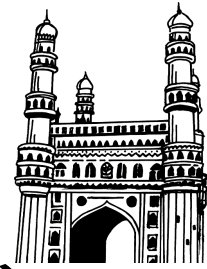**Rahul's** ✔
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Organizing and Controlling

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Introduction to Management

The Management Process, Management Functions, kinds of managers, Managerial roles and skills. Evolution of Management - Theories of Management - Classical, Scientific, Administrative, Behavioral, Management Sciences Theories; Systems and Contingency theory

1.1 MANAGEMENT

Q1. Explain the Meaning & Definitions of Management.

Ans : (Aug.-21)

Introduction

One of the most important activities in business is the management of the 4M's – men, machines, material and money. The term 'management' can be interpreted differently is difficult contexts. Hence, it is difficult to define. In one context, it may comprise the activities of executives and administrative personnel in an organization, while in another, it may refer to a system of getting things done.

In a broad perspective, management can be considered as the proper utilization of people and other resources in an organization to accomplish desired objectives. With increasing global competition, changes in the world of technology, changing business practices and increasing social responsibility of organizations, the role of managers has become all the more significant.

Meaning of Management

It refers to the process of conducting a set of functions (planning, organizing, staffing, directing and controlling) to get the work done in an efficient and effective manner. Simply, management is an art of getting things done through others.

Definitions of Management

Different experts have defined management on the basis of its features. Some experts, have defined management as an 'art of getting things done', while others give more importance to its 'function oriented form'. In the same manner, same experts think management is related to 'decision making', while others are of the opinion that 'productivity and efficiency' are its basis. Following are the main definitions of management.

1. **According to Harold Koontz,** "Management is the art of getting things done through others and with formally organized groups."

2. **According to George R. Terry,** "Management is a distinct process consisting of planning, organizing, actuating and controlling; utilizing in each both science and art, and followed in order to accomplish predetermined objectives."

3. **According to F.W. Taylor,** "Management is the art of knowing what you want to do and then seeing that they do it in the best and the cheapest way."

4. **According to Peterson and Plowman,** "Management may be defined as the process by means of which the purpose and objectives of a particular human group are determined, clarified and effectuated."

5. **According to Henry Fayol,** "To manage is to forecast and to plan, to organize, to command, to coordinate and to control".

6. **According to Peter Drucker,** "Management is a multipurpose organ that manages business and manages managers and manages workers and work".

7. **According to Mary Parker Fallett,** "Management is the art of getting things done through people".

1.1.1 Features of Management

Q2.   Explain the features of management.

Ans :

The nature of management has the following features.

1.   Universal Process

Management is universal in nature; it is applied in all types of process like commercial, social or political. Management exists everywhere in universe. The basic principles of management can be applied everywhere, whether they are business or non-business organization.

2.   Continuous Process

Management is a never ending process. Management is a continuous process because it always carries the past decisions for the future course of action to achieve organization goals.

3.   Multidisciplinary Method

Management is basically multidisciplinary; it depends on the proper knowledge and skill of various disciplines such as economics statistics, anthropology, psychology, sociology etc.

4.   Group Activity

Management requires the use of group-efforts to achieve their goal. Management is a vital part of group activities. Management unites with their goal what they cannot achieve individually.

5.   Intangible Force

Management is intangible. It is an unseen force, but its presents seem in the form of results.

6.   Social Management

Management is a social process in nature, it essentially involves managing people, it concern to developing, retaining and motivating people at work place and also care of their satisfaction.

7.   Coordinating Force

Management cannot do anything by them. They should get their work done by organization's member. In the any organization, management coordinates the efforts of human recourse through orderly.

8.   Goal Oriented

Management is a goal oriented in nature. It works only to achieve particular goal which decide by the organization.

9.   Relative, Not Absolute Principles

Management principles are relative not absolute, because they should be applied according to need and condition of the organization.

10.   An Integrative Method

Management integrated the living and nonliving resources to achieve the desired goal.

1.1.2 Objectives of Management

Q3.   What are the objectives of Management?

Ans :

The primary objective of management is to run the enterprise smoothly. The profit earning objective of a business is also to be kept in mind while undertaking various functions.

Following are the broad objectives of management:

1.   Proper Utilization of Resources

The main objective of management is to use various resources of the enterprise in a most economic way. The proper use of men, materials, machines and money will help a business to earn sufficient profits to satisfy various interests. The proprietors will want more returns on their investments while employees, customers and public will expect a fair deal from the management. All these interests will be satisfied only when physical resources of the business are properly utilized.

2.   Improving Performance

Management should aim at improving the performance of each and every factor of production. The environment should be so

congenial that workers are able to give their maximum to the enterprise. The fixing of objectives of various factors of production will help them in improving their performance.

3. Mobilizing Best Talent

The management should try to employ persons in various fields so that better results are possible. The employment of specialists in various fields will be increasing the efficiency of various factors of production. There should be a proper environment which should encourage good persons to join the enterprise. The better pay scales, proper amenities, future growth potentialities will attract more people in joining a concern.

4. Planning for Future

Another important objective of management is to prepare plans. No management should feel satisfied with today's work if it has not thought of tomorrow. Future plans should take into consideration what is to be done next. Future performance will depend upon present planning. So, planning for future is essential to help the concern.

1.1.3 Scope of Management

Q4. Describe the scope of management.

Ans :

The scope of management is very wide. So, it is very difficult to state the scope of management precisely. However the following aspects may be included in it.

1. Subject Matter of Management

Planning, organizing, staffing, directing, coordinating, motivating and controlling are main functions of management. Innovation, representation, decision making and communication are the subsidiary functions of management.

2. Functional Areas of Management

(i) Financial Management : It includes cash management, planning forecasting, budgeting, cost control, management accounting, pricing, sources of finance etc.

(ii) Marketing Management : Includes marketing plans, branding. Packaging and labeling, product analysis, research, product innovations, price determination, promotion, advertising, distribution, marketing research transportation and insurance.

(iii) Production Management : Includes production planning and control, materials management, scientific purchasing, inventory control, storage and warehousing.

(iv) Human Resource Management : Includes personnel management, recruitment, selection, placement, training and development, motivation, performance appraisal, compensation; settling personnel disputes, turnover worker participation in management and trade unions.

3. Interdisciplinary Approach

In order Management is a body of discipline that takes the help of other social sciences like psychology, sociology, engineering, economics etc. This indicates that in order to have a correct understanding of the management principles and practices, a study of commerce, economics, sociology, psychology and mathematics is essential.

4. Universal Phenomenon

Management is a Universal phenomenon or process as it is not only present or concerned in/with business undertakings, but also in political, religious, charitable, armed force and even educational institution. In fact management is present where ever there is human activity. In short, it is present at all spheres of life. No doubt, there may be slight variations in approach and style of management from concern to concern but the basic aspect of carrying out management is the same everywhere.

Q5.   Explain different levels of managers.

Ans :

In most business organizations, three broad levels of management can be identified.

Management pyramid
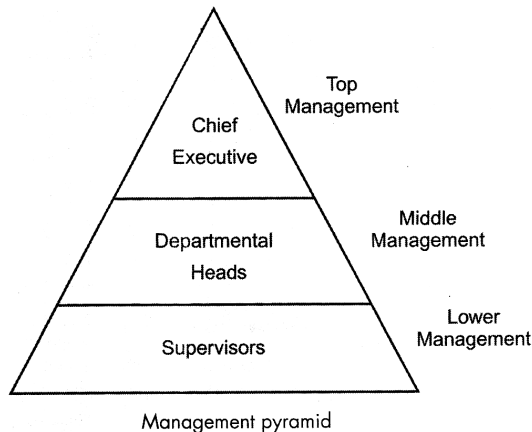
1.   The top level management

It constitutes the chief executive and the directors. At this level, the mission, goals, and corporate strategies are formulated. Long term plans are made. Major policy decisions are taken. Basic organization structure (this explains number of departments in the organization, number of people at each level, authority relationships, and so on) is outlined. The employees are adequately motivated to strive for meeting organizational objectives. The performance of the middle level managers is evaluated and controlled by the top management.

The time horizon for this level of management is often 5-10 years. In business organizations, the top management is solely responsible to the shareholders for the conduct of the business and also for the welfare of all employees.

2.   Middle level management

It is responsible for carrying out the decisions and policies made by the top management. It includes departmental managers, functional managers such as marketing manager, production manager, and others. Here, the managers plan, organize, direct, and control for the activities within their respective departments only. The time horizon for this level of management is commonly one year. They are responsible to their superiors for the operations of their department or unit only.

3.   Lower level management

It is also called operational level, which includes foremen, supervisors, and the like. Managers at the operational level supervise their workers in their day-to-day tasks. As a part of this, they plan (make targets and schedules), organize (allocate task and time to meet daily targets), direct (instruct and motivate the employees to do the job better), and control (ensure that the work is completed satisfactorily according to the schedules). The time horizon for this group may vary accordingly: between a week and a month. They are responsible for the work of all the employees under them.

1.2 THE MANAGEMENT PROCESS

Q6.   Define management process. What are its elements?

Ans :   (Nov.-21, May-19, June-18, Imp.)

Process management is the ensemble of activities of planning and monitoring the performance of a business process. The term usually refers to the management of business processes and manufacturing processes. Business process management (BPM) and business process reengineering are interrelated, but not identical.

Definition of Management Process

According to D. E. McFarland, "Management is the distinct process by which the managers create, direct, maintain and operate purposive organization through systematic, co-coordinated and cooperative human efforts".

According to Gemp R. Terry, "Management is a distinct process consisting of planning, organizing, actuating and controlling, performed to determine and accomplish objectives by the use of people and other resources".

Elements of Management Process

1.   Planning

➢   Planning is the primary function of management. It involves determination of a course of action to achieve desired results/objectives.

➢   Planning is the starting point of management process and all other functions of management are related to and dependent on planning function.

➢   Planning is the key to success, stability and prosperity in business. It acts as a tool for solving the problems of a business unit. Planning plays a pivotal role in business management It helps to visualize the future problems and keeps management ready with possible solutions.

2.   Organizing

➢   Organizing is next to planning. It means to bring the resources (men, materials, machines, etc.) together and use them properly for achieving the objectives. Organization is a process as well as it is a structure.

➢   Organizing means arranging ways and means for the execution of a business plan. It provides suitable administrative structure and facilitates execution of proposed plan.

➢   Organizing involves different aspects such as departmentation, span of control delegation of authority, establishment of superior-subordinate relationship and provision of mechanism for co-ordination of various business activities.

3.   Staffing

➢   Staffing refers to manpower required for the execution of a business plan.

➢   Staffing, as managerial function, involves recruitment, selection, appraisal, remuneration and development of managerial personnel. The need of staffing arises in the initial period and also from time to time for replacement and also along with the expansion and diversification of business activities.

➢   Every business unit needs efficient, stable and cooperative staff for the management of business activities.

➢   Manpower is the most important asset of a business unit. In many organizations, manpower planning and development activities are entrusted to personnel manager or HRD manager.

➢   'Right man for the right job' is the basic principle in staffing.

4.   Directing (Leading)

➢   Directing as a managerial function, deals with guiding and instructing people to do the work in the right manner.

➢   Directing/leading is the responsibility of managers at all levels. They have to work as leaders of their subordinates. Clear plans and sound organization set the stage but it requires a manager to direct and lead his men for achieving the objectives. Directing function is quite comprehensive. It involves Directing as well as raising the morale of subordinates.

➢   It also involves communicating, leading and motivating. Leadership is essential on the part of managers for achieving organizational objectives.

5.   Co-ordinating

➢   Effective co-ordination and also integration of activities of different departments are essential for orderly working of an Organization. This suggests the importance of coordinating as management function.

➢   A manager must co-ordinate the work for which he is accountable. Co-ordination is rightly treated as the essence of management. It may be treated as an independent function or as a part of organisms function.

➢   Coordination is essential at all levels of management. It gives one clear-cut direction to the activities of individuals and departments.

➢   It also avoids misdirection and wastages and brings unity of action in the

Organization. Co-ordination will not come automatically or on its own Special efforts are necessary on the part of managers for achieving such coordination.

6. Controlling

Controlling is an important function of management. It is necessary in the case of individuals and departments so as to avoid wrong actions and activities. Controlling involves three broad aspects:

(a) establishing standards of performance,

(b) measuring work in progress and interpreting results achieved, and

(c) taking corrective actions, if required. Business plans do not give positive, results automatically. Managers have to exercise effective control in order to bring success to a business plan.

Control is closely linked with other managerial functions. It is rightly treated as the soul of management process. It is true that without planning there will be nothing to control It is equally true that without control planning will be only an academic exercise Controlling is a continuous activity of a supervisory nature.

7. Motivating

➤ Motivating is one managerial function in which a manager motivates his men to give their best to the Organization.

➤ It means to encourage people to take more interest and initiative in the work assigned. Organizations prosper when the employees are motivated through special efforts including provision of facilities and incentives.

➤ Motivation is actually inspiring and encouraging people to work more and contribute more to achieve organizational objectives. It is a psychological process of great significance.

8. Communicating

➤ Communication (written or oral) is necessary for the exchange of facts, opinions, ideas and information between individual's and departments.

➤ In an organization, communication is useful for giving information, guidance and instructions. Managers should be good communicators. They have to use major portion of their time on communication in order to direct, motivate and co-ordinate activities of their subordinates.

➤ People think and act collectively through communication.

➤ According to Louis Allen, "Communication involves a systematic and continuing process of telling, listening and understanding".

1.3 MANAGEMENT FUNCTIONS

Q7. Explain various functions of management.

Ans : (Aug.-21,Jan.-20,May-19,Jan.-18, Imp.)

Functions of Management

Management is considered to be process and identification of the basic functions is necessary. These basic functions describe the job of management. The basic function of management are,

1. Planning
2. Organizing
3. Staffing
4. Directing
5. Coordination
6. Controlling and
7. Decision-making.

1. Planning

Planning is outlining what, how, where, when and by whom, a task is to be achieved. Everything is planned before and a blue print is prepared. Planning is the opposite of random action. Hence, as far as possible a definite programme of action is made. But because it refers to the future and the future is uncertain, the management takes help from research, facts and trend forecasts. Again planning is the pre-action stage and it is the basis of all future actions. Therefore, it states clearly what, how, where, when and by whom the various business activities are to be performed.

Elements of Planning

(i) Forecasting

These are predictions which are based on the past and present data The process of preparing forecasts is called forecasting.

(ii) Objectives

They are the end towards which the activities of the enterprise are aimed. Objectives are decided by the top management which are considered as targets and aims of planning. They are fixed in nature.

(iii) Policies

They specify what can be done or what cannot be done to achieve the given objectives.

(iv) Strategies

These refer to the course of action to be adopted and followed for the achievement of long- term and short-term objectives.

(v) Budgets

These are the plans giving details such as expense budget, sales budget etc.

2. Organizing

Organizing involves identification of activities required for the achievement of objectives of the firm and implementation of plans. Organizing is the function of making arrangement for all the necessary resources required to work for achieving the objectives. It means making arrangements for all six M's (money, men, machines, material, marketing and managing) of business, therefore it involves the following steps.

(a) Activities determination.

(b) Staff recruitment.

(c) Work allocation.

(d) Authority and duty determination.

(e) Power delegation.

Thus, organization prepares a stage for taking necessary actions.

3. Staffing

After the objectives have been formulated for the achievement of objectives, the next step in the management process is to procure suitable personnel for manning the jobs. So staffing is the function which enables the recruitment of suitable personnel.

Staffing consists of various sub-functions like,

➢ Manpower planning which decides the number and the kind of personnel required.

➢ Recruitment is a sub-function which attracts suitable number of potential employees to seek jobs.

➢ Selection of the most suitable persons.

➢ Placement, induction and orientation.

➢ Training and development of employees.

4. Directing

Directing consists of guiding and supervising the subordinates in activities. Management means getting work done by others i.e., the subordinates have to be properly guided and supervised in their respective jobs so that the common goal is achieved.

Directions are not only to be given but also to be obeyed. Hence, they must be definite, clear cut, under-standable, communicable and practicable. Direction sets the organization in action.

5. Controlling

Controlling consists of making the results tally with targets or achieving close correspondence between plans and performance. The process of measuring the current performance of the employees and assess whether the given objectives are achieved or not.

The various steps in controlling includes,

(a) Establishment of standard works.

(b) Assessment of actual work.

(c) Determination of deviation.

(d) Corrective action.

Controlling brings results nearer to the targets.

6. Coordinating

Coordinating means achieving team spirit and unity of action among the subordinates for achieving the common business objectives. In a business unit, hundreds of persons are busy in numerous different jobs in various works in so many different places. But all are individually and collectively working for the same objective, called coordination. Need of coordination arises particularly because of the existence of,

(a) Numerous persons at work.

(b) Sub divisions and complexity of work.

(c) Delegation of authority and responsibility.

(d) Chances of differences between executives and specialists.

All these and similar factor's make coordination by the manager very necessary.

The following are useful tools to achieve coordination.

(i) Clarify the objectives, which is the basic guide for worker.

(ii) Clarification of authority and responsibility of every subordinate so that he knows his specific duties and obligations.

(iii) Effective communication between the executive and his subordinates and also amongst subordinates themselves so that a good relationship is maintained.

(iv) Good human relationship of the manager with his subordinates.

(v) Cooperation both amongst the subordinates and between the executives and subordinates.

7. Decision-making

Decision-making is the most comprehensive and all embracing function of management. The modern trend is to include the detailed functions of planning and organizing in this one single function or to treat these various functions, different aspects of this same single function called decision-making. Decision-making means selecting one alternative out of two or more alternative solutions. It can be easily shown how decision- making covers all the earlier discussed functions. For example, planning means selecting one future course of action out of various alternative courses. Again business can be in a number of alternative ways. Organizing implies selecting one out of these. The same applies in respect of other functions like directing, controlling, motivating and coordinating. Therefore, decision-making summarizes all the managerial functions.

1.4 KINDS OF MANAGERS

Q8. Explain briefly about the classification of manager.

Ans :   **(Jan.-20)**

The managers are responsible for performing the management process. The following are the various types of managers,

1. Managers based on management levels,

    (a) First line managers

    (b) Middle managers

    (c) Top managers.

2. Functional and General managers

3. Line and Staff managers

4. Product, Process and Geographical area managers

5. Task and Project managers

6. Self and Team managers.

1. Managers based on Management Levels

Based on management levels, managers are classified into three,

(a) First Line Managers

First Line or first level management is the lowest level of management in an organization, at which the individuals are responsible for the work of others. These managers provide direction to the non-management employees and look after the other managers of the organization. These managers are often called as 'unit managers' or 'department managers'.

(b)   Middle or Second-level Managers

These managers perform the dual function of directing the lower-level managers, as well as operating the employees at other levels. The primary responsibility of middle managers is to direct the activities which executes their organizational policies and to balance the demands of their managers with the capacities of their employees.

(c)   Top Managers

These managers are responsible for the overall management of an organization. Top managers are also called as 'executives'. They develop policies and guides the interactions of the organization with the environment. These managers are often entitled to the positions of Chief Executive Officer', 'President' and 'Vice-president'.

2.   Functional and General Managers

A functional manager is assigned with the task related to a specific business area, such as production, marketing or finance. These managers oversees the specialized business function areas. These managers are classified based on their area of specialized activity.

In contrast to this, a general manager oversees a complex unit such as a company, a subsidiary, or an independent operating division. They are responsible for all the activities of that unit. These managers have a varied scope of activities for supervising and performing.

3.   Line and Staff Managers

'Line managers' are those managers who undertake the direct responsibility of producing the organization's product line or service line. These managers have considerable command authority. They guide and command their subordinates by explaining "what to do", " how to do" and "when it should be done".

'Staff managers' undertake the responsibility of supporting the line managers. They do not possess command authority, but are influential due to their personal skills and knowledge. The line managers undertake decision making and actions while the staff managers advice them for their line of actions.

4.   Product, Process and Geographical Area Managers

The managers who are assigned with the responsibility of undertaking the organizational divisions of products are called product managers.

When the organizational division is done on the basis of the processes undergoing in the organization then the organizational division employs a process manager for each process division.

When a business is divided due to the expansion in different territories, then the geographic area managers or territory managers are employed for undertaking the responsibility of all the activities of the organization in that territory.

5.   Task and Project Managers

Task managers are those individuals who are responsible for a particular task which is assigned to them. Project managers undertake special projects which needs to be completed. Task managers develop plans for guiding the completion of projects. They build project teams, manage daily activities and wrap up the work when the project is completed.

6.   Self and Team Managers

The individuals who tend to plan, resolve problems, make decisions, and control their own work activities are referred as self managers.

Team managers are the managers who undertake the responsibility of controlling and facilitating group performance activities. Team managers spend significant amount of time on problem solving, decision making, planning and controlling their entire team.

1.5 MANAGERIAL ROLES & SKILLS

Q9.   Comment on different managerial roles.

Ans :   **(Nov.-20, May-19, Jan.-18, Imp.)**

Managers perform different roles formal authority gives rise to three inter-personal roles and three informational . The two sets of roles enable the manager to play the four decisional roles.
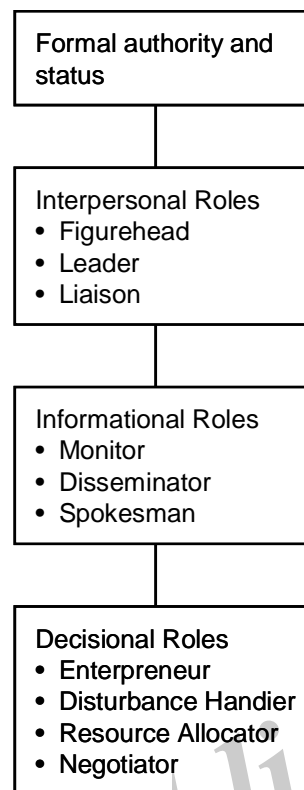
Fig. : Roles of a Manager

1. Interpersonal Roles

The important interpersonal roles of managers are:

(a) Figurehead Role: Managers perform the duties of a ceremonial nature as head of the organization, a strategic business unit or department. Duties of interpersonal roles include routine, involving little serious communication and less important decisions. However, they are important for the smooth functioning of an organization or department.

(b) Leader Role: The manager, in charge of the organization/department, coordinates the work of others and leads his subordinates. Formal authority provides greater potential power to exercise and get the things done.

(c) Liaison Role: As the leader of the organization or unit, the manager has to perform the functions of motivation, communication, encouraging team spirit and the like. Further, he has to coordinate the activities of all his subordinates, which involves the activity of liaison.

2. Informational Roles

Manager emerges as the nerve centre of his organization/department in view of his interpersonal links with his subordinates, peers, superiors and outsiders. Therefore, the manager has to play the informational role effectively to let the information flow continuously from one corner of the organization to other corner.

The information roles of a manager include:

(a) Monitor's Role: As a result of the network of contacts, the manager gets the information by scanning his environment, subordinates, peers and superiors. Managers mostly collect information in verbal form often as gossip, hearsay, speculation and through grapevine channels.

(b) Disseminator's Role: The manager disseminates the information which he collects from different sources and through various means. He passes some of the privileged information directly to his subordinates, who otherwise have no access to it. The manager plays an important role in disseminating the information to his subordinates, when they don't have contact with one another.

(c) Spokesman's Role: Some insiders and/or outsiders control the unit/ department or the organization. The manager has to keep them informed about the developments in his unit. He has to keep his superior informed of every development in his unit, who in turn inform the insiders and outsiders. Directors and shareholders must be informed about financial performance. Customers must be informed about the new product developments, quality maintenance, government officials about implementation of law etc.

3. Decisional Roles

Information is an important and basic input to decision-making. The managers play a crucial role in decision-making system of the unit. Only the manager can commit the department to new courses of action and he has full and current information to initiate and implement the decisions that determine the department's or organizational strategy. The decisional roles of the manager are:

(a) Entrepreneurial Role: As an entrepreneur, the manager is a creator and innovator. He seeks to improve his department, adapt to the changing environmental factors. The manager appreciates new ideas and initiates new developmental projects.

According to Peter F. Drucker, "The manager has the task of creating a true whole that is larger than the sum of its parts, a productive entity that turns out more than the sum of the resources put into it".

(b) Disturbance Handler Role: Entrepreneurial role describes the manager as the voluntary initiator of change, the disturbance handler role presents the manager as the involuntarily responding to pressures. Pressures of the situation are severe and highly demand the attention of the manager and as such the manager cannot/ ignore the situation. For example, workers' strike, declining sales, bankruptcy of a major customer etc.

The manager should have enough time in handling disturbances carefully, skilfully and effectively.

(c) Resource Allocator's Role: The most important resource that a manager allocates to his subordinates is his time. He should have an open-door policy and allow the subordinates to express their opinions and share their experiences. This process helps both the manager and his subordinates in making effective decisions. In addition, the manager should empower his subordinates by delegating his authority and power.

(d) Negotiator's Role: Managers spend considerable time in the task of negotiations. He negotiates with the subordinates for improved commitment and loyalty, with the peers for cooperation, coordination and integration, with workers and their unions regarding conditions of employment, commitment, productivity and with the government about providing facilities for business expansion etc.

Q10. What are the Managerial Skills? Who should have more of conceptual skills.

Ans :   (Nov.-20, Jan.-20, Imp.)

According to Robert L.Katz, There are three types of managerial skills viz., technical skills, human skills and conceptual skills. Fig. presents the managerial skills.

