

## PRINCIPLES OF BUSINESS ADMINISTRATION, GUIA DOCENTE

### Introduction

Principles of Business Administration is a subject taught during the second half of the first year in the undergraduate programs in Business Administration, Economics, and double degree with Law studies. The overall objective of this subject is to provide students the basic concepts concerned with the firm, as well as to identify its functional areas and major decisions. Once completed this course, the student should have acquired knowledge about how a company is directed and managed. For this purpose, it is intended to make an introductory review of the management functions while highlighting important issues such as the nature of the firm, its environment, and associated tools for decision-making.

### Professor

- Professor: Szabolcs Sebrek (Sabi; [ssebrek@unav.es](mailto:ssebrek@unav.es)) Office: 2210; office hours: Tuesday 10:00-11:00; Friday 10:00-11:00
- Semester: Second
- Hours, Classroom: To be determined •Credits (ECTS): 6
- Undergraduate degree (s): Degree in Business Administration and Degree in Economics
- Module: Organization and Business Management
- Department: Business
- School: School of Economics and Business Administration
- Type of course (basic, compulsory, optional): Basic
- Course language: English

### Course Objectives

Specific skills and abilities:

1. To obtain theoretical and practical knowledge about the firm by focusing on business administration and decision-making, an introduction to market analysis, and a practical approach of fundamentals concerned with strategic planning, organization, and control activities.
2. Ability to analyze the organizational structure of the firm, and some of its coordination-conflict issues related to departments/subsystems.
3. To understand firm's problems from strategic management's point of view.
4. Ability to analyze and develop case studies about companies.
5. To know current economic, social, and technological trends in the design of objectives and strategies of the firm.

General skills and abilities:

1. Development of logical reasoning.
2. Ability to work in teams.
3. Activity planning and time management.
4. Capacity to develop autonomous learning.
5. To develop sensitivity about firm's ethical, social, and environmental issues.

Course contents (web page includes only topic titles)

## PART I. BUSINESS ADMINISTRATION CONTEXT

Chapter 1:

### THE DYNAMICS OF BUSINESS AND ECONOMICS

Why to study business?

The People and Activities of Business

Overview of the Business World

What is an Economic System?

- 3 types of resources

Types of Economic Systems (communism, socialism, capitalism)

The Forces of Supply and Demand

The nature of competition

The Role of Ethics and Social Responsibility in Business

- Organizational relationships with owners and stockholders
- Employee relations
- Consumer relations: the 4 rights

Chapter 2:

### BUSINESS ETHICS AND SOCIAL RESPONSIBILITY

Business ethics

Social responsibility

Conflict of interest

Fairness and honesty

Communications

Business relationships

3 factors that influence BE

Pyramid of social responsibility

Best corporate citizen

Consumer movement attempt to highlight 4 rights

Chapter 3:

### THE EVOLUTION OF MANAGEMENT THINKING

Formal study of management

Adam Smith's pin factory

Early management pioneers

Most relevant theories of the firm

Classical mgmt perspective

- Scientific Management
- Bureaucratic Organizations
- Administrative Management

Behavioral mgmt perspective

The firm as system

Contingency perspective

Learning organizations

Case study\_1

## PART II. PLANNING

### Chapter 4:

#### MANAGERIAL PLANNING AND GOAL SETTING

Define goals and plans and explain the relationship between them.

Explain the concept of organizational mission and how it influences goal setting and planning.

Describe the types of goals an organization should have and how managers use strategy maps to align goals.

Define the characteristics of effective goals.

The concept, steps and benefits of Management by Objective

Describe and explain the importance of contingency planning, scenario building, and crisis planning in today's environment.

Summarize the guidelines for high-performance planning in a fast-changing environment.

Case study\_2

### Chapter 5:

#### MANAGERIAL DECISION-MAKING

Concept of decision-making

Types of decisions and problems

Conditions that affect the possibility of decisions failure (risk vs. uncertainty)

Decision-making models: classical, administrative, political

Six steps in the managerial decision-making process

Personal decision framework

Why do managers make bad decisions?

