



## Course information 2019–20

### MN2177 Core management concepts

The course covers the main areas of general management and the intellectual foundations of management concepts. It is the basis upon which more specialised functional management courses can be taken.

#### Prerequisite

If taken as part of a BSc degree, one of the following courses must be passed before this course may be attempted:

*MN1178 Business and management in a global context* or  
*MN1107 Introduction to Business and Management*

#### Aims and objectives

The aims of this course are:

1. To give students a thorough grounding in the key management sub-disciplines
2. To provide an overview of the development of these disciplines
3. To illustrate the disciplinary anchors of these disciplines in sociology, psychology and economics

#### Essential reading

The core textbook is:

Willman, P. *Understanding management: social science foundations*. (Oxford: Oxford University Press, 2014) [ISBN 9780198716921].

You will also need to obtain access to:

Kaplan, R. and A. Atkinson. *Advanced management accounting*. (Harlow: Pearson Education, 1998) third edition [ISBN 9780130802200]

#### Learning outcomes

At the end of the course and having completed the essential reading and activities students should be able to:

- ✓ Demonstrate understanding of core management concepts
- ✓ Apply these concepts to specific business situations
- ✓ Analyse and evaluate managerial tools such as balance sheets and marketing plans
- ✓ Explain the relevance of social science to business practice

For full details of other essential readings, please refer to the reading list.

#### Assessment

This course is assessed by a three-hour unseen written examination.

Students should consult the appropriate *EMFSS Programme Regulations*, which are reviewed on an annual basis. The *Regulations* provide information on the availability of a course, where it can be placed on your programme's structure, and details of co-requisites and prerequisites.

## Syllabus

This is a description of the material to be examined. On registration, students will receive access to the online course, which provides a framework for covering the topics in the syllabus and directions to the essential reading.

**Introduction:** This chapter introduces the course and its approach. It discusses the pre-industrial roots of thinking about management and leadership, and shows the longevity of certain management practices. The industrial revolution prompted major developments in social theory and political economy—in particular in Europe and USA—which in turn have influenced the analysis of management in business. The chapter traces the roots of modern management technique in the developing disciplines of the social sciences and offers a framework for a critical understanding of the corpus of business knowledge.

**Management and the Firm:** This chapter looks at the growth of large firms in historical context and examines the major explanations for the growth of firms, specifically technological indivisibility and market failure. It specifically examines the work of Chandler. It describes the separation of ownership and control and introduces the problem of agency. It introduces the 'varieties of capitalism' debate and covers the varieties of institutional arrangements for firm governance that have emerged in advanced economies. The relationship between the factory system and the creation of an industrial workforce is discussed.

**Taylorism, Motivation, and Performance:** This chapter looks at the emergence of two important schools in the history of management science that attempt to systematically analyse human behaviour at work: 1. Taylorism and scientific management; and 2. the development in psychology and the human relations movement. It offers an overview of the background, principles, as well as limitations and problems of the two schools. Performance appraisal systems and reward systems in organisations are examined as well.

**The Rise and Decline of Labour:** This chapter looks at the historical root of industrial and labour relations and explores the linkage between workplace control and the broader economic and political context of work organisations. The evolution of internal labour markets, the logic of collective action, and wage determination and rent-sharing in collective bargaining are examined. The chapter also introduces the markets for trade unionism and the mechanisms that unions grow. It overviews the rise and fall of trade unions with reference to historical and contemporary influences. Alternative voices schemes are explored at the end.

**Functions of Management:** The chapter will explore key functions of management, looking at competing theories to explore what it is that a manager does. It will focus in particular on the issue of control and whether managers can be relied upon to act in the owners' best interests, using theories on the relationship between the principal and the agent to explore this. Financial control will be considered as a possible mechanism through which principals can monitor their agents and the agents can monitor their responsibilities. However,

the chapter will also consider whether accounting numbers are reliable, paying particular regard to the faith that organisations place, or often misplace, in numbers.

**The Rise of Human Resources Management:** This chapter looks at the origin and evolution of the field of human resources management (HRM) and introduces key theories and analytical concepts of HRM. The chapter will evaluate whether, and if so, how HRM can contribute to firm performance. The chapter also introduces two key areas of research and practice in the field of HRM: leadership theories and the psychological contract.

**Origins of Management Science:** This chapter will look at the development, post-Taylorism, of the contribution of Management Science and its quantitative modelling approaches to managerial decision making. It will explain the basic concepts of inventory control and queueing models, bringing the discussions up to date with contemporary applications of such approaches. In particular, the chapter will discuss some of the challenges facing managers who need to evaluate such models and data.