1.   Technical Skills

Technical skills are the proficiency in working with machines, tools and techniques in human resource management, financial management marketing management "and' production management. "Managers at all levels should possess technical skills. Those at the lower level should possess more of technical skills whereas managers at the top level possess less technical skills compared to those at middle and lower levels.

2.   Human Skills

Human skills include the ability to work with people tactfully, interpersonal proficiency, ability to build, maintain and work in teams and create an open environment. Managers at all levels should possess these skills.

3.   Conceptual Skills

Conceptual skills include the ability to draw the total, integrated, comprehensive and the macro view of the company, situations and the ability to develop solutions for the probable problems and challenges. Top level managers should possess more of conceptual skills compared to those of lower level managers.

Q11. Explain the Challenges of Management.

Ans :

The various challenges to be faced by a manager are as follows:

(i)   Stooner says that, "Manager is a person responsible to help an organization to achieve their goals".

(ii)   A manager, to effectively manage, should possess the following qualities.

(iii) Quality of character and general personality traits like self-confidence, patience, sense of humor, emotional stability, enthusiasm for performing activities, flexibility and adaptability.

(iv)   Effective leadership qualities and should be ready to administer the activities properly.

(v)   High motivation and ability to motivate others by his actions.

(vi)   Knowledge of the whole business and activities going on in it.

(vii) Capability to effectively utilize the available resources.

(viii) Ability to assess the external environment perfectly and be ready for facing the threats of competition.

He should be capable of performing the following roles :

(a)   Figure Head

Performal ceremonial activities and social duties as the representative of the organization.

(b)   Liasion

Communicating and cooperating with the people both internal and external to the organization.

(c)   Recipient

Should receive the information about the activities of organization and take necessary actions.

(d)   Disseminator

Pass on the information to the subordinates regarding decision-making.

(e)   Spokesperson

Passing on the necessary information to those external to the organization as an organizational representative.

(f)   Resource Allocator

Allocating the resources like money, men, machines and material for the accomplishment of organizational goals.

(g) Disturbance Handler

Should be capable of handling the disturbances if any in the functioning of the organization.

(h) Negotiator

Should possess the ability to deal with various people, groups in the organization.

1.6 EVOLUTION OF MANAGEMENT

Q12. Briefly explain the evolution of management.

Ans :

The evolution of management thought can be studied under the following headings:

1. Pre- scientific management period.

2. Early management approaches represented by scientific management, process management theory and human relations movement.

3. Modern management approaches represented by behavioral science movement, quantitative approach, systems approach etc.

1. Pre-scientific Management Period

The real development of management thought began with the scientific management approach stated by Taylor, though some of the concepts have been developed by thinkers earlier to Taylor. Early management thoughts have come from the Roman Catholic Church, military organizations, the Cameraliasts, a group of German and Austrian public administrators and intellectuals from the sixteenth centuries. Their concepts of management were mostly related to the principles of specialization, selection of subordinates and their training and simplification of administrative procedures.

In the later period, contributions were made by Charles Babbage, James Watt and Robinson Boulton, Robert Owen, Towne and Simon.

Charles Babbage was professor of Mathematics at the Cambridge University and he suggested the use of accurate data obtained through rigid investigation in the management of an undertaking. James Watt Junior (1796-1848) and Robinson Boulton (1770-1842) used the management techniques such as market research and forecasting, production planning, planned machine layout, standardization of components and parts, elaborate statistical records, maintenance of control report, cost accounting data, provision of welfare of personnel etc. Robert Owen (1771-1858) managed a group of textile mills in Scotland and is well known as the promoter of co-operative and trade union movements in England. Henry S. Simon was one of those effective thinkers who advocated that in economic and social systems, the role of capital is constructive, creative and entrepreneurial other than of exploiting the resources for its own benefit.

The contributions of management thinkers started above were limited mostly to the field of developing the concept to make resources more effective at the shop floor levels. These contributions were made bit by bit and in a haphazard manner and have failed to stimulate management as a distinct discipline for further study. However, the various ideas started by them have created awareness about managerial problems. A stage was set by the end of the nineteenth century for making a systematic study of management and a beginning was made by Fredrick Taylor at the beginning of the present century whose thoughts came to be known as Scientific Management.

2. Early Management Approaches

(a) Scientific Management

➢ F.W Taylor, Gilberth, Lillian Gilberth, Gantt and others have made tremendous contributions to the concept of scientific management. Of all these persons, Taylor's contribution is the most significant and because of this, he is considered as the father of scientific management. We shall give here the contributions of Taylor and some others.

➢ Fredrick Winslow Taylor (1865-1915) worked as a chief engineer in the Midvale Steel Works where he joined as a worker. Afterwards, he worked in the Bethlehem Steel Works and after retirement from his concern, he worked as a consultant.

- Taylor, the founder of scientific management movement, states that the object of management should be to secure the maximum prosperity for each employer, coupled with the maximum prosperity of each employee.

- According to Taylor, scientific management, in its essence, consists of a certain philosophy which results in the combination of four great principles of management, viz., the development of true science, the scientific selection of workers, their scientific selection and development, intimate and friendly co-operation between the management and their workmen.

- When management of a business unit is based on a systematic study and analysis of various aspects of work involved with a view to find out the best way of doing things, we call it scientific management of business.

- Broadly speaking, scientific management is the art of knowing exactly what is to be done and the best way of doing it.

Taylor observed that inefficiency prevails in the organization because of three causes, viz.,

(a) workers feel that any increase in output would lead to unemployment,

(b) defective systems of management and because of these, each worker restricts his output in order to safeguard his interests, and

(c) inefficient rule of thumb efforts and wasting methods of work.

The elements of scientific management are:

(a) determination of the task,

(b) planning of industrial operations,

(c) proper selection and training of workers,

(d) improvement in methods of work,

(e) modification of organization, and

(f) mental revolution.

b) Process Management (H. Fayol 1841-1925)

- Around 1910, H. Fayol, a French engineer, initiated the administrative theory of management (process management) in Europe.

- Sheldon, Mooney and Railey, L.F. Urwick and L.Gulick also contributed a lot to the administrative theory of management. This theory is called process (functional) management and advocates of this theory belong to the process school of management.

- In 1916, Fayol published his book "General and Industrial management" in French, of which later and English edition was brought out. Fayol identified management as a separate set of skills or functions performed by a supervisor in an organization.

- He clearly distinguished the difference between technical and managerial skills an emphasized that supervisor should be efficient in both.

- He stated that technical ability is more dominant at the lower level of management, whereas managerial ability is more important at the higher level of management.

- Fayol, in his famous book, stated fourteen management principles that can capture the entire flavor of the process management theory.

- Fayol also stated that all operations in business organizations can be classified under six heads, viz.,

(a) technical production and manu-facturing,

(b) commercial (purchases and sales),

(c) financial (financing and controlling of capital for its optimum use),

(d) security (protection of property and persons),

(e) accounting (stock-taking, balance sheet, costing and statistics), and

(f) managerial (planning, organizing, communicating, co-coordinating and controlling).

c) Human Relations Movement

➢ Elton Mayo, who is considered to be the founder of human relations movement, and his associates, conducted the Hawthorne Studies in the Hawthorne plant of Western Electric Company, USA during 1927-1932. They stated that the employees' morale had a great influence on productivity and the manager should treat them as social beings instead of economic beings or simply as cogs of a wheel.

➢ For solving any management problem, the manager should understand group attitudes and psychology, as employees are members of a group.

➢ His approach and theory emphasized the importance of human and social factors and also individual as well as group relationships, while the classical theory of Taylor and Fayol gave importance to job content and management of physical resources.

➢ This theory served to focus attention on the social side of the work and man, as opposed to the economical and technical aspects. This theory is also criticized on the ground that there is no direct connection between morale and productivity, hence the research in Hawthorne plant had a management bias, and that the samples were too small.

➢ In spite of these criticisms, the contribution of human relations remains and are being applied even today by managers.

3. Modern Management Approaches

a) Behavioral Science Movement

➢ The behavioral science approach through its research studies of individual behavior and motivation indicated that the relation between morale and productivity was oversimplified and there was no direct or deep connection between morale and productivity. Behavioral science experts made a further refinement of human relations movement and also covered a much wider scope in interpersonal roles and relationships.

➢ The behavioral science movement which started after 1940 emphasized the importance of individuals and their interpersonal relationship, psychology of the individuals as related to personal needs and motivation and motivational potential in people.

➢ The important contributors to the behavioral science movement are A.Maslow, F.Hertzberg, V.Vroom and D.McGregor. While Maslow developed a need hierarchy to explain human behavior within an organization, Hertzberg and Vroom developed motivational models, which explained the causes of human behavior and motivation in business.

➢ Behavioral science movement has drawn heavily on the work of Maslow to explain human behavior and the dynamics of motivation process. McGregor developed his two theories, viz., Theory X and Y and also explained certain basic assumptions about the human element.

➢ The classical theory reflected almost all the aspects of Theory X while the behavioral approach theory of management reflected almost all the aspects of Theory Y.

b) Elements of Neo-classical Theories

This theory may be stated as follows.

➢ It may be noted here that the theories started by Taylor and Fayol are called by some writers as Classical theories while the theories sated by the human relations movement and the behavioral science movement are called neo- Classical theories.

➢ Henri Fayol, the father of principles of management, has classified managerial functions as follows:

a) Planning, including forecasting,

b) Organizing

c) Commanding

d) Coordinating, and

e) Controlling.

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1.7 THEORIES OF MANAGEMENT

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Q13. Explain various theories of management.

Ans :

The prevalence of management is as old as the human civilization. Its necessity has been especially felt since man started working in groups. When many people work in a group it becomes very necessary to manage their activities for their smooth conduct. The form present day management which we see these days, was not the same in the beginning. Management experts have expressed different views from time to time. Needless to say that there view are based on their experiments and experience. Some management experts have given prominence to physical resources, while some others have highlighted the importance of human resources. In addition to this some management experts have laid stress upon the system study.

The ideas expressed by all the three about management are associated with decision-making. In other words, according to the first thought the managers give more importance to the physical resources while taking decisions. According to the second thought the human resources are preferred to the physical resources. However, according to the third point of view all the concerned factors are taken into consideration while taking decision.

The approach to management idealogy continued developing with the presentation of new thoughts. The process of development of management thought can be divided into three main heads:

1.   Classical Approaches

2.   Neo-Classical Approaches

3.   Modern Approaches

Every approach can be further sub-divided into some branches. The story of the development of management thought has been shown in the following diagram :
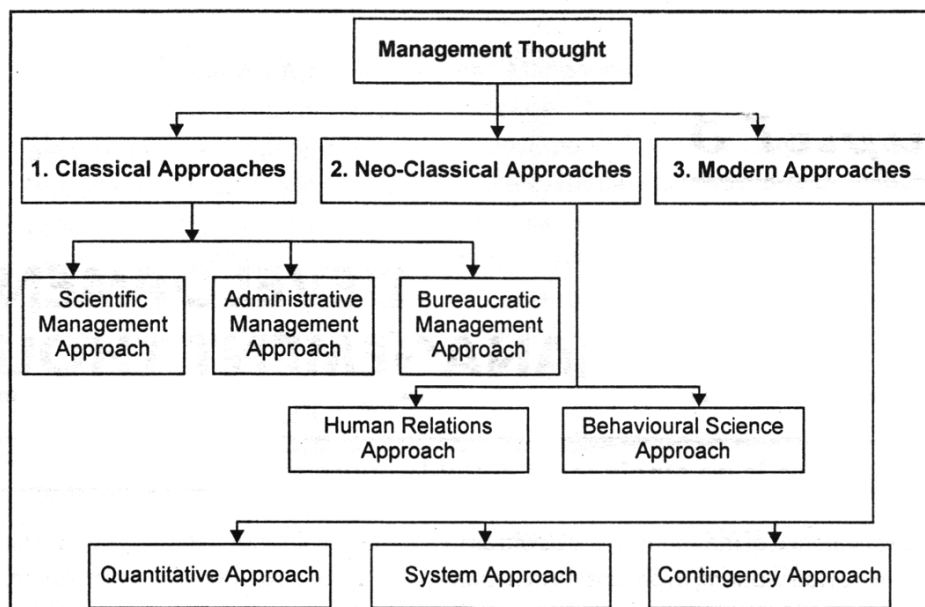
A) Classical Approaches

The classical approach to management started around the year 1900. The principles developed under this approach are accepted even today. Under this approach it is felt that man is an inactive source of production and it is important to control him (or this source). It also believes that the employee is motivated by the economic incentives. This approach has three branches:

(i)   Scientific Management

(ii) Administrative Management

(iii) Bureaucratic Management.

They are also called the pillars of the classical approach.

B) Neo-Classical Approaches

The neo-classical approach to management developed around the year 1930. The basis of this approach is the classical approach. Under this approach, the classical approach has been presented with some modifications. The main difference between the classical and neo-classical approach is regarding the treatment of the human resources. Under the classical approach, the human resource is ignored and much importance is given to work and physical resources. On the other hand, neo-classical approach understands the importance of human resource. Under the neo-classical approach individual and group relationships have been given due importance. This approach has two basic pillars.

(i)   Human Relations Approach

(ii) Behavioural Science Approach.

C) Modern Approaches

The modern approach to management was developed around the year 1950. This approach is an improvement upon both the classical and neo-classical approach to management. This approach has three basic pillers :

(i)   Quantitative Approach

(ii) System Approach

(iii) Contingency Approach

1.7.1 Classical Theory of Management

Q14. Outline classical theory of management.

Ans :

The study of management became more systematis and formal as a by product of the industrial revolution that took place from the 1700s through the 1900s. It was necessary to develop approaches to managing work and people in order to manage all the new factories that were a central part of the Industrial Revolution. The classical approach to management encompasses.

1.   Scientific management,

2.   Administrative theory and

3.   Bureaucratic management

The core of management knowledge lies within the classical school. Its key contributions are planning, organizing, leading and controlling. Many major historical developments in organizations, such as decentralisation of General Electric (GE) in the 1950s, were based on classical principles.

The classical school provides a systematic way of managing people and work that has proven useful over time and represents its major strength. Its major limitation is that its sometimes ignores differences among people and situation. For example, some of the classical principles for developing an organization are not well suited to fast-changing situations. Classical theorists formulated principles for setting up and managing organizations. These views are labelled "classical" because they form the foundation for the field of management thought. The major contributors to the three schools of management though - scientific management, administrative theory, and bureaucratic management are Frederick W. Taylor, Henry Fayol and Max Weber respectively.

Q15. Explain the Weber's theory of bureaucratic administration. State its features, advantages and disadvantages.

Ans :

Weber's Theory and Bureaucratic Administration

Max Weber, the father of bureaucracy was a German sociologist who studied various business

and government organizations and identified 3 basic forms of business administration such as leader oriented, traditional-oriented and bureaucratic administration. Leader-oriented administration does not involve the delegation of management functions whereas, in traditional-oriented administration managerial positions are passed on from one generation to another.

The most important and ideal form of administration is bureaucratic administration wherein the delegation of management responsibilities is permissible only to those persons who are capable and have the ability to hold the position.

Features of Bureaucratic Administration

Some of the features of bureaucratic administration are,

1. Greater Emphasis on the Compliance of Standard Rules

Weber suggested that the authority in an organization must be managed by following standard rules. The institutional goals must be given prior importance over the personality goals which enables the manager to equally treat all the subordinates. It also helps them to take up decisions by predicting the future courses of action.

2. Systematic Division of Work

Bureaucratic administration is characterized by the systematic division of work which helps in improving the quality process by increasing the efficiency.

3. Follows the Principle of Hierarchy

In bureaucratic administration, principle of hierarchy, is followed wherein, each office at lower level is supervised and controlled by the higher authorities.

4. Knowledge and Training in the Application of Rules

In bureaucratic administration, it is essential to provide knowledge and training to the individuals on the application of rules.

5. Maintaining Record of Administrative Acts, Decisions and Rules

The maintenance of record makes the organization to be self dependent rather than to depend, on others. It also provide clear and accurate understanding of all the concepts of management to its people.

6. Rational Personnel Administration

Depending on the credentials and merit, people are selected and their remuneration is fixed on the basis of their position in the hierarchy. Promotions are done systematically where focus is on gaining loyalty and commitment of people.

Advantages of Bureaucratic Administration

The following are the advantages of Weber's theory of bureaucratic administration,

1. Specialization

Bureaucracy forms the basis for dividing work of the organization into various functional departments. This helps the people to specialize in their respective fields thereby discharging effective performance.

2. Rationality

Bureaucracy develops rationality in an organization wherein judgements are made based on objectives and agreed criteria. In order to offer form or substance to an organization, bureaucracy formulates the duties, responsibilities and reporting relationships in a command hierarchy. This logical designing of activities helps in the implementation of assigned tasks in an organized manner.

3. Predictability

The predictability and stability of an organization are mainly dependent on the rules, regulations, training, specialization, structure and other components of bureaucracy.

4. Democracy

In bureaucratic organizations, the decisions are usually made based on predetermined criteria. Bureaucracy does not consider patronage, favouritism and other arbitrary bases because every citizen has a right to be trained, applied and be selected for a specific job based on their respective qualifications.

Disadvantages of Bureaucracy Administration

Some of the disadvantages of bureaucratic administration are,

1. Overconformity to Rules

In a bureaucratic organization, employees follow "stick to the rule" policy as they assume that a penalty will be charged for violating such rules. So, they only comply with the word of law rather than understanding the true meaning behind such words.

2. Buck-Passing

In a bureaucratic organization, initiatives of people are restrained because in the absence of rules, employees, either postpone their decisions or shift them to others.

3. Categorization of Queries

In a bureaucratic organization, the possible queries which may come from outside have been categorized in advance. Managers need to be prepared with the answers for such queries. If any variation exists between the queries within a category then they will be neglected.

4. Displacement of Goals

In a bureaucratic organization, displacement of goals is a common phenomenon which usually occurs when legitimate goals are substituted with other goals, for which previously there were no allocation of resources.

5. No Real Right of Appeal

In bureaucratic organizations, subordinates are usually dissatisfied as they don't posses real rights of appeal. Often the views of subordinates are usually neglected by their superiors.

6. Neglect Informal Groups

Being a social creature, man usually forms informal group which plays a key role in the organization. The informal groups which performs most of the organizational work are often neglected by the bureaucratic organizations.

7. Rigid Structure

Bureaucratic structures become rigid due to precise description of rules and overconformity to rules. Such type of structures, may be suitable in case of stable environments but may not remain functional in the changing environment.

8. Incapable to Fulfill the Requirements of Mature Individuals

Chris Argyris developed maturity-immaturity theory which explains the inability of bureaucratic organizations to fulfill the needs of mature individuals who are working in such organizations. This theory believed that a mature individual demands independence, initiative, self control, opportunity to make use of all his skills and information in planning his future. But the hierarchical and controlling features of a bureaucratic organization operate against these needs.

1.7.1.1 Scientific Theory of Management

Q16. Explain the principles of scientific management?

Ans :   **(June-18)**

Taylor was a person who within a very short duration of time (1878-1884) rose from the ranks of an ordinary labourer to the position of a Chief

Engineer. In 1878 he joined the Midvale Steel Company in USA as a labourer and, due to his hard work and dedication, he was able to reach the position of the Chief Engineer in the same company within a short span of six years (1884).

During this period, Taylor conducted a number of experiments and came to the conclusion that the amount of work a labourer was doing was far less as compared to what he was supposed to be doing. He gave a number of suggestions to solve this problem and, in doing so, he gave a scientific outlook to management. Taylor worked in The Bethlehem Steel Works up to 1901 and thereafter started providing services as a management consultant. In 1903 he published a research paper titled 'Shop Management' and in 1911 his book Principles of Scientific Management created ripples in the field of management.

Meaning of Scientific Management

The literary meaning of scientific management is performing the work of management in a scientific manner. In other words, discarding the traditional approaches to management and adopting newer and more scientific approaches in their place is called scientific management. Taylor has said that before commencing any work, a manager should first analyse it thoroughly, and only then should be take any decision.

Principles of Scientific Management

The Scientific Management Approach propounded by F.W. Taylor is based upon the following five principles :

1. Principle of Use of Science for the Rule of Thumb

According to this principle, all the activities being performed in an organization should be analysed in detail with the aim of developing a technique of accomplishing the maximum possible work in an efficient manner and at the minimum possible cost. This principle says that we should not get stuck in a set and continue with the old techniques of doing work, rather we should be constantly experimenting to develop new techniques which make the work much simpler.

2. Principle of Scientific Selection and Training of Workers

According to this principle, the selection and training of workers should be done in a scientific manner. Of the various activities being performed in an organization, selection of workers is the most important because even one wrong appointment can spoil the whole atmosphere in the organisation. Scientific appointment means appointing only those people to do a particular work who posses the necessary capabilities to do it. However, only scientific selection of workers is not adequate in itself, the workers should also be imparted the necessary training from time to time. Proper training of the workers increases their efficiency and hence benefits both the workers as well as the organisation.

3. Principle of Cooperation between Labour and Management

As per this principle, such an atmosphere should be created in the organisation that labour (the major factor of production) and management consider each other indispensable. Labour should understand that it cannot proceed in its work without the existence of Management, and Management should understand that it has no identity without the existence of Labour. If such an atmosphere prevails in an organisation, then both the parties would aim for the achievement of the same goal (i.e., the maximum and good quality production) and hence both of them will be successful in achieving the goals. Taylor has referred to such a situation as a 'Mental Revolution'. Taylor firmly believed that the occurrence of a mental revolution would end all the conflicts between the two parties and would be beneficial to both of them.

4. Principle of Maximum Output

As per this principle, both the labour as well as management should make full efforts to produce the maximum output. They should spare no efforts for the maximum utilization of the factors of production available in the organisation. This will have a direct impact

on the profits of the organisation, and the organisation will earn the maximum possible profits. Higher profits will result in higher wages for the workers and thus make them more dedicated towards the organisation.

5.   Principle of Division of Responsibility

According to this principle, the work of the organisation and the related responsibilities should be clearly divided among the two main groups in the organisation (Management and Labour). Each group should be assigned work which it can accomplish more efficiently. For example, Management should be the one to decide the time required to do a particular work, while the responsibility for actually doing the work should be with the Labour.

In this way, if the time required for doing the work is not properly determined, the manager would be accountable, and if the work has not been performed properly the labourer would be responsible. Hence, on proper implementation of this principle, the credit for doing work efficiently would be divided among both the groups and in case of any defaults, the responsibility would also be shared by both the groups.

Q17. Explain the salient features of F.W. Taylor's scientific management.

Ans :   (Dec.-18)

1.   Separation of Planning and Doing

Taylor emphasized the separation of planning aspect from actual doing of the work. He said that planning should be left to the supervisor and the worker should emphasize only on operational work.

2.   Functional Foremanship

Taylor evolved the concept of functional foremanship based on specialization of functions, which could take planning work adequately besides keeping supervision on workers. In this system eight persons are involved to direct the activities of workers. Out of these, four persons are concerned with planning,

(i)   Route clerk

(ii)   Instruction card clerk

(iii)   Time and cost clerk

(iv)   Disciplinarian.

The remaining four persons are concerned with doing aspect of the work,

(i)   Speed boss

(ii)   Inspector

(iii)   Maintenance foreman

(iv)   Gang boss.

All of them give directions to workers on different aspects of work.

3.   Job Analysis

Job analysis is undertaken to find out the one best way of doing the things. The best way of doing a job is one which requires the least movements, consequently less time and cost.

4.   Standardization

Standardization should be maintained with respect of instruments and tools, period of work, amount of work, working conditions, cost of production etc.

5.   Scientific Selection and training of Workers

Taylor has suggested that workers should be selected on scientific basis taking into account their education, work experience, aptitude physical strength etc., apart from selection, proper emphasis should be given on the training of workers which makes them more efficient and effective.

6.   Financial Incentives

According to Taylor, wages should be based on individual performance and not on the position which a person holds.

7.   Economy

Taylor suggested adequate consideration to be given to economy and profit.

8.   Mental Revolution

Mutual cooperation between management and workers can be achieved through mental change from conflict to cooperation in both parties.

Q18. Explain the techniques of scientific management.

Ans :

The principles of Scientific Management only bring out the basic philosophy behind the theory. The question which now arises is how to implement these principles practically? Taylor has devised the following techniques for actually implementing the principles of scientific management.

1. Scientific Study of Work

Scientific management requires deep analysis of all the activities being performed in the organisation with the aim of producing the maximum possible output with the minimum possible efforts. In simple words, it may be said that Taylor was strictly opposed to incompetence and wanted to remove incompetence with whatever possible means.

In his efforts to do so, he conducted a numbers of experiments and proved that (i) if the various parts of the process of production are reduced to the minimum, (ii) while working, unnecessary movements of the body are eliminated, (iii) the time required for doing every work is determined and (iv) recognizing that human beings are not inanimate objects and hence are likely to feel fatigued, proper arrangements for their resting are made, then incompetence will be totally eliminated from the organisation. On this basis, he has divided work study into the following four parts :

i)   Method Study,

ii) Motion Study,

iii) Time Study, and

iv) Fatigue Study.

2. Scientific Task Planning

Scientific task planning implies analyzing all the different aspects of the work before actually commencing upon it, such as what is to be done? How is it to be done? Where is it to be done? And when is it to be done? Taylor has advised the managers of industrial organizations to establish a separate Planning Department for this purpose.

