

METHODOLOGICAL RECOMMENDATIONS  
TO PRACTICAL STUDIES IN THE  
DISCIPLINE "FUNDAMENTALS OF MANAGEMENT"  
MODULE 1

## Module №1 "Theoretical Foundations of Management"

### Practical Lesson № 1.

#### Theme 1.1. Development and modern state of the theory of management.

##### I. Question for discussion.

1. To characterize the main results of the management theory, received by the school of scientific management.
2. Describe the concept of a bureaucratic organization.
3. To characterize the main results of the theory of management obtained by the administrative (classical) school of management.
4. To characterize the main results of the theory of management, received by the school of human relations.
5. To characterize the main results of the theory of management, obtained by the school of behavioral sciences.
6. To characterize the main results of the theory of management, received by the school of human resources.
7. To characterize the main results of the theory of management, obtained by the school of quantitative sciences.
8. Identify a significant difference in the results of studies in the school of scientific management and classical school.
9. Identify a significant difference in the results of the studies of the school of behavioral sciences and the school of scientific management.
10. Provide a general description of the situational approach in management.
11. Provide a general description of the system approach in management.
12. Provide a general description of the process approach in management.
13. Why, in the theory of management, it is considered that every subordinate should have one direct supervisor?
14. Why, in the theory of management, it is considered necessary to develop the initiative of workers and managers?
15. Identify a significant difference in the results of classical and humanistic management studies.

##### II Situational tasks.

Situation 1. A new worker was hired by the organization, but he has been walking for a month in the corridors of the organization and can not find his job.

- A) Is there a violation of the principles of A. Faiola in this situation?
- B) What are the principles raised by the management of the organization and what is the employee?

Analyze the situation. Select an answer from the provided or provide your answer option. The answer is to substantiate the

situation. 2. The head of the organization believes that during the economic crisis, the best way to keep employees subordinated to dismissal is to delay the payment of wages for an indefinite period of time.

A) Is there a violation of the principles in A. Faiola in the situation? Explain why.

B) On the principle of observance, this leader is worried above all, neglecting other, equally important principles.

Analyze the situation. Select an answer from the provided or provide your answer option. The answer is to justify.

Situation 3. A significant part of domestic workers feels that managers do not fully understand them. Subordinates believe that the management has a misconception about management, makes the wrong assumption that people do not like to work. In order to activate the work of the company's employees, the management forces subordinates to carry out their duties.

Such opinion on leadership is shared by Nesterenko Alexander Fedorovich, mechanic in the machine-building company "Kharkmekshobud". He notes:

1. The working day from 8.00 to 17.00 for all workers, except for the director and deputy. the director of the company.

2. For a great deal of money and a high reward, I expect that with my family I will move from Kharkiv from the usual lifestyle to Luhansk (one-sided promotion of workers).

3. Hundreds of millions of hryvnias are spent annually on "communication" with workers.

Questions:

1. Do workers really share similar thoughts?

2. How can such statements be estimated, taking into account the experiments in Khottorn?

3. How to overcome false assumptions?

III Task for independent work of the student.

1. Working out the material of practical training.

2. Identify a significant difference in the results of the studies of the classical school and the school of quantitative sciences.

3. Identify a significant difference in the results of the research of the school of human resources and the school of human relations.

4. To identify a significant difference in the results of the studies of the school of behavioral sciences and the school of human relations.

5. Identify a significant difference in the results of research identified by the concept of bureaucratic organization and school of human resources.

IV. Recommended topics for in-depth study and presentation at practical classes.

1. The state of the science of governance until 1885.

2. Reasons that led to the emergence of scientific management in the United States (period 1885 - 1910 gg.)
3. Activities F. Taylor, the reasons that led him to a scientific approach in the management process.
4. The main results in the field of scientific management, obtained by Frank and Lilian Gilbratami.
5. Main results in the field of scientific management, obtained by Henry Gant.
6. The main scientific achievements of Douglas McGregor in using the potential of the organization's employees.

#### References

1. Mosttenskaya TL, Novak VO, Lutsky M.G. Minenko M.A. Management: textbook. - K.: Constellation, 2007. - 690 p. (Sections 1, 3).
2. Novak V.O. Fundamentals of Management Theory. - K.: NAU, 2002. - 236 pp. (Sections 1, 2).
3. Stadnik V.V., Yokhna MA Management: Textbook - K.: Academician V., 2007. - 471 p. (section 1).
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## **Module №1 «Theoretical Foundations of Management»**

### **Practical Lesson № 1.**

#### **Topic 1.1. Fundamentals of the organization's theory.**

#### **Management as a process. Information in the management system.**

##### **I. Question for discussion.**

1. To characterize the main features of the management process.
2. Describe the components of the organization's management system, to prove that they form the system.
3. To characterize the role of the control system in the control system.
4. To characterize the law of the unity and integrity of the management system.
5. Determine what the integrity of the management system means?
6. To characterize the law of the necessary diversity of control systems.
7. Describe the law of the required number of degrees of freedom of the control system.
8. Determine what the degree of freedom for the management system is.
9. To characterize the law of conformity of development of control and control systems.
10. Determine why the organization is a socio-economic system.
11. Why, in the theory of management, it is considered necessary to reward and stimulate the staff?
12. Why, in the theory of management, it is considered necessary to use a management hierarchy?
13. Why, in the theory of management, it is considered necessary to use the division of labor?
14. To characterize the role of information in the management system of the organization.
15. How can the unity of directed actions be achieved in the management processes?
16. Determine how the performance differs from performance.
17. How is the term "discipline" used in management processes?
18. Why, in the theory of management, it is considered that it is necessary to reconcile the individual interests of workers with the general interests of the whole team, the organization as a whole?
19. Why, in the theory of management, it is considered necessary to pay attention to the stability of the workplace of workers?
20. Identify information links in the management system.

##### **II Situational tasks.**

Situation 1. "Attitude to work". In which of the following cases, is the consciousness of people in relation to work?

A. In difficult living conditions, anyone will work with enthusiasm. However, as soon as there is free time and life comfort, there is a craving not to work, but to entertainments.

B. When a person reaches a certain standard of living and has free time, for him work becomes not only a source of income, but also a means of satisfaction of spiritual and intellectual queries.

B. When there is abundance in life and it proceeds with comfort, a person is looking for entertainment, pleasures. In this case, he loses all interest in the work and, moreover, seeks to avoid difficulties.

Comment. The study of the problem of needs shows that when a person has a well-constructed life and, consequently, has a lot of free time, he has a strong desire to satisfy his spiritual needs. In this regard, the work becomes for him the factor by which it is possible to realize the specified needs. If a person does not feel such functions of his work, then he has a desire to achieve their needs through entertainment.

Analyze the situation. Select an answer from the provided or provide your answer option. The answer is to substantiate

Situation 2. "Objectivity of information". Improvement of the management system is connected with the receipt of timely and accurate information, its rapid processing and analysis. Only under this condition the manager can make the right decision.

How does the manager make sure that the information he receives is completely objective?

1. A good knowledge of technology, organization of production, the main economic indicators, the positive and negative qualities of its subordinates, the head will always feel if it comes to biased information, he will doubt and he will check the questionable data.

2. Systematically, personally checking the activities of all subordinate units (enterprises, shops, services), personally studying and evaluating the authenticity of all information.

3. Verifying and evaluating only the most important information, the same demand from subordinates.

4. By making every effort to introduce new methods of obtaining information through automated enterprise management systems, the use of computers, despite the apparent lack of use of these news.

