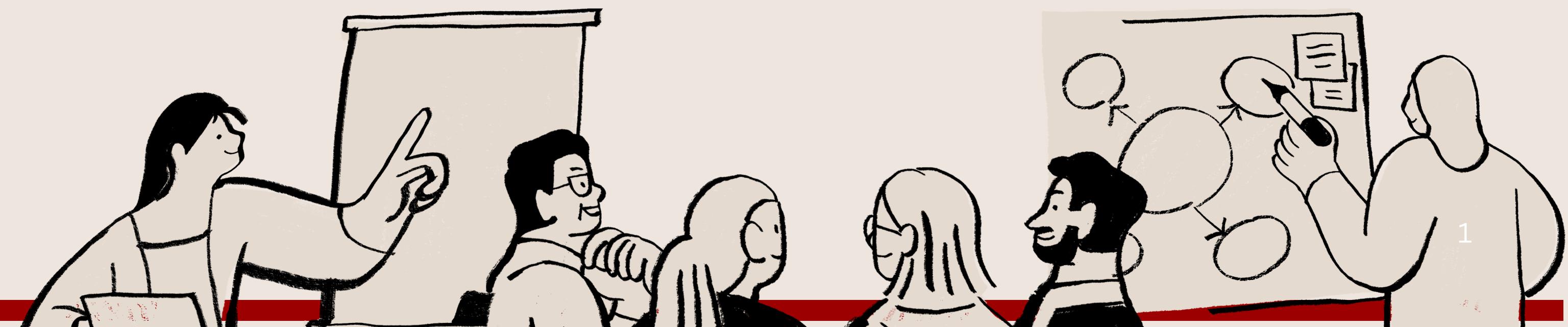


Fundamentals of Management

- Sai Naing Lynn Oo
- Muhammad Haris
- Nisa Nur Baydak
- Womotimi Wyatt Igbosi
- Chinwendu Juliet Sampson

- Gerhard Herrmann
- Mwesigwa Victor
- Hamdan Sajid Ismail
- Ignacio Bielza Gotor

- Riya Ashokbhai Roy
- Miyuru Pasqual
- Sarah Awan
- Francis Idoko



P

A

R

T

1

Who Are Managers & Where Do They Work?

- There isn't a single prototype.
- Different Settings are included



P

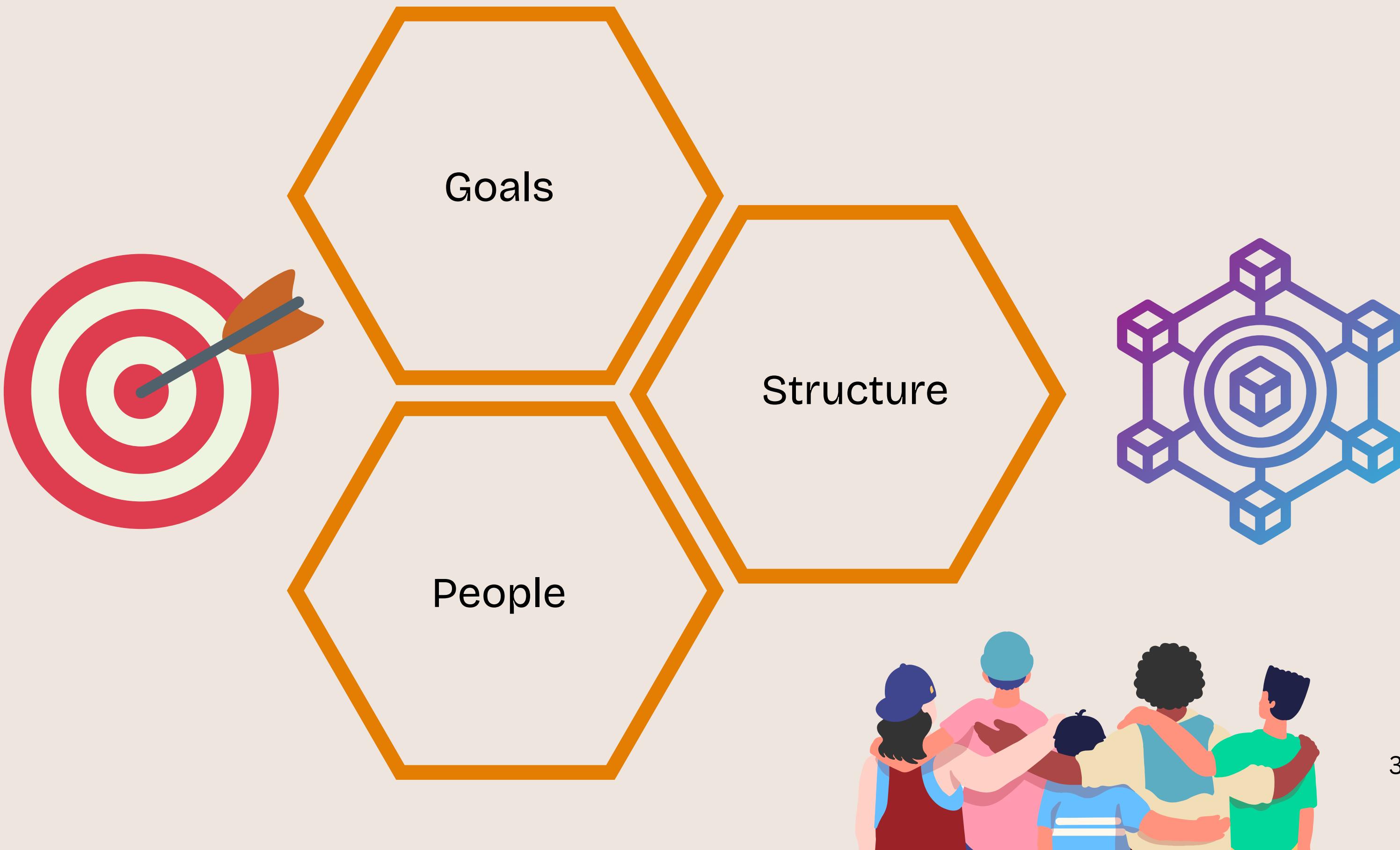
A

R

T

1

Three characteristics of an organization



P

A

R

T

1

Managers vs. Nonmanagerial Employees

| <u>Nonmanagerial Employees</u> | <u>Managers</u> |
|--|--|
| 1. Work directly on tasks or jobs | 1. Direct and oversee the work of others |
| 2. Do not oversee the work of others | 2. Focus on helping others achieve organizational goals |
| 3. Often called associates, team members, or contributors | 3. May also perform some task-related work themselves |



P

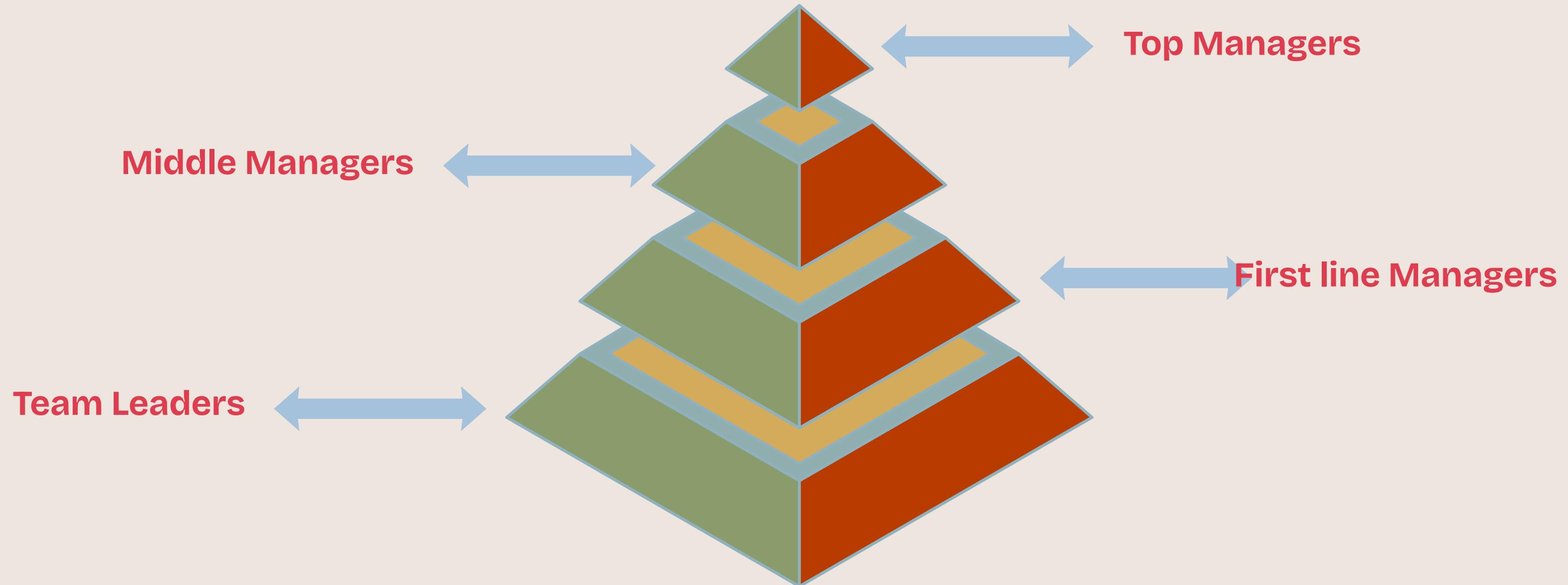
A

R

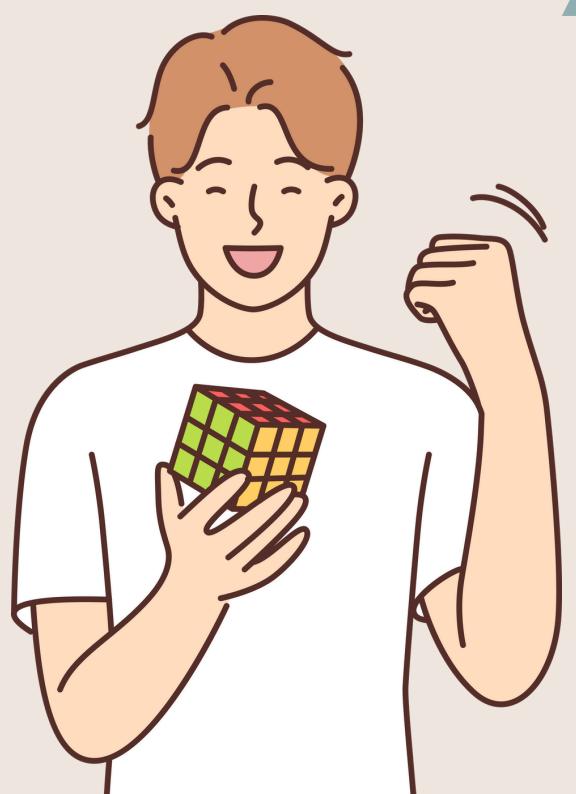
T

1

Organizational Structure & Managerial Levels



What do Managers do?



