

**Module  
Introduction**

# Business Administration

For most students, this will be the first of the IAM Certificate modules. Good luck with your course!

## Lesson Structure

1. The Context of Administration
2. Administrative Procedures  
**Tutor-marked Assignment A**
3. Organisational Use of IT
4. Facilities Management  
**Tutor-marked Assignment B**
5. Managing Resources and Services  
**Tutor-marked Assignment C**

## Business Administration

There must be very few students reading this book who have not had some direct experience of administration in practice. Some will be already well immersed in it thanks to their full-time occupation, but others may not have that advantage.

However, almost every incident in our private or business life brings us in touch with administrative processes.

We visit a post office to obtain a passport or a driving licence. Forms have to be completed and rubber-stamped - entries made on a keyboard - a cheque is made out or a credit card offered and a receipt given.

We go to a library to borrow and return books. The checking and issuing are done by scanning a bar code.



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We do some shopping at the supermarket. We notice that some daily stocktaking is being done - again by use of a bar code - and at the check-out a sophisticated system is employed to record not only what we buy, but many other details as well.

In all these cases and many others besides, the initial issuing and recording are only the beginning of a complex process aimed at producing top-quality information for the customer and for the purposes of planning and controlling at all levels of management.

Students will do well not only to make note of all these instances, but also to observe them closely. More than this, they should critically analyse and appraise the procedures with which they come into contact. Even on a brief encounter, it is possible to see enough evidence to be able to make an assessment of efficiency and effectiveness.

In most cases, we all do this by grumbling if we have to wait or an error is made. Take this a stage further and, as well as grumbling, sketch out in your mind how the process could be improved.

It is important to cultivate this appraisal approach. It will stand you in good stead as you begin to study the various concepts, techniques and skills. Always be prepared to examine every new (or even old) piece of information that comes your way and question its validity and feasibility.

## Activities

In the middle of each lesson, there are a number of activities based on the overall lesson aims. These tasks do not attempt to cover everything that has been dealt with in each chapter but, in each case, *have singled out* the most important matters concerned with the practice of administration.

The tasks are designed to assist readers to apply the theory to a situation from their own experience. There are no answers provided as each case will be different, but students should be able to check by referring again to the previous pages.

At the end of each lesson, there is also the opportunity to review whether the key topic areas have been covered. It is yet another way to check how much knowledge has been taken in and especially, whether it has been understood enough to apply to real situations.

## Tutor-marked Assignments

At the end of certain lessons you will also find a **tutor-marked assignment**. Throughout the IAM course, these are normally based on actual IAM examinations. Your answers to the TMAs should be submitted to your tutor for marking and when your script is returned, you should also receive brief guidelines on how an examiner would approach marking these questions.

## Components of the Syllabus

The five sections of the syllabus provide some of the basic building blocks which make up the function of Business Administration. They should form a basis on which to build the more specific areas of study needed to complete the programme which is aimed to make you a creative administration practitioner.

## The Administration Context

So much is happening in the administration context concerning updating and change involving many aspects - people relationships, extended and sophisticated uses of IT, networking, efficient usage of resources, etc. etc. It is important to look to the future but much can be gained by looking back to the fairly immediate past. It is worth recalling either from your own experience if it goes that far back, or by speaking with others who have that experience. A lot can be learnt from the way techniques and methods have changed so rapidly, over the last two decades. Sketch out, if you can, just a few of the radical changes that have taken place.

Here are just a few possible examples:-

1. The ability to instantly transmit large quantities of data to most parts of the world.
2. The ability to collect and input data to the various systems with greater speed and accuracy and, often, at reduced cost.
3. The possibility of providing instant visual access to a vast array of stored information to all levels of staff.
4. The facility to output processed information in the form of letters, reports and other formats with speed and accuracy but, perhaps most importantly, selectivity.
5. The facility to set up centres of administration within the same organisation but in all parts of the world and yet enabling staff

to communicate and consult as though they were in the same building.

6. The provision of information to enable better quality of decision-making at all levels.
7. The possibility of appointing and training staff for more specifically designated responsibilities.
8. The probability of a saving in operating costs over time.