Analyze the situation. Select an answer from the provided or provide your answer option. The answer is to justify the

### **III. Task for independent work of the student.**

1. Determine the nature of the laws and principles of governance - objective or subjective and why?

2. Determine how the powers and responsibilities are involved in the management process.

3. Describe the difference between intensive development and extensive management development.

4. Determine what the development of a management system means.

5. Determine why each management system changes over time ?.

IV. Recommended topics for in-depth study and presentation at practical classes.

1. The influence of the main results on the theory of bureaucratic organization, obtained by Max Weber, on the processes of managing modern enterprises.
2. Characteristics of management functions, defined by Henri Fayole, representative of the classical school of management.
3. The results of research in management, received by Mary Parker Follette, as a representative of the School of Human Relations.
4. Research of Elton Mayo in the field of management and experiments in Hawthorn (USA).
5. The role of computer information systems in the activities of modern enterprises.
6. The main scientific achievements of the behavioral school in management, their practical significance for the formation of the behavior of employees of the organization.
7. The importance of science management (schools of quantitative approach) for the management of modern enterprises.

### **References**

1. Mosttenskaya TL, Novak VO, Lutsky M.G. Minenko M.A. Management: textbook. - K.: Constellation, 2007. - 690 p. (Sections 1, 3).
2. Novak V.O. Fundamentals of Management Theory. - K.: NAU, 2002. - 236 pp. (Sections 1, 2).
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## **Module №1 "Theoretical Foundations of Management"**

### **Practical Lesson № 2.**

#### **Topic 1.1. Fundamentals of the organization's theory.**

##### **The internal environment of the organization**

#### **I. Questions for discussion.**

1. Explore the essence of the organization. Give examples of a specific organization and show the presence there of all the features that characterize the organization.

2. To visualize the model of the characteristics of the internal environment of the organization. Which of these characteristics should be determined first of all? Describe this feature.

3. Explore the role of goals in the internal environment of the organization. How is the global goal of the organization going?

4. Explore the role of the structure in the internal environment of the organization. How does the structure ensure the achievement of the global goal of the organization?

5. To describe goals and technology as components of the internal environment of the organization, to identify the features of communication between them.

6. To describe goals and tasks as components of the internal organization environment, to determine the features of communication between them.

7. To describe the goals and structure as components of the internal organization environment, to identify the features of the connection between them.

8. To describe technology and structure as components of the internal environment of the organization, to determine the features of communication between them.

9. To characterize the structure and tasks as components of the model of the internal environment of the organization, to determine the features of communication between them.

10. To describe the goals and personnel as components of the internal organization environment, to identify the features of the relationship between them.

11. To characterize the personnel and structure as components of the internal environment of the organization, to determine the features of the connection between them.

12. To characterize the task and technology as components of the internal organization environment model, to determine the features of communication between them.

13. To describe tasks and personnel as components of the internal organization environment, to determine the features of communication between them.

14. To describe the personnel and technology as components of the internal environment of the organization, to determine the features of communication between them.

15. Explore how managers and employees of an organization can influence the organization's activities.

#### **II Situational tasks.**

Situation 1. "Diligence". Stimulating interest in the work is a very important factor in enhancing labor motivation. Try to choose from the options below three types of best



practices that would be in the interest of your work. In this case, special cases are excluded.

A. To make such a guide that would provide sufficient knowledge about the nature of the work performed.

B. Change from time to time so that the same work does not get bored.

B. In cases where it is required to force people to perform work, one needs to combine well-understood workers into one group.

G. Detail, in detail, explain to people the nature of work and thus make it done without failure.

D. The work you need to perform should be updated from time to time with new tasks. It's not bad to organize a kind of competition for the best result.

E. To specify the shortcomings and positive moments of the work to be done.

Comment. Knowledge of the nature of the work, as well as the presence of relevant interest in it, is among the decisive factors of success. Together with this very important circumstance is the presence of your own point of view on things. Suppose you are well aware of the rules of the game of golf or chess. It is absolutely clear that the interest in these games will increase if you take the opportunity to deepen your knowledge of them. And one more factor: it is very important for us to predict a positive result of activity.

Situation 2. "Changing the boring content of work" The leadership of the First National Bank of Chicago caused concern about the poor performance of the department of warranty letters, and often there were complaints from customers for late delivery of warranty letters and errors in the work of the department staff. The Bank's management has decided: to find out the reasons for the situation. To find out the reasons were attracted by experts, on whose advice the employees of the department of warranty letters completed questionnaires that clarify the degree of satisfaction with the work of department staff. The results of the questionnaire showed that 80% of employees were dissatisfied with their work and this was the reason for low productivity, errors in work, late delivery of letters. To find a way out of the situation, the management of the Bank was attracted by specialists in organizational development, who found that the reason for dissatisfaction was the uniformity of working with papers that resembled work on a conveyor belt. The work was organized so that the guarantee sheet was prepared by ten people, each of whom made his share, often not equal to longer than others. For example, one of the workers only laid a tape for a teletype. The division of tasks prevented everyone from understanding the overall value of the work. The process was slow, expensive, led to a lot of errors, errors accumulated, which caused the quality of the work to be done.

Principles of approach to decision. The management of the First National Bank of Chicago decides to reorganize the work of the employees of the warranty department. To this end, all tasks - operations were revised for several months with the participation of all employees; there was a combination of many operations, which allowed to create a full cycle with a higher level of responsibility.

Bank employees were sent for retraining - in order to improve their skills: there was an increase in salaries, and at the same time a new, higher level of responsibility for

each employee arose. Через рік після проведеної реорганізації відділу гарантійних листів була проведена контрольна перевірка результатів реорганізації і відмічено значне підвищення прибутковості відділу гарантійних листів: підвищився ступінь задоволеності клієнтів і співробітників відділу своєю роботою, відмічене зростання трудової етики службовців відділу.

#### **IV. Recommended topics for in-depth study and practice reports.**

1. Investigate the signs of a successful functioning organization in market conditions.
2. Investigate which management of an organization can be considered effective and quality.
3. Describe the main internal factors of management processes in the airline.
4. Investigate the main characteristics of change management.
5. Investigate how changing one factor in an organization's management process affects others. Give examples.

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1. Mostenska TL, Novak VA, Lutsky MG, Minenko MA Management: a textbook. - K.: Constellation, 2007. - 690 p. (Sections 1, 2).
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## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 2.**

#### **Topic 1.1. Fundamentals of Organization Theory.**

##### **The external environment of the organization**

###### **I. Issues for discussion.**

1. Investigate why environmental dependency is a common characteristic of all organizations.
2. Give examples of dependence on the external environment for a particular organization.
3. Investigate the peculiarities of the influence of laws and public administration on the organization.
4. Give examples of the influence of laws and public administration for a particular organization.
5. Investigate the impact on the organization of consumers as a factor of the external environment of direct action.
6. Investigate the impact on the organization of competitors as a factor of the external environment of direct action.
7. Investigate the impact on supplier organization as a direct environmental factor.
8. Investigate the impact on the organization of labor resources as a factor of the external environment of direct action.
9. Investigate the impact on the organization of the political environment as a factor in the external environment of indirect action.
10. Investigate the impact on the organization of the state of the economy as a factor of external environment of indirect action.
11. Investigate the impact on the organization of scientific and technological progress as a factor of indirect environment of indirect action.

12. Investigate the impact on the organization of the international environment as a factor in the external environment of indirect action.
13. Investigate the influence on the organization of socio-cultural environment as a factor of external environment of indirect action.
14. Investigate uncertainty as a characteristic of environmental factors of an organization. Give examples.
15. Explore complexity as a characteristic of environmental factors of an organization. Give examples.
16. Investigate mobility as a characteristic of environmental factors of an organization. Give examples.
17. Investigate the interconnectedness as a characteristic of the environmental factors of the organization. Give examples.

## **II. Situational tasks.**

Situation 1. Glaztex Open Joint Stock Company is a supplier of automated bottling lines. Two years ago, it opened a foreign trade office targeting Scandinavia, Germany, France, as well as the Benelux countries. According to Glaztex, there were more than 2000 companies in these countries that needed its products. Glaztex products outperform their main competitors by their technical characteristics.

The technological advantage of the Glaztex bottling line was significantly higher (10% higher than that of competitors). The equipment of the company meets all technical requirements, and in the process of production modern technologies are used.

