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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Business Management and Administration |
| **Course Name** | Principles of Business, Marketing, and Finance |
| **Lesson/Unit Title** | Business Operations and Organizational Structures |
| **TEKS Student Expectations** | **130.132. (c) Knowledge and Skills**  (2) The student describes the characteristics of business:  (C) The student is expected to identify the types of business;  (D) The student is expected to compare the different forms of ownership;  (E) The student is expected to examine the organizational structure and functions of business. |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Performance Objective:**   * Upon completion of this lesson, the student will identify organizational and managerial structures of business, as well as levels and functions of management.   **Specific Objectives:**   * Students will explain how businesses organize for management. * Students will list three levels of management and compare their responsibilities. * Students will name the four functions of management. * Students will explain important principles in designing an effective organization. * Students will compare alternative organizational structures for businesses. |
| **Rationale** | Students must learn about the types of structures, organizational structures, and managerial structures of businesses to implement best practices in the business field. |
| **Duration of Lesson** | Approximately 3 days |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | * Mission statement – a short, specific written statement of the reason a business exists and what it wants to achieve * Goal – a precise statement of results the business expects to achieve * Policies – guidelines used in making consistent decisions * Procedures-descriptions of the way work is to be done * Organization chart-a diagram that shows the structure of an organization * Management plan-a business plan that divides a company into different departments run by different managers * Organizational chart-a chart that shows how a business is structured and who is in charge of whom * Line authority-an organizational structure in which managers at the top of the line oversee those beneath them * Centralized organization-an organization that puts authority in one place, with top management * Decentralized organization-an organization that gives authority to many different managers to run their own departments * Departmentalization-dividing responsibilities in an organization among specific units or departments * Top-level managers-managers responsible for setting goals and planning the future for a company * Middle managers-managers who carry out the decisions of top management and oversee specific departments * Operational managers-managers who are responsible for the daily operations of a business, such as supervision and office managers |
| **Materials/Specialized Equipment Needed** | * Construction paper * Scissors and glue * Poster board * Newspapers * Computers for students to complete projects * Projector for Students’ PPT * Rate the Mission Statement Assignment #1 * Rate the Mission Statement Assignment #1 Rubric * Design an Organizational Chart Poster Assignment #2 * Design an Organizational Chart Poster Assignment #2 Rubric * Team Sales PowerPoint Assignment #3 * Team Sales PowerPoint Assignment #3 Rubric * Internet |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | Learner Preparation:   1. Outline the organizational structure of the school and discuss the different positions with students. Create an organizational chart on the board. Students will gain a better understanding of organizational charts for businesses. 2. Southwest Airlines believes that satisfied, happy employees are essential for successful businesses. What are the advantages of a company having happy employees?   Introduction:   1. Well managed companies are like successful sports teams. Ask students to select a highly successful college or professional sports team and list the characteristics that make the team successful. Then ask students how successful businesses are like a successful sports team. 2. Ask students to list their long-term goal. Then explain how the mission statement for a business is like a long-term goal for an individual. The individual’s goal depends upon the support of teachers, family, and friends. The mission statement for the business depends upon the cooperation of individuals in all levels of the business organization. 3. Ask students to use the Internet to look up America's top 100 Employers. Students will report their findings to the class, emphasizing what makes the top companies special. |
| **Direct Instruction \*** | 1. Business Organization and Management 2. How a Company is Run 3. Managerial Structures 4. Organizational chart-to show how the business is structured and who oversees whom 5. Line authority-managers at the top of the organization oversee those beneath them 6. Centralized organizations-puts authority in one place, with top management 7. Decentralized organization-gives authority to many different managers to run their own departments 8. Types of Organizational Structures    1. Formal Structure-departmentalization divides responsibility among specific units, or departments    2. Informal Structure-used when a business does not need a big marketing or distribution network, does not need a lot of managers (smaller businesses)   **Note to Instructor:**   * Give examples of a line authority and a centralized organization. * Conduct class discussion about the pros and cons of each form of organization.  