3. Scientific Selection and Training of Workers

First, it is determined that for a particular work, persons possessing what qualities and capabilities are required. Next, through conducting various examinations, capable persons are selected. Scientific selection is selecting the right person for the right position without any bias. According to the traditional techniques of management, this was usually done by the Foreman, however Taylor has advised the establishment of a Personnel Department for this purpose.

After selecting suitable persons, they should be imparted proper training before deploying them on the job. Scientific management requires that training should be imparted only through modern techniques as it increases the efficiency of the workers.

4. Standardisation

Standardisation means setting standards for different factors, after due deliberation. For example, the amount of work to be done by a worker in a day may be standardised. In other words, the worker is expected to do the standard amount of work everyday. In the same manner standards may also be set for raw materials, machines and tools, techniques, conditions of work, etc.

5. Differential Wage System

Taylor has advised the adoption of differential wage systems in order to motivate the employees. According to this system wages are paid on the basis of work done and not on the basis of time spent in doing the work. In this system two different wage rates are used: one is the high wage rate and the other the low wage rate. Those workers who are able to produce the standard number of units within a fixed duration are paid as per the high wage rate, and those workers who are not able to produce the standard number of units within the same time are paid as per the lower wage rate.

6.   Specialization or Functional Foreman-ship

F.W. Taylor has propounded the functional organisation. This form of organisation is totally based on the principle of specialization and makes full utilization of the expertise of various experts. In a functional organisation, work is divided into many small parts and each part is assigned to an expert. In this manner all the benefits of specialization are availed of.

7.   Mental Revolution

Mental revolution calls for a change in the mind-set of both the managers and the workers. According to Taylor, a revolution in mind-set of both the managers and the workers is required as it will promote feelings of cooperation, and will be beneficial for both the parties.

Normally, it is seen that a conflict between the managers and the workers results in division of profits, with both the parties demanding a larger share of profits. This is the main reason that a mental revolution is required. According to Taylor, instead of fighting over division of profits, both the parties should make efforts for increasing the profits. Such a situation will result in an increase in production, and such a high increase in profits will make any talk of division of profits meaningless.

Q19. Explain the benefits and demerits of scientific management?

Ans :   **(June-18)**

Scientific management is equally important to employers, workers and the society as a whole. This technique of management believes in balanced development of all sections of society. On this basis the various benefits of scientific management can be grouped under the following three headings:

I.   Benefits

(a)   Benefits to Employers

Scientific Management results in the following benefits to employers or owners of the business:

1.   Maximum Production: The quantity of output is directly related to the efficiency of workers and scientific management concentrates its efforts on increasing the efficiency of workers. A few examples of such efforts are— maintaining the working conditions at the work place, giving appropriate wages, providing proper facilities to workers to rest in case of fatigue, rotating the work among different workers in order to retain their interest, using the simplest possible techniques of work, providing proper training to workers from time to time, etc. In such a manner, production is increased by increasing the efficiency of workers which results in higher profits for the owners of the business.

2.   Industrial Peace: One of the main aims of scientific management is bringing about a mental revolution in the mind-sets of the management and the workers. There should be full cooperation among the two, and this removes any conflict that may exist between the two. Such a situation automatically results in establishment of industrial harmony.

3.   Benefits of Specialization: Scientific management involves breaking up the complete work into many small parts, with each part being assigned to a person who is an expert in performing it. This results in more and better work being accomplished in much lesser time, which is one of the main benefits of specialization.

(b)   Benefits to Workers

The adoption of a system of scientific management has the following benefits for workers:

1.   Better Working Condition: Scientific management involves the maintenance of proper cleanliness and ventilation at the work place and also making adequate arrangements for the safety of workers. All this has a favorable affect on the health of the workers.

2.   **More Remuneration:** Scientific management involves, on one hand, the provision of proper working conditions and, on the otherhand, implementation of differential wage system. Both these factors motivate the workers to work harder and in doing so they earn more wages.

3.   **Improvement in Standard of Living:** The two main requisites of a good standard of living are money and peace. Scientific management provides workers with both these things. The motivation to work harder provides them with more money, and good relations with the management provides them with mental peace.

4.   **Increase in Efficiency:** Good working conditions, better wages, improvement in standards of living, training, etc. are such conducive factors which increase the efficiency of workers to the maximum. The rewards earned by the workers by working with more efficiency motivates the workers to work even harder, and in this manner the cycle continues. The application of scientific management produced very favourable results in a very famous American industrial organisation called Symonds Rolling Machine Co. It was found that only 35 girls were sufficient to do the same work which was previously being done by 120 girls. This was mainly due to the increase in efficiency by the application of scientific management.

II.   Demerits /Criticisms of Scientific Management

Even though the advent of scientific management resulted in a revolution in the industrial world which resulted in an unprecedented increase in the efficiency of employees, the system cannot be said to be completely faultless. Many industrialists and the worker class have bitterly criticised this system. The main faults or criticisms of scientific management are:

(a)   Criticisms by Owners

The owners of the businesses have criticised scientific management on the following grounds:

1.   **Difficult to Introduce:** Implementing a system of scientific management in place of the old tried and tested system is not an easy task. It requires a complete change in the structure of the organisation and also results in frequent interruptions in the production process. Thus, it can be said that implementing a system of scientific management is a very long and tedious process.

2.   **Only Suitable for Large Scale Business:** Since this is a very complex and expensive system to implement, it can be implemented only in large scale organizations. In other words, it is not economically feasible to implement the system of scientific management in a small scale organisation.

3.   **Dependency on Experts:** This system requires the appointment of experts in order to take benefit of their experience and expertise. All the work in the organisation is done according to the instructions of experts only. Over a period of time, the owners of the business and the workers become so dependent upon the experts that they are unable to work by themselves. So much dependence upon experts is also dangerous for the organisation.

(b)   Criticisms by Workers

Workers are critical of scientific management due to the following reasons:

1.   **Fear of Retrenchment:** One of the main aims of scientific management is increase in productivity. The implementation of a scientific management system increases efficiency which is very beneficial for the organisation. However, increase in efficiency has adverse affect on the requirement for workers. There

is a fall in the demand for workers and they are in constant fear of losing their jobs. It is mainly due to this reason that workers are opposed to scientific management.

2. **Lack of Initiative:** In such a system all the major work is allotted to experts, and workers have no choice but to work as per their instructions. In other words, workers are only concerned with doing what they are told and are not supposed to apply their own minds. The lack of thinking has an adverse affect on their motivation level which further reduces their efficiency.

3. **Opposition by Labour Unions:** In a system of scientific management, each worker is paid wages according to his capabilities. Hence each person is more concerned about increasing his own efficiency and is not concerned about anybody else. As a result, the power of labour unions decreases as the number of their members falls. This is the main reason why labour unions oppose scientific management.

4. **Exploitation of Labourers:** As is clear, such a system increases the efficiency of labourers, as a result of which they are able to earn higher wages. However, the owners increase the wages to a much lower extent as compared to the increase in efficiency. Hence this results in exploitation of labourers as a major chunk of the higher profits due to the increased efficiency are retained by the owners.

5. **Inhuman Behaviour:** Under this system, the owners are only concerned about the increase in production and totally ignore the adverse affect the additional work burden has on the health of the employees. Hence, this system results inhuman behavious on the part of the owners towards their employees.

F.E. Cardullo, while supporting the above criticisms, has expressed his opinion as, "While presenting the system of scientific management one major mistake made by Taylor was that he has equated man to a part of a machine".

1.7.1.2 Administrative Theory of Management

Q20. Explain contributions made on the administrative management.

Ans :

Henry Fayol was a major contributor to administrative management approach.

Henry Fayol started his career as a mining engineer in 1860 in a colliery company in France. In 1866, he was appointed as the manager of the collieries and remained in this position for 22 years. In 1888, when the company's financial position was critical, he was appointed as the General Manager. He held this position with his expertise for 30 years and retired in 1918, at a time when the company had become one of the biggest coal companies in France. His observations on the principles of general management first appeared in 1916 in French under the title Administration Industriella et Generate, and this was translated into English in 1949 under the title General and Industrial Administration.

This book contains two parts: the first part is concerned with the theory of administration and the second part with the discussion on training for administration.

Fayol felt that the activities of business could be divided into six groups:

(i) Technical

(ii) Commercial

(iii) Financial

(iv) Security

(v) Accounting

(vi) Managerial

Fayol felt that the first five were well known and as a result, devoted most of his book to an analysis of the sixth. He classified the managerial group into six sub-groups, viz., forecasting, planning, organizing, co-ordinating, commanding and controlling. Fayol stated the qualities required by

managers to be physical, mental, moral, educational and technical. As a matter of fact, he emphasised that as one goes higher up in the levels of management, the administrative knowledge and skills become relatively more and more important, and technical knowledge and skill less important.

Q21. Explain the Henry Fayol's principles of management.

Ans :   (Dec.-18)

Henri Fayol's 14 Principles of Management

Major credit of developing the body of principles of management goes to none other than Mr. Henry Fayol. He is put forward a set of fourteen principles of management which has gained a wide area of application in the field of business. A set of fourteen principles of management, developed by Henry Fayol can be depicted as follows:

1. Division of Work

It is an important principle of management. According to this principle, each and every activity of organization should be clearly allocated among the employees according to their abilities, qualifications and aptitudes, so that every employee can easily understand their tasks and give their hundred percent contributions for the achievement of organizational goals.

2. Authority and Responsibility

Authority and responsibility both have inter-dependence relationship with each-other. In the absence of authority nobody can take responsibility on his shoulders in organization for the achievement of various activities. Hence, it is too important that authority should be delegated to employees so that they can take more responsibility whenever need arises.

3. Method of Discipline

It is also an essential principle of management. According to this principle all, those are working in organization as employee and employer should obey the orders, instructions and rules of leader strictly. In case any subordinate does not follow the orders and instructions of leader then he will have to pay plenty for this. Thus it is clear that discipline should be maintained in organization.

4. Unity of Command

According to this principle, every individual in organization must get orders and instructions only from their own departmental head not from others, because if any individual will get orders and instructions from other superiors then conflicts may arise among the departments as a result of this works cannot be carried out properly by them. Hence, this principle takes an important place in organization.

5. Unity of Direction

According to this principle, every group of activities in organization should have the same objective. It means all activities must be directed by one superior and with one plan, so that organization cannot face any difficulties in course of achieving its per-determined goals.

6. Remuneration

According to this principle, every personnel (employee) in organization should receive handsome and equitable remuneration. The differences in payments of personnel must be on the basis of job differentials, abilities of personnel, responsibility of personnel and difficulties of job. Cost of living, price level and financial situation of enterprise should also be considered for the determination of remuneration of personnel.

7. Centralization and De-centralization

Centralization and De-centralization both are inter-related terms. Centralization refers to a system in which only authorized person can take vital decisions for the development of organization. No common individual has right to take decisions. On the other hand De-centralization refers to a system in which authority can be transferred from higher level to bottom level among the personnel to taking vital decisions for the development of organization. Thus it is clear that both principles are necessary for organization.

8. **Order**

According to this principle, each and every activity should be done by personnel on the basis of proper pattern. It can only be possible when the tasks are clearly defined among the personnel according to their abilities, qualifications and understandings. According to Henry Fayol 'order' means right person on the right job and everything in the place.

9. **Scalar Chain**

It is a unique principle of management. According to this principle, all those are working in organization are linked with each-other in superior-subordinate relationship. Its is best management Concepts.

10. **Initiative**

According to this principle, in every organization managers has to create such an environment, where a group of people can willing to take initiative and responsibility for doing various activities in the most efficient way, for all around development of organization. It can only be possible on the basis of developing co-operative relationship among the groups of people. Thus we can say that, it is a vital principle of management.

11. **Subordination of individual interest to group interest**

According to this principle, the interest of group is above in comparison to the interest of an individual. It means organization has to give priority group's need rather than individual, because no one organization can achieve its goals properly without the group's efforts. Hence, it is clear that, the interest of group is above in comparison to the interest of an individual.

12. **Stability of tenure of personnel**

According to this principle, job security must be provided by organization to each personnel. In fact, if the personnel are secured about their jobs than they will give their hundred percent contributions for the achievement of pre-determined goals of organization. On the other hand, in the absence of job security the personnel will not give their hundred percent contributions for the achievement of pre-determined goals of organization. Thus tenure of personnel should be stable.

13. **Equity**

It is one of the most important principles of management. According to this principle, all those are working in organization as superior and subordinate, both have equal rights as human-beings. In fact, all groups of people, either they may be authorized or non-authorized personnel are equal in the eye of organization. There is no difference among them on the basis of cast and creed, positions and other things.

14. **Espirit-de-corps**

According to this principle, everyone in organization should do their tasks under the guidance of team spirit. In fact, any organization cannot attain its predetermined goals efficiently, in the absence of team efforts. Thus it is clear that team spirits is too important in organization among the groups to achieve organizational goals in efficient way.

Q22. State the similarities and differences between F.W. Taylor's scientific management theory and Henry Fayol's administrative theory.

Ans :

Similarities Between F.W. Taylor's Theory and Fayol's Theory

Some of the similarities between Taylor's theory and Fayol's theory include,

1. Taylor and Fayol, both have the opinion that the optimal utilisation of personal and other resources is very essential for achieving success in an organisation.

2. Both Taylor and Fayol have used scientific methods and scientific techniques for resolving the management related problems.

3. Both Taylor and F ayol have relevant experience in a specific industry wherein their ideas are the outcome of practical training and experience.

Some of the differences between Taylor's theory and Fayol's theory are tabulated below,

Differences Between F.W. Taylor's Theory and Fayol's Theory

S.No.	F.W. Taylor's Theory (Scientific Management Theory)	S.No.	Henry Fayol's Theory (Administrative Theory)
1.	Scientific management theory was proposed by F.W. Taylor.	1.	Administrative theory was proposed by Henry Fayol.
2.	Scientific theory focuses on solving shop floor problems. level problems.	2.	Administrative theory focuses on solving top level or executive
3.	Taylor in his scientific theory emphasized more on technical aspects of work like-job design, correct placement of people, standardization of procedures and so on	3.	Fayol in his administrative theory emphasized more on the administrative aspect of work.
4.	F.W Taylor was a 'scientist'	4.	Henry Fayol was a 'practitioner'.
5.	In Taylor's theory, the focus is on improving the productivity level via work simplification, time and motion studies.	5.	In Fayol's theory, the focus is on improving the whole process of administration by following some of the principles.
6.	The principles of management proposed by Taylor forms the basis for performing the activities at the shop floor.	6.	Fayol's activities, management functions and the principles of management are the major contributions of Henry Fayol.

1.7.2 Behavioural Theory of Management

Q23. Explain briefly about behavioural theory of management.

Ans :

It has been observed in the human relation approach that there is a direct relationship between satisfaction and production. In other words, the more satisfied the workers are the more production will be possible. The behavioural science approach is nothing but an improved version of the human relations approach to management. Under this approach, the study of human behaviour is given more importance than the human relations.

The exponents of this approach include scholars like Douglas, McGregor, Chester I Barnard, Rensis Likert, Chris Argyris, Fredrick Herzberg, Warren G. Bennis, Mary Parker Follet, Abraham Maslow, Robert Tannenbaum, etc. The major contribution of the behavioural scientists has been in the field of leadership, communication, motivation, organizational change, organizational conflicts, etc. The behavioural science approach came into vague after 1940.

The details about the contributions made by some of the propounders of behavioural science approach are like this :

1. Abraham Maslow

Maslow presented the Need Hierarchy principle. According to this principle, the needs of a human being are varied and their order can be determined. The moment his first need is satisfied, he starts thinking about his second need and this chain continues. In conclusion, it can be said that human needs act as a motivation for him.

2. Frederick Herzberg

According to Herzberg, along with the motivators the maintenance factors are also helpful in boosting the enthusiasm of the workers.

3. Douglas McGregor

McGregor has presented the traditional approach of motivation as 'X' approach and the modern approach as the 'Y' approach.

4. Rensis Likert

Likert had contacts with numerous managers during the course of his research and, in conclusion, presented four models of management. They are called Management System of Likert.

5. Robert Tannenbaum

Tannenbaum, presented the approach of continuum of leadership behaviour. According to Tannenbaum, it is not possible that any single system of leadership can be applied to all the situations. That is why he has described not one or two, but seven systems of leadership.

Conclusion

The propounders of the behavioural science approach have offered the following suggestions after their study :

i) The employees should have a share in the matter of policy determination.

ii) The employees should be treated in a human way.

iii) It is the duty of the manager to bring out the latent talent of the employees.

iv) It is the duty of the manager to provide a healthy environment.

v) The system of self-discipline instead of the imposed discipline should be adopted.

1.7.3 Management Sciences Theories

Q24. Explain management science theories & techniques used in management science approach.

Ans :

During 1950, management science approach came into existence which is also known as mathematical or quantitative measurement approach. In a management science approach, management is viewed as a logical entity which tends to represent its activities in terms of mathematical symbols relationships and measurement data. Such approach acts as a systematic and scientific

evolutionary method for providing an appropriate solution for the problems faced by managers.

The main purpose of management science approach is to attain the high level of precision, perfection and objectivity by efficiently utilizing the mathematical and statistical tools for the purpose of solving difficult problems. They key features of this approach includes,

1. Management is considered as a problem solving mechanism which is utilizing mathematical tools and techniques for solving complex problems.

2. With the help of mathematical symbols and data management problems could be solved which indicates that every managerial activity can be mathematically expressed.

3. It has wide scope as it also includes decision-making, systems analysis and even few characteristics of human behaviour.

4. The basic methodations used for solving the managerial problems include operations research, mathematical tolls, simulation, models, etc.

Management science approach is a systematic approach which uses the computer aided technology in different fields such as production, finance, costing, transportation and storage, etc. In other words, operations research may be considered as a mathematical method wherein scientific techniques are used to solve the problems. The following are the stages involved in scientific methods,

(a) A problem is divided into its constituent elements

(b) Information related to its respective components is collected

(c) Analysis of the collected data

(d) Identifying the alternatives to solve the problems.

The approach of management science is a highly developed approach in evaluating and understanding the concepts of management theory and practice. Different mathematical tools such as sampling, game theory, simulation, linear programming, time series analysis, waiting line theory, etc. are used for solving the managerial

problems with more accuracy. Information technology, electronic data processing system and many other quantitative devices are used for making decisions. The applicability of this approach is found to be limited as it is used for problem solving and decision making. As, many managerial activities cannot be expressed due to the involvement of human beings which would be managed efficiently through the various irrational factors, it cannot solve all the managerial problems. Hence, it is not regarded as a full-fledged approach of management.

Various Techniques Used in Management Science Approach

Management science approach make use of several techniques which are explained below.

1.   Linear Programming

The main concept of operations research is to formulate a mathematical or operations research model by collecting all the data relevant to it. As the name implies, the model in which all the relevant data is linearly related is called linear programming problem. This model mainly deals with maximizing the profit or minimizing the total cost of the objective function related with decision variables known as constraints. The process of translating the given data into a linear programming model is called formulation. We will discuss in detail the formulation of LPP in the coming topics. The word programming applies to the process of determining a particular action from many alternatives, or it described as planning to get an optimal solution from an action chosen from many alternatives.

2.   Integer Linear Programming

A linear programming problem in which some or all of the variables must take non-negative integer values is called IPP. In other words, the linear programming model with one additional restriction that the variables must have integer values.

Types

Linear integer programming problem can be classified into three categories. They are as follows,

(i)   All-integer programming problem

(ii)   Mixed integer programming problem

(iii)   Zero-one integer programming problem.

3.   Waiting Line or Queuing Models

The waiting phenomenon (Queues) is not free of cost. We cannot eliminate waiting without incurring inordinate expenses. But, we can try to reduce the adverse impact of waiting to acceptable levels. The study of queues determines the measures of performance of a queuing situation including the average waiting time and the average queue length among others. This information is then used to decide on an appropriate level of service for the facility. The result of queueing analysis may also be used in the context of cost optimization model, where the sum of the costs of offering the service and waiting is minimized. This means providing too much, service capacity to operate the system involves excessive costs and not providing enough service capacity results in excessive waiting and all its consequences. Queuing or waiting line models enable finding an appropriate balance between the cost of service and the amount of waiting.

4.   Simulation

A simulated model may be defined as one which depicts the working of a large scale system of men, machines, materials, and information operating over a period of time in a simulated environment of the actual real world conditions.

Simulation is the process of designing a model of real system and conducting experiments with this model for the purpose of understanding the behaviour (within the limits imposed by a criterion or set of criteria) for the operation of the system.

5.   Goal Programming

Goal programming is a mathematical technique for finding the optimum solution to a single dimensional or multidimensional linear objective function subject to a set of

linear constraints. It is also called 'multi-objective' programming.

6. Dynamic Programming

It is a mathematical technique dealing with the optimization of multistage decision problems. It focuses on the time factor. It was developed to emphasize that there are problems in which time plays an essential role. Yet, it can be used in situations where time is not a variable.

7. Network Models

These models are applicable in large projects involving complexities and interdependencies of activities. CPM (Critical Part Method) and PERT (Project Evaluation and Review Technique) are used for planning, scheduling and controlling activities of complex project which can be characterized as net diagram (Arrow diagram).

8. Decision Analysis

When marketing managers are required to take decisions without any prior study, they rely on their judgement skills, experience and intuition. To an extent, it helps in single stage decision problems. However, a better approach would be decision tree analysis that serves as a visual and analytical decision support tool. It helps managers in selecting the best alternative and in identifying the need for further research before making decisions. A decision tree is a graphic representation of sequential strategy-outcome combination of decision problems. The tree like diagram consists of decision nodes, chance or outcome nodes, branches, probability estimates and payoffs.

Decision nodes are generally indicated by a square (□), are the places where decisions have to be made. Chance nodes indicated by a circle (O), represents the point of knowledge of outcomes. The nodes are linked by branches which denote the various alternative course of action available to decision maker. Probabilities are marked against each chance branch. Finally, the payoffs are linked with branches. Payoffs can be negative (penalty) or positive (rewards) and they may be related to either decision or chance branches. The branch at the end of the decision tree is known as terminal branch.

9. Forecasting

To forecast is to predict or expect the need of the consumer in future. It is mainly used for planning purpose.

Forecasts can be done in matter of financial aspect and even in the physical aspect.

10. Project Scheduling PERT / CPM

PERT

This technique was developed to help the US Navy's Polaris Missile programme in its planning and scheduling. Since then, this technique has proved to be useful for all jobs which have an element of uncertainty in the matter of estimation of duration as in the case with new types of project.

PERT is concerned with estimating the time for different stages in such a programme or project and find out what the critical path is, i.e., which consumes the maximum resources.

PERT provides the framework with which a project can be described, scheduled and then controlled.

The project specification is the description of a project so that all interested parties know what is planned and what the outcome should be. The project is scheduled by the project costs, benefits and risks associated with it. Constraints are imposed to control the projects.

CPM

It assumes that the time required to complete an activity can be predicted accurately, thus the cost can be known once the critical path is identified. Since time is an important factor, CPM involves trade-off between the cost and time. It determines the optimum duration for

the project, i.e., a maximum duration which involves the lowest overall costs.

11. Markov Process Models

These models are applicable in such situations where the state of the system can be defined by some descriptive measure of numerical value and where the system moves from one state to another on a probability basis.

12. Inventory Models

These models are concerned with the determination of the optimal (economic) order scientific advancement (or) determination due to wear and tear, accidents, etc., individual and group replacement policies can be used in the case of such equipments that fail completely and instantaneously (electric bulbs, decorative items etc.).

1.8 SYSTEMS AND CONTINGENCY THEORY

Q25. Explain about system theory of management.

Ans : **(May-19)**

The systems theorists focus on viewing the organization as a whole and as the interrelationship of its parts. In the 1950s, management theorists attempted to integrate the classical, behavioral, and management science theories into a holistic view of the management process. Systems theorists began by assuming that an organization is a system that transforms inputs (resources) into outputs (products and/or services).

According to Russell Ackoff, the commonly used classical approach to problem solving is a reductionist process. Managers tend to break an organization into its basic parts (departments), understand the behavior and properties of the parts, and add the understanding of the parts together to understand the whole. They focus on making independent departments operate as efficiently as possible.

According to systems theorists, the reductionist approach cannot yield an understanding of the organization, only knowledge of how it works. Because the parts of a system are interdependent, even if each part is independently made to perform as efficiently as possible, the organization as a whole may not perform as effectively as possible. For example, all-star athletic teams are made up of exceptional players. But because such players have not played together as a team before, the all-star team may not be able to beat an average team in the league.

Systems Approach To Management

The word System is taken from a Greek language which means to bring together or to combine. A system is a set of inter-related parts, which work together to achieve certain goals.

Concepts of Systems Approach To Management

A systems approach has the following key concepts :

1. Open or Closed Systems

Systems may be either open or closed. An open system is one, which depends on the outside environment for survival. A closed system does not interact with the environment.

2. Sub-system

The full system is made up of many parts. Each part is called a sub-systems. A system may be a sub-system of a larger system. For e.g. A department is a sub-system of a plant. A plant is a sub-system of a company.

3. Synergy

Synergy means that the whole is greater than the sum of its parts. In an organisation, when different departments co-operate and interact, they become more productive. This is called synergy.

4. Defined boundaries

Each system has a boundary that separates it from its environment. In case of a closed system, the system boundary is rigid. However, in an open system, the boundary is flexible. A business organisation, has boundaries with many external systems like creditors, suppliers, customers, government agencies, etc. The system is inside the boundary, the environment is outside the boundary.

