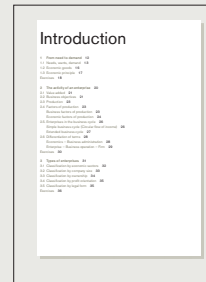


Structure of this book

Introduction

These chapters provide an easy entry into the topic of business administration. They deal with needs, services provided by enterprises and the different types of enterprises, independent of the St. Gallen Management Model.



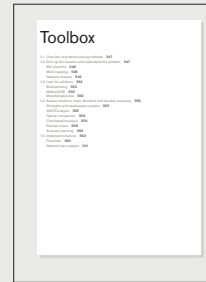
Body

These chapters provide a comprehensive explanation of business administration in terms of the St. Gallen Management Model, which will be explained in five parts (A–E). For better clarity, the parts are associated with different colors.



Toolbox

Provides tools for the identification of problems as well as the determination, assessment and implementation of solutions.

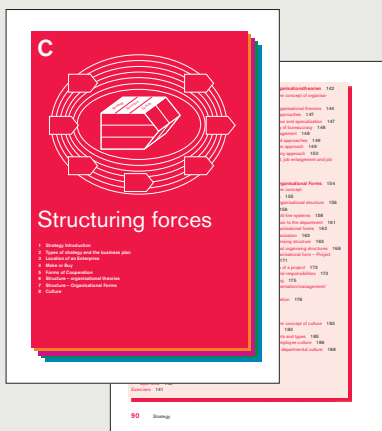


Index

Key terms and other important technical words are listed and the point in the book where they are defined is indicated.



Structure of the chapters

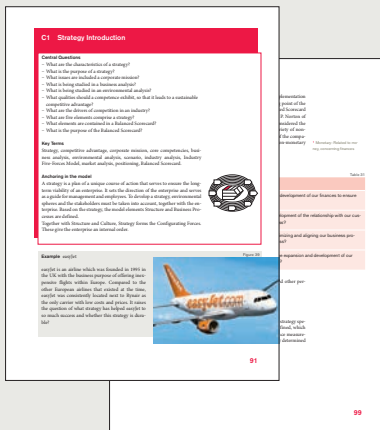


Title page

The title page lists the chapters to come in this section of the book and shows the part of the model to which they relate.

Contents in detail

Lists all sections of the chapter.



Header

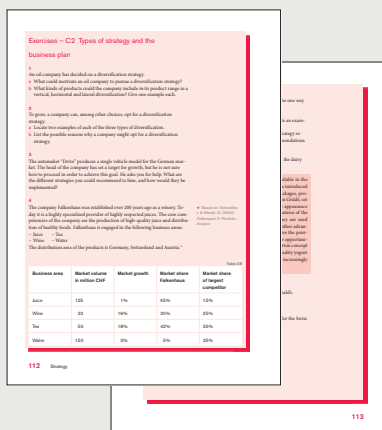
Central questions to be answered in the course of the chapter.

Key terms used in business administration. Anchoring in the model locates the chapter graphically and descriptively in the St. Gallen Management Model.

Examples provide for a problem-oriented anchoring of the theory.

Chapter contents

Theory illustrated by examples.



Exercises

At the end of each chapter is a set of exercises. They serve as a way to apply and deepen the material and have a medium to high level of difficulty. Simpler exercises are posed by the central questions at the beginning of each chapter.



Solutions can be found at www.iwp.unisg.ch/bwl (only in German).

Elements of the content pages

Key terms

Important technical terms in business administration appear in bold on their first occurrence or where they are best explained. These also appear at the beginning of each chapter and in the index.

Figures

Help visualize a topic, sum it up and therefore provide better and more thorough understanding of the material.

Highlights

Basic knowledge and precise definitions appear in bold in the chapter color.

Figure 40

1.2 Business Mission Statement

A mission statement¹ is the long-term vision of an enterprise. It serves as a guide for both the enterprise and its employees and allows the public to verify business activities. A mission statement contains the following statements:

→ Exercise 2
¹ Metaphorical: The image that guides the actions (e.g., production, marketing) of an enterprise

Element	Question
Identity	Who are we?
Goals	What is the economic purpose we pursue? What products and services that we create?
Principles of Conduct ²	How do we react to the various stakeholders and what principles apply to our daily actions? → P.89 Code of Conduct

Example easyjet – Mission Statement³ ★ www.easyjet.com

Our primary goal is to provide our customers with safe, good value, point-to-point air services. To effect and to offer a consistent and reliable product and fares appealing to leisure and business markets on a range of European routes. To achieve this we will develop our people and establish lasting relationships with our suppliers

You will recognize our values in five core principles:

- Safety – Our No. 1 priority – no compromises
- Teamwork – We'll get there faster together
- Pioneering – Breaking the mold to find new ways and new op
- Passionate – We're ambitious to be the best we can be.
- Integrity – We mean what we say, and do it!

93

Examples

All examples have a grey background. Real or fictitious companies are used to help illustrate the theory. Fictitious companies are denoted with quotation marks.

Weber's theory of bureaucracy

The theory of **bureaucracy**¹ was developed by the German sociologist Max Weber² between 1910 and 1920. He understands bureaucracy not in terms of the negative excesses of a cumbersome organisation, as is often the case colloquially. Quite the contrary: The bureaucracy, translated analogously as "rule of the administration," represented for Weber, the ideal type of organisation. This form of rule is tied to specific rules or laws. According to Weber, bureaucratic organisations have the following characteristics:

- Scope of duties and managerial authority (job descriptions³) defined by rules
- A hierarchical structure (fixed system of superior and inferior positions)
- Tasks are performed according to fixed rules and standards
- Documentation: rules, procedures, protocols, etc. put in writing

→ P.157 Job Description

When this theory is applied to an enterprise, this means: In a bureaucratically organized enterprise, all members are subject to fixed rules. The performance of tasks is ordered according to detailed internal rules. There is a strict hierarchy, which is also based on organisational policies.

Scientific Management

The **Scientific Management approach**, also called Taylorism, can be traced back to the American engineer and labour scientist Frederick Taylor (1856-1915). To understand the scientific management approach, it is important to first understand the image of man that prevailed in the early 20th century. In the spirit of industrialization⁴ man was considered a cheaper factor of production without any further needs. He was considered to be basically lazy and could only be pushed to work through financial incentives. Machines served as role models for reliability and efficiency. The worker should work at least as well as them. This image of man⁵ was taken on and pilloried in Charlie Chaplin's film "Modern Times". The film can be understood as a criticism of Taylor's technically oriented teaching, which proposed using scientific methods to increase productivity in the enterprise. For this reason, he called his approach Scientific Management. After numerous experiments Taylor came to the following conclusions:

- **Strict separation of manual and intellectual work:** Management develops norms and rules for each scope of duties, which are based on experience and scientific experiments. Workers, on the contrary, should focus exclusively on the performance of their duties and have no opportunity to influence the work processes.

→ P.209 Theory X

148 Structure
↑

Margins

Additional information is provided in the margins:

- 1 **Word annotations** explain unfamiliar or foreign words.
- **Cross-reference arrows** indicate a corresponding exercise at the end of the chapter or a close reference to another chapter.
- ★ **References** indicate the source of statements or materials.
- Ⓞ **CD symbol:** Additional materials include more opportunities to practice (available only in German).