Four function approach

Management roles approach

Skills and competencies



P

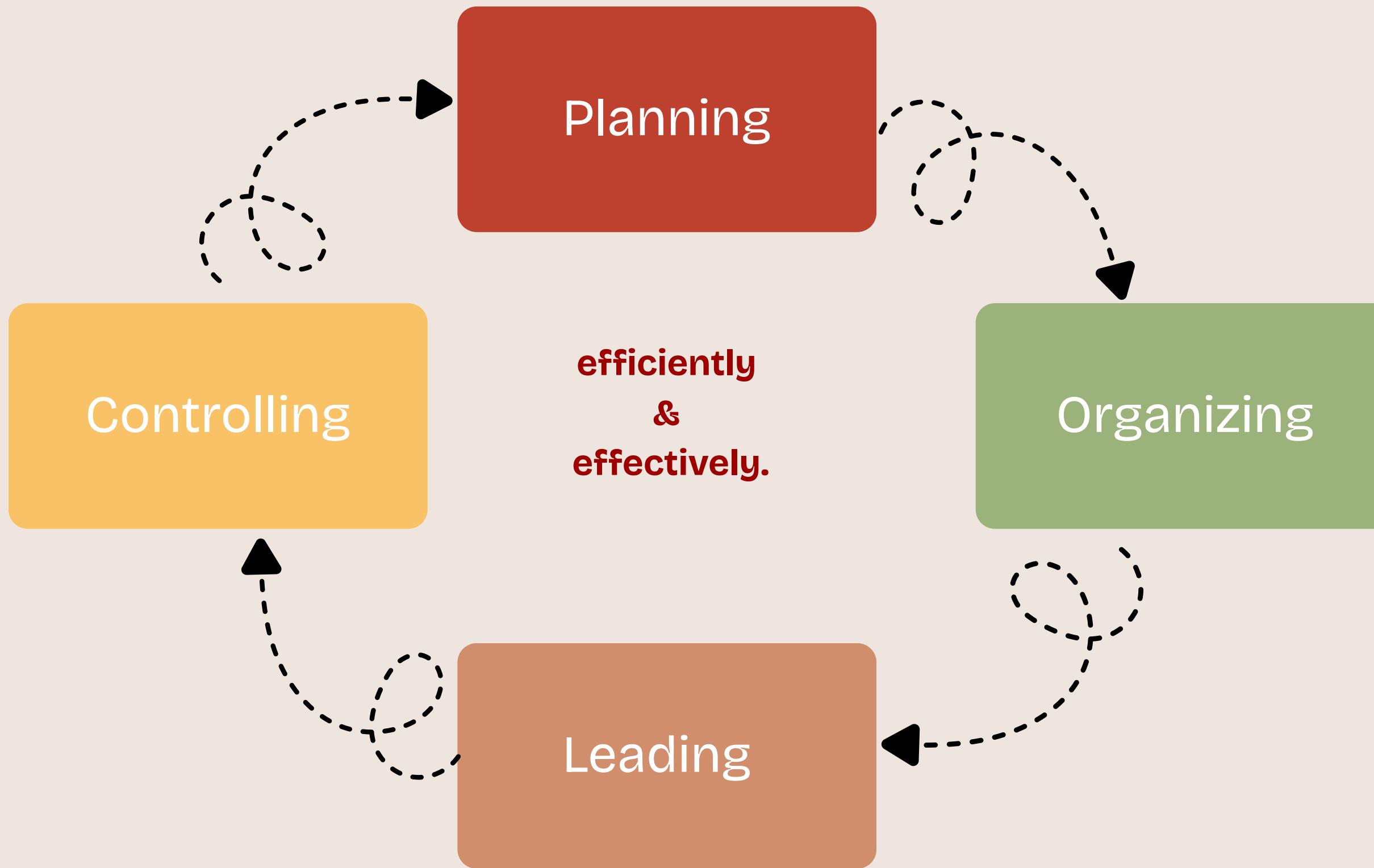
A

R

T

1

Four Functions Approach



P

A

R

T

1

Mintzberg's Managerial Roles



P

A

R

T

1

Core Managerial skills



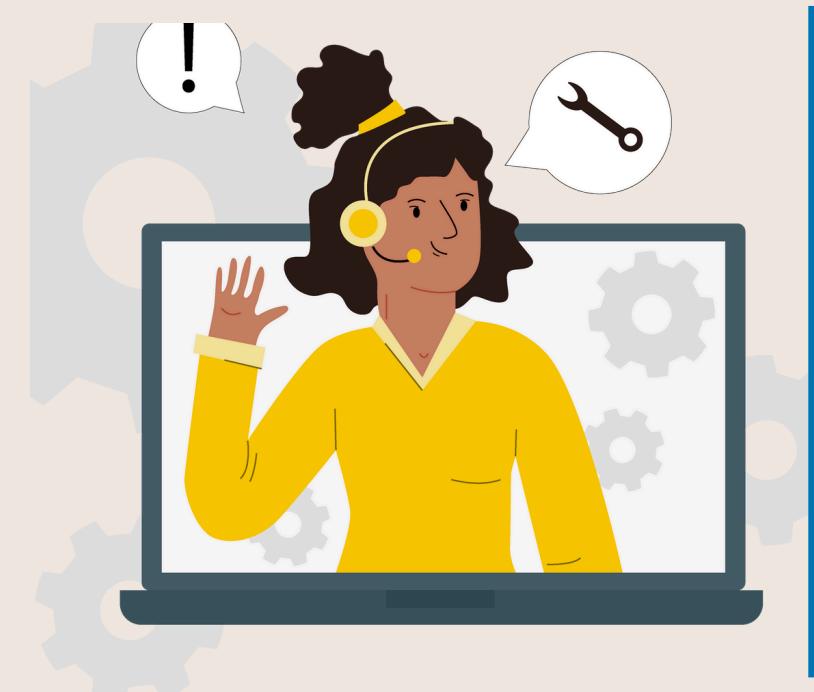
Conceptual



Political



Interpersonal



Technical

P

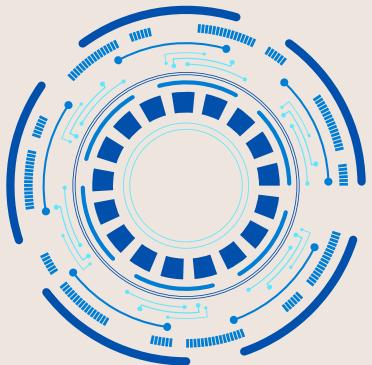
A

R

T

1

Reshaping and Redefining Management



Digitization and automation

Redefine work design, job content, and required skills.



Mobile and social technologies

Workforce management increasingly via apps, mobile-enhanced platforms.



Information security

Rising concerns and consequences from data breaches; managers must prioritize cybersecurity and governance.

P

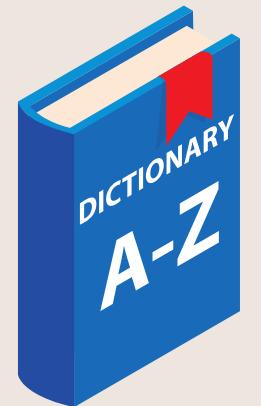
A

R

T

1

Importance of Innovation



Definition and scope

Needed at all sizes, levels and functions, not just in tech firms.
i.e. doing things differently, exploring new ideas, and taking risks



Examples and applications

Kickstarter, which evolved from crowdfunding into creative support and publishing



Manager's role

Managers must foster innovation throughout the organization encouraging employees to think creatively and continuously improve processes

P

A

R

T

1

Importance of Sustainability



Business definition:

A company's ability to achieve goals and increase long-term shareholder value by integrating economic, environmental, and social opportunities into strategy.



Examples and trends:

Companies like BMW, McDonald's, Walmart, and Levi Strauss are adopting sustainable practices.



Managerial implications:

Stakeholder engagement: Open communication to understand needs and expectations.

P

A

R

T

1

Why study management?

- Gain insight on fellow boss or employee behaviour
- Gain insight on how organizations function
- Develop employment skills that are essential to get or keep a job

Employability Skills

Critical thinking

Collaboration

Knowledge
application and
analysis

Communication

Social
responsibility



P

A

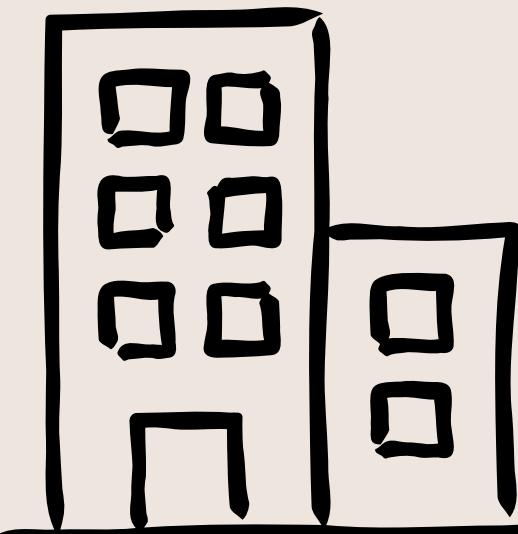
R

T

1

Organizational Politics

Organizational politics refers to the actions and behaviors individuals or groups use within a company to gain power, influence decisions, or advance personal or group interests.



P

A

R

T

1

Politically Adept in 4 Steps

**Develop networking
ability**

Social astuteness

Interpersonal influence

Be sincere



P

A

R

T

2

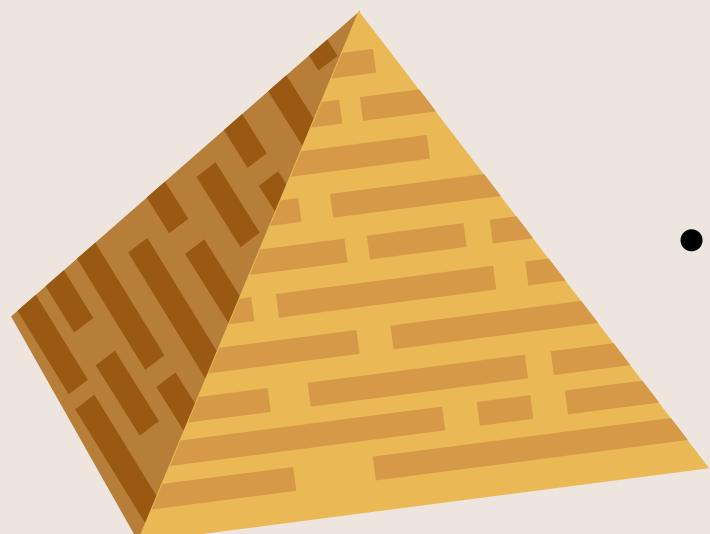
A Brief History of Management's Roots



This is a summary of the historical evolution of management thought, broken down into five major approaches across a timeline spanning from 3000 BCE to the present.