**Management Accounting: Costing:** This chapter will introduce management accounting as a set of practices relating to the internal control of the corporation and their evolving role in facilitating decision making by managers. Then focus will be placed on costing. We will distinguish between direct and indirect costs, and between standard costing methods and Activity Based Costing.

**Management accounting: Decentralization and performance measurement:** This chapter will introduce themes in management accounting relating to the collecting, processing and analysis of information regarding the internal performance of the firm. We will investigate the relationship between performance measurement and decentralized forms of organization, with a particular focus on the Balanced Scorecard.

**Financial accounting:** This chapter will introduce the three elements of the financial report, namely, the balance sheet, the income statement and the cash flow statement. We will discuss the purpose of classifying assets, liabilities and shareholder funds with a focus on their relevance for managers. The chapter will also consider how different approaches to cash flow can have a range of impacts on the organisation.

**Investment Management:** This chapter will first introduce the financial framework relating to risk and reward and place this in the context of the characteristics of different asset classes. It will describe the process of constructing a balanced portfolio. The chapter will also explore the market efficiency hypotheses, looking at their impact on investment decisions.

**Financial Performance Analysis and Valuation:** This chapter will explore key methods of analysing the financial performance of a company, with a particular focus on performance ratios. It will provide a meaningful summary of the ways in which ratios can be used to achieve business insight. It will explore how investor confidence can be measured, and the significance of this for organisations and their managers.

**The Origins of Modern Strategy:** This chapter will focus on the origins of the strategic management discipline. The chapter will emphasise what differentiates the discipline of strategic management from its sibling and parent disciplines. Particular attention will be paid here to understanding its level and units of analysis, principal questions, primary assumptions, typical research methods and key debates. The early 'pre-theoretic' schools that characterised the youthful strategic management discipline in the 1960s and 1970s will be surveyed. In addition, the influential 'positioning school' work of Michael Porter from the 1980s with its focus on industry analysis will be introduced.

**Structural Forms:** This chapter examines a range of organisational forms, evaluating their appropriateness and relevance for a range of situations. Making use of Mintzberg's (1983) Structure in Fives, the chapter explores the link between firm characteristics and structural options, considering how one might affect the other and ultimately have an impact on organisational practice and performance.

**Structural and Organisational Change:** This chapter looks in more detail at the range of design choices organisations might be required to make, evaluating the suitability of particular design decisions in key organisational contexts. Issues such as where to draw a firm's boundaries, how much bureaucracy a firm requires, and how to leverage organisational knowledge will be considered. It looks at these options as a strategic organisational choice, recognising the link between structure and strategy.

**Contemporary Strategic Management:** This chapter will examine the most prominent theoretical perspective to emerge in the strategic management discipline in recent decades: the Resource-Based View (RBV) of the firm. The emergence of this re-focus on the 'internal' elements of company strategy will be placed in disciplinary context. Major works will be reviewed to

provide a representative picture of the concerns, methods, findings, and debates of the RBV (and associated) theoretical perspectives. The chapter will conclude with a discussion of cutting edge trends in strategic management theory and practice, such as strategy-as-practice approaches.

**Strategy and Decision Making:** This chapter will trace the evolution of behavioural decision theories from their origins in the 1950s to the present day. Behavioural theories are normally based on (i) a concept of a "good" or "rational" approach to decision making; (ii) empirical evidence which shows that people do not follow such an approach; (iii) a theoretic account of why such departures from rationality occur, and, sometimes (iv) some suggestions as to how to help people make more rational decisions. In this chapter we centre mostly on the celebrated "heuristics and biases" tradition of Kahnemann and Tversky, showing how the theory which these authors developed can shed light on both economic behaviour and managerial decision making. We also discuss some of the controversies surrounding this theory and some alternative views.

**The Origins of Marketing: The Development of the Theory:** This chapter considers marketing's origins in the fields of economics, psychology and management. It considers the types of problems contemporary marketing departments contend with, before considering briefly the emergence of the 'marketing framework', which has come to dominate the way in which certain markets and industries operate.

**Elements of Marketing 1: Product, Price and Place:** This chapter outlines the key marketing decisions that managers need to make with regard to deciding which products to develop and sell. It explains some of the choices that managers have to make with regard to setting the price of their product, as well as how it might be distributed into the market.

**Elements of Marketing 2: Brands and Advertising:** This chapter will examine the nature and role of branding in the sales and development of products and services, as well as outlining the key advertising decisions that a manager is likely to have to make. Having now covered the main elements of the marketing plan in this and previous chapters, the chapter will provide a guided look at how a marketing plan might be prepared, with a focus on its key sections.