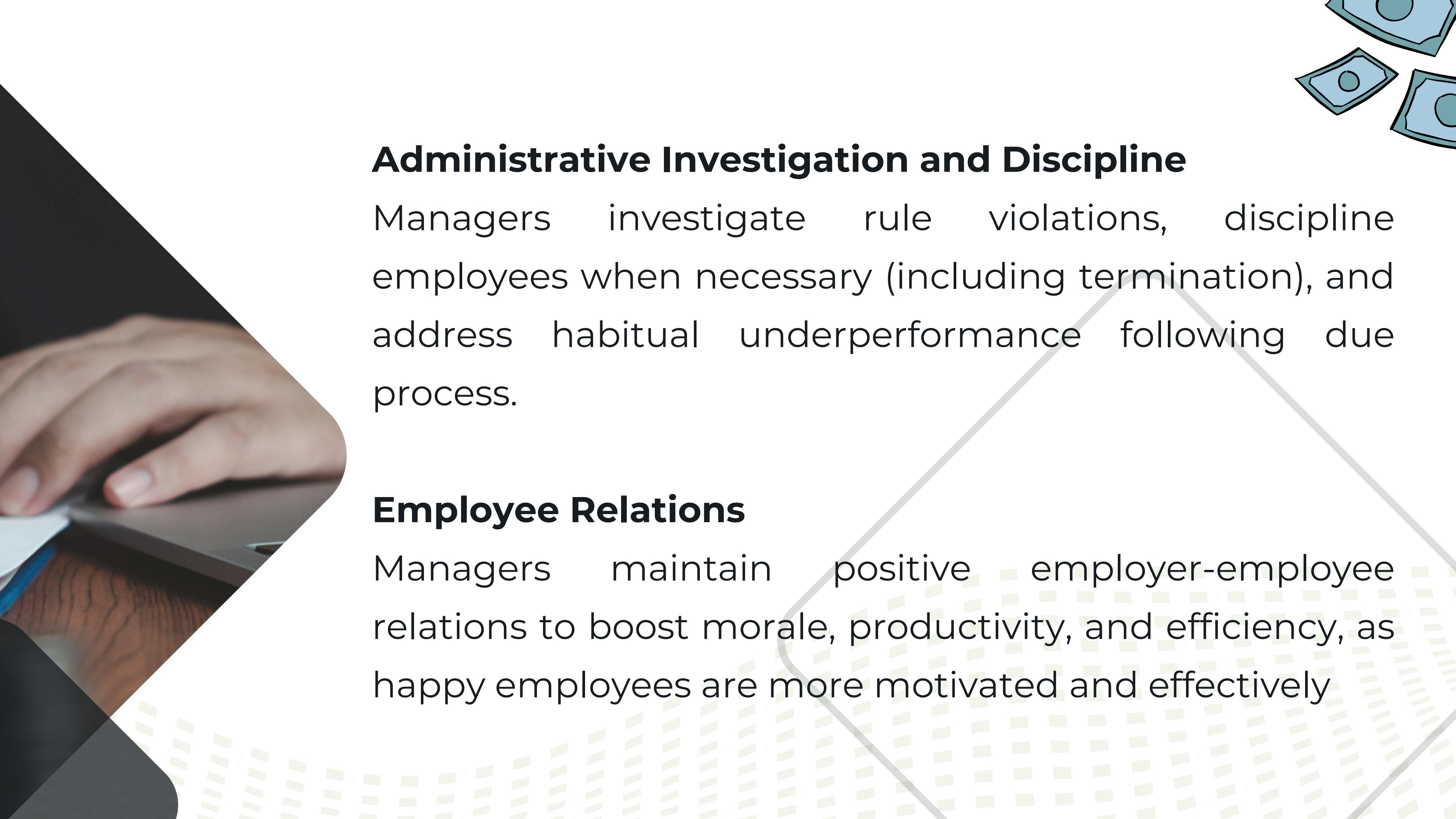


## Communication

Managers must effectively convey the company's mission, goals, and expectations to employees, ensuring everyone works toward the same objectives. They translate directives from upper management, resolve conflicts, motivate staff, interact with the public, and maintain good customer relations.

## Training

Managers schedule orientation and ongoing training, monitor employee progress, and identify candidates for promotions, helping them set and achieve career goals.



## **Administrative Investigation and Discipline**

Managers investigate rule violations, discipline employees when necessary (including termination), and address habitual underperformance following due process.

## **Employee Relations**

Managers maintain positive employer-employee relations to boost morale, productivity, and efficiency, as happy employees are more motivated and effectively

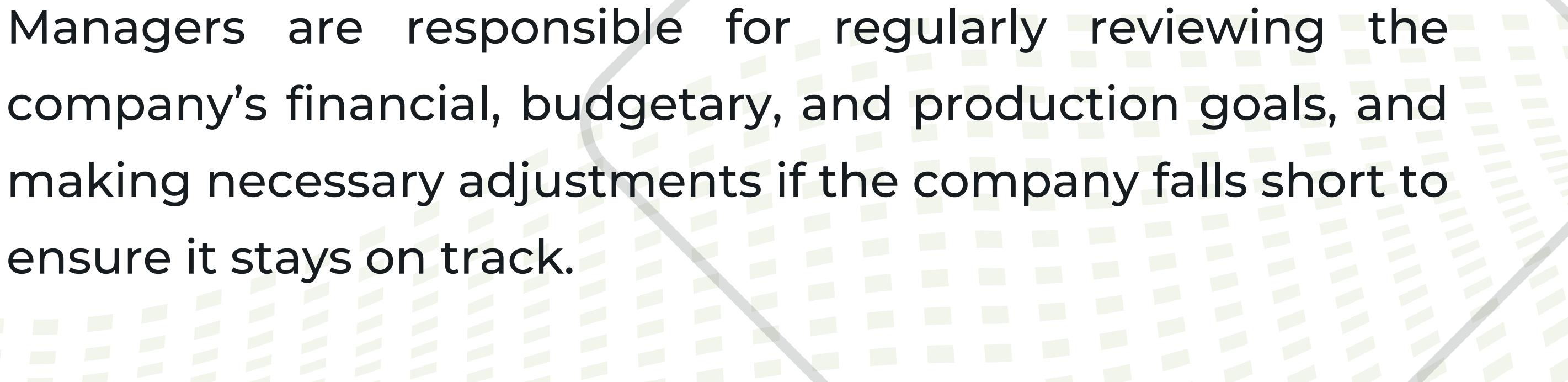
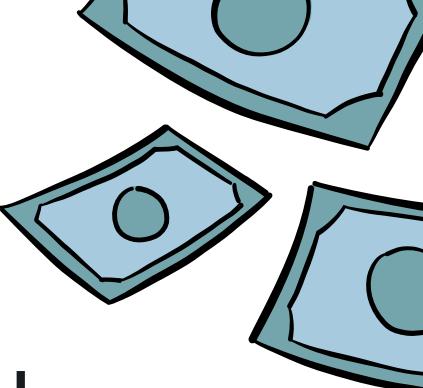


## **BUSINESS GROWTH AND SUSTAINABILITY**

A manager ensures business growth and sustainability by maintaining good employer-employee relations, overseeing daily operations, coaching staff, upholding quality, and delivering products or services that satisfy customers.

## **BUSINESS GROWTH AND SUSTAINABILITY**

Managers are responsible for regularly reviewing the company's financial, budgetary, and production goals, and making necessary adjustments if the company falls short to ensure it stays on track.





# Thank You

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