Tests conducted by Glaztex engineers at the company's research center in the UK have shown that their system is the most robust on the market. Glaztex paid particular attention to the high level of product quality, but at a higher price than its competitors.

The Northern European sales office included a sales manager and four sales representatives who were assigned to Scandinavia, Germany, France and the Benelux countries, respectively.

Glaztex only employs highly qualified employees who are able to think creatively and help the company grow into international markets. Glaztex's reputation is impeccable, as it is based on a constant improvement in the quality of its products. The success of the company is recognized even by its competitors.

Questions:

- 1) Determine what kind of organization Glaztex belongs to. Justify your answer.
- 2) Describe the functioning of Glaztex.
- 3) Outline the Glaztex business model. To do this, determine which elements are relevant to the organization's inputs, outputs, and internal environment.

**Situation 2.** In the 1990s, a large number of breweries appeared on the beer market, which began to gain significant market shares by volume of beer, its quality and assortment. Such plants include CJSC Obolon, Sun Interbrew Ukraine (SIU) with the Rogan, Chernihiv, Yantar, Hetman, Taller, Stella Artois, Baltic Beverage Holdinge (BBH) brands ) with Slavutich and Tuborg trademarks.

Independent struggle with such beer leaders on the domestic market became unpromising for Lviv Brewery. Therefore, after long negotiations, OJSC "Lviv Brewery" entered into an agreement with BBN Corporation and was granted the right to trade mark "Lvivske". This decision led to a major reorganization of the activity of OJSC "Lviv Brewery". It envisaged a major upgrade of technological equipment through the implementation of investment projects of the BBN Corporation, expansion of markets for products in all regions of Ukraine and exports of products to Russia, Belarus, Georgia, Poland, Italy, the United Kingdom and Canada.

Over the last four years, the major part of the profits (60-70%) was spent on increasing production volumes, implementation of beer bottling technology, expanding the range. Considerable attention is paid to marketing activities aimed at advertising, increasing sales channels and expanding market share.

However, at present, the financial situation of OJSC "Lviv Brewery" is complicated. This is due to the intensification of competition between enterprises belonging to the BBV company and SIU companies (Rogan, Chernihiv, Sarmat, Yantar, Hetman, Taller, Stella Artois), and especially the non-self-importing firms only by import. This is especially true for firms that have tax benefits on imports and, because of these benefits, have significant competitive advantages over the national producer. Problems also arise with unfair competition. In the financial activities of OJSC "Lviv Brewery" there are constantly questions about lending, paying taxes, finding reliable investors. It is also significant that large multinational corporations with significantly higher levels of capital may enter the beer market in Ukraine, and there is no effective government policy to put in place appropriate protectionist measures.

Objectives:

- 1) To characterize the main components of the internal environment of OJSC "Lviv Brewery".

- 2) Identify the main factors of the macro and immediate environment that significantly affect the activity of OJSC "Lviv Brewery".
- 3) Separate the threats to the environment and the factors that cause them.
- 4) Outline the opportunities that open up in the environment and the factors that contribute to their emergence.
- 5) Make a list of strengths and weaknesses of the enterprise.

### **III. Tasks for independent work of the student.**

1. To determine the significant difference between the action on the organization of environmental factors, direct and indirect action.
2. Determine the external environment of direct and indirect action of the airline.
3. Investigate the situational characteristics of the external environment of an airline operating international flights.
4. Identify changes in the organization, using the model of the internal environment of the organization.
5. Investigate situations where uncertainty (complexity, mobility, interconnectedness) of the environmental factors of an airline or other specific organization occurs.

### **IV. Recommended topics for in-depth study and practice reports.**

1. Investigate the impact of the human factor on the processes of managing the organization.
2. Investigate the internal environment of an international company.
3. Investigate the environmental factors of the direct action of an international company.
4. Investigate the environmental factors of the indirect action of an international company.
5. Investigate situations where uncertainty (complexity, mobility, interconnectedness) of environmental factors of an international company occurs.

## **References**

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## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 3.**

#### **Topic 1.1. Fundamentals of Organization Theory.**

##### **Systematic and situational approaches to enterprise management.**

###### **I. Issues for discussion.**

1. Describe the organization as an open self-managed, socio-economic system.
2. Identify the main task of management processes in the organization, based on the fact that the organization is an open self-managed, socio-economic system.
3. Describe the systematic approach in management.
4. What is the situation in organizational management processes?
5. Describe the situational approach in management.
6. Determine if there is one, best way to manage your organization?
7. Identify the main aspects of human action on the organization.
8. Determine what the situation is for the organization. Give examples of such situations.
9. Describe the methodology of the situational approach in management.
10. Identify why organizational changes are needed. What is the essence of change management?
11. Investigate how a situational approach to management processes in an organization can be provided.
12. Determine how the behavior of a person in a group can affect the activities of the organization.
13. Determine how the ability, aptitude, talent of employees of the organization can affect the activities of the organization.
14. Determine how the needs of the organization's employees may affect the organization's activities.
15. Determine how the leadership abilities of managers can affect the activities of the organization.



16. Determine how the expectations of the employees of the organization can affect the activities of the organization.

17. Determine how the attitude, point of view of the employees of the organization can influence the activity of the organization.

18. Determine how the perceptions of the organization's employees can affect the organization's activities.

## II. Situational tasks.

Production situation № 1. You are working as a foreman for the second year. A young worker approaches you asking him to be released from work for four days (without pay) in connection with his marriage. "Why four days?" You ask. "And when Ivanenko got married, you allowed him four days," the worker replies promptly and submits an application. You sign the application for three days, in accordance with the provisions in force in such cases.

However, the subordinate leaves for work in four days. How do you, as a manager, respond to this situation? Possible answer options:

1. I will report a breach of discipline to a senior manager, let him understand.
2. I will suggest to the subordinate to work the fourth day on the day off. I will say: "Ivanenko also worked".
3. Due to the exceptional nature of the situation (because people do not get married often), I will confine myself to public comment.
4. Take responsibility for his absenteeism. I'll just say, "You shouldn't do that anymore." Congratulations, wish you luck.

Analyze the production situation. What changes have occurred in the organization's internal environment as a result of this situation. Choose from the following, or provide your own answer. The answer should be justified in terms of the internal environment in the organization as a result of the situation.

Production situation number 2. You are the head of the production team. During a night shift, one of your intoxicated servants ruined expensive equipment. | Another, trying to repair it, was injured.

The culprit calls you home and asks anxiously how to proceed?

How will you answer his call? Possible answers are as follows:

1. "Follow the instructions. Read it, it's on my desk and do whatever it takes. "

2. "Report the incident to the watchman. Make an act of breakdown of equipment, the victim should go to the next nurse. Tomorrow I'll see. "

3 "Do nothing without me; now I will come and find out."

4. "In what condition is the victim? If necessary, call a doctor immediately. "

Analyze the production situation. What changes have occurred in the organization's internal environment as a result of this situation. Choose from the following, or provide your own answer. The answer should be justified in terms of the internal environment in the organization as a result of the situation.

### **III. Tasks for independent work of the student.**

1. Give an example of a production situation that arose under the influence of factors of the internal environment of the enterprise, to analyze the factors under which this situation arose.

2. Give an example of a production situation that has arisen under the influence of external factors of direct action, to analyze the factors under which this situation has arisen.

3. Give an example of a production situation that has arisen under the influence of external factors of indirect action, to analyze the factors under which this situation has arisen.

4. Investigate what requirements a manager's professional skills need to meet to work effectively in each situation.

5. Identify the role of management in shaping the characteristics of the internal environment of the organization. How should the logic of the relationship of these characteristics and the logic of their development be determined?

### **IV. Recommended topics for in-depth study and practice reports.**

1. Influence of vital values and traditions on the activity of the organization.

2. The impact of business ethics on the organization.

3. Investigate why organizations can become more successful if they become leaders of change.

4. Features of the concept of an informal organization, Chester Bernard.

5. The main scientific findings of Abraham Maslow in the field of motives for human actions, and the importance of these studies for practical management.