5. Feedback mechanism

A system can adjust itself to the changing environment through the feedback mechanism. Feedback helps the system to find out and correct its mistakes.

6. Multidisciplinary

Management system uses information from many fields such as psychology, sociology, ecology, economics, mathematics, statistics, operations research, systems analysis, etc. Therefore, it is multidisciplinary.

7. Consideration of whole system

No part of the system can be fully studied and understood without understanding all its parts. So instead of dealing separately with different parts of one organisation, the manager must study the organisation as a whole. For example, in order to understand the working of the finance or production or marketing departments, he must understand the company as a whole. It is because the activity of any one part of the company affects the activity of every other part.

8. Input output system

A business organisation is an input-output system. Inputs consist of human, physical and financial resources obtained from the environment. These resources are converted into outputs of products and services.

Contributions of Systems Approach To Management

Contributions of Systems Approach To Management :

1. Under systems approach, managers have a good view of the organisation.

2. It gives importance to interdependence of the different parts of an organisation and its environment.

3. It foretastes consequences and plans actions.

4. Systems thinking warns managers against adopting piecemeal approach to the problem-solving.

Systems theory stresses the need for conceptual skills in order to understand how an organization's subsystems (departments) interrelate and contribute to the organization as a whole. For example, the actions of the marketing, operations, and financial departments (subsystems) affects each other; if the quality of the product goes down, sales may decrease, causing a decrease in finances. Before managers in one department make a decision, they should consider the interrelated effects it will have on the other departments. The organization is a system (departments), just as the management process is a system (planning, organizing, leading, and controlling), with subsystems (parts of departments) that affect each other. So, in other words, when you have a problem to solve, do not break it into pieces; focus on the whole.

According to Harold Koontz, Daniel Katz, Robert Kahn, and others, the systems approach recognizes that an organization is an open system because it interacts with, and is affected by, the external environment. For example, government laws affect what an organization can and cannot do, the economy affects the organization's sales, and so on.

Over the years, systems theory lost some of its popularity. However, today one of the major trends is toward total quality management (TQM), which takes a systems approach to management.

Q26. Discuss contingency approach in detail by explaining its features, limitations and implications.

Ans :   (Aug.-21, May-19)

Contingency Approach

Contingency/Situational approach asserts that there is no prescribed managerial action or organizational design that is appropriate for all situations. The design and managerial actions depends on the situations. This approach is based on the systems view of organization. It is action-oriented and directed towards the application and implementation of the systems concepts. This theory is a comprehensive organization theory dealing with a variety of organizational and environmental variables. It is a long-range theory and can be applied to the study of various sub units of an organization.

It is concerned with the relationship between relevant environmental variables and appropriate management concepts and techniques that lead to effective goal attainment.

Contingency approach is an important addition to the paradigm of modem organization theory. It is a sophisticated approach to understand the increasingly complex organizations.

Features of Contingency Approach

Some of the features of contingency approach are,

1.   Management action is contingent on certain action outside the system or subsystem as the case may be.

2.   Organization action should be based on the behaviour of action outside the system so that organization should be integrated with the environment.

3.   Because of the specific organization environment relationship, no action can be universal. It varies from situation to situation.

Limitations of Contingency Approach

The following are the limitations of contingency approach,

1.   It is Complex

This theory involves more organizational and environmental variables. It is a complicated theory. Even a simple situation involves analyzing a number of organizational components, each of which has multifarious dimensions.

2.   Paucity of Content

Contingency approach to the organization is criticized on the grounds of paucity of content. Time and again the contemporary social scientists have been emphasizing the 'situational' theories.

3.   Empirical Testing - Difficult

Contingency approach is theoretically complex. Because of this complicated version, there is a doubt as whether this theory can be empirically tested or not. Contingency theory hypothesizes that the greater the total degree of congruence between various parts of organizational components the more effective will be organizational behaviour at multiple levels. Though there is some indication that overall organizational fits can improve organizational effectiveness, concrete research is lacking to support this hypothesis.

4.   Reactive not Proactive

This approach fails to deal with proactive strategy. It is criticized on the ground that it suggest a reactive strategy in copying with the environmental complexity. Woon argues that the managers have considerable power in the society, they must be in a position to provide a sense of direction and guidance, through their innovative and creative efforts especially in coping with the environmental changes in the directionless society.

The basic idea of contingency approach, is that there cannot be a particular management action which will be suitable for all situations, an appropriate action is one which is designed on the basis of external environment and internal states and needs. Contingency theorists suggest that system approach does not adequately spell out. The precise approach tries to fill this gap by suggesting what should be done in response to an event in the environment.

Contingency view presented by Tosi and Hammer - Contingency approach is an approach where the behaviour of one subunit is dependent on its environmental relationship with other units or subunits that have control over the consequences desired by the subunit.

Implications of Contingency Approach

Some of the implications of contingency approach are,

1.   It is the sophisticated approach to understand the increasing complexity of organizations.

2.   The approach is directed towards suggesting organizational designs and managerial actions most appropriate to specific situations.

3.   Management is entirely situational and there is nothing like universal principles of management. What the managers do depends on the circumstances and environment.

4.   This approach suggests suitable alternatives for those managerial actions which are generally contingent upon external and internal environment such as organizational design, strategy formulation, decision systems, etc.'

Short Question & Answers

Q1. Explain the Meaning & Definition of Management.

Ans :

Introduction

One of the most important activities in business is the management of the 4M's – men, machines, material and money. The term 'management' can be interpreted differently is difficult contexts. Hence, it is difficult to define. In one context, it may comprise the activities of executives and administrative personnel in an organisation, while in another, it may refer to a system of getting things done.

In a broad perspective, management can be considered as the proper utilization of people and other resources in an organisation to accomplish desired objectives. With increasing global competition, changes in the world of technology, changing business practices and increasing social responsibility of organisations, the role of managers has become all the more significant.

Meaning of Management

It refers to the process of conducting a set of functions (planning, organizing, staffing, directing and controlling) to get the work done in an efficient and effective manner. Simply, management is an art of getting things done through others.

Definition of Management

Different experts have defined management on the basis of its features. Some experts, have defined management as an 'art of getting things done', while others give more importance to its 'function oriented form'. In the same manner, same experts think management is related to 'decision making', while others are of the opinion that 'productivity and efficiency' are its basis. Following are the main definitions of management.

1. **According to Harold Koontz,** "Management is the art of getting things done through others and with formally organized groups."

2. **According to George R. Terry,** "Management is a distinct process consisting of planning, organising, actuating and controlling; utilising in each both science and art, and followed in order to accomplish predetermined objectives."

3. **According to F.W. Taylor,** "Management is the art of knowing what you want to do and then seeing that they do it in the best and the cheapest way."

4. **According to Peterson and Plowman,** "Management may be defined as the process by means of which the purpose and objectives of a particular human group are determined, clarified and effectuated."

5. **According to Henry Fayol,** "To manage is to forecast and to plan, to organise, to command, to coordinate and to control".

6. **According to Peter Drucker,** "Management is a multipurpose organ that manages business and manages managers and manages workers and work".

7. **According to Mary Parker Fallett,** "Management is the art of getting things done through people".

2. **What are the objectives of Management?**

Ans :

The primary objective of management is to run the enterprise smoothly. The profit earning objective of a business is also to be kept in mind while undertaking various functions.

Following are the broad objectives of management:

1. **Proper Utilisation of Resources**

The main objective of management is to use various resources of the enterprise in a most economic way. The proper use of men, materials, machines and money will help a business to earn sufficient profits to satisfy various interests. The proprietors will want

more returns on their investments while employees, customers and public will expect a fair deal from the management. All these interests will be satisfied only when physical resources of the business are properly utilised.

2.   Improving Performance

Management should aim at improving the performance of each and every factor of production. The environment should be so congenial that workers are able to give their maximum to the enterprise. The fixing of objectives of various factors of production will help them in improving their performance.

3.   Mobilising Best Talent

The management should try to employ persons in various fields so that better results are possible. The employment of specialists in various fields will be increasing the efficiency of various factors of production. There should be a proper environment which should encourage good persons to join the enterprise. The better pay scales, proper amenities, future growth potentialities will attract more people in joining a concern.

4.   Planning for Future

Another important objective of management is to prepare plans. No management should feel satisfied with today's work if it has not thought of tomorrow. Future plans should take into consideration what is to be done next. Future performance will depend upon present planning. So, planning for future is essential to help the concern.

3.   Managers based on Management Levels.

Ans :

Based on management levels, managers are classified into three,

(a)   First Line Managers

First Line or first level management is the lowest level of management in an organization, at which the individuals are responsible for the work of others. These managers provide direction to the non-management employees and look after the

other managers of the organization. These managers are often called as 'unit managers' or 'department managers'.

(b)   Middle or Second-level Managers

These managers perform the dual function of directing the lower-level managers, as well as operating the employees at other levels. The primary responsibility of middle managers is to direct the activities which executes their organizational policies and to balance the demands of their managers with the capacities of their employees.

(c)   Top Managers

These managers are responsible for the overall management of an organization. Top managers are also called as 'executives'. They develop policies and guides the interactions of the organization with the environment. These managers are often entitled to the positions of 'Chief Executive Officer', 'President' and 'Vice-president'.

4.   Interpersonal Roles

Ans :

The important interpersonal roles of managers are:

(a)   Figurehead Role

Managers perform the duties of a ceremonial nature as head of the organization, a strategic business unit or department. Duties of interpersonal roles include routine, involving little serious communication and less important decisions. However, they are important for the smooth functioning of an organization or department.

(b)   Leader Role

The manager, in charge of the organization/ department, coordinates the work of others and leads his subordinates. Formal authority provides greater potential power to exercise and get the things done.

(c)   Liaison Role

As the leader of the organization or unit, the manager has to perform the functions of

motivation, communication, encouraging team spirit and the like. Further, he has to coordinate the activities of all his subordinates, which involves the activity of liaison.

5. Decisional Roles

Ans :

Information is an important and basic input to decision-making. The managers play a crucial role in decision-making system of the unit. Only the manager can commit the department to new courses of action and he has full and current information to initiate and implement the decisions that determine the department's or organizational strategy. The decisional roles of the manager are:

(a) Entrepreneurial Role

As an entre-preneur, the manager is a creator and innovator. He seeks to improve his department, adapt to the changing environmental factors. The manager appreciates new ideas and initiates new developmental projects.

According to Peter F. Drucker, "The manager has the task of creating a true whole that is larger than the sum of its parts, a productive entity that turns out more than the sum of the resources put into it".

(b) Disturbance Handler Role

Entrepreneurial role describes the manager as the voluntary initiator of change, the disturbance handler role presents the manager as the involuntarily responding to pressures. Pressures of the situation are severe and highly demand the attention of the manager and as such the manager cannot/ ignore the situation. For example, workers' strike, declining sales, bankruptcy of a major customer etc.

The manager should have enough time in handling disturbances carefully, skilfully and effectively.

(c) Resource Allocator's Role

The most important resource that a manager allocates to his subordinates is his time. He should have an open-door policy and allow the subordinates to express their opinions and share their experiences. This process helps both the manager and his subordinates in making effective decisions. In addition, the manager should empower his subordinates by delegating his authority and power.

(d) Negotiator's Role

Managers spend considerable time in the task of negotiations. He negotiates with the subordinates for improved commitment and loyalty, with the peers for cooperation, coordination and integration, with workers and their unions regarding conditions of employment, commitment, productivity and with the government about providing facilities for business expansion etc.

6. What are the Managerial Skills?

Ans :

According to Robert L.Katz, There are three types of managerial skills viz., technical skills, human skills and conceptual skills. Fig.presents the managerial skills.

1. Technical Skills

Technical skills are the proficiency in working with machines, tools and techniques in human resource management, financial management marketing management "and' production management. "Managers at all levels should possess technical skills. Those at the lower level should possess more of technical skills whereas managers at the top level possess less technical skills compared to those at middle and lower levels.

2.   Human Skills

Human skills include the ability to work with people tactfully, interpersonal proficiency, ability to build, maintain and work in teams and create an open environment. Managers at all levels should possess these skills.

3.   Conceptual Skills

Conceptual skills include the ability to draw the total, integrated, comprehensive and the macro view of the company, situations and the ability to develop solutions for the probable problems and challenges. Top level managers should possess more of conceptual skills compared to those of lower level managers.

7.   Principles of Scientific Management.

Ans :

The Scientific Management Approach propounded by F.W. Taylor is based upon the following five principles :

1.   Principle of Use of Science for the Rule of Thumb

According to this principle, all the activities being performed in an organisation should be analysed in detail with the aim of developing a technique of accomplishing the maximum possible work in an efficient manner and at the minimum possible cost. This principle says that we should not get stuck in a set and continue with the old techniques of doing work, rather we should be constantly experimenting to develop new techniques which make the work much simpler.

2.   Principle of Scientific Selection and Training of Workers

According to this principle, the selection and training of workers should be done in a scientific manner. Of the various activities being performed in an organisation, selection of workers is the most important because even one wrong appointment can spoil the whole atmosphere in the organisation. Scientific appointment means appointing only those people to do a particular work who

posses the necessary capabilities to do it. However, only scientific selection of workers is not adequate in itself, the workers should also be imparted the necessary training from time to time. Proper training of the workers increases their efficiency and hence benefits both the workers as well as the organisation.

3.   Principle of Cooperation between Labour and Management

As per this principle, such an atmosphere should be created in the organisation that labour (the major factor of production) and management consider each other indispensable. Labour should understand that it cannot proceed in its work without the existence of Management, and Management should understand that it has no identity without the existence of Labour. If such an atmosphere prevails in an organisation, then both the parties would aim for the achievement of the same goal (i.e., the maximum and good quality production) and hence both of them will be successful in achieving the goals. Taylor has referred to such a situation as a 'Mental Revolution'. Taylor firmly believed that the occurrence of a mental revolution would end all the conflicts between the two parties and would be beneficial to both of them.

8.   Salient features of F.W. Taylor's scientific management.

Ans :

1.   Separation of Planning and Doing

Taylor emphasized the separation of planning aspect from actual doing of the work. He said that planning should be left to the supervisor and the worker should emphasize only on operational work.

2.   Functional Foremanship

Taylor evolved the concept of functional foremanship based on specialization of functions, which could take planning work adequately besides keeping supervision on workers. In this system eight persons are involved to direct the activities of workers.

Out of these, four persons are concerned with planning,

(i)   Route clerk

(ii)   Instruction card clerk

(iii)   Time and cost clerk

(iv)   Disciplinarian.

The remaining four persons are concerned with doing aspect of the work,

(i)   Speed boss

(ii)   Inspector

(iii)   Maintenance foreman

(iv)   Gang boss.

All of them give directions to workers on different aspects of work.

3.   Job Analysis

Job analysis is undertaken to find out the one best way of doing the things. The best way of doing a job is one which requires the least movements, consequently less time and cost.

4.   Standardization

Standardization should be maintained with respect of instruments and tools, period of work, amount of work, working conditions, cost of production etc.

5.   Scientific Selection and training of Workers

Taylor has suggested that workers should be selected on scientific basis taking into account their education, work experience, aptitude physical strength etc., apart from selection, proper emphasis should be given on the training of workers which makes them more efficient and effective.

9.   Behavioural theory of management.

Ans :

It has been observed in the human relation approach that there is a direct relationship between satisfaction and production. In other words, the more satisfied the workers are the more production will be possible. The behavioural science approach is nothing but an improved version of the human

relations approach to management. Under this approach, the study of human behaviour is given more importance than the human relations.

The exponents of this approach include scholars like Douglas, McGregor, Chester I Barnard, Rensis Likert, Chris Argyris, Fredrick Herzberg, Warren G. Bennis, Mary Parker Follet, Abraham Maslow, Robert Tannenbaum, etc. The major contribution of the behavioural scientists has been in the field of leadership, communication, motivation, organizational change, organisational conflicts, etc. The behavioural science approach came into vague after 1940.

The details about the contributions made by some of the propounders of behavioural science approach are like this :

1.   Abraham Maslow

Maslow presented the Need Hierarchy principle. According to this principle, the needs of a human being are varied and their order can be determined. The moment his first need is satisfied, he starts thinking about his second need and this chain continues. In conclusion, it can be said that human needs act as a motivation for him.

2.   Frederick Herzberg

According to Herzberg, along with the motivators the maintenance factors are also helpful in boosting the enthusiasm of the workers.

3.   Douglas McGregor

McGregor has presented the traditional approach of motivation as 'X' approach and the modern approach as the 'Y' approach.

4.   Rensis Likert

Likert had contacts with numerous managers during the course of his research and, in conclusion, presented four models of management. They are called Management System of Likert.

5.   Robert Tannenbaum

Tannenbaum, presented the approach of continuum of leadership behaviour. According to Tannenbaum, it is not possible

that any single system of leadership can be applied to all the situations. That is why he has described not one or two, but seven systems of leadership.

10. Features of Contingency Approach.

Ans :

Some of the features of contingency approach are,

1. Management action is contingent on certain action outside the system or subsystem as the case may be.

2. Organization action should be based on the behaviour of action outside the system so that organization should be integrated with the environment.

3. Because of the specific organization environment relationship, no action can be universal. It varies from situation to situation.

11. Limitations of Contingency Approach.

Ans :

The following are the limitations of contingency approach,

1. It is Complex

This theory involves more organizational and environmental variables. It is a complicated theory. Even a simple situation involves analyzing a number of organizational components, each of which has multifarious dimensions.

2. Paucity of Content

Contingency approach to the organization is criticized on the grounds of paucity of content. Time and again the contemporary social scientists have been emphasizing the 'situational' theories.

3. Empirical Testing - Difficult

Contingency approach is theoretically complex. Because of this complicated version, there is a doubt as whether this theory can be empirically tested or not. Contingency theory hypothesizes that the greater the total degree of congruence between various parts

of organizational components the more effective will be organizational behaviour at multiple levels. Though there is some indication that overall organizational fits can improve organizational effectiveness, concrete research is lacking to support this hypothesis.

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This approach fails to deal with proactive strategy. It is criticized on the ground that it suggest a reactive strategy in copying with the environmental complexity. Woon argues that the managers have considerable power in the society, they must be in a position to provide a sense of direction and guidance, through their innovative and creative efforts especially in coping with the environmental changes in the directionless society.

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Contingency view presented by Tosi and Hammer - Contingency approach is an approach where the behaviour of one subunit is dependent on its environmental relationship with other units or subunits that have control over the consequences desired by the subunit.

2.1 PLANNING AND GOAL SETTING

Q1. What is Planning? Explain the nature of planning.

Ans :

Planning is a primary function of corporate management. It is a bridge between the present and the future. It gives managers some purpose, objectives, programme and direction towards the goals. Further it helps in the process of motivation and provides a framework for decision-making. It also provides standards for control of performance of overall corporations.

Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur, which would not otherwise happen. It is true that the future cannot be exactly predicted.

Meaning of Planning

Planning is an intellectual process of thinking resorted to decide a course of action which helps to achieve the predetermined objectives of the organization in future.

Definitions of Planning

"Planning means the determination of what is to be done, how and where it is to be done, who is to it and how results are to be evaluated."

- James Lundy

"Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen."

- Koontz & O'Donnel

"Planning is deciding the best alternatives among others to perform different managerial operations in order to achieve the predetermined goals."

- Henry Fayol

"Planning is the selection and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results".

- George R. Terry

Nature of Planning

Planning decides the objectives, goals and course of action in advance and the method of implementing and achieving the plans. Planning aims at achieving the goals more economically and accurately. It is the basic management function.

The nature of planning includes :

1. **Primary Planning**

    Planning is the primary and basic function among the management functions *viz.*, planning, organizing, staffing, directing and controlling. Infect, all other functions follow the function of planning. Managers first perform the planning function and then perform all other functions.

2. **Contributes to Objective**

    Organizational objectives specify the purpose for which the organizations are established. These objectives are converted into goals. Managers perform the planning function in order to achieve the goals and objectives. Thus planning contributes to the achievement of objectives.

3. Intellectual Activity

Planning includes foreseeing the future environmental opportunities and threats. Further, it includes organizational strengths and eliminating weaknesses in order to match these strengths and environmental opportunities. It also includes strengthening the organizing to face the environmental challenges and threats. Managers develop alternative courses, evaluate these alternatives and select the best course. Management should have intellectual ability and multiple skills to perform planning effectively. Thus, planning is an intellectual activity.

4. Higher Efficiency

Efficiency is the ratio between input and output. Achieving more output with the same input and/or reducing the input to achieve the same output is referred to as efficiency. Planning minimizes the input and maximizes output. Thus, planning maximizes organizational efficiency.

5. Flexibility

Planning should porrect and react to the environmental changes. Liberalization, privatization and globalization make the external environment more dynamic. This inturn results in high competitiveness and customer-centered production and marketing.

6. Consistency

Managers at different levels formulate plans based on the internal and external environmental factors. Therefore, planning should be in consistence with the strengths of the firm and opportunities provided by the external environment. Similarly, planning at the department level should be in consistence with the corporate level plans.

Q2. What are the six P's of Planning ?

Ans :

The six P's state the fundamental requirement of planning. These P's are as follows :

1. Purpose

The first need of planning is the purpose. An effective planning requires a clear understanding of the purpose of planning. The reasons for the existence of the organization must be stated. The purpose of an organization may be to increase profits or increase market share or introduce more products etc. The purpose should be clear and elaborate.

2. Philosophy

It states the beliefs as to how the organizations's purpose is to be achieved. The philosophy of an organization may be based on profitability through quality or increasing turnover through consumer satisfaction etc. For a long term survival and growth the philosophy must adopt ethical conduct.

3. Promise

It is an assessment of the strengths and weaknesses of the organization based on the knowledge and assumptions of the environment. With the help of business forecasting and other methods some conclusions are made for the future environment trends. By knowing the strengths and weakness of the organization management can deal with changing environment in a more effective way.

4. Policies

Policies are the general statements for the guidance of the personnel. They are the guidelines and constraints which aid in management thinking and action. An organization may have production policies, financial policies, marketing policies, accounting polices, personnel policies, etc. These policies form a basis for managerial actions.

5. Plans

These are the objectives and action statements. Objectives are the goals of an organization and action statements are the means of achieving them. Plans guide us for reaching the goals and helping in knowing the progress at different stages.

6. Priorities

An organization must fix goal priorities. The resources of finance, materials, personnel, etc.

are limited and these are to be allocated as per the priorities set. The high priority goal will have preference for allocation of resources. The priorities of goals must be based on the philosophy and premises of the organization as well as on economic, political and social environment.

Q3.   Explain the importance of planning.

Ans :   **(Jan.-20)**

The main purpose of planning is to minimise the uncertainty that comes with future. It is intended to clarify the implications of managerial actions or decisions. Planning done, organizations are bound to succeed in terms of increased sales, customer growth, reduced operating costs, growth and expansion.

1.   Helps to achieve targets:

Plans are expressed in terms of budgets. Budgets act as targets. Every manager strives hard to achieve a given target. Thus, planning contributes to target achievement.

2.   Minimises uncertainty and, thereby, risk:

Business environment is uncertain and risky. Planning is the only way to move towards certainty and confidence.

3.   Guide for action

Plans direct people towards achieving goals. As part of planning, organizations keep a list of supporting plans, policies, procedures, programmes, strategies, rules and budgets to guide their people towards the goals.

4.   Ensures 'order'

Organizations walk into chaos if they do not plan properly. The only way to ensure order is to think of probable problems in advance and create the necessary infrastructure to sort them out.

5.   Improves efficiency

Efficiency means doing things correctly and at minimum cost. Every department has a budget. It means all possible activities have been considered while framing the budget. Clear plans leave only one task for

managers—their implementation. Planning is bound to improve efficiency. Despite detailed planning sometimes there can be an unexpected shortage of resources. Organizations keep a portion of their resources to cushion such crises.

6.   Facilitates control

Plan is a means of control. The actual performance of the organization and also its members can be evaluated based on plans.

7.   Promotes innovation and creativity

Progressive organizations involve their staff in organizational planning. Planning is considered a means to promote innovation and creativity among the staff.

8.   Coordination made easy

Plans indicate what the employees have to do to attain their goals. Plans make it easier for managers to coordinate the efforts of their staff.

Q4. Write in detail about goal setting. Discuss how goals are set.

Ans :

Goal Setting

Goal setting involves setting of goals and developing a direction to achieve them. Goal setting is considered as a difficult process in an organization. Goals not only provide direction for all the decisions of management but also forms the criteria against which actual achievement are measured. All the members in an organization work towards the accomplishment of goals.

Goals are usually set through the two major processes,

1.   Traditional goal setting process.

2.   Alternative to traditional goal setting process i.e., Management By Objectives (MBO).

1.   Traditional Goal Setting Process

In traditional goal setting process, goals are set by the top management. After setting the goals, the top management formulates them for middle management. Subsequently, the middle management ensures an essential ground for the

development of secondary level. This way, the goals are passed down to each succeeding level and all the employees use it as a guide to achieve the assigned goals.

2. Management by Objective as an Alternative to Traditional Goal Setting

Management by objectives method was developed by Peter F. Drucker in 1954. According to him, MBO is a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected from him and use these measures as guides for operating the unit and assessing the contributions of each of its members. An MBO programme mainly involves four steps. Goal setting. Performance standard, Comparison and Periodic review. The MBO method suffers from the limitation that it is time-consuming.

