

Five Functions of Management: Management Decision-making and Strategy (Local level)

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SUBJECT(S): Management

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, the teacher will address the Management Decision-making and Strategy function of the “Five Functions of Management” as it occurs in the business context at the local level. Students will read “Smooth as Silk: Product Diversification Gives Afghan Women a Competitive Edge.” Students will create an action plan for staffing needs post-merger. Management Decision-making and Strategy is the second function of the “Five Functions of Management”

≡ NBEA STANDARD(S):

- Management, I. Management Functions

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“Checkmate: Chess and the Game of Business”](#)

The Five Functions of Management

- **Planning** — Managers are responsible for setting the course of actions that will best fulfill the company’s goals. Planning involves knowing what to do, when to do it and how

to do it. Managers are responsible for consulting with different departments of the company in order to set the appropriate path for allocating capital in the right directions.

- **Management Decision-making & Strategy** — Managers must identify the activities to be completed, assign duties, create and authorize responsibility and coordinate the different levels of operations.
- **Staffing** — Keeping individuals in the proper departments and matching talent to employee are also among the functions of management. Staffing includes recruitment, performance appraisal, promotions and transferring employees to the proper departments.
- **Directing** — Managers must supervise, motivate, lead and maintain communications with their employees.
- **Controlling** — Managers must control their departmental employees and operations to ensure that organizational goals are achieved.

Objectives/Purposes: The purpose of this lesson is for students to comprehend elements of management decision-making and strategy for a business, as a function of business management, at the local level. Students will be able to make connections at scale, understanding the organizational dynamics of a business operation.

Knowledge@Wharton Article:

- [“Smooth as Silk: Product Diversification Gives Afghan Women a Competitive Edge”](#)

Other Resources/Materials:

For Teachers:

1. Internet Access-if the teacher has Internet and can project the screen to the class, this is fine.
2. Timer

Activity:

Introduction (5 mins): Class discussion opener

In the introductory facilitation, the teacher should explain to students that establishing a small business enterprise at the local level (i.e., in a local community, neighborhood, “mom and pop” store, etc.) and maintaining/sustaining that business comes with a particular set of challenges and considerations for the business manager/leader. Because local level businesses are small (i.e., small funding base, small marketing base, small client base, etc.), they may face competition from larger businesses that have access to more funding and perhaps a greater number and diversity of products.

Have students get into groups to brainstorm strategies that may be employed by successful small, local businesses and how they might plan to implement such strategies. Responses include:

- Using their smaller size to their advantage (more flexible)
- Smaller businesses are less likely than larger enterprises to lay off their employees
- Able to offer their employees more opportunity for development/capacity building along multiple lines of opportunity
- Grounded in the community, loyal (local) customer base
- More communal “feel” to the customer service (fosters more customer loyalty)

Because students will be analyzing local business dynamics in the context of the Management Decision-making and Strategy function of business management, discuss with students that managers must identify the activities to be completed, assign duties, create and authorize responsibility and coordinate the different levels of operations.

Note: Teacher may call on various students to articulate various examples of operations across business contexts, and may write student responses on the board to keep a running list that may be referred to from time to time as student understanding of the topic evolves.

Guided Reading (10 mins):

Now, have students read the Knowledge@Wharton article: [“Smooth as Silk: Product Diversification Gives Afghan Women a Competitive Edge”](#)

Class Discussion (5 mins):

1. What are some advantages Jawad has in running the day-to-day operations of her business?
2. What skills did Jawad develop to improve the strategy of her business?

3. Using Jawad's example, what are some of the ways that small businesses can negotiate and compete with larger organizations?
4. What are some of the obstacles small businesses must overcome when pursuing strategies for more effective business practices? (i.e., using limited human resources to complete multiple tasks)
5. The article explains how small businesses should work together instead of competing with each other. What are some ways small businesses could use organizational strategies to help each other increase business? (i.e., refer customers to each other)

Exploration Activity (5 mins): Local Business Domain

Management Decision-making and Strategy Practice: Often small businesses have to complete tasks with limited resources. In the follow activity, students will practice organizing with limited resources.

Have students organize themselves in a line from youngest to oldest. The students may not talk while they complete this task. As they organize themselves, time them to see how long it takes to complete the assignment. When the students have completed the task, have them state their birthday to ensure that they are in the right order and make adjustments if necessary.

Once students have completed this, ask debriefing questions related to the function of management decision-making and strategy.

1. How did roles emerge?
2. How did duties get assigned?
3. How did students coordinate with each other?

Possible extension:

Have students repeat the exercise a second time. This time students may talk as they organize themselves in alphabetical order according to their last name. Time this activity while students organize themselves.

Once students have completed this, ask debriefing questions related to the function of management decision-making and strategy.

1. Did the activity get easier? How? Why?

2. How did you get organized?
3. How was the approach similar and/or different to the first approach?

Group Reports/Discussion (10 mins):

1. Based on the activity, what have you learned about management decision-making and strategy? (Put these answers on the board)
2. How can you apply these lessons to running a small business? Can these lessons be applied to Jawad in the article? How?

Closing (5 mins):

Use this time to answer questions and clarify points of confusion.

Tying It All Together: Management Decision-making and Strategy is the second function of the “Five Functions of Management.” The other four functions are: Planning, Staffing, Directing and Controlling. In terms of an overall strategic view, now that students understand the staffing function, the teacher may wish to contextualize this function vis-à-vis the other four remaining functions.

This lesson plan can stand alone or the teacher may wish to visit other Wharton Global Youth Program lesson plans that highlight the other “Functions of Management.” Bear in mind that each function represents a unique element of business management and when the five are taken together, they collectively articulate the role of the business manager as leader/steward of the organization.

The “Five Functions of Management” are subsumed within the greater umbrella of Business Management, including but not limited to:

- Theories of Management
- Business Organization
- Personal Management Skills
- Business Ethics and Social Responsibility
- Human Resource Management
- Technology and Information Management
- Financial Decision Making
- Operations Management

Practice Outside of the Classroom: Students can be called to think about school as a business. What policies/rules are in place to strategically improve student learning?

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