## References

1. Mostenska TL, Novak VA, Lutsky MG MG Minenko MA Management: a textbook. - K .: Constellation, 2007. - 690 p. (Sections 1, 2).
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## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 4**

#### **Topic 1.2. Management functions and methods**

##### **General and specific management functions. Management methods**

###### **I. Issues for discussion.**

1. Relationship between the basic general functions of management: planning, organization, motivation and control.
2. Specific management functions by type of activity.
3. Describe the effect of economic management methods of direct economic impact on the activities of enterprises.
4. Describe the effect of economic management methods of indirect economic impact on the activities of enterprises.
5. Identify the main purpose and scope of each of the economic management methods.
6. Who and how provides the economic methods of managing indirect economic impact.
7. Identify the main purpose and scope of commercial and economic settlement as management methods. Who uses these management practices to act on businesses?
8. Identify the main purpose and scope of the terms of credit, privileges, sanctions as economic regulators of enterprises. How exactly do credit conditions, privileges, sanctions affect businesses? Who and how provides these management methods?
9. Describe business planning as an instrument of economic management. Identify the main purpose and scope of each type of planning. Who uses planning as a management method that works for an organization?

###### **II. Situational tasks.**

**Situation 1.** Competition. In order to increase the efficiency of employees in trade and production, they are involved in the competition. Which of the following is true of the competition?

AND). Since it is believed that a person wants to take the upper hand over others, he should be involved in the competition.

B). Competitions often increase the efficiency of human activity in work. However, a person who has no prospect of winning the competition, gradually abandons them. Competitions held over time not only do not increase, but on the contrary, reduce the efficiency of employees.

IN). In the competition, only part of the workers exert their strength, put their soul into the work. Most do not change the usual rhythm for themselves. Therefore, the competition almost does not change the efficiency of employees.

Comment. People are more or less inherent in the spirit of struggle. Therefore, when competitions are organized, they make every effort not to be defeated. However, the greatest efforts are made only by those who inevitably want to achieve some results. If a person has no prospect of winning the competition, his efficiency is reduced. A person cannot, moreover, take a long time to be passionate about the competition. The efficiency of employees can be increased only in the process of short-term and outlined specific goals and objectives of the competition.

**Situation 2.** Petrenko IO started working at Prommech plant since 1997. He first worked as a master. Since 2002, for conscientious work, he was transferred to the post of head of the department of a mechanical shop. Initially, he showed himself to be an expert in his business, effectively managing the actions of his subordinates, but starting in 2006, he began to break the work schedule, indifferent to his duties. As a result, the site of the mechanical shop operated by Petrenko IO did not fulfill one of the orders at the end of 2006. For repeated violations of labor discipline and shortcomings in the work of IO Petrenko, he was transferred to the position of master for a term of seven months by the order of the plant director from March 19, 2007. IO Petrenko, referring to the typical rules of the internal order, asked in a statement addressed to the director of the plant to replace him with a transfer for a softer punishment or to reduce the term of transfer to 4 months.

On April 26, 2007, the director of the plant, at the request of IO Petrenko, refused.

Question:

Which of the management methods did the plant director apply to Petrenko IO? Justify your answer.

Did the plant manager violate the subordinate's rights?

Could the director of the plant apply to this particular case of violation of labor discipline Petrenko I.O. other management methods? How effective would they be?

What management practices do you think should dominate the practice of managers?

Situation 3. The Dutch-English Unilever Corporation controls in economically developed countries approximately 40% of margarine production and about 20% of detergents; manufactures food, detergents and cosmetics.

Unilever Ltd. is the head of two parent holding companies such as Unilever Ltd., a company incorporated in England, and Unilever NV, a company incorporated in the Netherlands, which jointly operate more than 500 subsidiaries in 70 countries.

Although the goals of the firm remain unchanged in principle and are aimed at achieving sustainable profits, the forms and methods of management focused on achieving these goals and solving specific economic problems change depending on changes in the immediate environment of Unilever. Unilever Corporation conducts a thorough and comprehensive account and assessment of the major factors affecting the manufacturing process and the consequences that the decisions made at the present stage can lead to.

The parent holding company is not itself engaged in manufacturing activities, but concentrates the controlling stakes in production companies that have legal and economic autonomy, but are subject to financial holding. It manages within TNCs mainly through methods of financial influence, setting for each subsidiary the main financial indicators: profit margins, production costs, size and methods of dividend transfer, methods of transfer of profit. Along with financial leverage, other means are used. The Unilever Group's operational management center is a special committee consisting of a director and chairman of the board of directors of both holding companies. This committee oversees and coordinates the activities of the Group in matters of investment, financing and appointment to senior administrative positions. The centralized management of the subsidiaries of the Unilever Group is primarily aimed at pursuing a unified strategy and policy within the Group as a whole and is carried out mainly by financial control methods.

Financial control is exercised through the observation of production costs and profit level of each subsidiary. But responsibility for profit also rests with management groups - commodity and regional, which exercise control over all companies in the group. The profits received by the subsidiaries are redistributed by the parent companies on the basis of an agreement concluded between them, which provides for the payment of equal dividends to the shareholders of these companies.

Question:

Determine what management methods are used by the Unilever concern.

Analyze the role of economic management practices in corporate activities.

Determine what legal management practices are in place in your Unilever international business.

### **III. Tasks for independent work of the student.**

1. Analyze the relationship of general management functions for a particular enterprise.
2. Analyze the relationship of general and specific management functions for a particular enterprise.
3. Define a list of general and specific management functions that characterize the functioning of the management system for a particular organization.
4. Describe the role of taxes and regulated prices as economic regulators of enterprise activity. How can each type of tax regulate the activity of the enterprise? How can regulated prices affect the business of an enterprise? Who and how provides these management methods?
5. Identify the main purpose and scope of business planning and program-management. Who uses these management practices to act on businesses?
6. Identify the significant difference between business planning and programmatic management as methods of direct economic impact.
7. Describe regulated prices as a nationwide economic regulator of enterprise activity. Give examples of how this regulator works.
8. Describe the role of local external economic regulators of enterprise activity.
9. Describe programmatic and targeted management as a method of direct economic impact. Give examples of using this method.

### **IV. Recommended topics for in-depth study and practice reports.**

1. To investigate the influence of social-psychological management methods on individual employees, groups, collective of the organization as a whole.

2. Describe modern planning models in enterprise management processes that are supported by computer information systems.
3. To characterize the process of planning the need for materials, which is implemented by the computer information system MRP (materials requirements planning).
4. Describe the MRP II (Manufactory Resource Planning) management model that caters to the information needs of middle and lower-level managers and enables the efficient management of the material and financial resources of the enterprise.
5. Describe the Enterprise Resource Planning (ERP) methodology, which is implemented by computer information systems and aims at supporting information management of the organization as a system.

### *References*

Main References: [2] (sections 10, 16), [4] (sections 7, 8), [6] (sections 2, 7), [7] (section 1), [9] (section 6).

Additional References: [15], [23], [27], [31], [35 - 40, 42].



## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 5**

#### **Topic 1.2. Management functions and methods Management methods.**

##### **I. Issues for discussion.**

- 1 Identify the main purpose and scope of each of the administrative management tools used in starting a new business. Who uses administrative management methods in setting up a new business?
2. Determine the main purpose and scope of socio-psychological management. Who and how in the organization provides the effect of socio-psychological management methods? Why should these management practices be used in an organization?
3. Determine the main purpose and scope of regulatory management methods. Who and how provides these management methods?
4. Identify the main purpose and scope of organizational management methods. Who and how provides these management methods?
5. To determine the difference in the use of organizational and managerial management methods.
6. Describe rationing as an organizational management method. Give examples of rationing in management processes.
7. Describe the basic tools of social and psychological management methods in modern management practice.
8. Determine the scope of administrative management methods.
9. Describe coaching as an organizational management method. Give examples of instruction.