The **purpose** of administration has probably not changed that much but its **nature** has. Identify these changes and you will be set on the right track to participate in the forecasting and planning of future changes.

One of the important functions of the administrator is to feed the '**decision-making**' process.

Information is needed throughout administration for the following purposes:-

- establishing objectives, developing strategies, arranging tactics and agreeing targets
- deciding on policies to be pursued
- developing plans
- decision-making
- problem solving
- control by measuring performance against set standards.

An important part of the changing situation is the growing interest in what has been termed '**the learning organisation**'.

The main elements of a learning organisation approach can be summarised as follows:-

- great importance is placed on team working
- in some situations, self-managed teams are set up where each group sets its own targets and then monitors its progress
- such developments require extensive staff training and this is regarded as being a matter of constant renewal
- implementation of good communication networks crossing hitherto sacred barriers and boundaries
- a holistic approach to decision-making and problem solving involving collaboration across departments and functions
- high level performance is expected and rewarded

- high standards of customer product and service becomes the norm
- all levels of staff encouraged to be pro-active and participate as a learning experience - initiative and successful operations are rewarded but failures following experimentation are not condemned.

Not every organisation is yet going down this route and it may be difficult to obtain first-hand knowledge of this culture in practice. Nevertheless, the theory is easily understood and it is perfectly possible to imagine the repercussions in areas that are familiar, e.g.

- appraisal schemes
- succession planning
- needs analysis
- skills audits
- work sampling
- TQM
- Business Process Re-engineering

## Administrative Procedures

This section is largely concerned with conduct and procedure of Meetings but also some reference to the design and control of forms.

These are well trodden paths and have formed essential parts of our study programmes for many years. There are numerous books and texts on the subject and many questions from recent IAM examination papers are still relevant. However, some texts concentrate on the secretarial aspects of meetings eg, sending out notices, preparing the room etc. The concentration of this syllabus has to be on the use of meetings as a valuable tool of communication. Once again, it is necessary to critically appraise and evaluate. Some of the essential questioning that should be undertaken can be summarised as follow:-

- Is the meeting the best method of achieving the goals?
- Is it properly set up?
- Clear-cut terms of reference?
- Properly constituted?
- Well briefed chairman and support staff?
- Members well informed?
- Careful control to avoid time-wasting?
- Efficient information flow before and after each meeting?

The repercussions of each of these questions should be well thought through and supported by real-life examples where possible. It is vitally important that examinees should go to the heart of each question. It is so easy to be cursory and limited to the routine background of meeting organisation.

Control and design of forms should not be a problem because everybody involved in administration has to deal with them. Nevertheless, constant use of standard forms does not necessarily demand the user to criticise their construction and use. The best way to learn is to design or re-design a form or forms for a familiar procedure. One learns so much from doing rather than reading other people's ideas.

Forms control has a wider connotation and requires one to seek information about:

- the source and resultant value of each form
- whether it is effective in carrying forward the data required by the system or systems in which it is a part
- whether each section of each form is fully or effectively utilised.

## Organisational Use of IT

The emphasis in this section is in the use that is made of IT rather than a detailed understanding of hardware, software and telecommunications. Even so, an appreciation of what is available to the field of administrative systems and, in particular, some concept of the various choices of equipment, devices and programmes that are available is necessary. It behoves the informed administrator to be able to make intelligent inputs to the creative stage of systems design.

Once again, the best approach is to study what computerised systems are close to hand and discuss their effectiveness with the users. You should seek to know what is wrong, what is right and how parts of it could be improved. It will be difficult to find any such system that is perfect - almost all could be improved.

Apart from the attempt to understand the basic elements of computerisation, there are specific concepts that should also be studied.

## The 'Technology Gap'

There is a significant gap between available technology and assimilated technology, frequently expressed as the '**Technology Gap**'.