1. EARLY MANAGEMENT (3000 BCE–1776)

- Egyptian Pyramids
- The Arsenal of Venice
 - Pioneered early management techniques as cost accounting, inventory systems and soft assembly line
- Adam Smith The Wealth of Nations (1776):
 - Highlighted the economics advantages of division of labor (job specialisation)



P

A

R

T

2

A Brief History of Management's Roots

2. CLASSICAL APPROACHES (1911–1947):

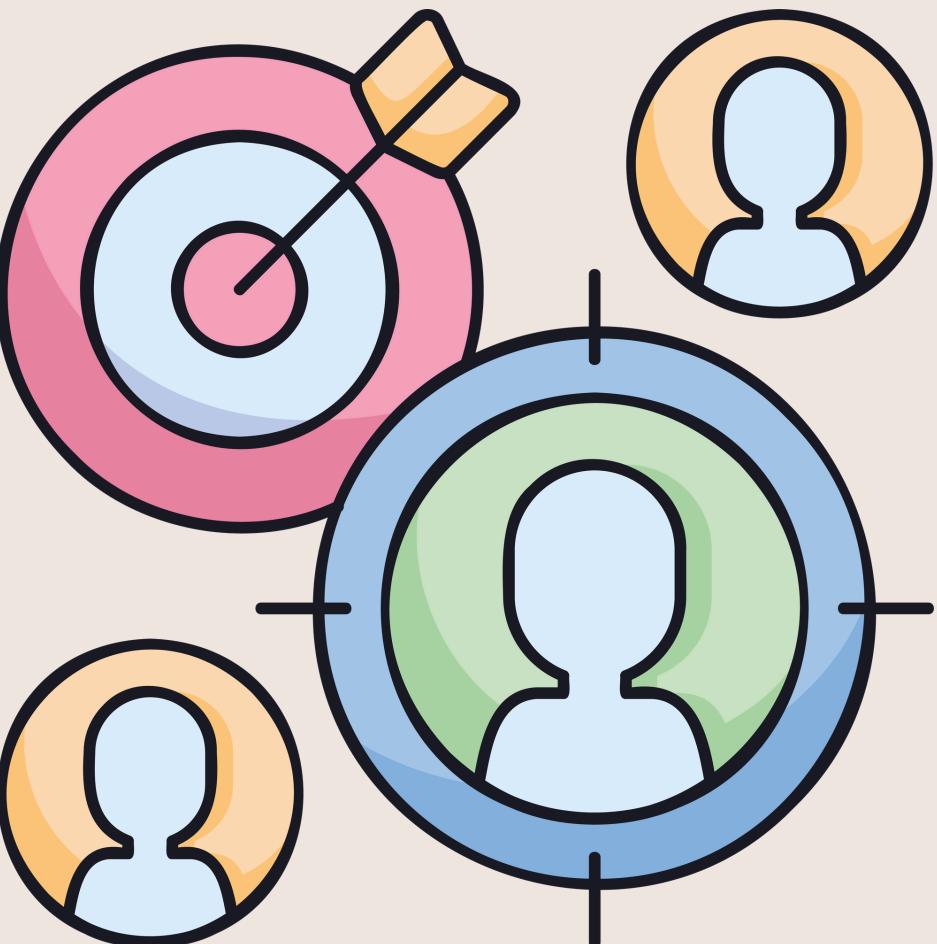


- Scientific Management (1911): by “the father of the scientific management” he maximised efficiency and output.
- General Administrative Theory (1916):
 - Henri Fayol: outlined 14 principles of management
 - Max Weber: described the ideal organisational structure as a “bureaucracy” characterised by the division of labor and impersonal relationships.
- Other Early Contributors (A diversity Perspective)

A Brief History of Management's Roots

3. BEHAVIORAL APPROACH (Late 1700s–1950s)

This approach focuses on the human element—the actions and motivations of employees to achieve higher performance.

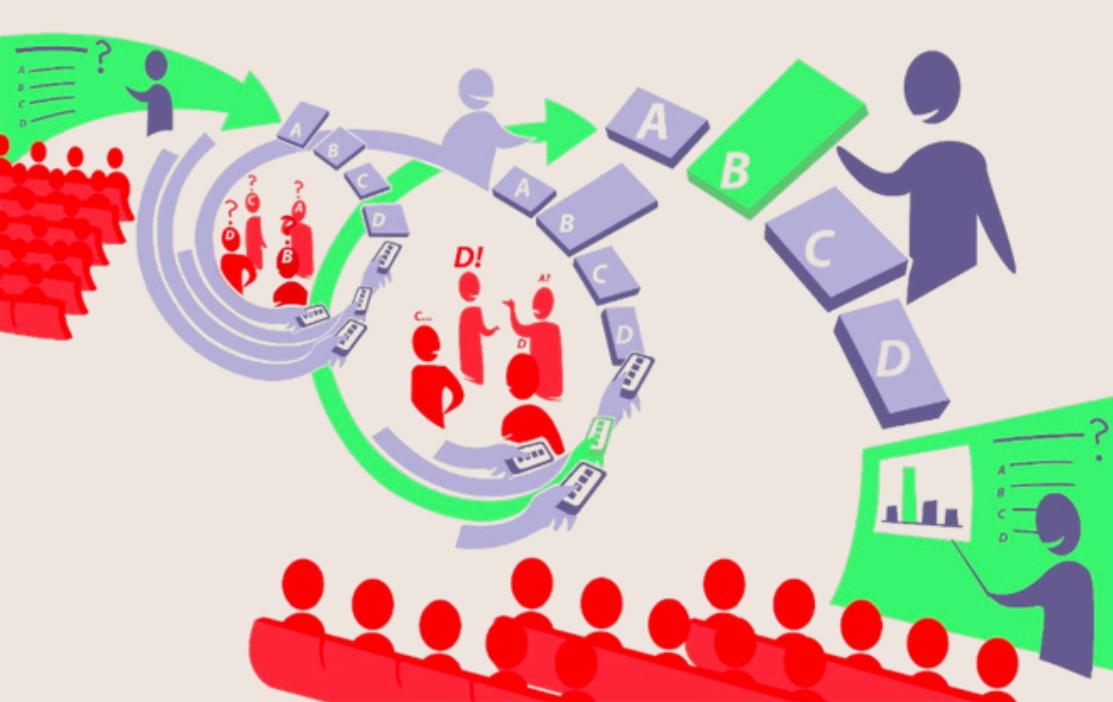


- **Late 1700s–Early 1900s:** Early pioneers like Robert Owen and Hugo Münsterberg advocated for better working conditions, ideal workplaces, and using psychology to understand people at work. Mary Parker Follett emphasized viewing organizations from both individual and group perspectives.
- **Mid-1920s–1930s (The Hawthorne Studies):** These studies influenced management by demonstrating that an employee's treatment, behavior, and attitudes are closely linked to productivity, moving management focus toward the human factors.
- **1930s–1950s:** Key theories emerged, including Abraham Maslow's Hierarchy of five Needs (emphasizing a sequence of needs from physiological to self-actualization) and Douglas McGregor's Theory X and Theory Y (two opposing views of employee nature).
- **1960s–Today:** The field of Organizational Behavior (OB) continues as a key area of management study, focusing on the actions of people at work.

A Brief History of Management's Roots

4. QUANTITATIVE APPROACH (1940s–1950s)

This approach utilizes mathematical and statistical techniques to aid in managerial decision-making.



- **1940s:** It evolved from the mathematical and statistical solutions developed for military problems during World War II. An example is the use of statistical methods by World War II military officers like Robert McNamara and Whiz Kids.
- **1950s TQM:** Emphasized by figures like W. Edwards Deming, TQM is a philosophy focused on continuous improvement in response to customer needs and expectations, utilizing quantitative techniques.

P

A

R

T

2

A Brief History of Management's Roots

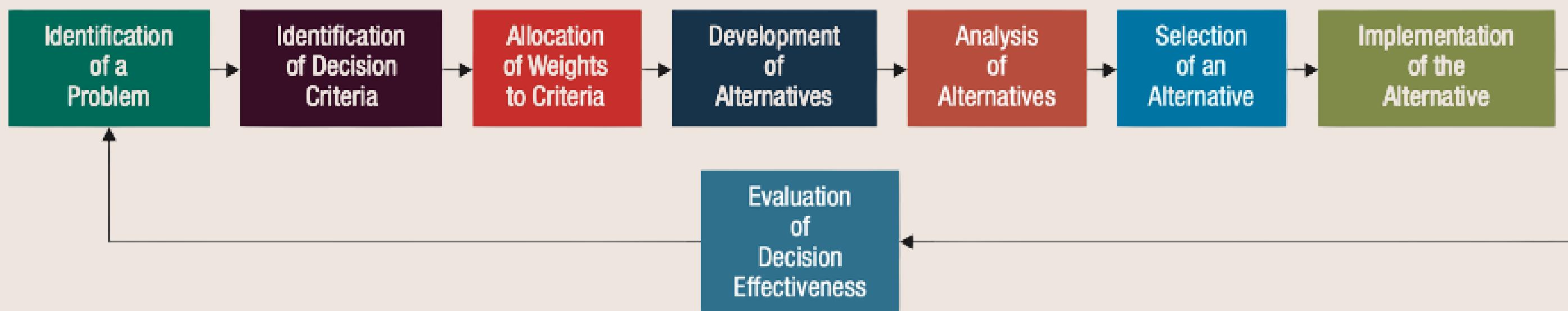
5. CONTEMPORARY APPROACHES (1960s-Present)



- **1960s (Systems Approach):** Building on Chester Barnard's work, this view sees an organization as an open system—a set of interrelated and interdependent parts arranged in a manner that produces a unified whole. It constantly interacts with its external environment.
- **Contingency Approach :** This approach, along with the Systems Approach, is a core part of contemporary thought. The Systems Approach emphasizes understanding the whole organization and its environment.