Steps in Goal Setting

It is necessary for the managers to follow the six essential steps while setting goals. The steps involved in goal setting are as follows,

1 Review the Organizational Mission and Key Jobs of Employees

The mission statement of an organization acts as a guide to the members of the organization. It is essential for the managers to review the mission prior to writing of goals as goals should reflect the mission. Besides this, organization should define what it expects from its employees.

2. Examine the Available Resources

The goals should be set in such a way that they should be achievable. Organization should make sure that it has sufficient resources to achieve the goals. If there are insufficient resources, then it becomes very difficult and even impossible to achieve goals. Therefore, the goals should be realistic.

3. Determine the Goals Individually or with Input from Others

The set goals should consider the organizational mission and goals in other areas of organization. The goal must reflect the required outcomes and it should be specific, measurable and has a specific time frame for accomplishment.

4. Write the Goals Properly and Communicate them to the Respective People

The organization should make sure that goals are well written and it should be communicated to the organizational members. The goals when written, shows the importance of working towards something.

5. Create Feedback Mechanisms to Evaluate Progress of the Goal

If it is not possible to meet the goals, then one can change them as per the requirements.

6. Link Reward to the Attainment of Goal

It is quite obvious that employees expect something in return after the accomplishment of goals. Therefore, it is important to link the rewards to goal achievement.

Once the goals are set, written down and communicated, the managers can develop plans for pursuing the goals.)

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│ **2.2 ORGANIZATIONAL PLANNING** │
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Q5.   What is Organizational Planning.

Ans :   **(June-18)**

Organizational Planning is an organized way of forecasting future opportunities by taking into consideration the probability of the opportunities to take place and then design appropriate ways and actions to make advantage of these opportunities.

Planning is the most important and prevailing management function, which is practised by all the managers at different levels. Even though planning is regarded as a managerial function, it is being integrated with several functions of management whose success to a large extent depends upon the planning activity.

Q6.   Describe the process of Organizational Planning.

Ans :   **(Jan.-20, Imp.)**

The overall planning process, illustrated in figure prevents managers from thinking merely in terms of day-to-day activities.

➢   The process begins when managers develop the overall plan for the organization by clearly defining mission and strategic (company-level) goals.

➢   Second, they translate the plan into action, which includes defining tactical objectives and plans,
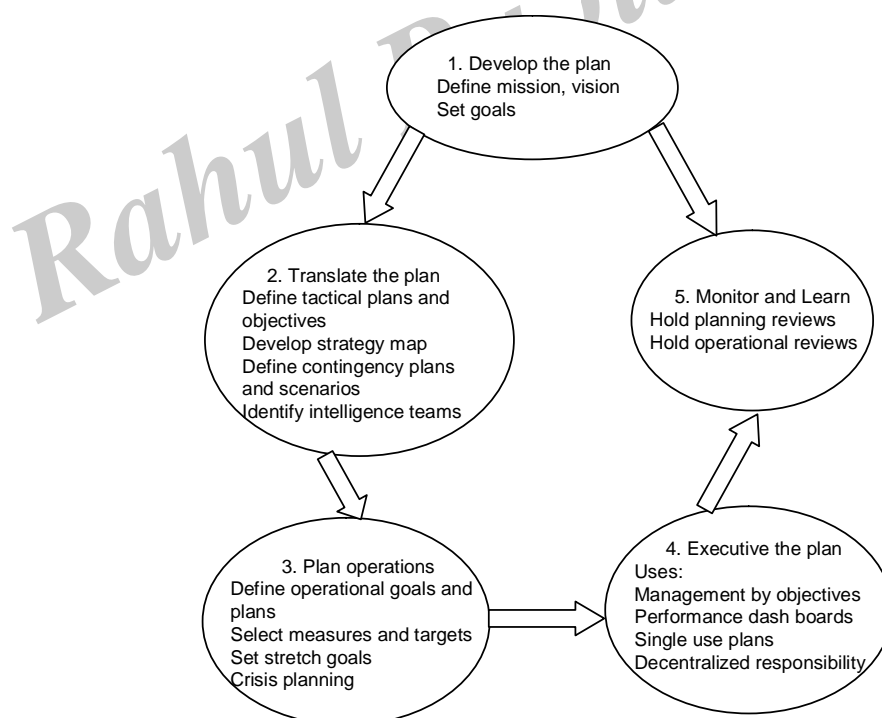
Figure : The Organizational Planning Process

developing a strategy map to align goals, formulating contingency and scenario plans, and identifying intelligence teams to analyze major competitive issues.

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➤ Third, managers lay out the opera-tional factors needed to achieve goals. This involves devising operational goals and plans, selecting the measures and targets that will be used to determine if things are on track, and identifying stretch goals and crisis plans that might need to be put into action.

➤ Tools for executing the plan include management by objectives, performance dashboards, single-use plans, and decentralized responsibility.

➤ Finally, managers periodically review plans to learn from results and shift plans as needed, starting a new planning cycle.

2.3 VISION, MISSION AND GOALS

Q7. 7

Ans :   **(Nov.-21, May-19, Imp.)**

A **Vision** Statement describes the desired future position of the company. Elements of Mission and **Vision** Statements are often combined to provide a statement of the company's purposes, goals and values

Definition

Vision is a statement that expresses organization's ultimate objectives.

The statement also indicates what resources, competencies and skills will be needed to achieve the future objective. This way it guides decision-making and resource allocation more effectively.

Importance of a Vision Statement to an Organization

A Vision statement for an organization is important in the six following ways. Firstly, it is helpful in bridging the present and the future of an Organization. Secondly, it is a source of inspiration because it gives hope for the future of an Organization. Thirdly, it forms the criteria for decision making for the management of an Organization.

In addition to the above four ways it describes

what has to be achieved if the organization is to be successful. It creates organization interest and commitment. Last but not least a Vision Statement of an Organization helps in defining the actions and goals that will help in achieving the vision.

Qualities of a Good Vision Statement of an Organization

A Good Vision Statement of an organization has five qualities which are analyzed hereafter. It should have the following qualities as articulated by the top management in order to have impact on the employees.

➤ **First** and foremost a Good Vision Statement of an Organization must be conveyed in a dramatic and never ending manner to enhance motivation to fulfill it.

➤ **Secondly** a Good Vision Statement of an Organization must also be inspirational that is a statement that provokes employees to give their best.

➤ **Thirdly** a Good Vision Statement of an Organization must be communicated constantly for everyone to keep remembering it and their reason for being in the company.

➤ **Fourthly** a Good Vision Statement of an Organization must keep linking the event of the present and the future to enhance consistency.

➤ **Last but not least** a Good Vision Statement of an Organization must also incorporate beliefs such as being able to achieve objectives

Components of a Good Vision Statement

A good statement has seven components which are analyzed hereafter.

➤ **First** and foremost a Good Vision Statement of an Organization should enhance the development of a great new product that is inspiring and further development of existing products.

➢ **Secondly** a Good Vision Statement of an Organization should aspire to serve customers through defined product portfolio that has been set by the management.

➢ **Thirdly** a Good Vision Statement of an Organization should ensure quality of products offered to the customers.

➢ **Fourthly** a Good Vision Statement of an Organization should be responsive to customers' needs and services.

➢ **Fifth** component is that a Good Vision Statement of an Organization should bring about providing an enjoyable work environment for both the employers and employees.

➢ **In addition** to the five a Good Vision Statement of an Organization should ensure financial strength and stability.

➢ **Last but not least** a Good Vision Statement of an Organization should ensure sustainable growth of the company for the benefit of its stakeholders.

Q8. What are the benefits of vision?

Ans :

There are several benefits accrue to an organization having a vision. They are,

1. Good visions are inspiring and exhilarating.

2. Visions represent a discontinuity, a step function and a jump ahead so that the company knows what it is to be.

3. Good visions help in the creation of a common identity and a shared sense of purpose.

4. Good visions are competitive, original and unique. They make sense in the market place as they are practical.

5. Good visions foster risk-taking and experimentation.

6. Good visions foster long-term thinking.

7. Good visions represent integrity, they are truly genuine and can be used for the benefit of people.

Q9. Define Mission

Ans :   (Nov.-21)

Mission is what an organization is and why it exists. Organizations relate their existence to satisfying a particular need of the society. They do this in terms of their mission.

Mission is "a statement which defines the role that an organization plays in a society".

Definition of Mission

"Mission is the essential purpose of the organization, concerning particularly why it is in existence, the nature of the business(es) it is in, and the customers it seeks to serve and satisfy".

– Thompson (1997)

"Mission is the purpose or reason for the organization's existence".

– Hunger and Wheelen (1999)

"Mission focuses the organization on action. It defines the specific strategies needed to attain goal. It creates a disciplined organization. The business purpose and business mission are so rarely given adequate thought, is perhaps the most important single cause of business failure and business frustration".

– Drucker

Q10. Describe the Essential characteristics of a mission statement.

Ans :   (May-19, Imp.)

1. It should be feasible

A mission should always aim high but it should not be an impossible statement. It should be realistic and achievable its followers must find it to be credible. But feasibility depends on the resources available to work towards a mission.

2. It should be precise

A mission statement should not be so narrow as to restrict the organization's activities nor

should it be too broad to make itself meaningless. 'Manufacturing bicycles' is a narrow mission since it severely limits the organization's activities while 'mobility business' is too broad a term, as it does not define the reasonable contour within which an organization could operate.

3.   It should be clear

A mission should be clear enough to lead to action. It should not be a high-sounding set of platitudes meant for publicity purposes. Many organizations do adopt such statements but probably they do so for emphasizing their identity and character.

4.   It should be motivating

A mission statement should be motivating for members of the organization and of the society, and they should feel it worthwhile working for such an organization or being customers.

5.   It should be distinctive

A mission statement, which is indiscriminate, is likely to have little impact. If all Scooter manufacturers defined their mission in a similar fashion, there it would not be much of a difference among them. But if one defines it as providing scooters that would provide value for money, for 1 year it creates an important distinction in the public mind.

6.   It should indicate major components of strategy

A mission statement, along with the organizational purpose, should indicate the major components of the strategy to be adopted.

7.   It should indicate how objectives are to be accomplished

Besides indicating the broad strategies to be adopted, a mission statement should also provide clue regarding the manner in which the objectives are to be accomplished. These mission statements specifically deal with objectives to be achieved within a given time period.

Q11. Explain the Need for mission statement.

Ans :

1.   The mission statement gives a unified direction to the company's growth.

2.   The utilization of the company's resources is also unified, and people get motivated to exploit these resources in a specific direction for the company's growth.

3.   Allocation of resources is based on the mission statement.

4.   The mission statement while giving a direction for growth also tends to build up a professional climate for maintenance and improvement of the company's status in any desired area.

5.   The mission statement outlines a framework for organizational planning, assigning definite tasks and responsibilities to each business unit.

6.   The mission statement helps to setup and develops a control mechanism for achievement of objectives.

Q12. What are the difference between vision and mission.

Ans :

	Basis of Difference	Vision	Mission
1.	Definition	A vision statement is what the organization wants to become.	A mission statement concerns what an organization is all about.
2.	Describes the Organization	A vision statement describes how the future will look if the organization achieves its mission.	A mission statement answers three key questions: what do we do? For whom do we do it? What is the benefit?
3.	Existence	The vision statement generally lasts for the life of the organisation.	A mission statement should be revisited every two to three years to make sure that the means being used to attain the vision are still relevant.
4.	Time	A mission statement talks about the present leading to its future.	A vision statement talks about future.
5.	Change	Mission statement may change, but it should still tie back to core values, customer needs and vision.	As organisation evolves, company might feel tempted to change vision. However, mission or vision statements explain organisation's foundation, so change should be kept to a minimum.
6.	Features of an Effective Statement	Purpose and values of the organisation; Who are the organisation's primary "clients" (stakeholders)? What are the responsibilities of the organisation towards the clients?	Clarity and lack of ambiguity: describing a bright future (hope); Memorable and engaging expression; realistic aspirations, achievable; alignment with Organizational values and culture.

Q13. Define goals. Explain the features of goals.

Ans :   **(Nov.-21, May-19, Imp.)**

Company goals denote what company hopes to accomplish in future period of times. They represent a future state or an outcome of the effort put in now. Broad categories of financial and non-financial issues are addressed by the goals that a firm sets for it.

Goals provide the fundamental standard for measuring performance to attain the end objective. Goals aid in legitimising an organisation and creating a place for it in the environment. Goals have public relations value; they might help in drawing support from various groups in the environment. Organizational goal can also help in image building with suppliers, customers, public policy makers and the government.

According to Robey, "An organisation falling short of its tartest might set up a task force to develop new policies for achieving a higher level of goal attainment. Goals can also provide a rationale for designing the organisation. A goal of rapid growth through introduction of new products may lead and organisation to create a strong R&D department and to create a mechanism for close integration among the engineering, marketing and R&D departments".

According to King and Cleland, "Goals is to establish a venereal tone or organizational climate; to serve as a focal point for those who can identify with the organisation purpose and direction and to defer those who cannot, from participating in the organisation's activities; to facilitate the translation of the broad purposes and mission into identifiable tasks and their assignment to responsible groups within the organisation and to help in allocating organizational resources".

Features of Goals

1. Goal Addresses

The first characteristic is concerned with the issues that a goal addresses. A goal should only address important issues.

2. Realistic and Challenging

A second characteristic of well constructed goals is that they should be realistic and challenging. Challenging goals motivate managers to be innovative and ambitious about improving the operations. They give all employees an incentive to look for ways of improving the operations of an organisation. If a goal is unrealistic in the challenges it poses, employees may give up; a goal that is too easy may fail to motivate managers and other employees. For example, Boeing Company decided to achieve a 30 percent unit cost reduction by improving efficiency of operations. However, the time period they projected in achieving this goal was 6 years. This goal was considered challenging and realistic. The goal would have been unrealistic and unachievable if they had projected the time period for such cost reduction much less than 6 years'

3. Specific Time Period

The third characteristic of realistic goals is the specification of time period in which a given goal is to be achieved. Goals specify a time period in which they should be achieved when that is appropriate.

Time constraints tell employees that success requires a goal to be attained by a given date, not after that date. Deadlines can inject a sense of urgency into goal attainment and act as a

motivator. However, not all goals require time constraints.

4. Precise and Measurable

Measurable goals give managers a yardstick or standard against which they can judge their performance.

5. Address Crucial Issues

Another characteristic is concerned with the issues that a goal addresses. A goal should only address important issues. Short term goals and objectives should be left to the lower management to plan and achieve. Such important issues as reducing costs or improving quality should be included in goals, which are to be achieved by top or middle management. For example, Boeing's goal of being a market leader in aircraft business by maintaining a minimum of 60 percent market share is an important issue that a goal addresses.

6. Capable of Attracting Commitment

People need to be committed to achieving goals. Ideally the people who are charged with achieving the goals should be involved in setting them. Where this is not possible, then the purpose and rationale behind the goals should be clearly communicated to the people who are to achieve them.

Q14. Explain the different types of goals.

Ans :

Following are the major types of goals:

1. Official Goals

Official goals are the general aims of the organisation as described in a memorandum of association, charter of annual report. They may also be found in public statements by top executives. The official goals are the stated goals and also perform the function of legitimising the organisation in its environment.

2. Operative Goals

Operative goals indicate what the organisation is really attempting to do. They may be

inferred from the actual operating policy of the organisation. They help the organisation manager to focus attention, reduce uncertainty and choose among organizational design alternatives.

3.   Operational Goals

Operational goals are used by supervisory personnel or managers in the organisation to influence the behaviour of subordinates and to measure their performance.

2.4 TYPES OF PLANS

Q15. Explain different types of plans in an organization

Ans :   (Aug.-21, Jan.-18, Dec.-18, Imp.)
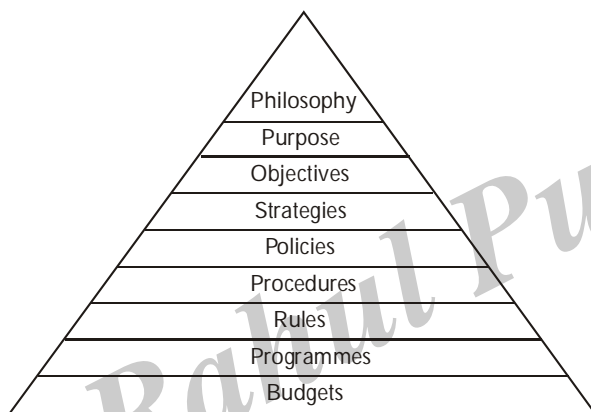
(i)   Philosophy

Organizations are part of society. They exist because they perform an important function in the society. Many organizations define the role that they wish to play in society in terms of philosophy. The concern for and interest in philosophy of the top management of an organisation has been steadily increasing since World War II. A philosophy is a system of thought.

A managerial philosophy that is commonly accepted is a requisite for a common scale of values in the country. Hence the philosophy of the company should have unity of thought and action in the accomplishment of

economic objectives of a country. Philosophy is based on the needs and problems of society and economy of the country. Thus, philosophy bridges the gap between society and the company.

The philosophy of Bank of Madhura Ltd. is: A vibrant bank committed to for example excellence in performance through customer satisfaction.

Oil and Natural Gas Commission (ONGC) states its philosophy as: "To stimulate, continue and accelerate efforts to develop and maximise the contribution of the energy sector to the economy of the country."

(ii)   Purpose

Every kind of organized group activities or operations has a purpose. For example, the purpose of a bank is to accept deposits and grant loans and advances.

(iii)   Objectives

Objectives are the ends towards which organizational activity is aimed. Organizational objectives represent not only the end point of planning but also the end towards organizing, staffing, directing and controlling point. For example, the objective of the bank may be to contribute to the socio-economic objectives of the country. Every department may have its own objectives which may not be completely the same as of the bank. For example, the objectives of the Advance Department may be to grant loans to socially and economically weaker sections of the community. This objective certainly contributes to the attainment of overall objectives of the bank.

(iv)   Strategies

Strategy is determination of the basic long-term objectives of an enterprise and the adoption of courses of action and allocation of resources necessary to achieve these goals.

Thus, a bank has to state its long-term goal, say, maximization of customer satisfaction, profit maximization or contribution to the maximum extent for the socio-economic upliftment of the country. Thus, the management has to finalise the course of action like deposit mobilization, granting of loans etc. and allocate resources of all types like men, material, machine and money to attain the goal.

(v) Policies

Policies are general statements or understandings which guide or direct thinking and action in decision-making. However, all policies are not statements.

(vi) Procedures and Rules

Procedures are plans that establish a desired method of handling future activities. They are guides to action rather than thinking. They detail the exact manner in which a certain activity must be accomplished. For example, the procedures of granting loans which include inviting application, scrutinising application, verifying facts, appraising projects, sanctioning loans, disbursing the loan amounts, supervising following up end-use, recovering etc. Rules spell out specific required action or non-action allowing no discretion. For example, charging of 10 per ct rate of interest on housing loans.

(vii) Programmes

These are complexes of goals, policies, procedures, rules task assignment, steps to be taken, resources to be employed and other elements necessary to carry out a given course of action. They are ordinarily supported by necessary budgets of the organisation.

(viii) Budget

A budget is a statement of expected results in terms of members. It may be referred to as a numerical programme. Cash budget, sales budget capital expenditure budget are some of the examples of budget.

2.5 STEPS IN PLANNING PROCESS

Q16. Outline the steps involved in planning process.

Ans : (Nov.-20, May-19, Jan.-18, Dec.-18, Imp.)

1. Situational Analysis

Planning begins with a situational analysis. Within their time and resource constraints, planners should gather, interpret and summarise all information relevant to the planning issue. A thorough situational analysis studies past events, examines current conditions, and attempts to forecase future trends. It focuses on the internal forces at work in the company or work unit and simultaneously examines the impact of external environment. The outcome of this step is the identification and diagnosis of planning assumptions, issues and problems.

2. Alternative Goals and Plans

Based on the situational analysis, the planners should generate alternative goals that may be pursued in the future and the alternative plans that may be used to achieve those goals. This step calls for creativity on the part of managers and employees to think 'beyond box' and come out with alternative goals and plans.

3. Goal and Plan Evaluation

Alternative goals and plans have been identified, the planners must evaluate the merits, demerits, and potential effects of each alternative goal and plan.

4. Goal and Plan Selection

Having shortlisted potential goals and plans, the planner is now in a position to select the most appropriate and feasible goals and plans. Experience, judgement and often intuition play decisive role in the final selection.

Situational analysis

↓

Alternative goals and plans

↓

Goal and plan evaluation

↓

Goal and plan selection

↓

Implementation

↓

Monitor and control
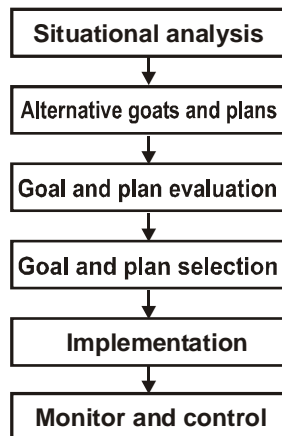
5.   Implementation:

Once managers have selected the goals and plans, they must be implemented appropriately. The best plans and goals go a waste if they are not implemented properly. Managers and employees must understand the plans and goals, marshal resources required to implement them, take part in their implementation and monitor their progress too.

Successful implementation necessitates that the plan be linked to other systems in the organisation, particularly the budget and reward systems. Linking with the budget is necessary as it is the latter that allocates resources for execution of the plan. Similarly, goal achievement should be linked to the organisation's reward system. Many organizations use incentive programmes to encourage employees to achieve goals and to implement plans successfully. Salaries, commissions, promotions, bonuses and other rewards are based on enhanced performance.

6.   Monitor and Control

As stated above, managers and employees must not only participate in goal realization and plan implementation, they should also monitor the performance and control deviations, as and when they occur. Planning is an ongoing and repetitive process. Managers must continuously monitor their performance. They must develop control systems that allow the organisation to take corrective action when plan implementation is not proceeding in the right direction.

Q17. Explain the advantages and disadvantages of planning.

Ans :

Advantages :

(i)   Optimum Utilization of Resources

As indicated earlier, planning enhances efficiency. Efficiency requires optimum utilization of all inputs. Further, it also requires optimum utilization of machinery, men and other resources.

(ii)   Economy in Operations

Planning eliminates the unnecessary operations in production, marketing and other functions. In addition, it reduces the purchase price of material and other inputs. These result in economy in operations.

(iii) Effective Coordination

Coordination is linking various sections and departments through network. Planning incorporates coordination in its process. Infact, the planning process provides the detailed process of programming of activities which would result in effective coordination.

(iv)   Acts as Change Agent

Planning helps to predict the future trends and also manipulate the environmental factors. Planning decides what should be done in terms of innovative product design, technology, marketing alliances etc. and bring the change before it is implemented by other companies. Thus, planning process acts as change agent.

(v)   Motivation

Planning encourages subordin-ates to participate in formulating and finalising the plans. Employee participation in planning satisfies their need for involvement and belongingness. This inturn will meet the employees' social and esteem needs. Thus, planning process motivates the employees.

(vi)   Effective Control

Planning provides the detailed programming for implementation of various activities. Control function is based on the plans. The

detailed plans provides guidelines for effective control. Though planning has many advantages, it has certain limitations. Now, we shall discuss the limitations of planning.

Disadvantages :

(i)   Unreliability of Forecasts

Planners forecast future trends based on the past trends by the help of statistical techniques. But a number of environmental factors change between the planning and execution periods. Consequently, the forecasts become unreliable and redundant.

(ii)   Time Consuming

Planning process involves a number of steps, as discussed earlier. In addition, forecast of future events is based on a number of statistical tools. Planning process requires a lot of time to perform all these activities and to make planning effective and systematic.

(iii) High Cost

The planning process is not only time consuming but also expensive. The planning process requires vast data and information to be collected and processed. In addition, it requires use of statistical techniques and services of a number of personnel. As such, planning is an expensive.

(iv)   Organizational Politics

Though the planning process is based on a systematic and sequential process, sometimes the influential leaders dominate the planning process. Consequently, planning takes the approach or trend determined by the influencial managers. Thus, organizational politics also takes place in the planning process.

(v)   Inflexibility

Liberalization and globalization made the change and adaptability as the order of the day in the business world. Modern business firms have realized that they should change before change changes them. But planning makes most of the organizational activities inflexible and static, which are unsuitable to the present day business environment.

2.6 APPROACHES TO PLANNING

Q18. What are the various approaches to planning?

Ans :   (Aug.-21, Dec.-18, Imp.)

The purpose of planning and goal setting is to help the organization achieve high performance. Overall organizational performance depends on achieving outcomes identified by the planning process. The process of planning is changing to be more in tune with a rapidly changing environment. Traditionally, strategy and planning have been the domain of top managers. Today, though, managers involve people throughout the organization, which can spur higher performance because people understand the goals and plans and buy into them. We will first discuss traditional, top-down approaches to planning and then examine some of the newer approaches that emphasize bottom-up planning and the involvement of stakeholders in the planning process.

1.   Traditional Approaches to Planning

Traditionally, corporate planning has been done entirely by top executives, by consulting firms, or, most commonly, by central planning departments. Central planning departments are groups of planning specialists who report directly to the CEO or president.

This approach was popular during the 1970s. Planning specialists were hired to gather data and develop detailed strategic plans for the corporation as a whole.

This planning approach was top down because goals and plans were assigned to major divi- sions and departments from the planning department after approval by the president.

