

PRINCIPLES AND PRACTICES OF MANAGEMENT COURSE DESCRIPTION

The course is intended to introduce and expose the students to the principles and concepts governing the practice of management.

Management being a social science is a complex and pervasive field and its practice is greatly affected by the situational factors that each manager faces.

Students should try as much as possible to understand the principals and concepts of management in the light of where they are practised. It is therefore imperative that students of management should approach the course with open minds and flexibility.

While concepts of management may remain the same across boundaries the practice differs from country to country, from organization to organization and from individual to individual. The key to success in this course IS TO UNDERSTAND AND NOT TO MEMORISE.

Students should supplement the notes in the study text with readings from the recommended textbooks.

After each lesson the student should ALWAYS attempt to relate what has been learnt in the text to the management of the private and public sectors in Kenya. This calls for the student to have a thorough knowledge of the economic, political, legal, social, technological and cultural conditions prevailing in Kenya.

RECOMMENDED TEXT BOOK:

Management Theory and Practise By G.A. Cole
Essentials of Management by Koontz, H & O Donnee 7th Edition

CASE 8

ETHICS AND ORGANISATION

Polymath Auditing Partners (PAP) was formed in 1996 by three graduates who studied accounting and auditing before they qualified as auditors. In their first year, they did good professional jobs for some companies and their name became known for efficiency, especially accuracy and speed.

After two years, the business expanded and there was a need for an additional person to enable the firm cope with increased volume of work. The firm employed a young graduate with a Bachelor of Commerce (Accounting Option) degree and the partners felt that they would cope up well with the increased volume of work. PAP adopted some good ethical conduct among the partners, but did not emphasise means of reducing unethical behaviour. This was not emphasised because the partners felt that they knew one another very well, hence it was unnecessary to have rules of reducing unethical behaviour. The follow are included among the measures for reducing unethical behaviour:

- Consistent leadership is required. For example when an organisational leadership changes, the established ethical values should not be changed
- Traditional standards and integrity should be maintained all the time. New standards can be added so long as the firm's integrity is maintained.
- Ethical codes should be established and maintained in a written form. Statements of belief and policy should give specific guidelines for the employees to follow.
- Periodic training is necessary to clarify the intent of organisation's policies. This reinforces the seriousness of the ethical values that the organisation should adhere to.
- Rewards arising from performance evaluation and compensation should consider the employees' behaviour concerning ethical codes.
- Open climate is another essential factor. In decision-making discussions, differences of opinion should be considered together with ethical standards.
- Control system must be fortified by and audit. This will supplement trust with surveillance among the employees.
- Punishment should be implemented for violators of the law or organisation's codes of ethics. The punishment should be implemented strictly.

The new partner found that his colleagues owned new cars, and he also wanted a new car. Each partner had bought his own car from his personal income. PAP did not plan to buy cars for its auditors. The XYZ company had a need for audited accounts. The company wanted a good job to be done and speed was a critical factor. The young graduate was offered a new personal car by XYZ company, which is a multinational organisation with subsidiaries in many countries. He accepted to take the offer. Then he did his work so well that his colleagues were happy because XYZ company paid PAP very well and promptly. The young graduate did not disclose the story of the car to his colleagues but they became suspicious of the and wondered how he had bought the car.

Questions:

- Do you think that the young graduate was wrong? Defend your answer with ethical reasons in this case.
- What do you think that the other colleagues should do after learning about the car story? Give reasons
- Discuss the action you would take if you were the CEO of PAP and the matter was reported to you by an employee of XYZ company.

LESSON TWO

THE PLANNING FUNCTION

OBJECTIVES

After studying this lesson the students should be able to:

- i. Discuss the importance of planning in organizations
 - ii. Discuss the steps in the planning process
 - iii. Describe how planning can be made more effective
 - iv. Outline major barriers that managers face as they try to plan
 - v. Discuss how these barriers can be overcome
- Describe strategic planning and contrast it with operational planning.
MBO process.

INSTRUCTIONS

1. Read Chapter 6 of Cole and the study text below
2. Attempt the reinforcing questions at the end of the study text
3. Check your answers with the model answers supplied in Lesson 12.
4. If your answers differ greatly from the model answers, read the text again, slowly and carefully

CONTENTS

- 2.1 Definition and importance of planning
 - 2.2 Making planning effective
 - 2.3 Goals and objectives
 - 2.4 The process of management by objectives
 - 2.5 Strategic planning
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