##### **II. Situational tasks.**

Situation 1. “Fine”. On January 14, 1997, two wagons with spare parts for aircraft assemblies remained unloaded at the logistics department. A fine in the amount of UAH 164 has been accrued for the allowed extra ordinary idle commodity office of the railway station.

From the explanatory note of the head of the IS Kutovy composition it follows that according to the existing rules of internal labor regulations and schedules of exit to

work, the driver of the truck crane KMKiyashko was obliged to appear at the warehouse on January 14 at 8 am. But when he arrived at work on time, he was not allowed to work on the truck crane because he was intoxicated.

The head of the IS Kutova warehouse was unable to arrange the replacement of KM Kiyashko, as SP Ivanenko and PB Kondratenko refused to go to work on Sunday, citing employment in the family.

In the explanatory note, KM Kiyashko refused to compensate for material damage, stating that his condition on January 14, 1997 was allegedly normal and allowed him to work at the truck crane and that in such a condition he works very often, and not allowing him to work on January 14 - IS Kutov's "hookup".

Task

What is the decision of the administration of the enterprise and why?

Situation 2. Oleksandr Kovalenko is the director of a branch of the Ukrainian commercial bank Garant-Bank. The branch was formed on the basis of a local commercial bank purchased by Garant-Bank. One of Alexander's priorities is the creation of a personnel management system. Garant-Bank is known as one of the leaders in the field of application of new methods of human resources management - psychological testing, pay for knowledge, individual career planning of employees. Working for two weeks 12 hours a day, Alexander tried including to study the personnel management system adopted at the branch. As a result, it became clear that the recruitment of new employees was carried out solely through acquaintances, the branch had no idea of career planning, certification, preparation of the reserve managers. Vocational training was not planned, but organized as needed by unit managers.

Garant-Bank employees receive part-time salaries, and administrative staff receive salaries and monthly bonuses, which make up 40% of their salaries.

Objective:

Determine what was really the value of the current management practices used by the Garant Bank.

Analyze the problems of the Garant Bank personnel management system. How can they be resolved?

Describe the current management practices used by Ukrainian organizations.

### **III. Tasks for independent work of the student.**

- 1 Identify the main purpose and scope of each of the administrative management tools used in starting a new business. Who uses administrative management methods in setting up a new business?
2. Determine the main purpose and scope of socio-psychological management. Who and how in the organization provides the effect of socio-psychological management methods? Why should these management practices be used in an organization?
3. To determine the difference in the use of organizational and managerial management methods.
4. Describe rationing as an organizational management method. Give examples of rationing in management processes.
5. Describe the basic tools of socio-psychological management methods in modern management practice.
6. Determine the scope of administrative management methods.
7. Describe coaching as an organizational management method. Give examples of instruction.

#### **IV. Recommended topics for in-depth study and practice reports.**

1. To investigate the influence of social-psychological management methods on individual employees, groups, collective of the organization as a whole.
2. Describe modern planning models in enterprise management processes that are supported by computer information systems.
3. To characterize the process of planning the need for materials, which is implemented by the computer information system MRP (materials requirements planning).
4. Describe the MRP II (Manufactory Resource Planning) management model that caters to the information needs of middle and lower level managers and enables the efficient management of the material and financial resources of the enterprise.
5. Describe the Enterprise Resource Planning (ERP) methodology, which is implemented by computer information systems and aims at supporting information management of the organization as a system.

#### **References**

Main References: [2] (sections 10, 16), [4] (sections 7, 8), [6] (sections 2, 7), [7] (section 1), [9] (section 6).

Additional References: [15], [23], [27], [31], [35 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 6**

#### **Topic 1.3. Management Decisions**

##### **Part 1**

###### **I. Issues for discussion.**

1. Describe the decision in terms of formal logic.
2. Describe the decision from the perspective of the decision maker.
3. Describe the features of management decision.
4. Establish connection of organizational problems with management decisions.
5. To reveal the essence of different interpretations of the concept of "decision".
6. Describe and provide examples of programmed management decisions.
7. Describe and provide examples of unprogrammed management decisions.
8. Describe reactive and preventive management decisions.
9. Describe the features of an intuitive solution.
10. Describe the features of judgment based judgment (past experience).
11. Give a general description of the rational decision (scientific approach).
12. Specify the steps of the cycle of a rational approach to the preparation, adoption and implementation of management decisions.
13. Specify steps in the cycle of a rational approach to the preparation and decision-making of management.
14. Specify the steps of the cycle of a rational approach, which prepares for the management decision.
15. Specify the steps of the cycle of rational approach at which the management decision is made.
16. Specify the steps of the cycle of the rational approach at which the management decision is implemented.

17. Describe each step of the cycle of a rational approach to the preparation, adoption and implementation of management decisions.

18. Additional questions:

- investigate in which case feedback may lead to stage 1;
- investigate in which case feedback can lead to step 8;
- investigate in which case feedback can lead to step 6;
- investigate in which case feedback can lead to step 9;
- investigate in which case feedback can lead to stage 3;
- investigate in which case feedback can lead to step 5;
- investigate in which case feedback can lead to step 7;
- investigate in which case feedback can lead to stage 2;
- investigate in which case feedback can lead to step 4.

## **II. Situational tasks.**

Situation 1. It is planned to bring new machines to the company where you perform management functions. You have gathered people responsible for the manufacturing sector and discuss with them the questions about which machines to buy - those offered by Company K or those offered by Company C. Two opposing ideas emerged during the discussion: some believe it is better to buy K machines, while others insist that you need to buy C machines. Since both have a different reasoning, it is not easy to make a decision. You know that you have the right to make the final decision. Which of the following positions do you take as a leader?

A. As practical work on the use of machine tools is in fact performed by subordinate ordinary workers, it is necessary to continue discussing the issue with them and to deal with it before a final decision is reached in their environment.

B. It is necessary to listen carefully to the views of both parties and then make the final decision and then explain to everyone what the reasons for such a decision are made. If necessary, persuade those who disagree with the decision.

B. Understand in detail the advantages and disadvantages of both opinions, then report it to the senior management and ask them to decide on this issue.

Situation 2. There are many issues within the supervisor's job responsibilities, in particular, the implementation of guidance from higher authorities. The manager must

decide how to achieve the successful implementation of these guidelines, how to mobilize subordinates, how to interact with related organizations, etc. However, there are instances where there is no clear guidance from the higher authorities, no specific goals are defined.

How should the manager act in such cases? Which of the following options do you consider most appropriate as a leader?

A. You need to come up with a sentence in a higher instance and ask for the necessary instructions.

B. Analyze the situation, determine what should be done on your own initiative for the benefit of your organization, and take action to mobilize staff to meet these challenges.

B. The lack of clear guidance and the setting of specific goals by the higher authority can be explained by the fact that in these areas it is considered inappropriate and timely to make hasty decisions. Therefore, you need to take action only after receiving the instructions from above.

Situation 3. The network of travel agencies “Trio Tour” specializes in children and family tourism. Its director Velichko PL has 10 years of experience in tourism.

Due to the managerial abilities of the director, Trio Tour, from a small company with only 4 employees, in 2007 became a network of travel agencies with a total staff of 100 employees (branch office in Kyiv).

The company offers clients a variety of holidays: Crimea, the Azov coast, Truskavets (Ukraine), Turkey, Croatia, Bulgaria, Italy, Egypt.

For four years of functioning on the Ukrainian market, the agencies have regular clients. They were satisfied with the level of service of the company, convenience of delivery of tickets, quality of tours. However, some clients were interested in the offers of newly created competing firms. The fact was that new travel agencies offered significant discounts, in particular, a cumulative discount system was used, although the level of service left much to be desired. But people focused on the cost of tours.

Trio Tour's discounts were much lower than their competitors, but the agency's reputation was impeccable. Director Velichko PL gathered headquarters staff to discuss the situation. The subordinates, fully relying on the experience of their manager in this field, expressed their thoughts. None of the Trio Tour employees wanted to lose the firm's clients. Moreover, the situation allowed to vary the cost of tours.