This approach worked well in many applications. Although traditional approaches to planning still are popular with some companies, formal planning increasingly is being criticized as inappropriate for today's fast-paced environment.

Central planning departments may be out of touch with the constantly changing realities faced by front-line managers and employees, which may leave people struggling to follow a plan that no longer fits the environment and customer needs. In addition, formal plans dictated by top managers and central planning departments inhibit innovation and learning because employees have less incentive to think for themselves and come up with new ideas.

For example many divisional managers at Disney chafed under the central planning unit's oversight and argued that the unit has hurt the organization by squashing creativity. As one of his first acts, new Disney CEO Robert A. Iger dismantled the central planning department and gave more authority to the organization's business units, so that managers in areas such as parks and resorts, consumer prod- ucts, and media will devise many of their own goals and plans to fit their division's situation as they understand it Other managers are also taking a fresh approach to spur creativity and high performance in a difficult environment.

2. **High-Performance Approaches to Planning**

A high performance approach to planning is to involve everyone in the organization, and some- times outside stakeholders as well, in the planning process. The evolution to a new approach began with a shift to decentralized planning, which means that planning experts work with managers in major divisions or departments to de- velop their own goals and plans.

This approach enables managers throughout the company to come up with their own creative solutions to problems and become more committed to following through on the plans.

As the environment became even more volatile, top executives saw the benefits of pushing decentralized planning even further, by having planning experts work directly with line managers and front-line employees to develop dynamic plans that meet fast-changing needs.

In a complex and competitive business environment, strategic thinking and execution become the expectation of every employee. Planning comes alive when employees are involved in setting goals and determining the means to reach them. Here are some guidelines for planning in the new workplace.

2.7 PLANNING IN DYNAMIC ENVIRONMENTS

Q19. Explain the role of planning in dynamic environment.

Ans :

Dynamic Environment A successful marketing campaign increases a company's profits and helps it reach its strategic goals. However, there are challenges to marketing because the business **environment** Customer preferences and attitudes keep evolving and require managers to adapt rapidly is constantly changing.

Steps in Planning in Dynamic Environments

➢ Develop plans that are specific but flexible.

➢ Understand that planning is an ongoing process

➢ Change plans when conditions warrantal-terations.

➢ Persistence in planning eventually pays off.

➢ Flatten the organizational hierarchy to foster the development of planning skills at all organizational levels.

The main criticisms of planning are:

1. Planning may create rigidity;

2. Plans can't be developed for a dynamic environment;

3. Formal plans can't replace intuition and creativity;

4. Planning focuses managers' attention on today's competition, not tomorrow's;

5. Formal planning reinforces success, which may lead to failure; and

6. Just planning isn't enough. These criticisms are valid if planning is rigid and inflexible.

Managers can effectively plan in today's dynamic environment using plans that are specific but flexible. It's also important to "shove" responsibility for establishing goals and developing plans to lower organizational levels.

Environmental uncertainty is a constant. Therefore, managers should develop plans that are specific yet remain flexible. If managers recognize that planning is an ongoing process, then when a dynamic environment is encountered, managers can adapt readily. Another way to assist with planning is to craft an organizational hierarchy that is relatively flat. Allowing lower level managers to set goals and develop plans is an effective way to deal with a dynamic environment.

2.8 DECISION - MAKING

Q20. What is decision-making? Explain the characteristics of decision making.

Ans :

Decision-making is an important function of every manager. In the last two chapters we have studied planning. Under planning important things like, 'what is to be done, 'how it is to be done', when it is to be done and who is to do it are considered. In an answer to all these questions a manager has various alternatives. When a manager chooses the best alternative out of many available ones, it is called decision and the process that has been adopted in order to reach the final decision is known as the decision-making.

A decision is essential in all the managerial functions like planning, organizing, staffing, directing, and controlling. All the managerial functions are performed through the medium of a decision. The managers are doubly benefitted when they face problems and try to find out their solutions. Firstly, by finding out an effective solution they serve the organisation, and secondly, they are personally satisfied. Thus, it is clear that the success of an organisation depends on the manager, and a manager succeeds only when he possesses the quality of taking effective decision.

Meaning of Decision Making

Decision-making means analysing different alternatives and arriving at decision in the face of a particular situation about what to do and what not

to do. In this way decision-making means reaching a conclusion or final decision which can be implemented as a solution of a problem. Since the managers are invariably faced with some problem or the other for which they have to find a solution, it is said that decision-making is perpetually needed and Simon has very pertinently observed that "To make decision is Management".

Definitions of Decision Making

Different management experts have defined decision-making differently. Some prominent definitions are given below :

According to Koontz and O'Donnel. "Decision-making is the actual selection from among alternatives of a course of action."

According to George R. Terry. "Decision-making is the selection based on some criteria from two or more possible alternatives."

According to Louis A. Alien. "Decision-making is the work which a manager performs to arrive at conclusion and judgement."

On the basis of the above mentioned definitions it can be said that decision-making involves the selection of the best available alternative as a solution of some problem. It is thus clear that a decision is needed when there are many alternatives to do a work. In other words, if there is only one method of a doing a work there is no need to take a decision and in that case that method in itself is a decision.

Characteristics of Decision Making

From definitions and elements we can draw the following important features of managerial decisions:

1. **Rational Thinking**

    It is invariably based on rational thinking. Since the human brain with its ability to learn, remember and relate many complex factors, makes the rationality possible.

2. **Process**

    It is the process followed by deliberations and reasoning.

3. **Selective**

    It is selective, i.e. it is the choice of the best course among alternatives. In other words, decision involves selection of the best course

from among the available alternative courses that are identified by the decision-maker.

4. Purposive

It is usually purposive i.e. it relates to the end. The solution to a problem provides an effective means to the desired goal or end.

5. Positive

Although every decision is usually positive sometimes certain decisions may be negative and may just be a decision not to decide. For instance, the manufacturers of VOX Wagan car once decided not to change the model (body style) and size of the car although the other rival enterprise (i.e. the Ford Corporation) was planning to introduce a new model every year, in the USA.

That a negative decision and is equally important was stressed by Chester I. Bernard- one of the pioneers in Management Thought- who observed, "The fine art of executive decision consists in not deciding questions that are not now pertinent, in not deciding prematurely, in not making decisions that cannot be made effective, and in not making decisions that other should make.

6. Commitment

Every decision is based on the concept of commitment. In other words, the Management is committed to every decision it takes for two reasons- viz., (/) it promotes the stability of the concern and (ii) every decision taken becomes a part of the expectations of the people involved in the organisation.

Decisions are usually so much inter-related to the organizational life of an enterprise that any change in one area of activity may change the other areas too. As such, the Manager is committed to decisions not only from the time that they are taken but upto their successfully implementation.

7. Evaluation

Decision-making involves evaluation in two ways, viz., (i) the executive must evaluate the alternatives, and (ii) he should evaluate the results of the decisions taken by him.

Q21. What are the various Approaches to Decision making?

Ans :   (June-18, Imp.)

There are several approaches to decision-making which offer insight into the process by which managers arrive at their decisions. Rational approach is appealing as it is logical and economical.

The other approach is the behavioural approach which attempts to account for the limits on rationality in decision-making.

The third approach, namely, the practical approach combines features of the rational and behavioural approaches.

Finally, the personal approach focuses on decision-making processes individuals use in difficult situations.

(A) The Rational Approach

Rational decision-making approach is a systematic, step-by-step process for making decisions. It assumes that the organization is economically based and managed by decision-makers who are absolutely objective and have complete information.

The steps of rational decision-making approach are as follows:

1. State the Situational Goal

At the outset, a goal for a particular situation is stated. Some decision-models do not begin with a goal. However, it is advisable because it can be used as a standard in determining whether there is a decision to be made later on.

2. Identify the Problem

In this phase, the problem requiring decision is recognized and diagnosed. It involves understanding the nature, magnitude and causes of the problem. The purpose of problem identification is to collect information that has a bearing on the goal.

If there is a discrepancy between the actual situation and the goal, action may be required. Reliable information is an absolute necessity here. Inaccurate information can lead to wrong decisions. At this stage, the

constraints within which the problem must be solved are also defined.

3. Determining Decision Type

Now decision- makers must determine if the problem requires a programmed or a non-programmed decision. If a programmed decision is required, an appropriate decision rule is invoked and a choice is made from the available alternatives.

4. Generate Alternatives

The next step in making a non-programmed decision is to generate alternatives. Here, decision-makers generate alternatives on the basis of their education-academic as well as professional, experience and knowledge about the situation.

In addition, information may be sought from colleagues, subordinates, experts and superiors. Decision-makers may analyze the symptoms of the problems for clues or rely on their own intuition or judgement to generate alternative solutions.

5. Evaluate Alternatives

Each alternative is assessed in terms of its Strengths and weaknesses, costs and benefits as well as possible negative consequences keeping in mind predetermined decision criteria. The positive consequences must be weighed against negative consequences.

The ultimate decision criterion here is whether a particular decision will bring us nearer the goal. According to Zeleny (1976), the evaluation process usually includes: (a) describing the anticipated outcomes of each alternative, (b) evaluating the anticipated costs of each alternative, and (c) estimating the uncertainties and risks associated with each alternative.

In most situations, the decision-makers do not have perfect information regarding the outcomes of all alternatives at their disposal.

6. Choose an Alternative

This is the most crucial step in the decision-making process. It involves selecting the best alternative with maximum positive consequences, least or no negative outcomes, less risks and minimum costs.

In other words, the expected value of each alternative is determined and the alternative with the largest expected values is selected. Again, the choice of alternative depends on decision-makers' education, judgement, experiences, logical analysis etc.

At this stage, it is important to consider contingency plans. Contingency plans are alternative actions to take if the primary course of action is unexpectedly disrupted or rendered inappropriate. Planning for contingencies is part of the transition between choosing the preferred alternative and implementing it.

7. Implementing the Plan

Once a decision is formally accepted, an authorisation is made for its implementation. Implementation puts the decision into action and involves communicating the decision, gathering support for and acquiring and assigning resources to ensure that it is carried out.

It builds on the commitment and motivation of those involved in the decision-making process. Successful implementation requires appropriate use of resources and good management skills, leadership character sties, reward structure and knowledge and application of group dynamics. Sometimes the decision-maker begins to doubt a choice already made. This is known as cognitive dissonance.

Cognitive dissonance is the anxiety a person experiences when two sets of knowledge or perceptions are incongruent or contradictory. In order to reduce cognitive dissonance, the decision maker may seek of rationalize the decision further with new information.

8. Control

This is the final stage of rational decision-making process, wherein, the outcomes of the decision are measured a id compared with

the predetermined, desired goals. If there is a discrepancy between the two, the decision-maker may restart the process of decision-making by revising/modifying/setting new goals.

Strengths and Weaknesses of the Rational Approach

This approach has several strengths. It forces the decision-maker to consider a decision in a logical, sequential manner and an in-depth analysis of alternatives helps him to choose on the basis of information rather than personal prejudices, emotions or social pressure.

However, its weaknesses are that the manager does not always have perfect information faces time and financial constraints, may have limited ability to process information and may not be able to predict future accurately. Also, all the alternatives cannot be quantified making comparisons difficult.

(B)   The Behavioural Approach

This approach assumes that decision-makers operate with bounded rationality rather than with the perfect rationality assumed by the rational approach. Bounded rationality is the idea that decision makers cannot deal with information about all the aspects and alternatives pertaining to a problem and therefore choose to tackle some meaningful subset of it.

Thus, this process is neither exhaustive nor completely rational and therefore, solutions arrived at are not entirely ideal. Decision-makers operating with bounded rationality limit the inputs to the decision-making process, focus their attention on two or three most favourable alternatives (especially if there is a time constraint), process these in great detail and base their decisions on judgement and personal biases as well as logic.

This approach possesses the following features:

(i)   Use of procedures and rules of thumb which reduce uncertainty in decision-making initially. For example, uses of models of teaching have been found to enhance student performance in the past. Hence teachers, knowing the linkages between the two decide to use models of teaching in classrooms.

(ii)   Sub optimizing which refers to knowingly accepting less than the best possible outcome to avoid unintended negative effects on other aspects of the organization.

(iii)   "Satisfying refers to examining alternatives only until a solution that meets minimal requirements is found and then making no further efforts to look for a better one. The search for alternatives is generally a sequential process based on procedures and rules of thumb guided by previous experiences with similar problems.

Such a solution may not always be the optimal solution since the search often ends when the first minimally acceptable alternative is identified.

This model by Herbert Simon is also known as Administrative Man Model.'

(C)   The Practical Approach

This approach combines the steps of the rational approach with the worthwhile features and conditions in the behavioural approach to create a more realistic process for making decisions in institutions.

According to this approach, rather than generating all alternatives, the decision-maker should try to go beyond rules of thumb and satisfying limitations and generate as many alternatives as possible within the given time, money and other Practicalities of the situation.

Here, the rational approach provides an analytical framework for making decisions while the behavioural approach provides a moderating influence.

Those managers who have a tendency of jumping from one decision to another, making decisions hastily and impulsively and barking out orders to subordinates usually do not use much information or a rational approach to decision-making.

(D)   The Personal Approach

The preceding three approaches explicitly explain the processes involved into decision-making. However, they do not throw light on how people take decisions when they are nervous, anxious,

worried or agitated-whether in organizations or in personal matters.

Janis and Mann (1977) have provided a more realistic view of individual decision-making in their 'Conflict Model'. This model is based on research in social psychology and individual decision processes. It is a personal approach to decision-making because it deals with the personal conflicts that people experience in particularly difficult decision situations.

The model has five basic characteristics :

(a)   It deals only with important life decisions such as choosing the nature and type of education and institution, career, marriage, major organizational decisions etc. that commit an individual or institution to a certain course of action.

(b)   It recognizes that procrastination and rationalization are mechanisms by which people avoid taking difficult decisions and coping with the accompanying stress.

(c)   It explicitly acknowledges that some decisions could possibly go wrong.

(d)   It provides for self-reactions in terms of comparisons of alternatives with internalized moral standards. If a particular course of action violates the decision-makers moral convictions, it is unlikely to be selected even if it is economically and socially beneficial.

(e)   It recognizes that at times the decision-maker is ambivalent about alternative courses of action. This kind of situation makes it difficult for him to give a whole-hearted commitment to one single decision. However, major decisions concerning one's life are either-or decisions that require commitment to one specific alternative without allowing much compromise.

According to Janis-Mann conflict model of decision-making, a person, when faced with a problem, analyzes the situation by seeking feedback (often negative) and asks himself/herself whether the risks involved are serious if he or she does not make a change.

If the answer is no, the person will continue his/her present activities. This situation as known as uncomplicated adherence which entails continuing with current activities if doing so does not entail serious risks.

On the other hand, if the risks involved are serious, if the person does not make a change, the person will take necessary action to bring about a desirable change. This situation is known as uncomplicated change which involves making changes in present activities if doing so presents no serious risks.

Besides, the model also explains the concept of defensive avoidance which entails making no changes in present activities and avoiding any further contact with associated issues because there appears to be no hope of finding a better solution.

If a person has little time to deliberate on whether he needs to make a change perhaps due to his advancing age he will experience hyper vigilance wherein he may suffer severe psychological stress and engage in frantic, superficial pursuit of some satisfying strategy.

Q22. An unethical decisions more a function of an individual decision maker or the decision maker's work environment? Explain.

Ans :

Unethical decisions are a function of both characteristics of an individual decision maker and the decision maker's work environment.

The following figure depicts the factors affecting ethical/unethical decision-making behaviour.
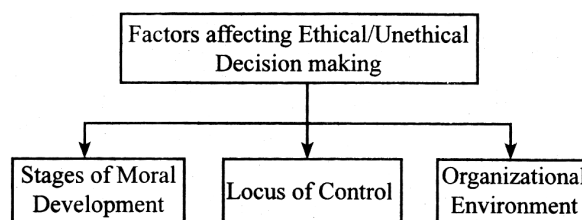
Figure: Model for Ethical/Unethical Decision-Making

A brief description on each factor is given below,

1. Stages of Moral Development

The stages in the development of moral examines an individuals capability to decide what is moral and what is immoral. An individual's ethical decision making behaviour relies upon where he/she stands in the stages of moral development. An individual with higher moral development gets less influenced by external environment and is enforced towards ethical behaviour. For example, majority of the adults at the middle stage of moral development are highly influenced by superior and obey rules and regulations imposed by the organization. But people at the higher-level of moral development, give more importance to the others rights irrespective of the opinions of majority of the people and raise voice against the organizational practices which are considered as wrong by them.

2. Locus of Control

Locus of control is a personality characteristic which explains the degree to which individuals perceive themselves as accountable for the events taking place in their lives. As per the research study, individuals with external locus of control, do not consider themselves responsible for the events taking place in their lives instead they consider occurrence of events as luck or chance. They are highly influenced by external factors. On the other side, individuals with internal locus of control consider themselves as responsible for the events taking place in their lives and depend highly on their own internal standards to judge what is right and what is wrong.

3. Organizational Environment

Here, Organizational environment means the perception of employees with respect to organizational expectations. Few examples of organizational environment which encourages ethical decision making are,

➤ Codes of ethics in a written form.

➤ Moral behaviour of top-level management.

➤ Practical performance expectations.

➤ Reward and recognition for employees showing high moral behaviour.

➤ Punishment for employees displaying unethical behaviour etc,.

Therefore, individuals not having moral sense are more likely to take ethical decisions, if organizational environment restricts them from behaving in an unethical manner. Contradicting to this, individuals with high moral sense are likely to make unethical decisions, if organizational environment allows individuals to practice unethical behaviour.

2.8.1 Decision making process

Q23. Explain the process of decision making.

Ans :   (Jan.-20, Jan.-18, Imp.)

The different approaches to decision-making, the research suggests us to understand the process of decision-making, which actually takes place in organizations and give rise to decisions. There are five steps in the process of decision-making.
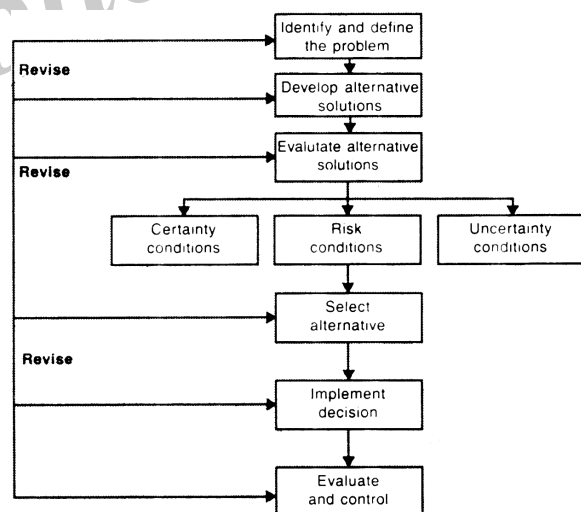
Step I: Problem Awareness

Mostly individual employees identify the problems in various areas. Individuals, when they get a 'gut feeling' that something is wrong, they identify the problem. The awareness of a problem mostly occurs to employees at the grass-root level like sales people, machine operators, finance assistants, human resource assistants etc. This awareness is likely to develop through a period of

'incubations' in which managers sense various stimuli that confirm and define a developing picture of a problem. Norburn and Grinyer call this stimuli as 'signals' or 'ear twitchers' and are of three types:

• Internal performance measurements like level of turnover or profit performance.

• Customer reaction particularly to the quality and price of the products and/or services and

• Changes in the environment, particularly in terms of competitive action, technological change and economic conditions.

These three factors together provide a picture of the deviation of an organisation's circumstances from the planned or expected one. This can be the deviation from a normal trading pattern.

Step 2: problem Diagriosis

After the individual employees are aware of the problem and it is informed to the managers, managers will gather the information and define the problem.

Information, may be gathered in the following ways:

(i) Information may be explored to determine the facts of the problem in detail. Such information may be gathered on a verbal and informal basis.

(ii) Rationalise the information and stimuli relevant to the problem so as to clarify the situation.

(iii) Act diplomatically to establish peer groups or those of political support for individual views of the problem.

Step 3: De-velopmerit of Alteriiatrve Solatioins

After the problem is diagnosed clearly, the tendency of managers is that of searching for ready made solutions. They do this process: (i) through memory search in which the managers seek for known, existing or attempted solutions, or (ii) passive search which entails waiting for possible solutions to be offered. If the managers fail in these two

searches, they search for the past experiences of themselves and other managers. If they fail to find a solution even through this method, they attempt to designing solutions.

Step 4: Evaluation of Alterriatrve Solations

After the alternative solutions are developed, the solutions have to be formally evaluated based on their inherent strengths and weaknesses and also based on the environmental threats and opportunities for implementation. The solutions are to be ranked on the basis of their weights in terms of strengths and opportunities after eliminating the non-viable solutions in view of their weaknesses and environmental threats for implementation.

Step 5: Selection of the Best Solution

After the formal evaluation and ranking is completed, the managers tend to re-evaluate the solutions based on the managerial judgement followed by political bargaining as the formal evaluation is not the predominant criterion for assessing the feasibility in practice. Therefore, the techniques for evaluation of solutions also include social and political process. Quinn suggests that successful managers actively adopt consultation bargaining process in order to challenge prevailing strategic inclinations and generate information from other parts of the organisation. The solutions may also be referred to the senior level to seek authorisation.

David Hickson and his colleagues in their study identified three broad types of decision-making processes. They are:

(a) **Sporadic processes** characterised by many delays and impediments, many sources of influence and information on decision, and therefore, protracted personal interactions and informal negotiation. This type of process exists mostly in public sector organizations.

(b) **Fluid processes** in which there are fewer delays and sources of influence, and more formal channels of communication which takes rather less time and

(c) **Constricted processes** in which information sources are more readily available and decisions can be taken within groups or by individuals without extensive reference to

others in the organisation. This might be the case in a business with a dominant chief executive or where there is an issue which relates primarily to one part of an organisation.

Step 6: Implementation of the Decision

Implementation of the selected solution is a part of the decision-making process as the process may be required to be recycled due to impediments in the process of implementation. The managers should secure the support of the top management for allocation of resources, time etc. regarding the implementation of the decision.

A detailed programme of action should be formulated, specifying the minute details of action, people who will execute it, when it will be implemented, who will provide all necessary resources, how it will be implemented and who will coordinate the work. Employees concerned will be entrusted with the work and relevant information should be fed to them before hand. The managers should also ensure for getting the information back about the progress of implementation. If the decision cannot be implemented due to major hurdles in the implementation process, the process may be recycled for possible modification.

2.8.2 Types of Decisions

Q24. What are the various types of decisions in an organization?

Ans :   (May-19)

Some of the decisions are discussed below:

1.   Programmed Decisions

They are otherwise called routine decisions or structured decisions. The reason is that these types of decisions are taken frequently and they are repetitive in nature. This decision is taken within the purview of the policy of the organisation. Only lower level management takes programmed decision and has short-term impact. Granting over time work, placing purchase order (for materials) etc., are some of the examples of programmed decisions]) There is a clear cut procedure to take programmed decisions.

The decision-maker need nm ask anything from the Personnel Manager or Board of Directors while taking programmed decisions.

2.   Non-programmed Decision

They are otherwise called strategic decisions or basic decisions or policy decisions or unstructured decisions. This decision is taken by top management people whenever the need arises. A careful analysis is made by the management before taking a policy decision. The management may publish its policy in small book which is known as policy manual. Policy decision involves heavy expenditure to management. Starting a new business, whether to export or not, acquisition of a business etc. are some of the examples of non-programmed decisions. This decision has a long-term impact on business. A slight mistake in the policy decision is bound to injure the entire organisation.

3.   Msyor Decision

Major decision relates to the purchase of fixed assets with more value. The purchase of land and building is an example of major decision. This decision is taken by the top management.

4.   Minor Decision

Minor decision relates to the purchase of current assets with less value. Purchase of pencil, pen, ink, etc., are some of the examples of minor decision. This decision is taken by lower level management people.

5.   Operative Decision

A decision which relates to day-to-day operation of an organisation is known as operative decision. This type of decision is taken by middle level management people normally. The reason is that they are working at supervisory level _and have a good knowledge of the operations. The time of payment of overtime wages is fixed by middle level management people. It is an example of operative decision.

6. Organizational Decision

The decision-maker takes a decision and implements it for effective functioning of organisation and it is called organizational decision. He takes this decision on his authority and capacity.

7. Personal Decision

The decision-maker takes a decision for his personal life which is known as personal decision. He implements this decision in his home and sets right his personal life. This decision does not reflect the functioning of an organisation. The decision-maker is not a member of an organisation while taking a personal decision.

8. Individual Decision

Confusion exists regarding the difference between individual decision and personal decision. They are not one and the same. The decision-maker is a member of an organisation while taking an individual decision. He can implement it in the organisation. He is delegated with authority to take individual decision. He considers the policy and situation prevailing in an organisation while taking individual decision.

9. Group Decision

A committee is formed by the top management for specific purposes. Here, the top management feels that no individual can take effective decision to solve a problem. The top management fixes the time within which the committee is expected to submit its report with concrete decisions.

10. Departmental Decision

Here, the decision-maker is department head or department manager. He takes a decision to run the department. Department decision has no impact on other departments. This decision is implemented within the concerned department itself.

11. Non-economic Decision

Non-economic decision refers to a decision which does not incur any expenses. These types of decisions are taken at all levels of management. A decision which relates to setting right the morale behaviour of workers is termed as non- economic decision.

