

# BUSINESS MANAGEMENT

# PAPER 8

## **OVERALL AIM**

To equip the learner with knowledge and skills that form the foundations of business management and entrepreneurship.

## **LEARNING OUTCOMES**

On completion of this course, the learner should be able to:

	<b>Learning outcomes</b>	<b>K</b>	<b>C</b>	<b>A</b>	<b>An</b>	<b>S</b>	<b>E</b>
1.	Describe the environment within which businesses operate		✓				
2.	Describe the objectives of a business		✓				
3.	Discuss the functional areas of management		✓				
4.	Discuss the principles and theories of management		✓				
5.	Describe the elements of good governance		✓				
6.	Discuss ethical issues in business and possible solutions		✓				

## **LEVEL OF ASSESSMENT**

The examinations will test the learner's knowledge, comprehension, application and evaluation of principles and theories of management.

## **EXAMINATIONS STRUCTURE**

There will be a three-hour examination comprising of sections A and B. Section A will comprise one compulsory case study question of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

## **DETAILED SYLLABUS**

### **A. INTRODUCTION TO MANAGEMENT**

1. Levels of management
2. Management as an art and as a science
3. Essential skills of managers
4. Roles and responsibilities of managers/ management
5. Resources required by managers

### **B. BUSINESS ENVIRONMENT**

1. Political/Legal environment
  - (a) Enforcement of laws and regulations
  - (b) Self-regulation
  - (c) Creation of economic conditions for business to operate (including taxation and public spending)
2. Social environment
  - (a) The demographic environment
  - (b) Difference and changes in the composition and characteristics of society in terms of age, sex, marital status, family size, occupation, income, education, ethnic origin and geographical location
  - (c) The values, attitudes and beliefs of society
3. Technological environment
  - (a) Major developments - impact on organisations and external effects
  - (b) Society and technology
  - (c) PEST analysis
  - (d) Opportunities and threats
  - (e) Organisational response to threats and opportunities
  - (f) Effects of technological change on organisational structure and strategy;
    - (i) Downsizing
    - (ii) Delaying
    - (iii) outsourcing

### **C. OBJECTIVES OF BUSINESS**

1. Mission and vision
2. Business aims and objectives
3. The different types of business organisations and their characteristics;
  - (a) commercial
  - (b) Not-for-profit
  - (c) Public sector
  - (d) Non-governmental organisations
  - (e) Cooperatives
4. Primary objectives/ purpose basing on the different types of business organisations
  - (a) Wealth maximisation
  - (b) Growth; increase in size, scale of operations, increase in market share
  - (c) Profit maximisation and
  - (d) Survival
5. Secondary objectives:
  - (a) Market standing and share
    - (i) Innovation
    - (ii) Productivity
    - (iii) Value addition
    - (iv) Acquisition and application of physical resources and technology
    - (v) Return on capital employed (ROCE)
    - (vi) Employees and management
    - (vii) Financial resources and social responsibility
  - (b) Social objectives
  - (c) Importance of business objectives
6. Conflict of objectives
  - (a) Stakeholder analysis; internal, connected and external stakeholders and their impact on businesses.

- (b) Stakeholder coalitions; impact of the different stakeholders on business organisations.
- (c) Stakeholder mapping; the power and influence different stakeholders have on business organisations, including how their needs should be accommodated

## **D. THEORIES OF MANAGEMENT**

1. Classical theories of management:
  - (a) Scientific management, including its proponents, application of scientific management approach and criticisms of scientific management
  - (b) Administrative principles, including the proponents, division of administrative activities and Henri Fayol's principles of management
  - (c) Bureaucratic organisation, including its proponents, characteristics of bureaucratic organisations as well as benefits and disadvantages of bureaucracy
2. The human relations and social psychological theories, including proponents and arguments for and against the behavioural approach
3. The quantitative approaches to management
4. Other theories of management:
  - (a) Empirical school
  - (b) The social systems approach
  - (c) The socio-technical systems approach
  - (d) The decision theory
  - (e) Contingency/ situational theory
  - (f) Comparative management approach
5. Application of management theories in a changing environment

## **E. FUNCTIONS OF MANAGEMENT**

1. Planning
  - (a) Types and models
  - (b) Management by objectives
  - (c) Strategic plans, operational plans, contingency plans and planning time horizons
  - (d) Benefits of planning
2. Controlling
  - (a) Steps in the tradition control process
  - (b) Establishment of standards of performance
  - (c) Measurement of actual performance
  - (d) Comparison of performance to standards
  - (e) Feedback
  - (f) Bureaucratic control versus decentralised control
3. Co-ordination
  - (a) definition, types-internal and external, vertical and horizontal)
  - (b) Organisational structure, including different formal organisational structures, the different departments with their roles, centralisation and decentralisation with advantages and disadvantages
  - (c) Organisational culture in business organisations;
    - (i) Definition
    - (ii) Factors that shape the culture of organisation
    - (iii) Contribution of different writers on organisational culture;
      - Schein; determinants of organisational culture
      - Handy; the four cultural stereotypes
      - Holfstede; international perspectives on culture
  - (d) The need for co-ordination
  - (e) The importance for co-ordination

4. Communication
  - (a) Meaning, methods and choice of methods of communication
  - (b) The communication processes
  - (c) The importance of communication
  - (d) Barriers to communication and overcoming them
5. Leadership and delegation
  - (a) Types of power
  - (b) Leadership traits
  - (c) Autocratic versus democratic leadership: The leadership continuum (Tannenbaum and Schmidt)
  - (d) Behavioural approaches: The leadership grid (Blake and McCanse)
  - (e) Contingency approaches developing towards situational theory
  - (f) Management versus leadership
  - (g) Teams;
    - (i) Purpose
    - (ii) Formation, including tools or techniques of team building
    - (iii) Development
    - (iv) Management
    - (v) Advantages and disadvantages
    - (vi) Characteristics of effective and ineffective teams.
  - (h) Committees
    - (i) Purpose of committees
    - (ii) Types used by businesses
    - (iii) Advantages and Disadvantages
6. Decision-making
  - (a) Types of decisions
  - (b) Programmed and non-programmed decisions

- (c) Decision-making models:
  - (i) Classical model
  - (ii) Administrative model
  - (iii) Decision making steps
  - (iv) Recognition of decision requirement
  - (v) Diagnosis and analysis of causes
  - (vi) Development of alternatives
  - (vii) Selection of desired alternative
  - (viii) Implementation of chosen alternative
  - (ix) Evaluation and feedback
  - (x) Monitoring, evaluation and motivation
- (d) Decision-making steps

## **F GOVERNANCE**

1. Importance of governance
2. Corporate governance, including the elements and pillars of corporate governance, corporate governance problems and the Code of Best Practice
3. Board of directors, including their roles and composition (including committees of the board) and duties of directors as agents
4. Governance and corporate social responsibility

## **G BUSINESS REPUTATION**

1. Importance
2. Building business reputation/ corporate image
3. Protection and maintenance of business reputation
4. Reputation management
5. Effects of bad reputation

## **H      ETHICAL ISSUES IN BUSINESS AND ACCOUNTANCY**

1. Business ethics and importance of ethics
2. Ethical issues arising from the nature of markets, responsibility of business to society and internal/ industry practices of business

### **REFERENCES:**

1. ICPAU, Management and Information Systems, Kampala.
2. DuBrin, J. A., 2019. Essential of Management, 11<sup>th</sup> ed, Cengage Learning (EMEA) Ltd.
3. Gerald, A. C and Phil Kelly., 2020. Management: Theory & Practice, 9<sup>th</sup> ed, UK: Cengage Learning.