The Manager as Decision Maker

- **Decision Making:** The process of identifying a problem, evaluating alternatives, and choosing the best course of action to achieve desired results. (Not only typically described as choosing among alternatives!!!)
- **Decision-Making Process:** A set of eight steps that includes identifying a problem, selecting a solution, and evaluating the effectiveness of the solution.
- **What Makes a Good Decision?**
A good decision should be judged by the process, not by the results. As a decision maker, you can control the process, but not all outcomes. Even the right process may not always lead to a desirable result, yet it increases the probability of success.



P

A

R

T

3

IDENTIFYING PROBLEMS

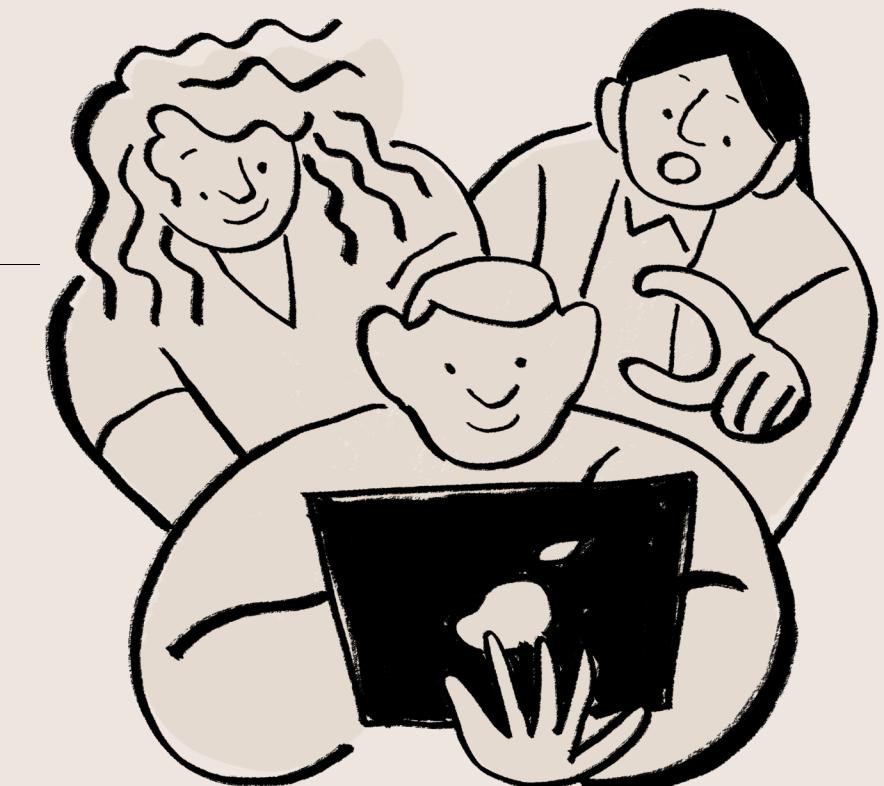
- IN REAL LIFE, PROBLEMS DON'T COME WITH NEON SIGNS!
 - PROBLEM IDENTIFICATION IS OFTEN SUBJECTIVE – IT DEPENDS ON THE DECISION MAKER'S PERCEPTION.
-  A WELL-DEFINED PROBLEM IS HALF SOLVED!

DECISION CRITERIA

THE STANDARDS, RULES, OR GUIDELINES USED BY A PERSON OR GROUP TO CHOOSE BETWEEN OPTIONS.

EVALUATING ALTERNATIVES

COMPARED AGAINST CRITERIA AND WEIGHTS TO REVEAL STRENGTHS & WEAKNESSES (AFTER IDENTIFYING ALTERNATIVES).



P

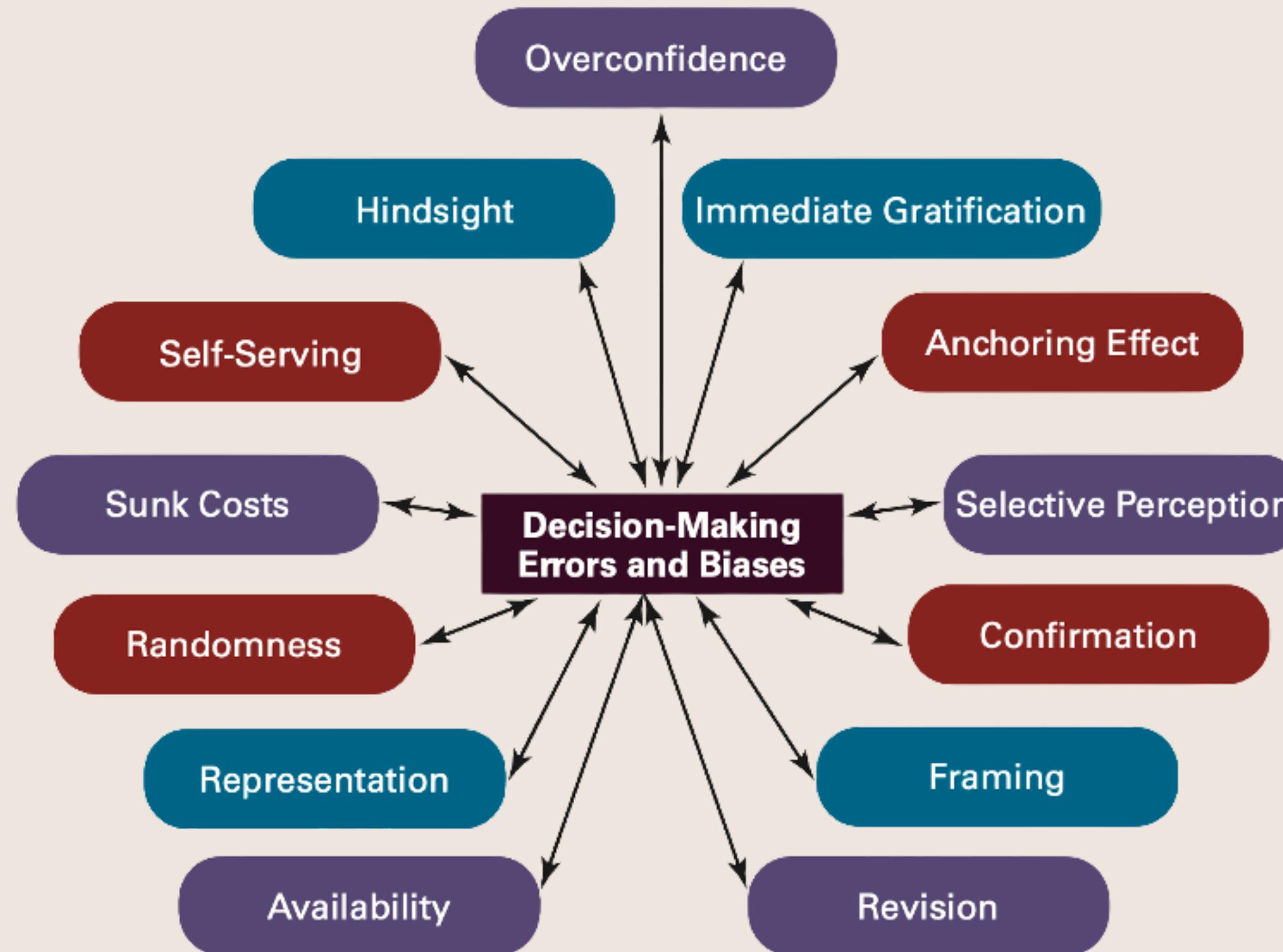
A

R

T

3

Decision-Making Errors & Biases



P

A

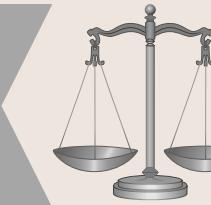
R

T

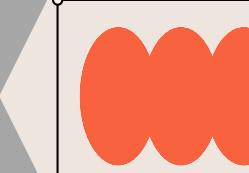
3

What are the 3 approaches managers can use to make decisions?

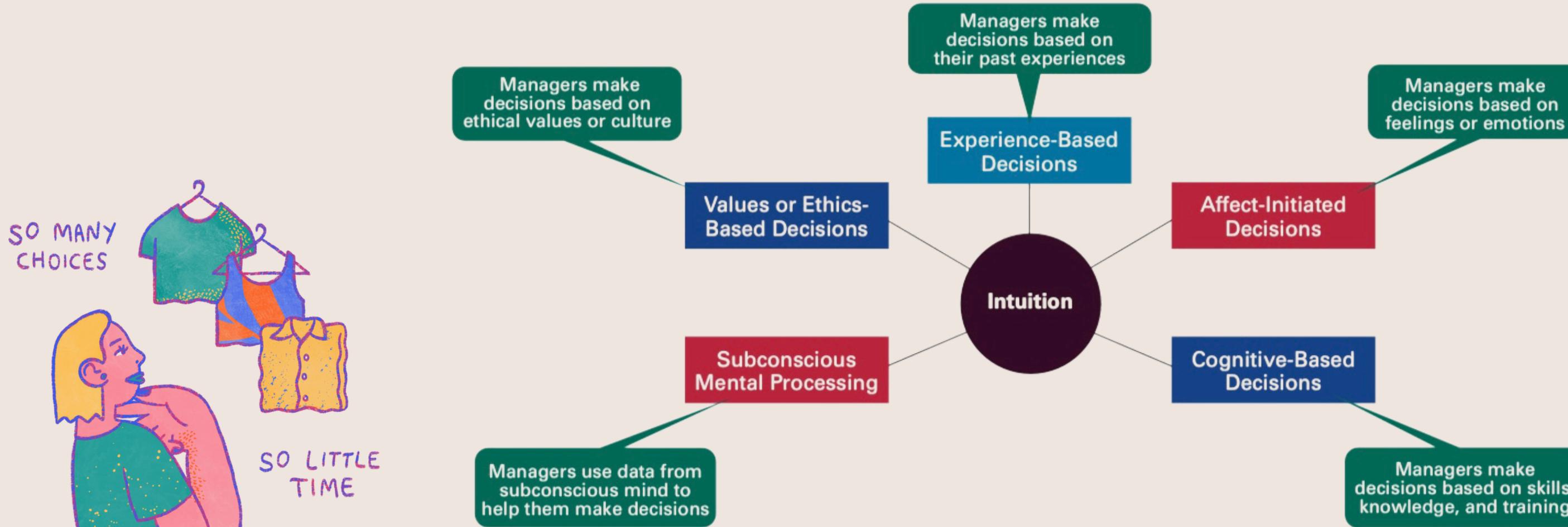
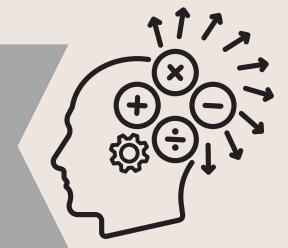
Rational Decision-Making



Bounded Rationality



Intuitive Decision Making



P

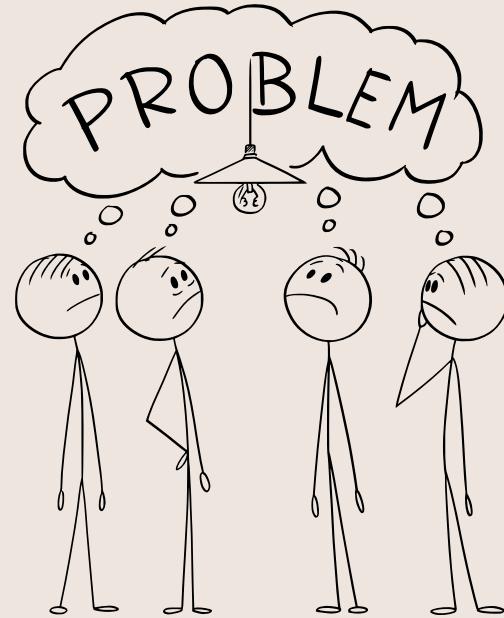
A

R

T

3

> How Do Problems Differ?