1. Guidelines for Businesses 2. Mission Statement-short, specific written statement of the reason a business exists and what it wants to achieve 3. Goal-precise statement of results the business expects to achieve 4. Policies-guidelines used in making consistent decisions 5. Procedures-descriptions of the way work is to be done 6. Principles of Effective Organization 7. Responsibility-the obligation to complete specific work 8. Authority-right to make decisions about how responsibilities should be accomplished 9. Accountability-taking responsibility for the results achieved 10. Unity of Command-clear reporting relationship for all staff of a business 11. Span of Control-number of employees who are assigned to a work task and manager 12. Types of Organizational Structures (Illustrated by the Organization Chart) 13. Functional Organization Structure-work is arranged within main business functions (production, operations, marketing, human resources) 14. Matrix Organizational Structure-work is structured around specific projects, products, or customer groups 15. How Departments are Organized 16. by function 17. by product 18. by location   **Note to Instructor:**   * Break the class into small groups. Each group must choose a business and write a mission statement for the business. * Ask students to explain why a large span of control may not be good for a business. * Go through an example of a business procedure used by a business where students shop.  1. Levels of Management 2. Top Level Managers 3. set goals 4. plan for the future 5. Middle Managers 6. carry out the decisions of top management 7. plan and control operations 8. Operational Managers 9. oversee daily operations 10. supervise workers to meet deadlines   **Note to Instructor:**   * Ask students to draw the organizational charts for their selected businesses in section II.  1. Planning 2. Long-range planning-top-level management decides how the company should perform 3. Planning Questions Management Must Address 4. What must be done? 5. Who will do it? 6. How will the work be grouped? 7. Who supervises whom? 8. Who makes decisions about the work to be done   **Note to Instructor:**   * Ask students to answer Questions #1-5 for organizing a prom.   C. Questions of the Planning Process-are applied and answered when leaders meet with the management team   1. Organizing 2. Assign Managers Different Tasks 3. Coordinate Activities of Managers 4. Each manager organizes his/her department and knows what other managers are doing 5. Must determine who makes decisions and who answers to whom   **Note to Instructor:**   * Explain why managers must understand the team concept and why it is important to respect the work completed by other managers.  1. Leading 2. Set Standards-so managers know their goals 3. Communicate with Managers-to provide guidance and resolve conflicts 4. Encourage Employees-offer incentives such as pay raises and promotions   **Note to Instructor:**   * Ask students for a list of leadership characteristics. Then ask students to circle the characteristics they possess.  1. Controlling 2. Keeping the Company on Track-to meet all goals 3. Keep track of the budget, the schedule, and the quality of the product 4. Monitor employees and review their performance 5. Monitor customer satisfaction   **Note to Instructor:**   * Ask students why customer satisfaction should be a part of the company organization. Then ask students why customer service should be the #1 priority for the company.  1. Managers 2. Most Managers 3. Begin their careers as company employees 4. Are promoted after they have gained experience and have shown leadership qualities 5. Managerial Qualities 6. Ability to perform varied activities 7. Ability to work under pressure 8. Effective communication 9. Interpersonal skills 10. Ability to gather and use information   **Note to Instructor:**   * Survey the class to determine how many students have jobs. Then ask students to list characteristics needed to be a manager at their workplace.  1. Advantages Associated with Being a Manager 2. Higher earnings 3. Prestige 4. More influence on how the company is run 5. Greater control over personal time 6. Disadvantages Associated with Being a Manager 7. Take the blame when things go wrong 8. Wrong decisions are costly and can affect numerous employees 9. 3.Can have an adverse effect on relationship with lower-level employees 10. ITeamwork 11. Collaboration is Important 12. Flexibility, Creativity, Good Communication, Shared Goals 13. Work as a Team-to accomplish company goals 14. Brainstorm for Solutions 15. Listen to Team Members   **Note to Instructor:**   * Ask students why listening is so important in the workplace. Then describe the importance of all employees taking ownership in the goals of the company.   *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Guided Practice \*** | A recent Junior Achievement survey indicatedthat 41 percent of teens believe starting and operating their own business will offer greater job security than being an employee in another company. Nearly 75 percent of the teens indicated that they would like to start their own business someday. Survey the class to determine which students are interested in becoming entrepreneurs. Then split the class into teams, with at least one entrepreneur in each team. The team will develop a mission statement for the entrepreneur’s company.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  NONE |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | 1. **Rate the Mission Statement Assignment:** Ask students to use the Internet tocollect examples of the mission statements of five businesses. Then students will rate each mission statement in terms of how effectively it communicates the purpose and directions of the company. Students will report their findings to the class and the project will be evaluated using the assigned rubric. 