As a result, it was decided to develop its own discount system for regular customers and other marketing programs.

Objective:

What approaches do management decisions require?

Was the decision of the director of the network of travel agencies "Trio Tour" rational or intuitive? Justify the answer.

Describe the managerial decision of the director by other classification features: by scope, by the level of acceptance, by the nature of the tasks to be solved, by the method of adoption, by the term of the consequences, by the regulation.

### **III. Tasks for independent work of the student.**

1. Describe different interpretations of the concept of "decision" in management processes.
2. Identify the significant difference between different approaches to decision making.
3. To investigate subjectively - objective orientation of management decisions.
- 4 Investigate in which case the feedback cycles in the cycle of a rational approach to the preparation and management decision-making will not occur.
5. Build a decision tree in an organization with a divisional product organizational structure with two divisions.
6. Investigate at what stages of a rational approach to the preparation and decision-making of management decisions should be addressed in order to solve the problem;

### **IV. Recommended topics for in-depth study and practice reports.**

1. Classification of management decisions on different grounds.
2. Investigate decision-making levels in the organization.
3. Investigate the features of decision making at different levels of government in a centralized organization.
4. Investigate the features of decision making at different levels of government in a decentralized organization.
5. The concept of compromise, its importance for the professional work of the manager.

### **References**



Main References: [2] (section 8), [3] (section 5), [6] (section 3), [7] (section 2), [9] (section 5).

Additional References on DL: [15], [17], [24], [27], [31], [33 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 7**

#### **Topic 1.3. Management Decisions**

##### **Part 2**

#### **I. Issues for discussion.**

1. Describe the factors that influence the management decision making:

- the factor of information constraints, when the benefits of receiving additional information far outweigh the costs of obtaining it;
- behavioral restriction factor;
- a factor of interdependence of managerial decisions.
- information constraint factor when the benefit of each additional piece of information equals the cost of obtaining it.
- the factor of personal evaluations of the manager.
- the factor of possible negative consequences from realization of decisions.
- risk conditions as a factor in the decision-making environment.
- a factor of information constraints, when the costs of obtaining additional information are offset by the benefits of receiving additional information up to a certain limit
- conditions of uncertainty as a factor in the decision-making environment.
- a factor in time and change in the decision-making environment.
- a behavioral constraint factor.

2. How is the quality of management decisions in management determined?

3. Why is it important to reach a quality management decision?

4. Describe the requirements for the quality of management decisions:

- how the consistency of management decisions affects their quality;

- how the economic feasibility of management decisions affects their quality
- how the specificity of management decisions affects their quality.
- how the validity of management decisions affects their quality.
- how timely management decisions affect their quality.
- how compliance with the goals of the business organization management decisions affect their quality.
- how loyalty to the design of management decisions affects their quality.
- how the legitimacy of management decisions affect their quality.
- how the social appropriateness of management decisions affects their quality.
- how the effectiveness of management decisions affects their quality.
- how the simplicity of management decisions affects their quality.

## II. Situational tasks.

**Situation 1.** You are the manager of Ariana Textile Factory. The factory produces various types of fabric: cotton (linen, embroidery, satin), silk, wool, knitted. The factory also produces linen, men's and women's clothes from its fabrics.

It is planned to buy new fabric processing equipment in the near future. The necessary equipment is offered by two companies - Kors and Saturn. The equipment of both companies meets all standards and requirements of automated production at Ariani.

When discussing two possible proposals with the employees responsible, it emerged that there were two opposing opinions: some of the staff preferred the equipment of Kors, the rest - equipment of Saturn. You have the right to make the final decision.

Objective:

Define your position as a leader in choosing a firm. Justify your choice.

Determine what factors influenced your decision. Analyze their impact on your final decision.

**Situation 2.** Recently, Zavodbud Company decided to start construction of a highly automated semiconductor production plant in Ukraine. The Lightning radio plant had to carry out a continuous process of producing powerful transistors.

If the plant starts to work according to the project, production costs will be reduced several times, the duration of production of one product will be reduced by half, the output of suitable products will increase, the productivity per worker will double the average for the industry. The positive potential of the solution is a huge gain from competitiveness.

However, the construction of the plant is fraught with great financial risk. In order for the plant to start operations next year, Zavodbud increased its debt-to-equity ratio to 67%, reduced wage costs by 15% and continued operations to attract additional domestic loans.

For a company that has halved its revenues and exceeds its net capital, building a plant is a huge risk, even with favorable market conditions. The decision taken by the company in an industry in a state of deep decline, some experts consider ill-advised.

Question:

What are the alternatives to the above solution?

Has Zavodbud made a decision in the face of risk or uncertainty? How do these factors influence decision making?

Consider the possible impact of a changing time and environment factor on the management decision you make.

**Situation 3.** The management of the company "East" has decided to begin construction of the most automated plant in the country for the production of semiconductors. The public immediately called this act a decision to be or not to be. The plant was designed for a single continuous process of producing powerful transistors. If the plant starts operating according to the project, production costs will be halved, the duration of production of one product will be reduced several times, the output of suitable products will increase, the productivity per worker will double the average for the industry. The positive potential of the solution is a huge gain from competitiveness.

However, the construction of the plant is fraught with great financial risk. In order for the plant to start operations next year, the \$ 145 million equity company raised its debt-to-equity ratio to 63%, reduced wage costs by 10%, and continued operations to raise additional loans. For a company that has reduced its earnings by half and amounts in excess of its net capital, it is a huge risk, even in good times. A company decision in an industry in deep recession can even be called gambling.

Reasonably or unreasonably did the firm "East"?

**Situation 4.** The company that has the best potential in the steel industry has also made a similar controversial decision. For many years it has tried to restore competitiveness by investing in additional production and solving internal problems. In mid-2005, the company had to decide whether to allow the union of workers in the steel industry to strike or to accept their demands for higher wages, which would lead to higher costs. After trying to explain to the union "the facts, figures and realities of competition" failed, the company began to build up reserves of steel. When the union decided to strike, management staff became the control units for the new units. The strike continued until January 2006, with losses of \$ 200 million. month.

Reasonably or unreasonably did the enterprise?

**Situation 5.** The joint venture ventured into the \$ 2 billion venture into investing in fiber optic cable to entice consumers away from competitors. Fiber optic technology is forward looking. It relies on the use of lasers to transmit speech signals and data on glass microfibers. A pair of such fibers is capable of simultaneously transmitting 800 conversations, and the transmitted information is virtually undistorted.

By the end of 2006, the company had 15,000 miles of fiber optic cable in the ground and planned to run more than 8,000 miles. Concerns have raised the capacity of the network, which is more than redundant. Although the need for long-distance telephone calls increases by 8% per year from far-off points, throughput has quadrupled since 2004.

Question on Situational Exercises

Do you think the decision was made by the East in terms of risk or uncertainty? And the decision of the enterprises from the following two situations?

What were the alternatives for each of the solutions described?

Consider the possible impact of the changing time and environment factor on all three solutions.

### **III. Tasks for independent work of the student.**

1. Investigate the factors influencing the management decisions of a psychological nature.

2. Investigate the sequence of evaluation of alternatives in the decision-making process.
3. To determine quantitative and qualitative factors (technical, technological, socio-economic and organizational nature) of the effectiveness of management decisions.
4. Determine how the economic feasibility of management decisions affect their quality.
5. Determine how the management decisions of project managers and heads of functional departments in the matrix organizational structure should be consistent with each other.

#### **IV. Recommended topics for in-depth study and practice reports.**

1. Model of intuitive decision-making technology.
2. Contents of the main phases of decision-making and implementation of management decisions.
3. Investigate the impact of problem type on decision-making style choices.
4. Develop a scheme for making a rational management decision on the need to increase output for a particular enterprise.
5. Develop a scheme for making a rational management decision on the need to release a new type of product for a particular company.