Structured Problem:

A straightforward, familiar, and easily defined problem.

Unstructured Problem:

A problem that is new or unusual for which information is ambiguous or incomplete.

> How Does a Manager Make Programmed Decisions?



Programmed Decision:

A repetitive decision that can be handled using a routine approach.

Non-programmed Decision:

A unique and nonrecurring decision that requires a custom-made solution.

P

A

R

T

3

■ What Decision-Making Conditions Do Managers Face?

Certainty

Risk

Uncertainty



■ How Do Groups Make Decisions?

- ➔ Groups represent the people who will be most affected by the decisions being made.
- ➔ Studies tell us that managers spend a significant portion of their time in meetings or with groups.

P

A

R

T

3

WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF GROUP DECISION MAKING?

ADVANTAGES

- ◆ MORE COMPLETE INFORMATION
- ◆ DIVERSITY OF EXPERIENCES AND PERSPECTIVES
- ◆ MORE ALTERNATIVE GENERATED
- ◆ INCREASE ACCEPTANCE OF A SOLUTIONS



DISADVANTAGES

- ◆ TIME CONSUMING
- ◆ NEVER PERFECTLY EQUAL OR MINOR DOMINATION CAN UNDULY INFLUENCE THE FINAL DECISION
- ◆ AMBIGUOUS RESPONSIBILITY
- ◆ PRESSURE TO CONFORM

P

A

R

T

3



◆ **How Does National Culture Affect Managers' Decision Making?**

CULTURE SHAPES DECISION STYLE 

AFFECTS RISK-TAKING AND TEAMWORK 

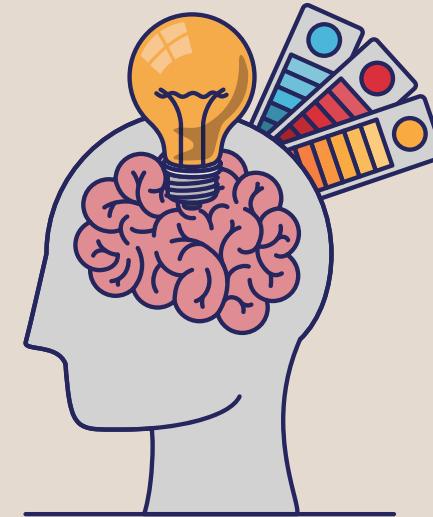
ADAPTING TO CULTURE = BETTER GLOBAL LEADERSHIP 

■ **Why Creativity and Design Thinking Important in Decision Making?**

➡➡➡ HELP FIND NEW AND USEFUL SOLUTIONS 

➡➡➡ ENCOURAGE INNOVATION AND FRESH IDEAS 

➡➡➡ HELP SEE HIDDEN PROBLEMS OTHERS MIGHT MISS 



COMMON CREATIVITY BLOCKERS

P
A
R
T
3

EXPECTED
EVALUATION

CONSTRINED
CHOICES

SURVEILLANCE

COMPETITION

EXTERNAL
MOTIVATORS

How is big data changing the way managers make decisions?

- Huge amounts of quantifiable information analyzed with advanced tools.
- Defined by high volume, velocity, and variety.
- Helps managers make data-driven decisions using AI & predictive algorithms.
- Used by companies like Amazon and AutoZone to:
- Personalize services
- Predict trends 
- Target customers 

BIG DATA

P

A

R

T

4

Quantitative Decision-Making Tools



Why

- To provide managers with a tool to assist in the decision-making process and to provide more complete information to make better-informed decisions.

1) Payoff matrices

4) Linear programming

2) Decision trees

5) Queuing theory

3) Break-even analysis

6) Economic order quantity model

P

A

R

T

4

1) Payoff matrices



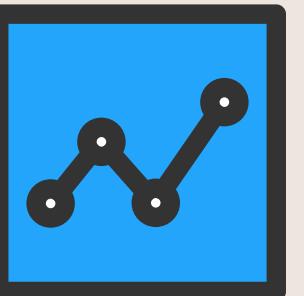
When

- To make decisions under uncertainty where several strategies and possible outcomes exist, allowing quantifiable comparison of outcomes.



How

- A payoff matrix lists possible strategies (rows) and outcomes (columns), showing the profit or payoff for each combination.
- Managers use decision criteria to pick the best strategy:
 - **Maximax** (Optimistic): highest possible payoff.
 - **Maximin** (Pessimistic): the best worst-case payoff.
 - **Minimax Regret**: minimizes the maximum regret (difference between actual payoff and the best possible one).



1) Payoff matrices



Example

The Visa marketing manager has 4 strategies (S1–S4), while American Express has 3 possible competitive responses (CA1–CA3)

QM-1 Payoff Matrix for Visa

| VISA MARKETING STRATEGY | AMERICAN EXPRESS'S RESPONSE (IN \$MILLIONS) | | |
|-------------------------|---|-----|-----|
| | CA1 | CA2 | CA3 |
| S1 | 13 | 14 | 11 |
| S2 | 9 | 15 | 18 |
| S3 | 24 | 21 | 15 |
| S4 | 18 | 14 | 28 |

- If optimistic (Maximax) → chooses S4, possible gain = \$28 million.
- If pessimistic (Maximin) → chooses S3, since its worst outcome (\$15M) is better than others.
- If minimize regret (Minimax Regret) → chooses S4, since its maximum regret (\$7M) is smallest.

P

A

R

T

4

2) Decision Tree



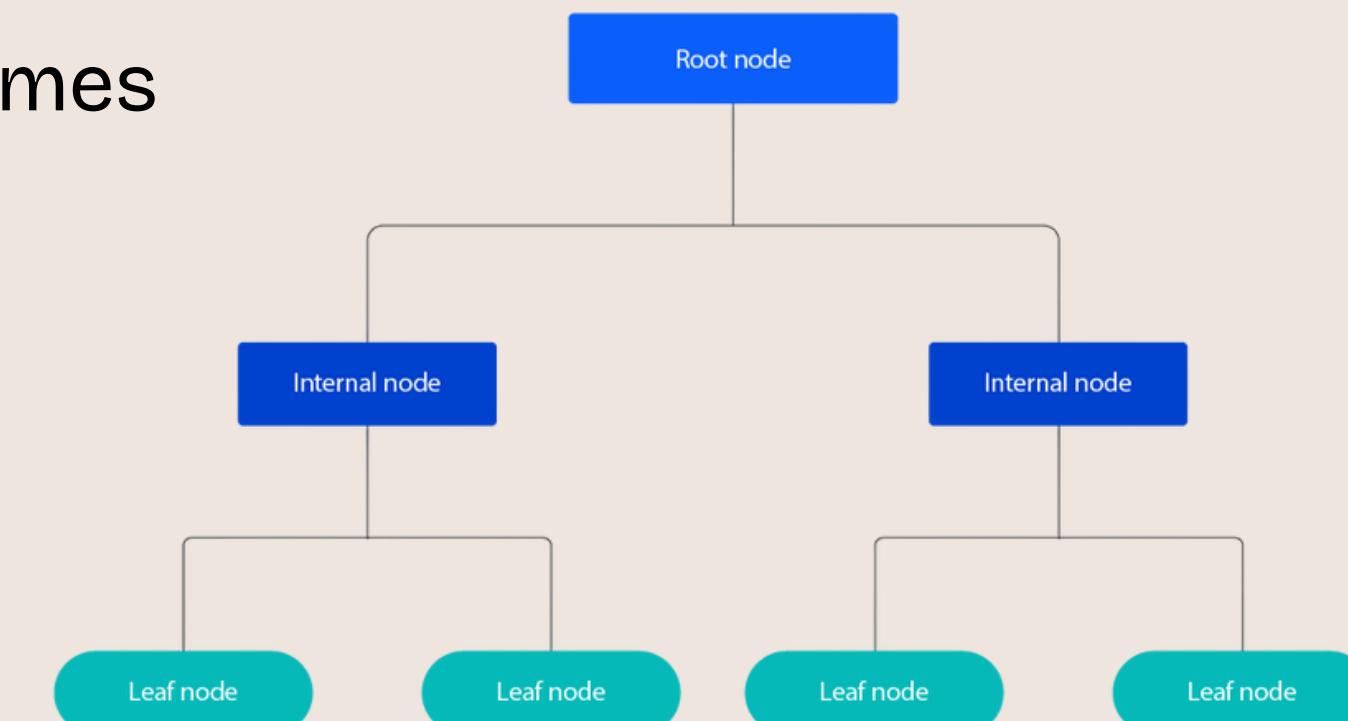
When

- To make a decision involves a sequence of choices and uncertain outcomes, such as in investment, marketing, hiring, or location decisions.