The advent of the computer brought with it some mixed blessings. Compared with previous methods, it could analyse and handle data in much greater volume and complexity, and do this much more quickly. However, the computer could also perform many more analyses and calculations, inundating the operators and management with so much information that often it was difficult to see what to do with it. The rate at which data are produced is frightening, and the volume of paperwork created alarming. The trouble with too much information is the inability to see the wood for the trees. One must be discerning and discriminating when asking a computer to do analyses. Many managers work to the maxim. '**It would be nice to know and have the information on....**', without really knowing why. Creating information '**just in case**' it may be useful one day is wasteful and, worse still, confusing.

So the question should be: **IS IT NECESSARY INFORMATION?**

By considering the needs outlined above, it should be possible to be extremely discriminating, tailoring the information asked of and obtained from the computer to that which is really essential. Management information should also be put into the format that is most easily understood and provided at the right frequency covering the most effective period. Some information, such as financial data, may be very interesting but not immediately useful.

One way of restricting the volume of information and paperwork is to use management by exception. This approach does not demand a continuous flow of information, but only receives the bad news or notification when there has been some sort of change either way. Thus when everything is running well, the manager just lets sleeping dogs lie, but as soon as there is a drastic alteration, then the manager will need to know so that he can instigate corrective action.

## Data Protection

Computers are used to collect store and distribute information which may include details about living identifiable individuals.

The vulnerability of such information has been exacerbated by the ability of modern computer systems to integrate information which formerly was retained in separate files. A typical example of this in the public domain is when a person appearing on the Electoral Role can be identified and contacted by the Police or by the Social

Services Agencies as a result of this publication. As a result, many people have omitted to register with Returning Officers even though it is against the law not to do so. Information separately filed can become more damaging when linked with information from another file.

Software users must be aware of the copyright law. This makes it an offence to copy software held in another machine and use it on your own. All software today is sold with a Licence Agreement.

An appreciation of the main tenets of the Data Protection Act 1984 is therefore expected.

## Facilities Management

Not everyone will have personal experience of the facilities management function. There may be no actual person appointed to fulfil that role.

Nevertheless, many of the disciplines that make up the function are present in even the smallest firm.

It is useful, therefore, to be aware of the many areas of responsibility that may be referred to as Facilities Management.

The international facilities management association has stated that the main areas of responsibility are:-

- facilities planning and design
- facilities construction changes and re-location
- co-ordination of furnishings, equipment and external services
- development of corporate facilities policies
- long-term facilities planning and analysis
- building operations, maintenance and engineering
- furnishing and equipment inventory management
- real-estate procurement and disposal.

This is a comprehensive list to cover virtually all the possible connotations of the area covered by facilities management. In practice, some of these duties are usually shared with or passed to other areas of management.

The syllabus for this module includes a number of aspects, as follows:-

1. Long term strategic planning
2. Management, maintenance of buildings
3. Financial forecasting and budgeting
4. Space management
5. Ergonomics

6. Acquisition and disposal of premises
7. Energy management
8. Building security

However, students should not feel that they have to cover all these in great detail.

The correct approach is to attempt to understand the role which an Administrative Manager would have in regard to these various responsibilities. As in most cases, where considerable technical experience is required, the test is to know:-

- a) what things to regularly check
- b) how to recognise problems as they occur
- c) how to cope in the short term
- d) who to consult in the long term

It is not a dissimilar situation to that pertaining to legal matters - to perceive the problems and know who to turn to.

However, '**Ergonomics**' and '**Health & Safety**' are listed separately on the syllabus and should be understood a little more fully. In the case of ergonomics, the Administrative Manager would be expected to know enough of the '**science**' to appreciate the problems caused by unsuitable furniture, tools and machinery used in the work place and to be able to advise experts when they have to be consulted.

Health & Safety is a particular responsibility which nobody in the workplace can entirely ignore. Certainly, managers have to be constantly on the alert to recognise and deal with hazards.

## Managing Resources and Services

The major part of this section is about contracts and this may well be an area in which students will have had little or no experience. Under the circumstances, it will be necessary to read appropriate texts and refer to any incidence of preparing contracts that occurs within the firm.

Most firms will be involved in making contracts whether it would be for the purchase of goods or for the employment of staff. These are the two areas to concentrate upon. As in all matters within a legal context, one has to be knowledgeable and careful and, once again, if in doubt, consult the experts.