12. Crisis Decision

A decision is taken to meet unexpected situations. There is no possibility and time for the decision-maker for getting through investigation while taking a crisis decision. It may be otherwise called spot decision. The reason is that whenever a need arises, the decision maker has to take a decision without wasting a second.

13. Research Decision

A decision is taken after analysing the pros and cons of a particular matter. There is no pressure on the decision-maker to take such a decision. Research decision requires a lot of information. The quality of research decision is fully depending upon the availability of reliable information.

14. Problem Decision

A decision is taken to solve a problem. The problem may be an expected one or unexpected one. Besides, the arrived decision does not create any more problem to the organisation.

15. Opportunity Decision

This pertains to a decision taken to make use of the advantages available to the company or organisation. The advantages may be increasing the turnover, introducing a new product, building of another similar unit to avoid competition etc.

16. Certainty Decision

Here, the term certainty refers to accurate knowledge of the outcome from each choice. For example, ascertaining how much profits will be maximised by introducing a new product or increasing the selling price and the like. There is only one outcome for each choice. The decision-maker himself knows the outcome and consequences of choice.

17. Uncertainty Decision

The outcome is not accurate or several outcomes are possible whenever a decision

is taken. The reason is that the decision-maker has incomplete knowledge and he does not know the consequences. For example, while marketing a new product, the decision (amount of profits) depends upon the prosperity period of that product. If the prosperity period is long, the amount of profit is high and vice versa.

Management people take a number of decisions everyday. These decisions are aimed at solving the existing problems. No decision creates any new problem to the management. There should be justice in taking a decision.

Q25. Explain the differences between programmed and Non-Programmed Decisions.

Ans :

	Programmed Decisions		**Non-Progranmied Decisions**
(i)	They are well structured.	(i)	They are semi structured or unstructured.
(ii)	Frequency of their usage is routine and repetitive.	(ii)	They are new and unusual.
(iii)	They are taken in a short time.	(iii)	They involve a lot of time to be taken.
(iv)	Predefined decision rules and procedures are available.	(iv)	Made on the basis of judgement and creativity.
(v)	Are made by people at lower level of management.	(v)	Are made by people at a higher level.
(vi)	Have infonnation readily available.	(vi)	Data has to be collected instantly.

2.8.3 Decision making styles

Q26. What are the various decision making styles?

Ans :   **(Nov.-20)**

The decision making styles are classified into three types as follows :

1.   Reflexive decision making style

A reflexive decision maker likes to make quick decisions without taking the time to get the information that may be needed and without considering alternatives. On the positive side, reflexive decision makers are decisive; they do not procrastinate. On the negative side, making quick decisions can lead to waste and duplication if the best possible alternative is overlooked. Failure is more likely when a decision maker implements the first possible solution without analyzing alternatives. Employees view a reflexive decision maker as a poor manager if the decisions are consistently bad ones. If you use a reflexive style for important decisions, you may want to slow down and spend more time gathering information and analyzing alternatives.

2.   Reflective decision making style

A reflective decision maker likes to take plenty of time to make decisions, gathering considerable information and analyzing several alternatives. On the positive side, the reflective type does not make hasty decisions. On the negative side, the reflective type may procrastinate, lose opportunities,

and waste valuable time and other resources. The reflective decision maker may be viewed as wishy-washy and indecisive. The longer problems go unresolved, the more damage that occurs, and the more difficult it is to solve the problem. If you constantly use a reflective style, you may want to speed up your decision making. Cisco CEO John Chambers said, "Without exception, all of my biggest mistakes occurred because I moved too slowly."

3.   **Consistent decision making style**

Consistent decision makers tend to make decisions without either rushing or wasting time. They know when they have enough information and alternatives to make a sound decision. Consistent decision makers tend to have the best record for making good decisions. They tend to follow the steps in the decision-making model.

2.8.4 V Room's participative decision making mocel

Q27. Narrate on Vroom's participative decision making model.

Ans :   **(Nov.-21, Jan.-20, May-19, Imp.)**

The contingency model developed by Victor Vroom and Phillip Yetten is based on a model commonly used by researchers who take a contingency approach to leadership. This model is based on the assumption that situational variables interacting with personal attributes or characteristics of the leader result in leader behaviour that can affect organizational effectiveness. This change in the organization is because the organization is part of the situation and can in turn affect leadership intervention.
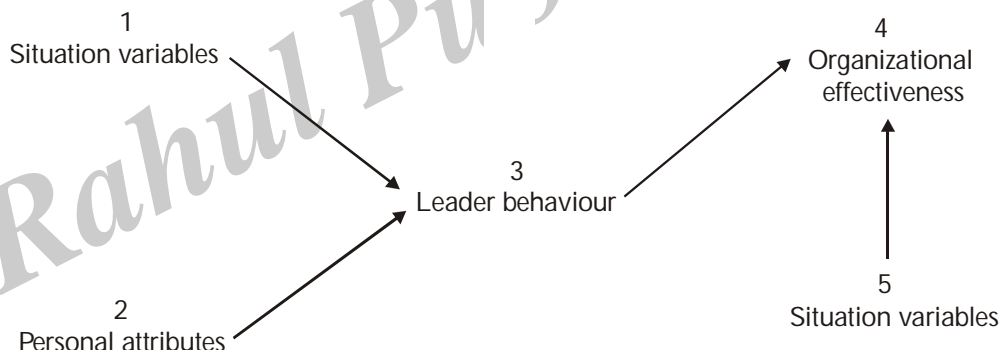
Fig. : Schematic Representation of Important Variables Used in Leadership Researc

The figure above assumes that situational variables

(1)   of followers such as time and job demands, interacting with personal attributes

(2)   of the leader, such as experience or communication skills, result in leader behavior

(3)   such as a directive style of leadership to influence organizational effectiveness

(4)   which is also influenced by other situational variables

(5)   outside the control of the leader.

For example, world economic conditions, actions of competitors, government legislation.

Working of Vroom-Yetten Contingency Model

Assume that you have decided to let your group participate in making a decision. You can use the figure below as a guide by asking questions A through G in sequence. Table (1) describes the five different types of decision styles possible in this model. Table (2) lists seven problem attributes (A through G) together with their corresponding diagnostic questions.
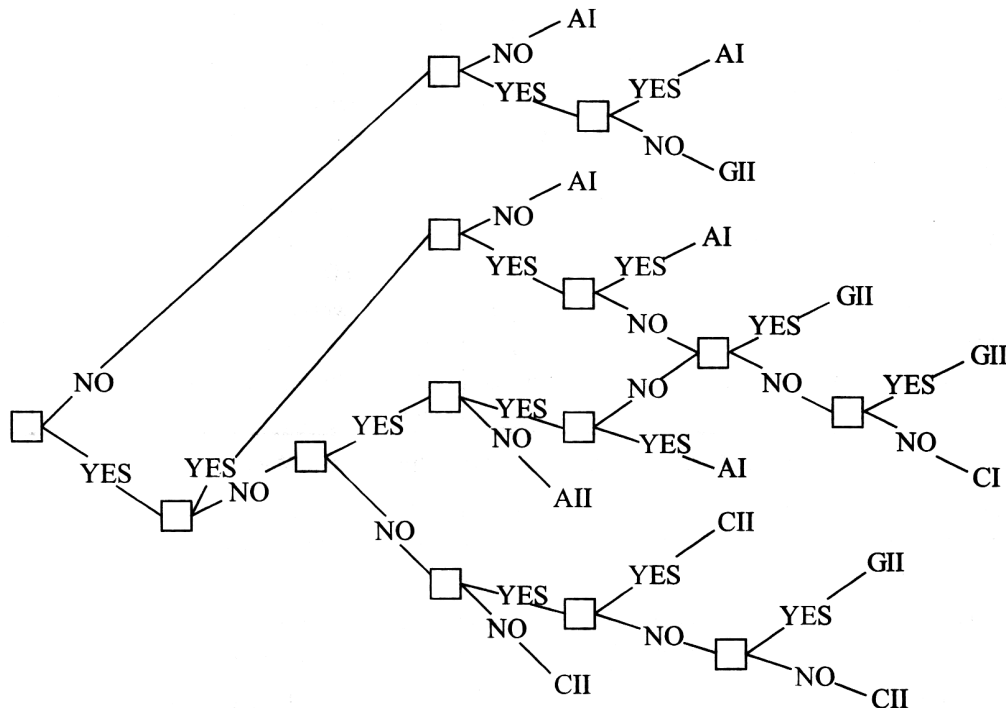
A) Is there quality requirement such that one solution is likely to be more rational than another.

B) Do I have sufficient information to make a high quality decision.

C) Is the problem structured.

D) Is acceptance of decision by (followers critical to effective implementation.

E) If I were to make the decision by my self, is it resonably certain that it would be accepted by my (followers).

F) Do (followers) share the organizational goals to be obtained in solving this problem.

G) Is conflict among (followers) likely in preferred solutions.

Figure: Vroom-Yetten Decision Model

Types of Managerial Decision Styles in the Vroom-Yetten Model

Following the same process, the manager should first diagnose the situational variables.

AI	You solve the problem or make the decision yourself, using information available to you at the time.
AII	You obtain the necessary information from your [follower(s)], then decide on the solution to the problem yourself. You may or may not tell your [followers] what the problem is in getting information from them. The role played by your [followers] in making the decision is clearly one of providing the necessary information to you, rather than generating or evaluating alternative solution.

CI	You share the problem with relevant [followers] individually, getting their ideas and suggestions without bringing them together as a group. Then you make the decision that may or may not reflect your [followers'] influence.
CII	You share the problem with your [followers] as a group, collectively obtaining their ideas and suggestions. Then you make the decision that may or may not reflect your [followers'] influence.
GII	You share a problem with your [followers] as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of a chairman. You do not try to influence the group to adopt. "Your" solution and you are willing to accept and implement any solution that has the support of the entire group.

Table (a): Types of Managerial Decision Styles

Problem Attributes	Diagnostic Questions
A. The importance of the quality of the decision.	A. Is there a quality requirement such that one solution is likely to be more rational than another?
B. The extent to which the leader possesses sufficient information/ expertise to make a high-quality decision	B. Do I have sufficient information to make a high- quality decision?
C. The extent to which the problem is structured.	C. Is the problem structured?
D. The extent to which acceptance or commitment on the part of [followers] is critical to the effective implementation of the decision.	D. Is acceptance of the decision by [followers] critical to effective implementation?
E. The prior probability that the leader's autocratic decision will receive acceptance by subordinates.	E. If I were to make the decision by myself, is it reasonably certain that it would be accepted by my [followers]?
F. The extent to which [followers] are motivated attain organizational goals.	F. Do [followers] share the organizational goals to be obtained in solving the problem?
G. The extent to which [followers] are likely create conflict over preferred solution.	G. Is conflict among [followers] likely to give preferred solutions?

Table (b): Problem Attributes used in the Vroom-Yetten Model

After asking these seven questions, the manager should refer to the figure and work through this decision tree from left to right asking questions A through G. When the response indicates a type of decision, for example AI, then the manager should turn to table (a) for a description of the appropriate decision style.

This model is a contingency model because the leader's possible behaviour is contingent upon the interactions between the questions and the leader's assessment of the situation in developing a response to the questions.

The first three questions concern the quality of technical accuracy of the decision, and the last four concern the acceptance of the decision by the group members. The questions are designed to eliminate alternatives that would jeopardize the quality of the acceptance of the decision, as appropriate.

The Vroom-Yetten approach is important for several reasons. One is that it is widely respected among researchers in leadership behavior. Another reason is that the authors believe that leaders have the ability to vary their styles to fit the situation. This point is critical to the acceptance of situational approaches to leadership. A third reason is that authors believe that people can be developed into more effective leaders.

Short Question & Answers

1.   What is Planning?

Ans :

Planning is a primary function of corporate management. It is a bridge between the present and the future. It gives managers some purpose, objectives, programme and direction towards the goals. Further it helps in the process of motivation and provides a framework for decision-making. It also provides standards for control of performance of overall corporations.

Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur, which would not otherwise happen. It is true that the future cannot be exactly predicted.

Meaning of Planning

Planning is an intellectual process of thinking resorted to decide a course of action which helps to achieve the predetermined objectives of the organisation in future.

Definitions of Planning

"Planning means the determination of what is to be done, how and where it is to be done, who is to it and how results are to be evaluated."

- James Lundy

"Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen."

- Koontz & O'Donnel

"Planning is deciding the best alternatives among others to perform different managerial operations in order to achieve the predetermined goals."

- Henry Fayol

"Planning is the selection and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results".

- George R. Terry

2.   Goal setting.

Ans :

Goal setting involves setting of goals and developing a direction to achieve them. Goal setting is considered as a difficult process in an organization. Goals not only provide direction for all the decisions of management but also forms the criteria against which actual achievement are measured. All the members in an organization work towards the accomplishment of goals.

Goals are usually set through the two major processes,

1.   Traditional goal setting process.

2.   Alternative to traditional goal setting process i.e., Management By Objectives (MBO).

3.   What is Organizational Planning.

Ans :

Organizational Planning is an organized way of forecasting future opportunities by taking into consideration the probability of the opportunities to take place and then design appropriate ways and actions to make advantage of these opportunities.

Planning is the most important and prevailing management function, which is practised by all the managers at different levels. Even though planning is regarded as a managerial function, it is being integrated with several functions of management whose success to a large extent depends upon the planning activity.

4.   Define vision.

Ans :

A **Vision** Statement describes the desired future position of the company. Elements of Mission and **Vision** Statements are often combined to provide a statement of the company's purposes, goals and values

Definition

Vision is a statement that expresses organization's ultimate objectives.

The statement also indicates what resources, competencies and skills will be needed to achieve the future objective. This way it guides decision-making and resource allocation more effectively.

5.   Benefits of vision.

Ans :

There are several benefits accrue to an organization having a vision. They are,

1.   Good visions are inspiring and exhilarating.

2.   Visions represent a discontinuity, a step function and a jump ahead so that the company knows what it is to be.

3.   Good visions help in the creation of a common identity and a shared sense of purpose.

4.   Good visions are competitive, original and unique. They make sense in the market place as they are practical.

5.   Good visions foster risk-taking and experimentation.

6.   Good visions foster long-term thinking.

7.   Good visions represent integrity, they are truly genuine and can be used for the benefit of people.

6.   Define Mission.

Ans :

Mission is what an organization is and why it exists. Organizations relate their existence to satisfying a particular need of the society. They do this in terms of their mission.

Mission is "a statement which defines the role that an organization plays in a society".

Definition of Mission

"Mission is the essential purpose of the organization, concerning particularly why it is in existence, the nature of the business(es) it is in, and the customers it seeks to serve and satisfy".

– Thompson (1997)

"Mission is the purpose or reason for the organization's existence".

– Hunger and Wheelen (1999)

"Mission focuses the organization on action. It defines the specific strategies needed to attain goal. It creates a disciplined organization. The business purpose and business mission are so rarely given adequate thought, is perhaps the most important single cause of business failure and business frustration".

– Drucker

7.   Need for mission statement.

Ans :

1.   The mission statement gives a unified direction to the company's growth.

2.   The utilization of the company's resources is also unified, and people get motivated to exploit these resources in a specific direction for the company's growth.

3.   Allocation of resources is based on the mission statement.

4.   The mission statement while giving a direction for growth also tends to build up a professional climate for maintenance and improvement of the company's status in any desired area.

5.   The mission statement outlines a framework for organizational planning, assigning definite tasks and responsibilities to each business unit.

6.   The mission statement helps to setup and develops a control mechanism for achievement of objectives.

8.   Define goals. Explain the features of goals.

Ans :

Company goals denote what company hopes to accomplish in future period of times. They represent a future state or an outcome of the effort put in now. Broad categories of financial and non-financial issues are addressed by the goals that a firm sets for it.

Goals provide the fundamental standard for measuring performance to attain the end objective. Goals aid in legitimising an organisation and creating a place for it in the environment. Goals have public relations value; they might help in drawing support from various groups in the environment. Organisational goal can also help in image building with suppliers, customers, public policy makers and the government.

According to Robey, "An organisation falling short of its tartest might set up a task force to develop new policies for achieving a higher level of goal attainment. Goals can also provide a rationale for designing the organisation. A goal of rapid growth through introduction of new products may lead and organisation to create a strong R&D department and to create a mechanism for close integration among the engineering, marketing and R&D departments".

According to King and Cleland, "Goals is to establish a venereal tone or organisational climate; to serve as a focal point for those who can identify with the organisation purpose and direction and to defer those who cannot, from participating in the organisation's activities; to facilitate the translation of the broad purposes and mission into identifiable tasks and their assignment to responsible groups within the organisation and to help in allocating organisational resources".

9. Explain the different types of goals.

Ans :

Following are the major types of goals:

1. Official Goals

Official goals are the general aims of the organisation as described in a memorandum of association, charter of annual report. They may also be found in public statements by top executives. The official goals are the stated goals and also perform the function of legitimising the organisation in its environment.

2. Operative Goals

Operative goals indicate what the organisation is really attempting to do. They may be inferred from the actual operating policy of the organisation. They help the organisation manager to focus attention, reduce uncertainty and choose among organisational design alternatives.

3. Operational Goals

Operational goals are used by supervisory personnel or managers in the organisation to influence the behaviour of subordinates and to measure their performance.

10. What is decision-making?

Ans :

Decision-making is an important function of every manager. In the last two chapters we have studied planning. Under planning important things like, 'what is to be done, 'how it is to be done', when it is to be done and who is to do it are considered. In an answer to all these questions a manager has various alternatives. When a manager chooses the best alternative out of many available ones, it is called decision and the process that has been adopted in order to reach the final decision is known as the decision-making.

A decision is essential in all the managerial functions like planning, organising, staffing, directing, and controlling. All the managerial functions are performed through the medium of a decision. The managers are doubly benefitted when they face problems and try to find out their solutions. Firstly, by finding out an effective solution they serve the organisation, and secondly, they are personally satisfied. Thus, it is clear that the success of an organisation depends on the manager, and a manager succeeds only when he possesses the quality of taking effective decision.

Meaning of Decision Making

Decision-making means analysing different alternatives and arriving at decision in the face of a particular situation about what to do and what not to do. In this way decision-making means reaching a conclusion or final decision which can be implemented as a solution of a problem. Since the managers are invariably faced with some problem or the other for which they have to find a solution,

it is said that decision-making is perpetually needed and Simon has very pertinently observed that "To make decision is Management".

Definitions of Decision Making

Different management experts have defined decision-making differently. Some prominent definitions are given below :

According to Koontz and O'Donnel. "Decision-making is the actual selection from among alternatives of a course of action."

According to George R. Terry. "Decision-making is the selection based on some criteria from two or more possible alternatives."

According to Louis A. Alien. "Decision-making is the work which a manager performs to arrive at conclusion and judgement."

11.   Explain the differences between programmed and Non-Programmed Decisions.

Ans :

	Programmed Decisions		Non-Programmed Decisions
(i)	They are well structured.	(i)	They are semi structured or unstructured.
(ii)	Frequency of their usage is routine and repetitive.	(ii)	They are new and unusual.
(iii)	They are taken in a short time.	(iii)	They involve a lot of time to be taken.
(iv)	Predefined decision rules and procedures are available.	(iv)	Made on the basis of judgement and creativity.
(v)	Are made by people at lower level of management.	(v)	Are made by people at a higher level.
(vi)	Have infonnation readily available.	(vi)	Data has to be collected instantly.

UNIT III

Organizing and Controlling

Organizational Structure, Principles of Organizing, Authority, Power and Influence, designing organizational structure. Mechanistic and Organic structures, contemporary organizational design and its challenges.

Controlling

The Control process, controlling for organizational performance, types of control, financial controls, Balanced Scorecard, Bench Marking, Contemporary issues in controlling.

3.1 ORGANIZATION

Q1. Define organization? Explain the features of organization.

Ans :

Definitions of Organization

According to **Oliver Sheldon**, "Organization is the process of combining the work that individuals or a group have to perform with the facilities necessary for its execution, that the duties so performed provide the best channels for efficient, systemic. Positive and coordinated application of the available effort".

According to **Koontz and O'Donnell**, "Organization is the establishment of authority and relationships with provision for coordination between them, both vertically and horizontally in the enterprise structure".

Characteristics/Features/Nature of Organization

The following are the characteristics of organizations,

1. Large Size

Modem organizations employ hundreds and thousands of employees. Organizations in the past were generally small in size. Large organizations are a direct consequence of technological change and this in turn leads to economies of scale.

2. Complexity

Organizations involve huge investment, complicated technology and as their operations are spread over various continue" their successful running has become quite a complex affair. So elaborate rules and regulations are necessary for their governance

3. Mutually Agreed Purpose

All the activities of organization have some purpose. This purpose is mutually agreed upon by all participants and its successful accomplishment is in the interest of all.

4. Pattern of Behaviour

Policies, procedures, rules, regulations and precedents provide guidelines to behaviour. They enable the workers to maintain continuity, consistency and uniformity in their behaviour.

5. Continuing System

Organization can continue to survive if it is able to adapt itself to its environment. It does not matter who joins or leaves the organization.

6. Differentiation

In an organization, work is divided systematically on the basis of the nature of the particular category of work among people recruited to handle that work. Thus, task specialization leads to differentiation.

7. Coordination

The divisional head coordinates the work of different divisions depending upon the requirements of the organization. Only through coordination, harmonious functioning of an organization becomes possible.

8. Conscious Rationality

There is a deliberate attempt on the part of the organizations to be as rational as possible. For example, it is rational to attempt to reduce the cost of a product or service.

Q2.   Explain the importance of organization.

Ans :

Organization is the mechanism which determines the relationship of various persons. With the help of a well defined organization management is able to perform the functions of direction, co-ordination and control. An ill-defined organization plan will not enable the management to make an effective exhibition of its managerial talents to realise business goals.

Importance

1.   Helps in Optimum Utilisation of Technological Innovations

The test of a good organization is its success in adjusting to the new and changing situation. The technological improvements are taking place every time and management is required to make use of them to exist in competitive world. The organization should be flexible to incorporate all new requirements.

The adjustment to new changes will require rescheduling and readjustment of duties and responsibilities in the organization. There may also be a need to delegate new powers for making best utilisation of technological changes.

2.   Helps in Administration

An organization provides sound foundation for effective managerial control. Various managerial functions will be effectively performed with the help of an organization. The functions like co-ordination and control require a proper division of various functions and their assignment to suitable persons.

An important function of planning will be effective only if there is an organization to implement it. Best plans may fail if these are not executed properly. The assignment of responsibilities among various persons for earring out different functions will be essential for making the plans effective. There will be a need of proper authority to carry out the functions systematically and effectively.

A good organization is an asset to the management. It helps in achieving organization goals through the exercise of effective controls. Organization provides a channel for better management.

3.   Promotes Growth and Diversification

Area and activities of a business grow if it has a well knit organization. There will be a need for employing more persons whenever expansion and diversification takes place. A flexible organizational structure will enable the employment of more persons without disturbing the working. Additional activities will not put any strain on the management.

4.   Easy Co-ordination

Every enterprise has a number of departments and sections. These are assigned different duties for achieving business objectives. There is a need for co-ordinating the working of various segments. A good organization will divide and sub-divide the activities in such a way that the activities of different segments become complementary. This will bring an automatic co-ordination in the business.

5.   Training and Development of Personnel

A good organization offers an opportunity for the training and development of personnel. A clearly defined authority provides a scope for the use of talent. There will be a sufficient scope to try new ideas in improving the working of the organization.

The new entrants get sufficient training in their work. They are attached to experienced persons who guide them on undertaking various jobs. The job training is much better and gives good results as compared to class room training. A well devised organizational system will provide a sufficient opportunity for the training of new trainees and development of existing staff.

6.   Encourages Initiative

A good organizational structure will provide sufficient scope for taking initiative. Persons are allowed to try new ideas for improving upon their work. The policies and procedures

are laid down for the guidance of managerial personnel. But within these limits people are given freedom to show their talent.

The initiative and creativeness encouraged in the organization will make it dynamic and responsive to the new situations. If persons are not encouraged to take new initiative then the management may not be able to cope with the changing business environment. A good organization clearly defines the scope of work of every person and allows them to grow in that sphere.

7.   Better Human Relations

Human relations improve in a good organizational set up. An organization consists of human beings and their satisfaction will help in improving human relations. A clearly defined work, authority, responsibility, accountability will enable individuals to work in a free atmosphere. Everybody will know his limitations and may try to remain in that sphere. This will give job satisfaction to employees.

3.2 ORGANIZATION STRUCTURE

Q3.   Define Organizational Structure. Explain the steps involved in designing Organizational Structures.

Ans :   **(Nov.-21, June-18)**

Organizational structure is an established pattern of relationships among the component parts of an organization. Structure is made up of three component parts viz., complexity, formalization and centralization.

Complexity refers to horizontal differentiation, vertical differentiation and locational differentiation. Horizontal differentiation is horizontal separation between units based on occupations and specialisations. Vertical differentiation is the potential for communication distortion. Locational differentiation refers to the degree to which the location of an organization's offices, plants and personnel are geographically spread.

Formalization refers to the degree to which the jobs within the organization are standardised.

High standardisation of jobs results in less freedom and discretion. Centralisation refers to the degree to which decision-making is concentrated at a single point in an organization.

Initially, firms adopt a structure. As it grows, in size, spread into new businesses, new geographical regions, it will change the structure and adopt new type of organizational structures. Many companies change their structures as and when there is a change in their strategies and/or size.