How

- The decision trees breaks complex decisions into step by step choices.
- They helps make structural decisions by mapping out:
 - Decisions
 - Uncertain outcomes
 - Results



P

A

R

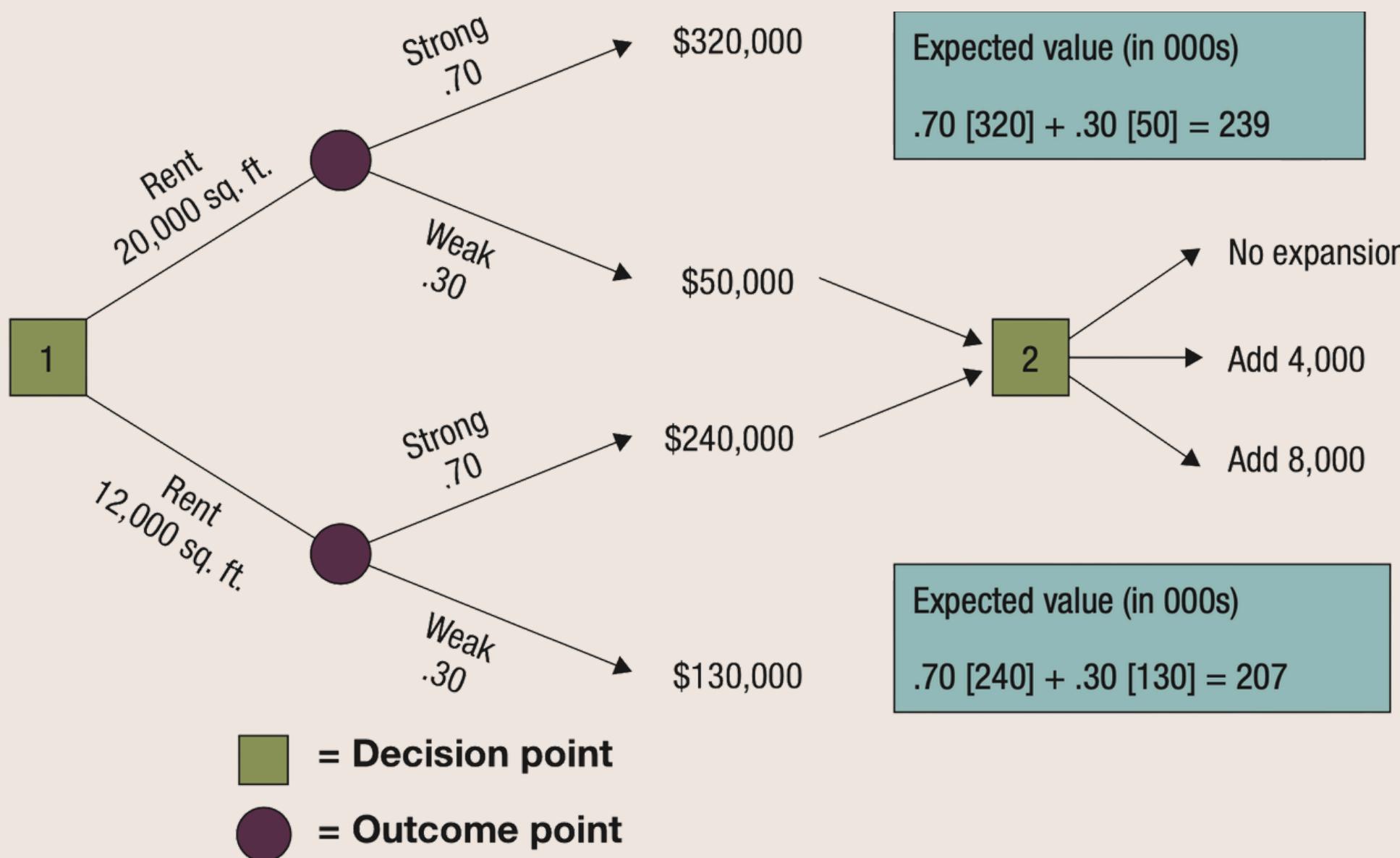
T

4

2) Decision Tree



Becky Harrington must choose between renting a 12,000 sq ft or 20,000 sq ft store.



- Becky should recommend the larger store, as it offers the higher expected profit.
- She can also expand the tree later to test future expansion options if the economy improves

P

A

R

T

4

3) Break Even Analysis



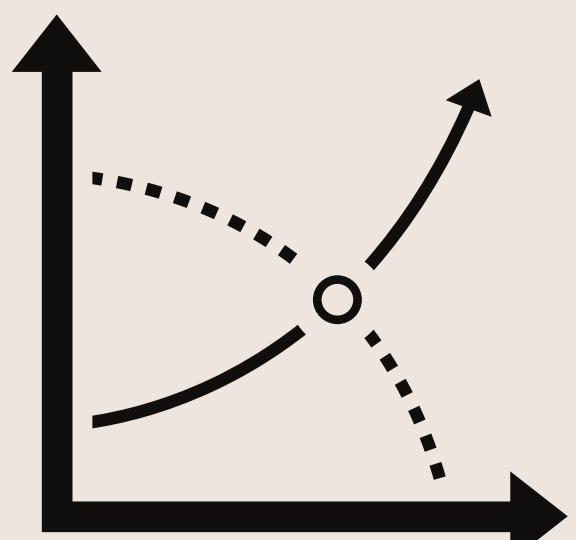
When

- To identifies the sales volume at which total revenue equals total cost, serving as a threshold for profitability assessment.



How

- Helps determine feasible pricing, set sales targets, evaluate investment viability, and support go/no-go decisions on product lines.
- Provides a quantitative link between cost structure and pricing decisions.



$$\text{BE} = \text{Total Fixed Costs} \div (\text{Price per unit} - \text{Variable cost per unit})$$

P

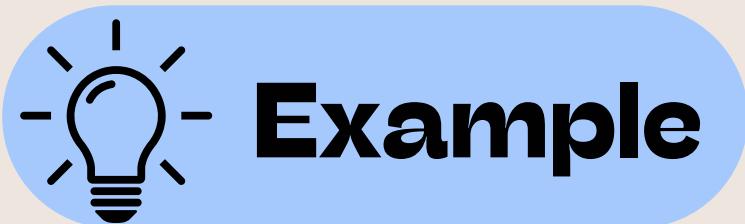
A

R

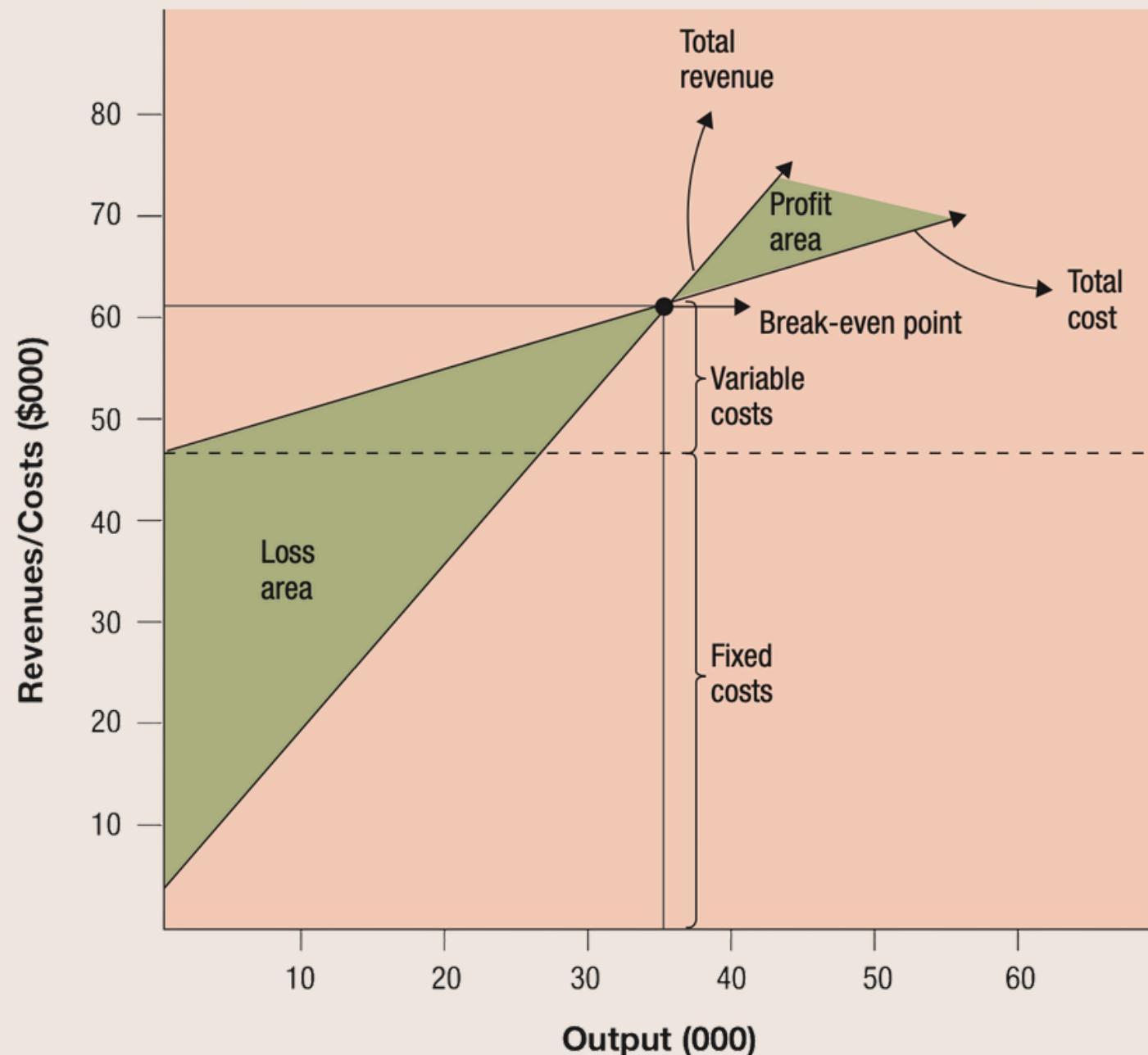
T

4

3) Break Even Analysis



Jose's Espresso can use break-even figures to set minimum sales goals or assess the impact of changing supplier costs.



- Jose's Bakersfield Espresso,
 - Price per cup (P) = \$1.75
 - Variable cost (VC) = \$0.40
 - Fixed costs (TFC) = \$47,000
- With price \$1.75, variable cost \$0.40, and fixed cost \$47,000, Jose must sell 34,815 cups annually to break even.