2. **Design an Organizational Chart Poster Assignment:** Many schools areorganized using a functional organization structure. Teachers are organized into departments such as English, Math, Science, and Business. The matrix organizational structure is based upon specific projects, products, or customer groups. Ask students to design an organizational chart that illustrates a matrix structure for their school. Students must explain the advantages and disadvantages of the matrix structure. The poster will be evaluated using the assigned rubric. 3. **Team Sales PowerPoint Assignment:** Your high school band has beenselected to participate in the Rose Bowl Parade. You have six months to raise $22,000 for the trip to Pasadena, California. Split the class into teams to determine tasks that need to be completed during the six months to raise the $22,000. Students will use a PowerPoint Presentation to explain their plan of action. The PowerPoint presentation will be evaluated using the assigned rubric.   *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  NONE |
| **Lesson Closure** | **Q:** What is line authority, and how does it look on an organizational chart?  **A:** Line authority can be traced in a line from the top of an organization to the bottom.  **Q:** What are three ways in which departments are organized?  **A:** Departments can be organized by function, by product, or by location.  **Q:** What are the primary responsibilities of top-level management?  **A:** Top-level managers set goals and plan for the future.  **Q:** What is the difference between middle managers and operational managers?  **A:** Middle managers carry out the decisions of top management. Operational managers are responsible for the daily operations of the business.  **Q:** What are four managerial functions?  **A:** Four managerial functions are planning, organizing, leading, and controlling.  **Q:** What does good planning require?  **A:** Good planning requires setting realistic goals.  **Q:** What is the function of leading and how does it affect a manager’s job?  **A:** Leading involves creating a vision of your company to inspire employees, setting goals for your manager, communicating, providing guidance and resolving conflicts, teaching, encouraging, and helping each employee reach his or her potential.  **MANAGEMENT DECISION**  A popular bakery has two delivery trucks and two drivers. Each truck can deliver up to150 trays of pastries per day. The bakery currently has orders for 280 trays a day from local supermarkets, schools, and hospitals. A new school is opening soon and the bakery expects orders to increase 250 percent. How many trucks and drivers will be needed to cover new deliveries? |
| **Summative / End of Lesson Assessment \*** | Assigned Rubrics will be used to assess assignments 1, 2, and 3 for Independent Practice.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  It is important that lessons accommodate the needs of every learner. These lessons may be modified to accommodate your students with learning differences by referring to the files found on the Special Populations page of this website. |
| **References/Resources/**  **Teacher Preparation** | 1. Introduction to Business, Fifth Edition, Brown Clow, Glencoe McGraw-Hill 2. Intro to Business, Dlabay Burrow Klendl, South-Western Cengage Learning 3. Online Resources: globaledge.msu.edu, worldnetdaily.com/news/article |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** | English  110.42(b)(6)(A) – Vocabulary Development  …expand vocabulary through wide reading, listening, and discussing  110.42(b)(6)(B) – Vocabulary Development   * rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary   110.42(b)(7)(F) – Reading/comprehension  …identify main ideas and their supporting details  110.42(b)(7)(G) – Reading/comprehension  …summarize texts  110.42(b)(7)(J) – Reading/comprehension  …read silently with comprehension for a sustained period  Mathematical Models with Applications  111.36(c)(1)(A) – Knowledge and Skills  …compare and analyze various methods for solving a real-life problem.  111.36(c)(1)(B) – Knowledge and Skills  …use multiple approaches (algebraic, graphical, and geometric methods) to solve problems from a variety of disciplines  111.36(c)(1)(C) – Knowledge and Skills  …select a method to solve a problem, defend the method, and justify the reasonableness of the results  111.36(c)(6)(A) – Knowledge and Skills  …analyze methods of payment available in retail purchases and compare relative advantages and disadvantages of each option.  111.36(c)(7)(A) – Knowledge and Skills  …analyze types of savings options involving simple and compound interest and compare relative advantages of these options. |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | 1. Students will interview a manager and determine how the manager’s time is spent each day. Students must determine how much time is used for planning, organizing, leading, and controlling tasks. Then students will create a pie chart that shows how the percentage of time the manager spends on each task. 2. Students are assigned the role of management specialist. A company has hired the students to solve a problem of disgruntled employees who miss deadlines. Students must explain what level of manager they will talk to first and give reasons for their decisions. 3. Break the class into teams of three students. Each group has $10,000 to furnish an office for their new department. Each group has catalogs and purchase order forms to determine appropriate furniture, equipment, and supplies while staying within the budget. The project should be evaluated on accuracy and appropriate spending. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)