Innovative group decision-making: brainstorming

Case study\_3

## PART III. ORGANIZATION

### Chapter 6:

#### ORGANIZATION AND COMMUNICATION

The concept of organizing

Organization structure

Job design

Job specialization

Job rotation

Job enlargement

Job enrichment

Departmentalization

- functional departmentalization
- product departmentalization
- customer departmentalization
- location departmentalization

Chain of command

Span of management

- narrow vs. wide

Authority

Delegation

Centralization vs. decentralization

Coordination

Line position

Staff position

Chapter 7:

ORGANIZATION STRUCTURE

Functional structure

Divisional organizational structure

Matrix structure

Team structure

Network structure

Problems with coordination at Chrysler

Using project managers to increase coordination

#### PART IV. CONTROLLING

Chapter 8:

ORGANIZATIONAL CONTROL

Concept and benefits of control

Areas of control (physical/human/information/financial resources)

Balanced scorecard

Feedback control model

Value chain

Financial control (balance sheet, income statement)

Performance measures (financial indicators)

Case study\_4

Methodology

1. Classroom activities:

- Professor classes: 37 hours. These will cover the most relevant aspects of the topics included in the program. Students must attend class and read in advance the documentation supplied to them in ADI.
- Practice classes: 22 hours. Exercises and case studies provided through ADI will be resolved and discussed. Students must attend these sessions, having studied the contents of the classes taught by the teacher. In some of these sessions students will be asked to solve an exercise (or a case) and deliver it.
- Tasks related to the case study-based learning methodology: 3 hours. Students might be expected to make an 8 to 10-minute oral presentation regarding the report they made on the case study assigned to them by the teacher.

- Assignments related to a web-based simulator program about how to run a company. On a weekly basis students are required to work in teams in order to submit strategic decisions. Overall performance (after seven rounds) will be evaluated.
- One partial exam (2 hours).
- Final exam (3 hours).

## 2. Non-classroom activities:

The student will spend around 80-90 hours to study the course material, to understand the concepts explained in class, to apply them to the exercises, to undertake simulation program-related tasks, to prepare case studies, and finally, to prepare the exams.

## Grading

The final grade for the course will be determined by the weighted average obtained from the following notes:

### May announcement:

1. Class participation, simulator-related tasks, and case study: 30%
2. Grades obtained in a partial exam: 30%
3. Final exam: 40%

### June announcement:

1. Valuation of work done during the year: 30%
2. Final exam: 70%

In the announcement for June it will be allowed to deliver additional works to those performed during the course in order to increase the grade obtained in exercises and works.

## Course schedule

Part 1 (chapter 1-3): week 1-week 7

Midterm exam: week 8 (from the 24th of February 2014 until the 28th of February 2014)

Part 2 (chapter 4-5): week 9-week 12

Part 3 (chapter 6-7): week 12-week 14

Part 4 (chapter 8): week 15

Business simulation: week 7-week 12

Deadline for case study\_1: week 9

Deadline for case study\_2: week 11

Deadline for case study\_3: week 13

Deadline for case study\_4: week 15

Group presentation of case study\_4: week 15

Visit to Pamplona Startup Technology Center: week 13

## Bibliography

### *The fundamental reference:*

Daft, R. (2010). *Management*. South-Western, Thomson Learning, First Edition.

[Find this book in the library](#)

### *Other references particularly useful:*

Besanko, D., Dranove, D., Shanley, M. and Shaefer, S. (2003). *Economics of Strategy*, John Wiley and Sons, Inc., Third Edition.

Buller, P. F. and Schuler, R. S. (2006). *Managing Organizations and People*. Thomson Learning, Seventh Edition.

Ferrell, O. C., Hirt, G. Ferrell, L. (2006). *Business: A Changing World*. Fifth Edition, McGraw-Hill.

Kinicki, A., and Williams, B. (2010). *Management: A Practical Introduction*. Fifth Edition. McGraw-Hill.

Rue, L. and Byars, L. (2010). *Management: Skills and Application*. Thirteenth