#### **References**

Main References: [2] (section 8), [3] (section 5), [6] (section 3), [7] (section 2), [9] (section 5).

Additional References on DL: [15], [17], [24], [27], [31], [33 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 8**

#### **Topic 1.4. Methods for justifying management decisions**

##### **Part 1.**

#### **I. Issues for discussion.**

1. Identify why there is a need for modeling in management:
2. What is the complexity of the real environment of the organization?
3. What opportunities for experimentation can the model in management provide?
4. Determine what is necessary for future management orientation, successful forecasting.
5. Describe the types of models:
  - physical;
  - analog;
  - mathematical.
6. Identify the steps of the model building process.
7. Describe the stage "Problem statement" in the process of model building.
8. Describe the stage "Modeling" in the process of model building.
9. Describe the stage "Model verification for reliability" in the process of model building.
10. Describe the stage "Model application".
11. Describe the stage "Model restoration or its elimination".
12. Identify common modeling problems.
13. Briefly describe each of the models:
  - Game theory.
  - Queuing theory model (optimal service model).

- Inventory management models.
- Linear programming model.
- Simulation modeling.
- Models of economic analysis (break-even point analysis - for specialty "FEA Management").

## **II. Situational tasks.**

Task 1. To operate the strategic planning model, determine:

- the purpose of the model;
- information to be provided at the model input;
- information provided to the manager at the output of the working model;
- when the current model needs to be restored;
- when the current model needs to be eliminated.

Task 2. To build a model of a linear organizational structure, determine:

- the purpose of building the model;
- information at the model input;
- information provided to the manager at the output of the working model;
- when the current model needs to be restored;
- when the current model needs to be replaced by another.

Task 3. To operate the motivation model through need, define:

- the purpose of the model;
- information to be provided at the model input;
- information provided to the manager at the output of the working model;



- when the existing model needs to be restored.

-

Task 4. For the Porter-Lawler motivation model to function, determine:

- the purpose of the model;
- information to be provided at the model input;
- information provided to the manager at the output of the working model;
- when the existing model needs to be restored.

### **III. Tasks for independent work of the student.**

1. For the management model "functional organizational structure" to determine the purpose of building the model; information to be provided at the model input; the information that the model must provide to executives, that is, the output of the working model.

2. For the model of management "divisional-product organizational structure" to determine the purpose of model construction; information to be provided at the model input; the information that the model must provide to executives, that is, the output of the working model.

3. To define the matrix organizational structure management model to determine the purpose of model construction; information to be provided at the model input; the information that the model must provide to executives, that is, the output of the working model.

4. For the model of the internal environment of the organization to determine the purpose of model construction; information to be provided at the model input; the information that the model must provide to executives, that is, the output of the working model.

5. To define the purpose of constructing the model for the management model "organization of the process of management control"; information to be provided at the model input; the information that the model must provide to executives, that is, the output of the working model.

### **IV. Recommended topics for in-depth study and practice reports.**

1. The model of the payment matrix in the justification of management decisions.
2. Models of justification of effectiveness of managerial decisions.
3. Administrative model of decision making.
4. Vruma-Jago model of employee involvement in decision making.
5. Advantages and disadvantages of employee involvement in decision making.

### **References**

Main References: [2] (section 8), [3] (section 5), [6] (section 3),

Additional References: [15], [17], [24], [27], [31], [33 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 9**

#### **Topic 1.4. Methods for justifying management decisions**

##### **Part 2.**

##### **I. Issues for discussion.**

1. What does the validity of the management decision mean?
2. What does the effectiveness of management decision mean?
3. Identify the main problem of collective decisions.
4. What is a coalition solution?
5. Identify the benefits of collective decisions (7 advantages).
6. Describe the method of summing ranks.
7. Identify the main areas of expertise.
8. Describe the features of brainstorming.
9. Determine directions of use of a brain attack in management.
10. Identify the benefits of using peer review methods.
11. Identify common mistakes in the use of peer reviews.
12. Determine the benefits of using methods to justify management decisions.
13. Who can be an expert in solving management problems?
14. Describe the simple majority vote method.
15. Describe the method of commissions.
16. To characterize the examination by the method of court.
17. Describe the Delphi method.
18. Describe the scenario method.
19. Describe the inversion method.

20. Describe the method of morphological analysis.
21. Describe the method of analogies.
22. Describe the method of fantasy.

## **II. Situational tasks.**

Situation Peter Ivanovich - Technical Director of one of the mobile communication companies. The problem he unexpectedly encountered was complex and personal. His subordinate, Mikhail Romanovich, worked at the company for fifteen years, worked reliably and never made serious mistakes in his work. But lately, failures have begun. For example, despite the company's harsh stance on absenteeism, Mikhail Romanovich walked almost every Monday. He smelled of alcohol once or twice, and the manager suspected that this was the problem. Several colleagues have confirmed that Mikhail Romanovich drinks, but Peter Ivanovich himself never exposed Mikhail Romanovich in an excessive passion for alcohol.

The supervisor spoke twice with his subordinate about his absenteeism and unsatisfactory work. Trying to understand the essence of the problem, during his first conversation, he asked Mikhail Romanovich his family relations and working conditions. Mikhail Romanovich simply said that he was fine. After the second conversation, Petro Ivanovich wrote an official note in which he expressed his fears and placed it in a personal affair of Mikhail Romanovich. For a couple of weeks he worked better, but soon returned to his previous state.

If Mikhail Romanovich really had a problem with alcohol, the manager needs to make some decision about that employee. The first option is to release him because the alcoholic's behavior is unpredictable. The second option is to express his suspicions directly and to say that all the company's employees are aware of his troubles. The third option is to send Mikhail Romanovich to a private doctor. The fourth option is to make one last warning - another truancy or error - and he is fired.

The situation is compounded by the fact that Peter Ivanovich treated Mikhail Romanovich as a friend as well as an older man. On the other hand, Peter Ivanovich understood that his decision should take into account, first of all, the interests of the company.

But the company's management did not have a clear policy on alcohol, so making the decision was even harder. Petro Ivanovich is thinking about discussing the problem with senior managers and getting their direct instructions. And he is thinking about the need for more information on the problem. Something needs to be done, but what?

Objectives:

1. Does the decision that Petro Ivanov met with be programmed?
2. How should Petro Ivanovich act? Should I try to get more information or choose one of the available solutions?
3. How would you do in a similar situation? Why?

### **III. Tasks for independent work of the student.**

1. Describe the linear programming model that is used to justify management decisions.
2. Describe the inventory management model that is used to justify management decisions.
3. Explain how risk and uncertainty differ in decision-making.
4. Determine the limits of using the Delphi method.
5. Define the limits of using the rank summation method.

### **IV. Recommended topics for in-depth study and practice reports.**

1. Explore how decision making can be more creative.
2. Investigate the reasons for using the concept of acceptability and limited rationality in justifying management decisions.
3. Investigate how to choose the most appropriate decision-making style using Vruma Jago's model.
4. A general description of the use of cost-effectiveness in systematic analysis to evaluate the cost and effectiveness of individual alternative actions and to select the most prevalent alternatives.
5. General characteristics of the use of the cost-effectiveness method in the field of non-production activities.
6. General characteristics of functional cost analysis in the substantiation of management decisions.

## References

Main References: [2] (section 8), [3] (section 5), [6] (section 3),

Additional References: [15], [17], [24], [27], [31], [33 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 10**

#### **Topic 1.4. Methods for substantiating managerial decisions**

##### **Part 3.**

##### **I. Issues for discussion.**

1. Identify the benefits of using peer review methods.
2. Determine the benefits of using methods to justify management decisions.
3. Describe the simple majority vote method.
4. Describe the method of commissions.
5. To characterize the examination by the method of court.
6. Describe the Delphi method.
7. Describe the scenario method.
8. Describe the inversion method.
9. Describe the method of morphological analysis.
10. Describe the method of analogies.
11. Describe the method of fantasy.