P

A

R

T

4

4) Liner Programming.(LP)



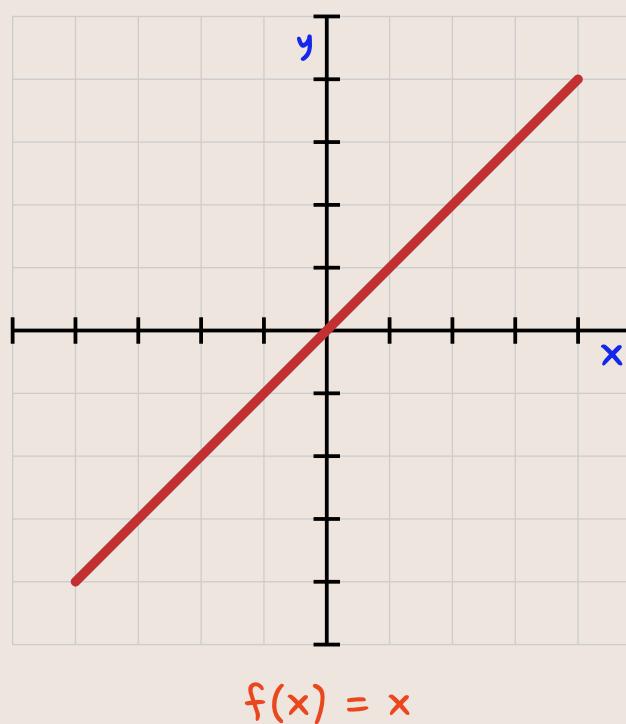
When

- To **maximize or minimize something** (like profit or cost) while using limited resources (like time, labor, budget, or materials).



How

- a mathematical approach which helps decide the most profitable or efficient combination of activities when resources are limited and relationships are linear.
- It requires:
 - Linear relationships between inputs and outputs
 - An objective function (what you want to optimize)
 - Constraints (resource limits)



P

A

R

T

4

4) Liner Programming.(LP)

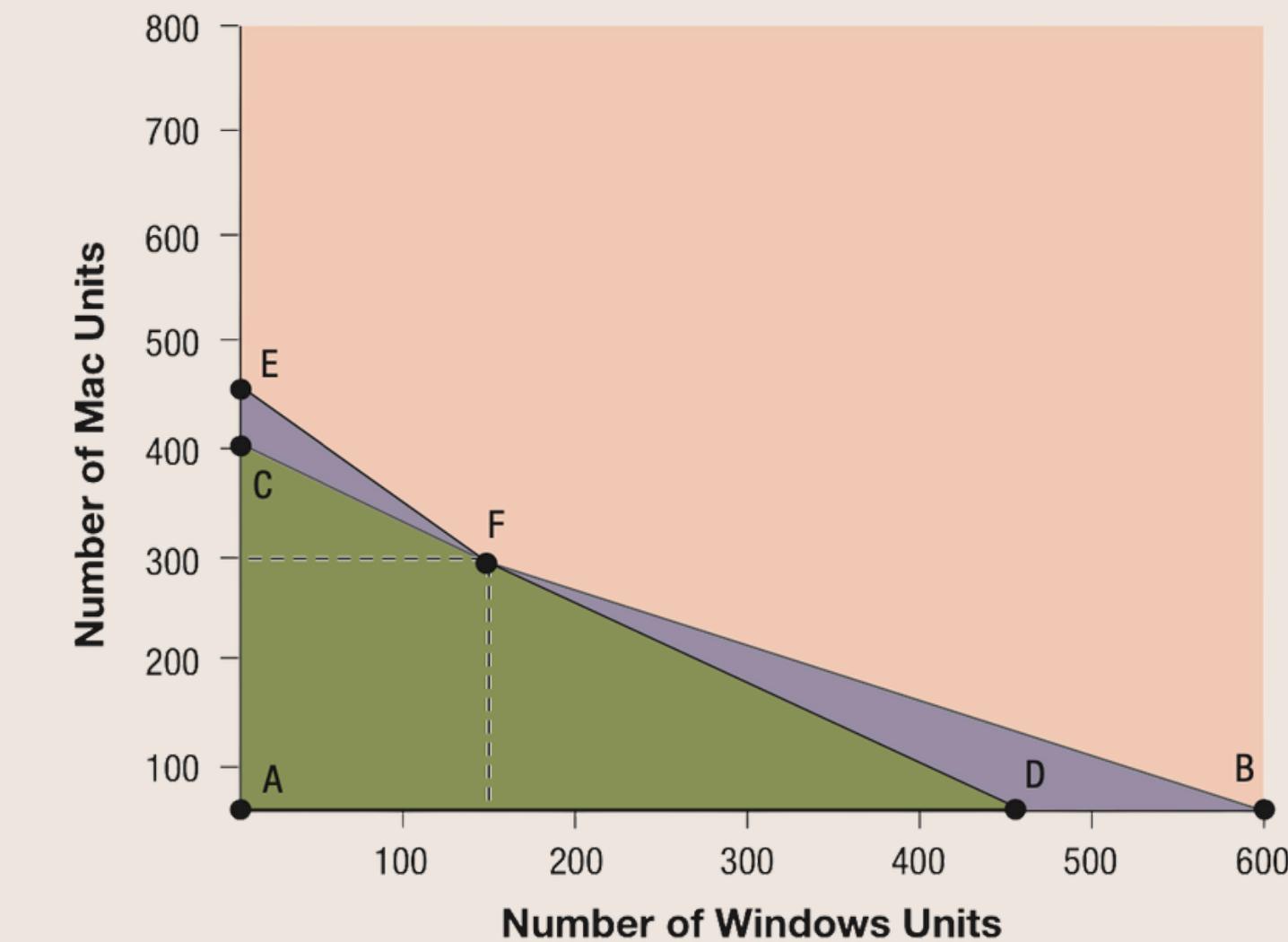


Example

Matt Free produces Windows & Mac virus-removal software CDs.
Limited by 2,400 design Hr. & 900 prod. Hr. per month.

| NUMBER OF HOURS REQUIRED PER UNIT | | | |
|-----------------------------------|-----------------|-------------|----------------------------------|
| DEPARTMENT | WINDOWS VERSION | MAC VERSION | MONTHLY PRODUCT CAPACITY (HOURS) |
| Design | 4 | 6 | 2,400 |
| Manufacture | 2.0 | 2.0 | 900 |
| Profit per unit | \$18 | \$24 | |

- Example equation format:
 - Maximize Profit = $18R + 24S$
 - (R: No. of Windows CDs, S: No. of Mac CDs)
 - $4R + 6S \leq 2400$ (Design hours limit)
 - $2R + 2S \leq 900$ (Production hours limit)
 - $R \geq 0, S \geq 0$
- LP shows the best mix is R= 150 Windows and S= 300 Mac versions, giving the maximum profit of \$9,900.



P

A

R

T

4

4) Queuing Theory



When

- To balance customer **waiting time** with service costs, for example, deciding how many tellers, cashiers, or service counters to operate in banks, restaurants, or Airport, etc.



How

- Queuing theory analyzes waiting lines where customers arrive, wait, and get served.
 - Two key rates:
 - Arrival rate (λ): how often customers arrive
 - Service rate (μ) per server : how fast they are served



$$P_n = \left[1 - \left(\frac{\text{Arrival rate}}{\text{Service rate}} \right) \right] \times \left[\frac{\text{Arrival rate}}{\text{Service rate}} \right]^n$$

P

A

R

T

4



Example

At a Bank of America branch, the supervisor must decide how many of six teller stations to keep open.

- Arrival rate = 2 customers per minute
- Service rate = 4 minutes per customer
- Desired maximum line = no longer than 3 customers, if just one teller is open.

$$P_n = \left[1 - \left(\frac{\text{Arrival rate}}{\text{Service rate}} \right) \right] \times \left[\frac{\text{Arrival rate}}{\text{Service rate}} \right]^n$$

where $n = 3$ customers, arrival rate = 2 per minute, and service rate = 4 minutes per customer.

Putting these numbers into the foregoing formula generates the following:

$$P_n = [1 - 2/4] \times [2/4]^3 = (1/2) \times (8/64) = (8/128) = .0625$$

- Using queuing theory, he calculates that the probability is only about 6%, means 94% of the time, the line will stay short.
- If that's acceptable, one teller window is enough normally. If not, more tellers must be opened on busy days.

P

A

R

T

4

5) Economic Order Quantity Model (EOQ)



When

- To find the **most economical quantity** to order that minimizes total inventory costs, balancing between ordering too often (high order cost) and holding too much inventory (high carrying cost). It's used in inventory management.



How

- EOQ finds the ideal order size where both costs are minimized.
- Key costs considered: Ordering cost (OC), Carrying cost (CC), Purchase cost, Stock-out cost



$$EOQ = \sqrt{\frac{2 \times D \times OC}{V \times CC}}$$

D = Annual forecasted demand, OC = Order cost,
V = Value per unit, CC = Carrying cost rate

P

A

R

T

4



Example



- Sam wishes to determine the company's economic order quantities of high-quality Sony Voice Recorders.
 - Annual demand: 4,000 units
 - Cost per unit: \$50
 - Ordering cost: \$35
 - Carrying cost: 20% of item value

$$EOQ = \sqrt{\frac{2 \times 4,000 \times 35}{50 \times .20}}$$

$$EOQ = \sqrt{28,000}$$

$$EOQ = 167.33 \text{ or } 168 \text{ units}$$

- He should place 168 units per order to minimize cost.
- But when offered a 5% discount for ordering 250 units, he finds that total cost is lower, so he can decide to order 250 units each time instead.

Important Managerial Issues



1) Globalization and its organizational impact



2) Societal Expectations, Social Responsibility, and Ethics.

P A R T 5

What Do Managers Need to Know about Managing in a Global Organization?

Organizations are considered global if they exchange goods and services with consumers in other countries.

- **Culture:** Managers must have intercultural intelligence and insights about other cultures.
- **Local Laws:** Managers must be aware of a country's laws when doing business there.
- **Political Views:** Managers must be informed on immigration, free trade, and nationalism as they navigate the global environment.