However, a certain knowledge of the essential elements of a contract can be extremely useful. These essentials include an understanding of:-

1. **Agreement** - offer and acceptance.
2. **Intention to bind** - to create legal relations.

3. **Consideration** - something of value given in exchange for a promise or undertaking.

It is also important that some attention should be given to the skills involved in negotiating a contract.

Students may well wish to refer to a textbook on '**Law of Contract**' or a chapter in a more general book on '**Commercial Law**'. On the other hand, the IAM manual '**Business Administration**' includes all the material that is needed for this particular syllabus.

## Components of the IAM Syllabus

### Aim

To examine both the changing role of Business Administration and the administrative procedures and functions currently to be found within organisations.

### The Administration Context

- Evolution of Administration
- The 'information centre'
- The nature and purpose of Administration
- Role of the Administrative Manager
- The 'learning organisation'
- Knowledge Management

### Administrative Procedures

- The role and functions of administrative support staff
- The need for effective systems for the storage and use of information in ICT and manual forms

### Meetings

- Management of meetings
- Conduct and procedure of meetings
- Roles of Chairperson and Meetings Secretary

### Forms

- Why forms are used
- Advantages and disadvantages of forms
- Dangers of uncontrolled generation and use of forms

### Organisational Use of Information & Communications Technology (ICT)

- Stages of IT development
- Processing information
- ICT: hardware and software
- Data protection and security

- ICT: The Integration of IT and telecommunications

## Facilities Management

- Definition of 'facilities management'
- Internal and external environments
- Ergonomics
- Health and Safety issues

## Managing Resources and Services

- Specifications and procedures
- Negotiating contracts
- Contract terms
- Purchasing resources and services
- Monitoring performance
- External and internal specialists

## Additional Reading

As stated in the General Introduction, this module, like the others, is intended to feed into your day-to-day business activities. You will *not* get full value from it if you simply read the course and tackle the assignments in isolation. To do well, you *must* also read around the subject, gather ideas from various sources and apply the theories within a specific business context such as your own work.

The Institute issues lists of recommended reading for the Certificate, Diploma and Advanced Diploma courses. It is essential for students to read regularly quality newspaper articles and features in journals which relate to their areas of study. This will help them to be up-to-date and enhance their reading of recommended texts. All students should read the Institute's journal which contains items of interest and topicality to Administrative Managers.

Most college tutors are well-informed on the availability and relevance of books covering their specialism and students are advised to heed their recommendations.

**Availability:** Most books are available at quality booksellers throughout the UK and in some other countries. Books can be purchased most easily via the OOL website at [www.ool.co.uk](http://www.ool.co.uk). Alternatively books can be ordered from the following supplier:

**Page One Books**  
**9 Princes Avenue**  
**Hull HU5 3RX (United Kingdom)**

**Tel: + 44 (0) 1482 440853**  
**Fax: + 44 (0) 1482 494770**

**e-mail:** [bookshop@page1.co.uk](mailto:bookshop@page1.co.uk)

In case of difficulty, students are advised to contact The Administration Officer, IAM Management Services Limited, 16 Park Crescent, London, W1B 1BA, telephone: +44 (0) 20 7612 7088 (Student Services) or email [norma.baldwin@instam.org](mailto:norma.baldwin@instam.org) **who can supply books to all parts of the world.**

If you wish to buy one text to support your studies as a whole, OOL would recommend:

Ian Marcousé et al – **Business Studies**

Hodder & Stoughton, 1999 ISBN: 0-340-70462-4 Price: £18.99

### IAM Recommended Supplementary Texts for this Module

Eileen Scholes - **Guide to Internal Communication Methods**

Gower ISBN 0566082179 Price: £25.00

Joanna Elcy & Alexi S Marmot - **Understanding Offices**

Penguin ISBN 0140169121 Price: £8.99

Terry Lucey - **Management Information Systems**

Addison Wesley ISBN 0201331365 Price: £26.99

Ann Dobson - **Managing Meetings** (2<sup>nd</sup> Edition)

How To Books ISBN 1857034899 Price: £9.99

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