

MNG2602 KEY CONCEPTS

STUDY UNIT 1

- **Bureaucracy.** This is a system of administration marked by rules and regulations, red tape and proliferation.
- **Customer capital.** This is the value of relationships that an organisation builds with its customers - reflected in their loyalty to the organisation and/or its products.
- **Diversity.** This is the state of being different.
- **Globalisation.** This is the economic and social interaction process whereby different countries work together to create a global economy.
- **Global organisation.** This is an organisation that operates in many countries as an integrated unit.
- **Flat structure.** This is an organisational structure that has fewer levels of management.
- **Human capital.** This is the health, knowledge, motivation, and skills of employees; the attainment of this is an end in itself.
- **Intellectual capital.** This is the collective knowledge (whether or not documented) of the individuals in an organisation or society.
- **International organisation.** This is a body that operates in many countries but keeps the operations in each country separated.
- **Information technology revolution.** This is a term that describes the economic, social and technological trends that occurred because of major technological advances in the world.
- **Open system.** This is a system that interacts with its environment.
- **Structural capital.** This refers to the competitive intelligence, formulas, information systems, patents, policies, processes, and so on, that result from the products or systems the organisation has created over time.
- **Synergy.** This occurs when many elements or subsystems work together to create an outcome that is of more value than the total of what the individual input is.
- **System.** This is a set of interrelated parts designed to achieve a singular purpose to stay in balance.
- **System boundary.** This is a border that separates a system from its environment.

STUDY UNIT 2

- **Continuous change.** This is a process where there is a pattern of uninterrupted adjustments in work processes and social practices driven by organisation instability and increasing reactions to daily events.
- **Incremental change.** This is a process whereby individual and other parts of the organisation deal incrementally with one problem at a time.
- **Macro-environment.** This is a setting that comprises several sub-environments, including the technological, economic, social, political, ecological and international environments, from which can emanate numerous external sources of change.

- **Market environment.** This is a setting that comprises consumers, competitors, suppliers of resources and intermediates from which can emanate numerous external sources of change.
- **Organisational inertia.** This is when organisations resist change because the forces for and against change is equally strong and therefore the organisation remains in the same position.
- **Planned change.** This is change that managers plan and implement to adapt to or prepare for change in the environment.
- **Punctuated change.** This is change that makes an organisation to develop through relatively long periods of stability interrupted by relatively short bursts of fundamental change.
- **Quasi-stationary equilibrium.** This is an equilibrium supported by a field of driving and restraining forces causing inertia.
- **Reactive change.** This is change that takes place when organisations react to change in their environments.
- **Revolutionary change.** This is change that involves major, radical, strategic, transformational and rapid change.

STUDY UNIT 3

- **Assumptions.** These are beliefs, logical constructs, or unconfirmed facts.
- **Culture.** This is the total pattern of human behaviour and its products, personified in thought, speech, action, and artefacts, and are dependent on people's capacity for learning and transmitting knowledge to succeeding generations using tools, language and systems of abstract thought.
- **Organisational culture.** This is the aggregate of beliefs, norms, attitudes, assumptions, and ways of doing things that members of an organisation share and teach to new members.
- **Ritual.** This is a set of actions, performed mainly for their symbolic value.
- **Strategic drift.** This is the tendency of organisations to develop strategies incrementally based on historical and cultural influences, but failing to keep pace with changes in the environment.
- **Symbol.** This is something that represents an idea, a process, or a physical entity.
- **Values.** These are important and lasting beliefs or ideals shared by the members of a culture about what is good or bad and desirable or undesirable.

STUDY UNIT 4

- **Conflict.** This is a disagreement that occurs when one party perceives that another party opposes or negatively influences its interests.
- **Conflict management.** This involves doing things to limit the negative aspects of conflict and to increase its positive aspects.
- **Influence.** This is the capacity or power of people or things to be a compelling force on, or produce effects on the actions, behaviour, opinions, and so on, of others.
- **Interest.** This is an attraction that can include elements such as advantage, claim, duty, liability, right and/or title associated with a tangible or intangible item.
- **Negotiating.** This is a process in which two or more parties are in conflict and attempt to reach an agreement.

- **Political behaviour.** This includes activities that are not required as part of an employee's formal role, but that are performed to attempt to influence the distribution of advantages or disadvantages in the organisation.