P

A

R

T

5



Hofstede's (6) INTERCULTURAL Dimensions

● Power distance

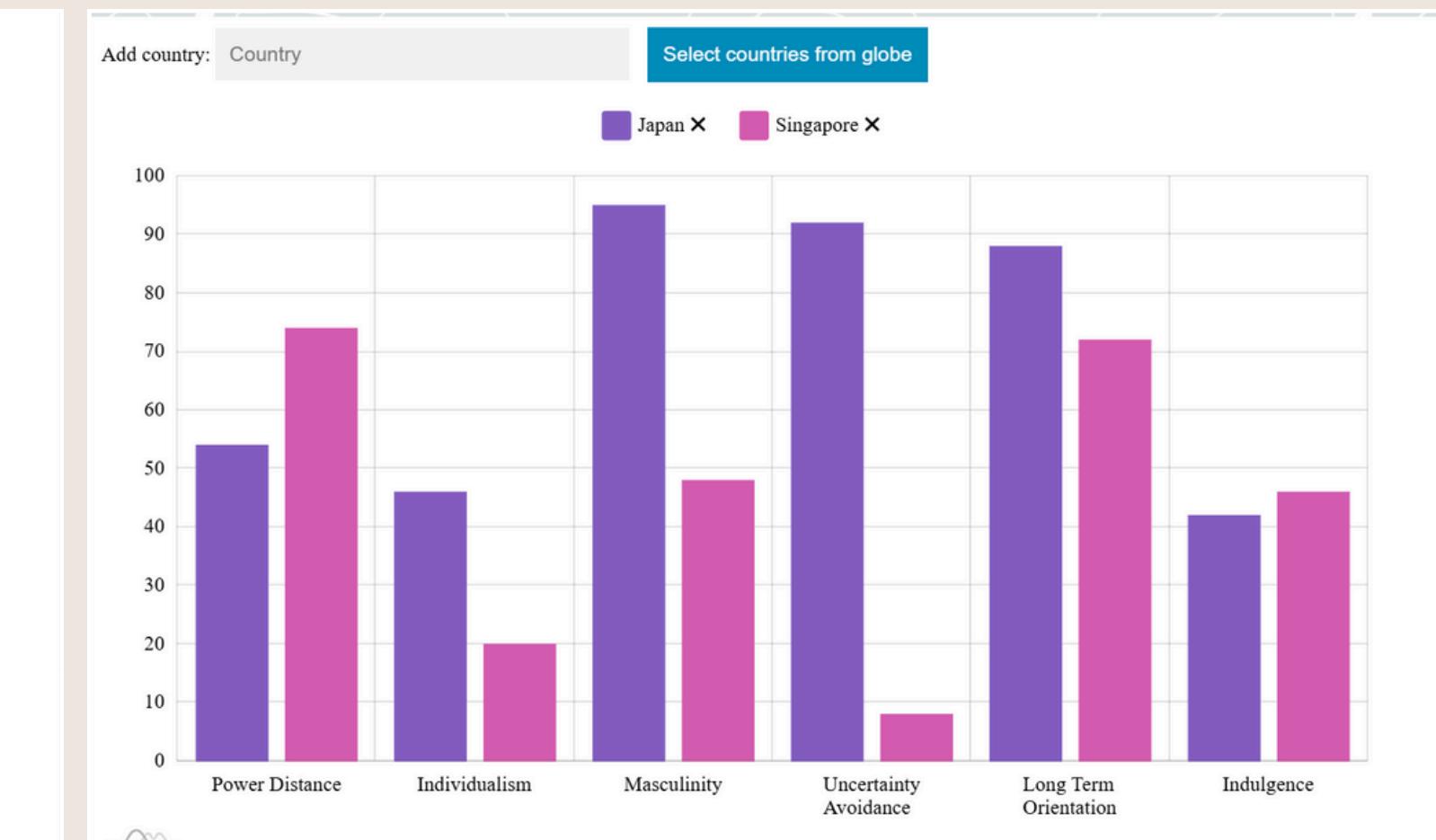
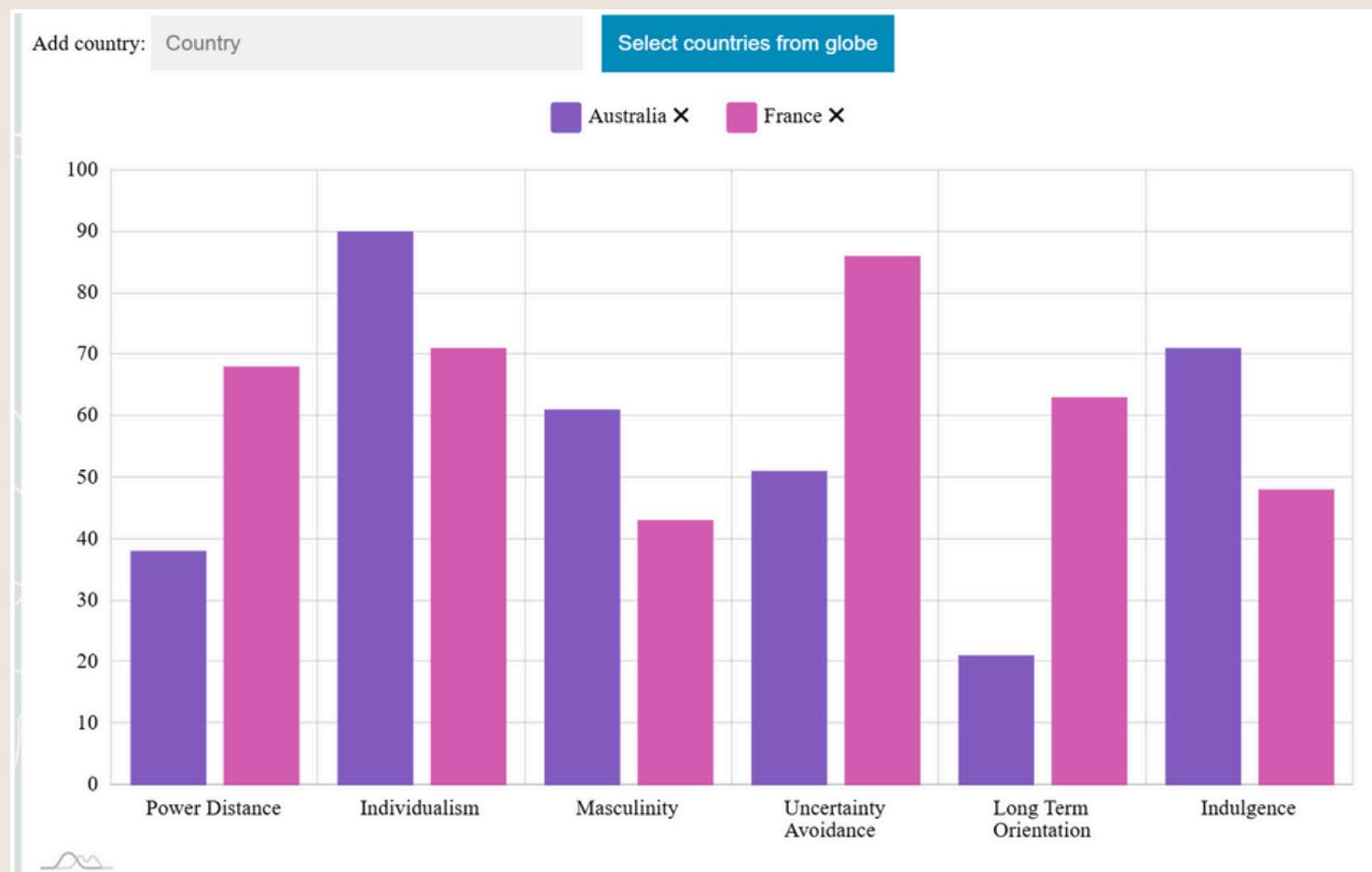
● Masculinity vs Femininity

● Individualism vs Collectivism

● Long vs short term orientation

● Achievement vs Nurturing

● Uncertainty avoidance



P

A

R

T

5

Societal Expectations, Social Responsibility, and Ethics.

“Organizations and managers must be responsible and ethical and give something back.” - Blake Mycoskie



P

How Can Organizations Demonstrate Socially Responsible Actions?

A



Reduce carbon footprint through energy-efficient operations, renewable energy use, and sustainable sourcing.

R



Minimize waste via recycling programs, circular design, and eco-friendly packaging.

T

5



Support biodiversity by protecting natural habitats and investing in reforestation or conservation projects.

P

A

R

T

5



Dieselgate
VW Emission Scandal 2015

- Ethics commonly refers to a set of rules or principles that defines right and wrong conduct.



Hiroya Kawasaki,
the CEO of Kobe Steel



Facebook
privacy breach

P

A

R

T

5

Ways Organization can Encourage Ethical Behaviours



- Create a formal ethics code
-



- Set an ethical culture
-



- Ensure managers are role models
-

P

A

R

T

5

Ways Organization can Encourage Ethical Behaviours



- Offer ethics workshops
-



- Appoint an ethics "Advisor"
-

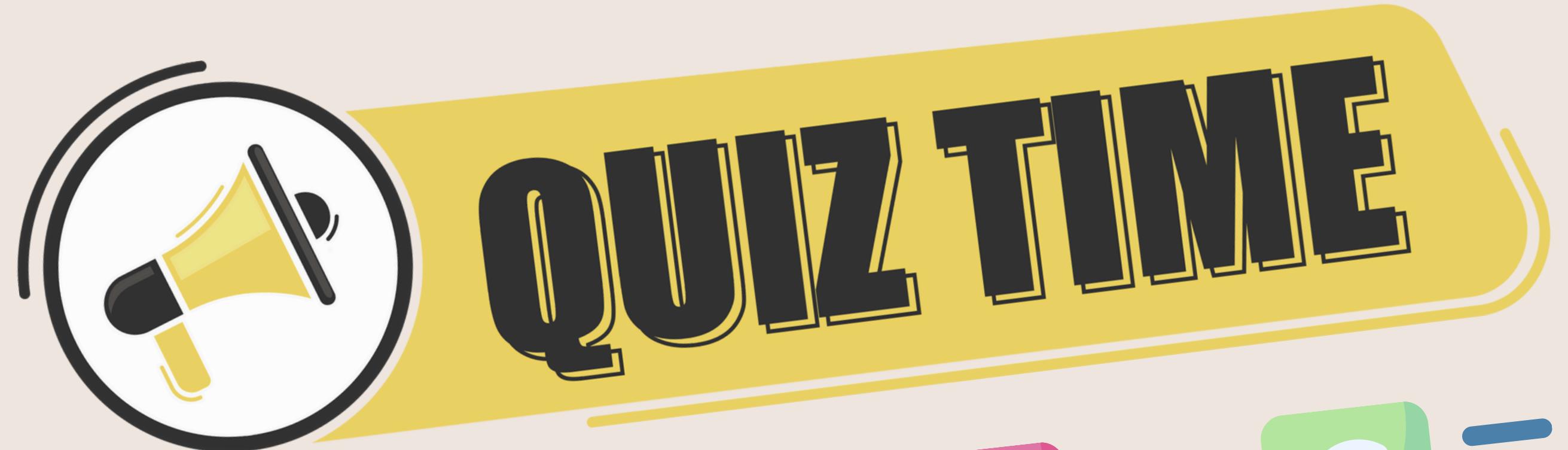


- Protect employees who report unethical practices
-



**THANK YOU
FOR YOUR ATTENTION!**

Q
U
I
Z



[Click to launch](#)