##### **II. Situational tasks.**

Situation 1. Company X can start production of one of four new, environmentally friendly, types of food - P1, P2, P3, P4 for resale abroad.

- 1) P1 products can be sold in Russia.
- 2) P2 products can be sold to EU countries.
- 3) P3 products may be in demand in Central Asia.
- 4) P4 products may be in demand in China.

The Delphi method is used to solve the situation. The number of experts is 5.

In each round, the experts used the rankings, with rank 1 corresponding to the most important variant and rank 4 to the least important variant.

The results of the examination are provided in Table 1.

Table 1.

Results of the 1st round

Experts	Alternatives /			
	Q1	Q2	Q3	Q4
1	3	2	1	4
2	4	1	3	2
3	3	4	1	3
4	1	3	4	2
5	1	2	3	4

Results 2- of the 1st round

Experts of	Alternative			
	P1	P2	P3	P4
1	4	2	1	3
2	4	1	3	2



3	2	4	1	3
4	2	3	4	1
5	1	2	4	3

Results of the 3rd round

Experts of	Alternative			
	P1	P2 P2	P3	P4
1	4	1	3	2
2	4	1	3	2
3	2	4	1	3
4	2	3	4	1
5	1	2	4	3

Results of Round 4

Experts	Alternatives			
	Q1	Q2	Q3	Q4

1	4	1	3	2
2	4	1	3	2
3	2	4	1	3
4	2	3	4	1
5	1	2	3	4

Task.

1. To obtain the results of the examination, use the rank summing method on each round.
2. Make a decision to complete or continue the examination.
2. If the examination can be considered complete, make a final decision using the Delphi method.

Situation 2 (solved without first discussing the problem, using the rank summation method). Company X can start production of one of three new, environmentally friendly, types of food - P1, P2, P3 for the purpose of resale abroad.

1. The products of P1 can be sold in Russia.

Advantages: Low production costs, low cost of production P1

Disadvantages: The projected demand for these products will last 3-5 years.

2. The P2 products can be sold to EU countries.

Advantages: Earn currency.

Disadvantages: Estimated demand for these products will last 2 - 3 years.

3. The products of P3 can be sold to Central Asian countries, including Turkmenistan.

Advantages: Barter business conditions.

Disadvantages: Estimated demand for these products will last 3 - 5 years.

Make a decision to produce one of three products.

Deciding on rank summation method is as follows:

- each student ranks alternatives on a separate sheet, with rank 1 corresponding to the most important variant and rank 4 corresponding to the least important variant;
- the ranking results of all students present are summed up;
- the final decision corresponds to the lowest amount of ranks.

The following table 2 is used to summarize the ranks:

Table 2

Students	Alternatives		
	P1	P2	P3
1			
2			
3			
....			
20			

Sum of ranks			
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Situation 3 (resolved without first discussing the problem, using court-expertise)

appointed 3 groups of students are identified:

1 group - advocates of alternative solutions to the problem (lawyers).

Group 2 - opponents of alternative solutions to the problem (accusers).

Group 3 - make the final decision (judges).

Task 1. The modern historical period is a period of complex political, social and economic processes in society. The changes taking place require the management of organizations to take into account environmental factors, in particular in the fields of engineering and economics, and to take into account the social and political state of society.

In a period of historical change, it is important that senior management of organizations take these changes into account in the course of management activities in order to constantly adapt the organization to new, constantly evolving conditions.

Which of the following measures is appropriate to implement the management of the organization in order to optimally respond to unexpected unexpected changes in the situation:

A. First, it is necessary to assess the nature of the changes, then to bring into line with these changes the purpose and activities of the organization itself, as well as methods of its management.

B. In the event of change, hasty, accidental decisions are always made, effort and money are wasted, and for this reason the organization functions unevenly. Therefore, it is necessary to urgently identify all negative situations, eliminate them and try to maintain the necessary stability in the organization.

B. Changes in the external environment are reflected in the professional capabilities of employees of the organization. Therefore, every effort must be made to ensure that employees of the organization can adapt to any changes.

Task 2. The foreign subsidiary A of Company H is geographically distant from the parent company. The N Company decentralized its activities by giving the subsidiaries' executives broad authority in managing production and commercial activities.

The number of duties of the head of the subsidiary "A" contains many questions, including the execution of the instructions of higher authorities. In the case of such instructions, the head of subsidiary "A" must decide how to achieve the successful implementation of these instructions, how to mobilize their subordinates, how to interact with related companies, etc.

There are instances where the higher-instance authorities do not give the head of the subsidiary "A" clear instructions, no specific tasks are defined within the goals agreed with the parent company. How should the head of subsidiary A act in this case? Which of the following options should be preferred:

A. You must come up with a proposal to a higher management company of the parent company and ask for the necessary guidance.

B. Analyze the circumstances, determine what needs to be done on your own initiative for the benefit of the entire company and proceed with the mobilization of the staff of subsidiary A to accomplish the intended tasks.

B. The lack of clear instructions and specific tasks for the parent company can be explained by the fact that they consider it inappropriate and inexpedient to make hasty decisions and set specific tasks for their subsidiaries, so the management of the A subsidiary can take practical action only after when prompted from above.

### **III. Tasks for independent work of the student.**

1. Describe the linear programming model that is used to justify management decisions.
2. Describe the inventory management model that is used to justify management decisions.
3. Explain how risk and uncertainty differ in decision-making.
4. Determine the limits of using the Delphi method.
5. Define the limits of using the rank summation method.

### **IV. Recommended topics for in-depth study and practice reports.**

1. Explore how decision making can be more creative.

2. Investigate the reasons for using the concept of acceptability and limited rationality in justifying management decisions.
3. Investigate how to choose the most appropriate decision-making style using Vruma Jago's model.
4. A general description of the use of cost-effectiveness in systematic analysis to evaluate the cost and effectiveness of individual alternative actions and to select the most prevalent alternatives.
5. General characteristics of the use of the cost-effectiveness method in the field of non-production activities.
6. General characteristics of functional cost analysis in the substantiation of management decisions.

### **References**

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Additional References: [15], [17], [24], [27], [31], [33 - 40, 42].

## **Module № 1 “Theoretical Foundations of Management”**

### **Practical Lesson № 11**

#### **Modular control work № 1.**

The main questions addressed in the module control work:

1. To reveal the essence of management, the concept of effective and efficient organization organization.
2. Describe the main results of the School of Scientific Management.
3. To reveal the essence of the concept of a bureaucratic organization.
4. Describe the main results of the classical (administrative) school of management.
5. Describe the main results of humanistic management.
6. Describe the main outcomes of the School of Human Relations.
7. Describe the main results of the concept of human resources.
8. Describe the main results of the School of Behavioral Sciences.
9. Analyze the stages of evolution of managerial thought.
10. Describe the main scientific approaches in management.
11. To reveal the essence of the basic concepts of management theory: control system, control system, control system.

12. Describe the laws of management.
- thirteen. Describe the principles of management of A. Fayol.
14. Analyze the model of the internal environment of the organization as an object of management.
15. Describe the external environment of the organization.
16. To reveal the essence of systemic and situational approaches in management.
17. Describe economic methods of direct economic impact management.
18. Describe economic methods of managing indirect economic impact.
19. Describe organizational management practices.
20. Describe regulatory management methods.
21. Describe socio-psychological management methods.
22. Describe the need for modeling to justify management decisions.
23. Describe the rationale for management decisions by the method of commissions.
24. Describe the rationale for managerial decisions by the method of the court.
25. Describe the rationale for management decisions using the scripting method.
26. Describe the rationale for management decisions by the Delphi method.
27. Describe informal decision making methods.
28. Describe mathematical models used in management.
29. Describe the features of physical models, analog models, mathematical models.
30. Describe methods of informal decision making.

#### References

1. Mostenska TL, Novak VA, Lutsky MG MG Minenko MA Management: a textbook. - K. : Constellation, 2007. - 690 p. (Sections 1, 2, 3).



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