STUDY UNIT 5

- **Business ethics.** This is the study and evaluation of moral standards within the context of business operations.
- **Corporate governance.** This is the manner of directing and controlling a company's operations and relationships effectively and ethically.
- **Ethics:** This is the process of objective and critical analysis of our moral beliefs to determine whether sound or unsound principles support them.
- **Homo economicus model.** This is an idea that suggests that humans are rational beings who seek to maximise both monetary and non-monetary utility.
- **Macro ethics.** This is the study and evaluation of the social, economic, political, environmental and cultural systems (and the interrelations between these systems), which enable and constrain business activities and shape our practices.
- **Morality.** This refers to the standards of an individual or group relating to what is right and wrong, good and bad, and what deserves respect and what does not.
- **Negative duty.** This refers to refraining from harming society in the corporate social responsibility (CSR) context.
- **Normative ethical theory.** This is a technique that defines and systematises the principles we use when making moral decisions and judgements.
- **Organisational culture.** This is about the tacit and explicit organisational norms and rules that direct individual behaviour.
- **Positive duty.** This refers to actively contributing to the wellbeing of society in the CSR context.
- **Promissory relation.** This is the agreement that executives will act in the economic interest of shareholders.
- **Social contract.** This is the implicit agreement in which society grants a business "licence to operate" through public consent, with the expectation that business will meet certain societal needs.

STUDY UNIT 6

- **Diversity.** This refers to a mosaic of people who bring variety to the groups with which they engage.
- **Golden rule.** This is a rule of diversity that you treat others the same way as you would want them to treat you.
- **Organisational diversity.** This entails working with people whose values, attitudes, beliefs, perceptions, languages and customs are very different from one's own.
- **Platinum rule.** This is a rule of diversity that you treat others the same way as they want you to treat them.
- **Pluralism.** This refers to the acknowledgement of diversity in the general sense.

- **Pluralistic society.** This refers to any society in which citizens can legally and publicly hold multiple competing ethical views and are allowed to choose for themselves what ethical beliefs, if any, they wish to hold.

STUDY UNIT 7

- **Acquisition.** This refers to taking control of an organisation by purchasing 51% (or more) of its voting shares.
- **Goals.** These are observable and measurable end results that have one or more objectives to be achieved within a more or less fixed time frame.
- **Grand strategy.** This is a comprehensive, long-term plan of essential actions that a firm needs to take to achieve its major objectives.
- **Merger.** This is the voluntary amalgamation of two firms on roughly equal terms into one new legal entity.
- **Mission statements.** These are written declarations of an organisation's core purpose and focus, which generally remain unchanged over time.
- **Objective.** This is a specific result that a person or system aims to achieve within a time frame and with available resources.
- **Productivity.** This is a measure of the efficiency of a person, machine, factory, system, and so on. It occurs when converting inputs into useful outputs.
- **Vision:** This is an aspirational description of what an organisation would like to achieve or accomplish in the long-term future.

STUDY UNIT 8

- **Budget.** This is a plan that deals with the future allocation and utilisation of various resources regarding project activities over a given period.
- **Client.** This is a person or organisation using the products or services of the organisation.
- **Gantt chart.** This is a graphic representation showing the project activities on a calendar, scaled to accommodate the timeline.
- **Project evaluation and review technique (PERT).** This is a diagram, also called the network diagram, developed by arranging the project activities into related paths.
- **Programme manager.** This is a person who manages a portfolio of projects and is responsible for the organisational benefits derived from the programme.
- **Project management.** This is a management tool used to plan, organise, implement and control activities in order to achieve a predefined objective.
- **Project manager.** This is a person who is solely responsible for completing his or her project on time, within budget and meeting set project requirements.

STUDY UNIT 9

- **Business model.** This is an outline that spells out how a company plans to make money and how it is competitively positioned in an industry.
- **Competitive advantage.** This is the ability of an organisation to provide greater value to customers than its competitors can.
- **E-business.** This is a system of doing business electronically. The system is not just about e-commerce transactions; it's about redefining old business models to maximise customer value.
- **E-business model.** This is an approach to conduct electronic business through which a company can sustain itself and generate profitable revenue growth.
- **E-commerce.** This covers outward-facing processes that touch customers, suppliers and external partners (e-commerce is buying and selling using an electronic medium).
- **Inbound logistics.** This is the movement of materials from suppliers and vendors into production processes or storage facilities.
- **Value chain.** This is the interlinked value-adding activity that converts inputs into outputs. In turn, this activity adds to the bottom line and helps create competitive advantage.
- **Outbound logistics.** This is the process related to the movement and storage of products from the end of the production line to the end-user.
- **Supply chain.** This is the total flow of materials, information and cash, from the supplier's suppliers, right through an enterprise to the customer's customers.

STUDY UNIT 10

- **Cohesiveness.** This refers to group solidarity, which is the way in which a group stands together as a unit rather than as individuals.
- **Group.** This refers to two or more individuals who are interacting and interdependent, who come together to achieve a particular purpose.
- **Norm.** This is a generally agreed-upon standard of behaviour, which group members are expected to follow.
- **Status.** This is the perceived ranking of one member relative to other members of the group.
- **Work group.** This is a unit of two or more people who interact primarily to share information and make decisions that will help each group member perform within his or her own area of responsibility.
- **Work team.** This is a small number of employees with complementary competencies who work together on a project, are committed to a common purpose, and are accountable for performing tasks that contribute to achieving an organisation's goals.