Efficient strategy implementation largely depends on appropriate organizational structure. Structuring an appropriate organization should be a top priority for the management.

The first step in organization design is analysis of present and future circumstances "and environmental factors. The next stage deals with detail planning and implementation. Organization analysis is the basis for organization design and is the process of defining aims, objectives, activities and structure of an enterprise.

Organization analysis includes an analysis of the following aspects:

(i)   External environment - Social, Technical, Economic, Political, International and natural.

(ii)   Overall aims and purpose of the enterprise - Survival, growth, profit maximisation, wealth maximisation etc.

(iii)   Objectives - specific aims or targets to be achieved.

(iv)   Activities - assessment of work being done and what needs to be done ill the company is to achieve its objectives.

(v)   Decisions to be taken across horizontal and vertical dimensions.

(vi)   Relationships - from the view point of communications.

(vii)   Organization structure - includes grouping of activities, span of management, management levels etc.

(viii)   Job structure - job design, job analysis, job description, job specifications etc.

(ix) Organization climate - working atmosphere of the enterprise. It includes team work and co-confidence and trust.

(x) Management style - includes laissez-faire, benevolent-autocratic, participative and democrative.

(xi) Human resource - includes availability of human resources marked by skill, knowledge, commitment, aptitude etc.

Q4. Describe the various organizational structure.

Ans :   **(Nov.-21, Jan.-20, June-18, Dec.-18, Imp.)**

1. Matrix Organization

Matrix organization is beneficial to implement when the organization has to handle such projects where there is a com-bination of small or large projects. It is a combination of func-tional organization and project organization. It permits better planning, flexibility and service. In case of matrix organization a person has to work under two bosses, one is the project manager and other is the functional boss. Project structure provides a horizontal authority flow to vertical authority flow of the functional organization.
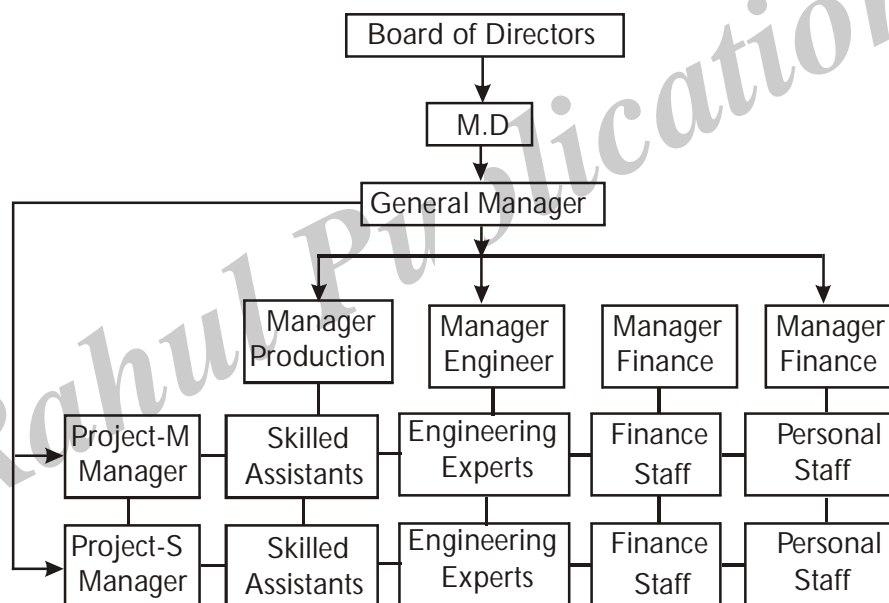
Merits

(i) Efficient and effective utilization of existing available resources.

(ii) It is more flexible than a traditional functional organization.

(iii) It presents operational convenience and operational flexibility

(iv) The features make it more adoptable to crisis and change.

(v) It utilizes the benefits of specialized expertise and capabilities of functional departments.

Demerits

(i) Dual relationship of having two bosses create role conflicts and violate the principle of unity of command.

(ii) Misunderstanding between the project managers and functional heads may creep up with reference to their authority.

2.   Line Organization

It is one of the oldest type of organization. It was also known as the military type of organization in the past.

Authority flows from top level to bottom level. Heads of the departments are given full freedom to control their depart-ments. A senior member has direct command over his subordinates. Each member knows to whom he is responsible for the accomplishment of objectives of the organization.
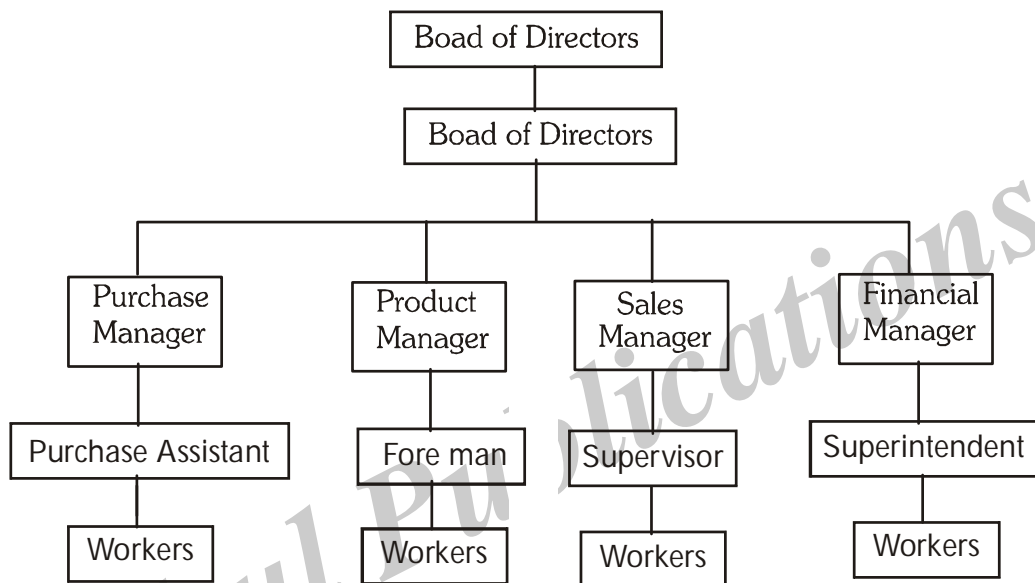
Fig: Line Organization

Advantages

(i)   Departmental heads are free to take decisions.

(ii)   Delay can be avoided.

(iii) Persons can be held responsible for their work individually.

(iv) This type of organization is easy to understand and is strong in discipline.

Disadvantages

(i)   This organization lays too much emphasis only on few subordinates.

(ii)   The work manager is incharge of many departments. He cannot be expected to possess expert knowledge of all the functions. Instructions given by him may not be helpful to obtain the desired results.

(iii) It relies too much on the ability of the manager and supervisors.

(iv) The departmental heads adopt their own methods which may sometimes lead to wastage of materials.

(v)   This type of organization is limited to small firms.

Applications

Line organization structure is applicable to,

(a)   Automatic and continuous process industries and

(b)   Small firm where complexities will be less.

3.   Line and Staff Organization

Both line and staff organization suffer from some drawbacks. Line organization is autocratic in nature and staff organization does have a strong control. To eliminate the drawbacks of both the organizations, the line and staff organization was evolved. It simplifies the relationships. Line authority gives the supervisor a better chance to monitor and control the subordinates. As a matter of fact the exactness of a decision will depend on the responsibility and authority given to a decision maker. In the line and staff organization. The disadvantages of line organization and staff organization form the advantages of line and staff organiza-tion. Whereas the nature of staff relationship is advisory. The staff function is to support the line function (basically a production function) in terms of data material, personnel relations, labour welfare and all those facilities required for the production activity is the role of staff function in this organization.

From the following figure we observe that the Human Resource Development (HRD) as a staff function extends its support to sales manager and production manager by any of recruiting, training and development of employees and looking after the welfare and taking problems connected to labour's unrest and implementing personnel policies to motivate employees to complete the targets.

* $\longrightarrow$ Staff are "thinkers" & line people's are "doers"

B.E $\longrightarrow$ Business economist

L.E $\longrightarrow$ Industrial engineer

L.A $\longrightarrow$ Business economist

L.A $\longrightarrow$ Legal Advisor

C.A $\longrightarrow$ Cost accountant

Merits

(i)   As the number of specialists reduce, the organization becomes economical.

(ii)   Line authorities are not concerned with planning work. Therefore, they concentrate their efforts on achieving greater efficiency in their day-to-day work.

(iii) The effective coordination of functional heads and supervisors is achieved.

(iv) Specialists are meant only to think about the ways and means to bring down the cost of production and increase profits by doing research in the specialized lines.

(v)   It avoids confusion that prevails in functional organization structure.

Demerits

(i)   The prestige of the line executive suffers as his/her work is planned and decisions are taken by somebody else.

(ii)   Establishing the exact relationship between line and staff is difficult.

4.   Committee Organization

The primary function of committees is to make decisions on problems requiring an integration of needs of various de-partments ideas. The committees can be to permanent nature and ad hoc nature. The permanent committees are policy mak-ing and decision making bodies such as executive committees, the purchase committees, finance committees, maintenance committees, promotion committees etc. Whereas an acTEoc committee is formed to find appropriate solutions when specific problems arise.

Under a committee type of organization, decisions are made by group of people (committees). Thus, it can be stated that committee organization structure acts as an effective tool for group decision making technique.
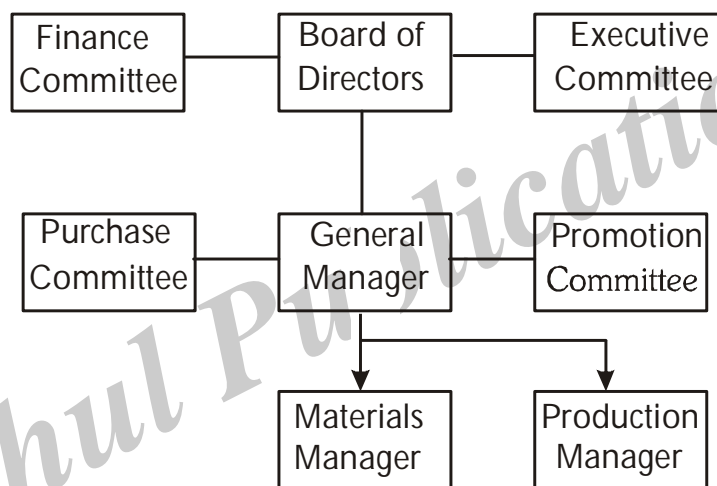
Fig: Committee Organization

Merits

(i)   In this type of organization, the information flow, abilities and expertise of all the people involved can be integrated to set-up most effective objectives, plans and policies.

(ii)   There is democratic decision making and it reduces the chances of conflict.

(iii) Committee organization improves the interpersonal relationships which is a must for better management.

(iv)   Combined decision making increases the commitment to implement those decisions.

(v)   In this type of organization, dealing with complex problems becomes simple as everyone contributes in problem solving.

Demerits

(i)   It may drive inferiority complex and ambiguity when making decision.

(ii)   It consumes a lot of valuable time and money**.**

5.   Functional Organization

F.W. Taylor suggested this type of organization to overcome the difficulties associated with middle level management in the line organization. It is similar to that of a line organization with a difference that instead of one supervisor there are eight functional specialists. Four of them located in the shop floor and four as office specialists. Taylor's functional organization suggests that everyone has direct and equal authority over the workers.
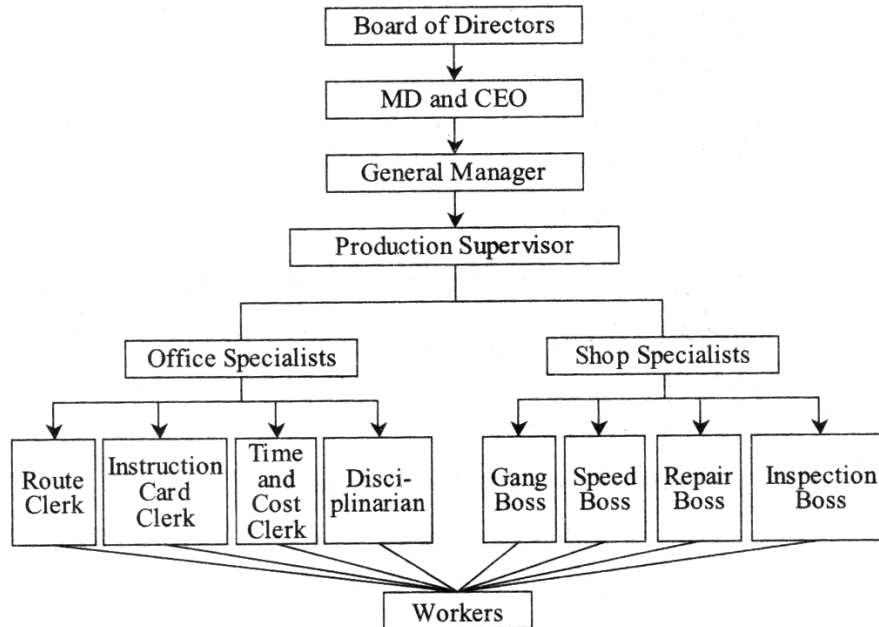
Fig: Functional Organization

Merits

1.   This system ensures specialized knowledge and guidance for workmen through an expert.

2   Since experts are appointed in each of the specialized fields, the division of work can be planned out on a proper basis leading to greater efficiency.

3.   The functional heads are relieved of their routine work. They can utilize this spare time for the development and improvements in the working methods wherever needed.

Demerits

1.   In this system, it is difficult to maintain strict discipline as each supervisor receives different sets of orders from different experts. Sometimes these orders may be conflicting.

2.   The separation of mental work from manual work leads to some kind of monotony, especially in the case of workers in the lower grades.

3.   The success of this scheme depends upon proper coordination between different departments. If this is not done, the scheme is bound to fail.

4.   This is an expensive type of organization, as it involves large amount of money by way of salaries payable to the functional heads.

3.3 PRINCIPLES OF ORGANIZING

Q5.   What are the Principles of Organization?

Ans :   (May-19)

In order to create a systematic approach for organizing, the following principles needs to be implemented,

1.   Objectives

Every part of the organization must actively participate in accomplishing the main objectives of an organization. The goals of an organization must be clearly defined, as they greatly influence the organization structure. In order to make the organization structure effective every individual must put in their efforts to attain the organizational objectives.

2.   Specialization

It refers to the division of work related activities according to their functions. Specialization deals with assigning tasks to persons according to their functional capabilities and specialities. Effective organizations should develop specialization.

3.   Span of Control

According to Urwick, 'a manager can directly supervise a limited number of people'. Therefore, the span of control should be minimum in order to provide effective supervision. It means a superior (executive) would be able to efficiently handle a team of few or less number of subordinate members.

4.   Exception

Top level executives due to lack of time handles only exceptionally difficult problems. The routine, normal and daily issues must be handed over to the lower level executives.

This division of work ensures that the higher level executives invests greater time in the important and crucial issues.

5.   Scalar Principle

It is also called as "chain of command". This principle vividly defines the line of authority, which flows from the top (chief executive) level to the lowest (first line managers) level. It is a continuous chain of command, and must try to avoid its breakdown from any kind of problem.

6.   Unity of Command

In order to avoid the harmful and confusing effects of dual command, unity of command principle clearly states that, each subordinate must have merely one superior. This would help in avoiding indiscipline, disorder and undermining of authority related issues.

7.   Delegation

Authority must also be delegated at the lower levels of an organization. The delegated authority must be equal to responsibility. Delegating authority upto the lowest competent level increases efficiency and smooth operation of work.

8.   Responsibility

Superiors must never avoid their responsibilities by delegating their authorities to their subordinates. Instead, the superiors must be responsible for the activities of their subordinates and the subordinates should be responsible to their superiors for their performance.

9.   Authority

Authority is that tool which helps a manager in achieving the set goals. Therefore, authority must be equal to responsibility and must be clearly defined.

10.   Efficiency

In order to enable efficient functioning of the organizations, the organizational objectives must be achieved with the least possible cost.

11.   Simplicity

In order to establish a successful enterprise, the organizational structure must be simple in nature with minimum number of organizational levels. Larger the number of organizational levels, greater would be the difficulty in communicating and coordinating the activities.

12.   Flexibility

The organization structure should be non-rigid and flexible in nature. It must be adaptable to changing conditions, allow expansion of enterprise whenever need arises, all of which should not create disturbances in the present functioning of the organization.

13.   Balance

Balancing of principles or techniques ensures effective functioning of organizations in achieving the organizational objectives. There must be balance between the following,

(a)   Inefficiencies of broad spans of management and the inefficiencies of long lines of communication.

(b)   Non-uniform and uniform delegation of functional authority to staff and service departments.

(c)   Savings of functional specialization in departmentalizing against advantages of establishing profit, responsible, semi-independent products or territorial departments.

14.   Unity of Direction

Unity of direction can be achieved by following the concept of 'one person-one plan'. Thus, there should be only one objective and one plan for a group of activities aiming towards same objectives. This principle helps in unification and coordination of various activities which are being carried out at various levels in the organization.

15.   Personal Ability

An organization consists of staff which must be properly selected, placed and trained. Thus the organization structure must make sure that there is optimum utilization of human resources and management development programs must be developed and promoted in order to enhance personal skills and abilities of the individuals staff.

3.4 AUTHORITY

Q6.   Define Authority ? What are the sources of Authority?

Ans :   **(June-18, Imp.)**

Authority is the degree of discretion conferred on people to make it possible for them to use their judgement. When an enterprise is small then decision-taking power is centralised in few hands. As the enterprise grows there is a need to delegate authority to more and more people to cope with the work. The main purpose of delegation is to make organization possible. "Just as no one person in enterprise do all the tasks necessary for accomplishment of group purpose, so it is impossible, as an enterprise grows, for one person to exercise all the authority for making decisions."

Meaning of Authority

Authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. It is the right to give commands, orders and get the things done. The top level management has greatest authority.

Definition of Authority

According to Henri Fayol, "Authority is the right to give orders and the power to exact obedience."

According to Kootnz and O'Donnell, "Authority is the power to command others to act or not to act in a manner deemed by the possessor of the authority to further enterprises or departmental purposes."

According to Terry, "Authority is the power to exact others to take actions considered appropriate for the achievement of a predetermined objective."

According to Daris defines authority as the "right of decision and command."

According to Louis Allen, "The sum of the powers and rights entrusted to make possible the performance of the work delegated."

According to Dr. Paterson defines, "The right to command and expect and enforce obedience."

According to Strong says, "Authority is the right to command."

According to Massie defines, "The formal right to exercise control."

Sources of Authority

A number of theories exist about the sources of authority. Some persons are of the view that it flows from upward to downward subordinates, others feel that it goes from bottom to upward because of its acceptance by those on whom it is to be used, the theories of authority are discussed as follows:

1.   Legal/Formal Authority

According to this theory authority is based upon the rank or position of the person and this authority may be given by law or by social rules and regulations protected by law. A law may grant authority to a policeman to arrest a person committing a crime. The president of a company may take an action against an employee for not complying with rules because company rules has bestowed this authority in him. This authority is called formal authority. This type of authority is embedded in the bureaucracy where authority is bestowed upon contractually hired and appointed officials. In a company form of organization shareholders appoint Board of Directors to exercise all authority. The Board to Directors delegates its powers to the Chief Executive who delegates it to the managers and so on.

While bureaucracy is the purest form of legal authority, other forms may comprise of elected office bearers or office bearers appointed by the members. These persons follow authority since their roles are defined

by the rules and regulations framed by such bodies.

2.   Traditional Authority

Traditional authority has evolved from a social order and communal relationship in the form of ruling lord and obedient subjects. The obedience results in traditional authority of the lord. The traditional chief rules as per his own pleasure and makes his own decisions. Generally, these decisions are based on considerations like ethnic equity and justice. The authority passes from the father to the son.

In a family system, father exercises traditional authority over members of the family. The traditional authority is generally followed in Indian family system. It is the father who guides the activities of the family and others obey out of respect and traditions.

In traditional form of authority there is no formal law or structured discipline and relationships are governed by personal loyalty and faithfulness rather than compulsions of rules and regulations or duties of the office.

3.   Acceptance Theory

The authority of the superior has no meaning unless it is accepted by the subordinates. Chester Bernard was of the view that it is the acceptance of authority which is more important. If the subordinates do not accept the orders of a superior there will be no use of exercising authority.

Bernard maintains that a subordinate will accept an order if :

(i)   he understands it well.

(ii)   he believes it to be consistent with the organizational goals.

(iii)   he believes it to be compatible with his personal interests as a whole.

(iv)   he is able mentally and physically to comply with it

The subordinates may accept an order if they gain out of its acceptance or may lose out of its non acceptance. According to Robert Tennebaum, "An individual will accept an exercise of authority if the advantages accruing to him from accepting plus disadvantages accruing to him from not accepting exceed the advantages accruing to him from not accepting plus the disadvantages accruing to him from accepting and vice versa." It can be said that acceptance of an order is the function of advantages from it.

The acceptance theory, though supporting the behavioural approach to management, presents many problems in an organization. It undermines the role of a manager in the organization. He may not be sure whether his orders will be accepted or not. He will know it only when his orders are actually executed. It means that orders flow from bottom to up.

4.   Competence Theory

There is also a feeling that authority is generated by personal competence of a person. A person may get his orders accepted not due to formal authority but because of his personal qualities. These qualities may be personal or technical. The advice of some persons may be accepted even if they donot have a formal authority. They enjoy this authority by virtue of their intelligence, knowledge, skill and experience. When a doctor advises rest to a patient he accepts this advice because of Doctor's knowledge and not because of his formal authority or legal right. The patient will get relief only if he obeys the doctor. Similarly, we accept the diagnosis of a car mechanic without questioning it because of his competency for this work. So the knowledge or competency of a person gives him a status where his authority is accepted by others.

5.   Charismatic Authority

The charismatic authority rests on the personal charisma of a leader who commands respect of his followers. The personal traits such as good looks, intelligence, integrity influence

others and people follow the dictates of their leaders because of such traits. The followers become attached to the leader because they feel that he will help them in achieving their goals. The charismatic leaders are generally good orators and have hypnotic effect on their followers. The religious and political leaders come under this category. Ayatolla Khomani of Iran was an example of a religious leader on whose command people were ready to lay down their lives even John F. Keneddy of America was a political leader who could command respect of the people because of his charismatic personality. The charismatic phenomena also extends to film actors, actresses and war heroes. Film actors and actresses have been successful in raising huge funds for calamities etc. because of their charismatic personalities. Even political parties associate actors and actresses in their companies to collect crowds for their rallies. People follow some persons because of their charismatic personalities and not because of any other factor.

Q7.   What are the various types of authority .

Ans :

1.   Traditional Authority

It is the authority which passes on from their ancestors like father is regarded as patriarchal society and mother is regarded as matriarchal society and their legitimacy is achieved by following traditional customs. Traditional authority is framed on the sacredness of the social order.

2.   Technical Authority

Technical authority is the authority which cannot be delegated to others as it is based on the technical education, skill and experience of the individual.

3.   Charismatic Authority

It is the authority which basically depends upon the individual's magical and mystical qualities. The subordinates usually gets

influenced with the charisma of the leader and they obey their orders. Out of respect for character, reputation, personal qualities and so on.

4.   Legal Authority

The legal authority flows from top level management to bottom level management i.e., in the formal structure of an organization. Usually the superiors give orders and the subordinates execute them as it is the way the organization is created.

5.   Line Authority

Under this, authority flows in a chain of line. The authority basically originates from board of directors and passes over to various levels of an organization.

6.   External Authority

Under this, authority usually comes from outside the organization and one needs to adopt it.

Example: Rules and regulations laid down by the government and so on.

7.   Informal Authority

Informal authority is authority which is usually achieved by an individual with the help of their competence and personal qualities. Eventhough it is informal in nature yet all the subordinates accepts it.

8.   Staff Authority

Under this the staff members holds the authority to manage the functioning of line people by guiding them properly. It is advisory in nature the staff authority basically aims at making line people Took good'.

9.   Functional Authority

Functional authority is usually delegated to the functional experts to manage specialized task under the normal monitoring managers of other department. Even though functional

authority is a limited form of line authority yet it has the right to issue orders.

10.   Official Authority

It is a authority which a person receives out of his position and is used to manage official things of the organization.

3.5 POWER

Q8.   Define power. Explain different types of power.

Ans :   **(June-18, Imp.)**

According to Mintzberg and Pfeffer states, the concept of power is an important aspect to understand employee's ability to influence each other in organization. Power is comprised of two aspects mainly.

(a)   Capacity of one party called as an 'agent'

(b)   To influence the other party called as the 'target'.

Concept of power is useful in many different ways and it is referred as agent's influence over a single target person or over multiple target persons, also it is used for potential influence over things or events even attitudes and behaviour. This agent can be sometime a group or organization instead of individual alone.

Power is also defined under relative terms as an extent a degree to which the agent exercise more influence over the target person compared to target person compared to target person have over an agent. Power is a dynamic aspect which changes as the situation changes or any change in the situation take place.

Types of Power

French and Raven in the year 1959 established a taxonomy to categorize various types of power based on its source termed as "French and Raven Power Taxonomy". However, this taxonomy did not cover entire power sources related to managers such as, control over information is a related power source for managers. Different types of power are covered under the following two heads.

I.   Position power

II.   Personal power

I.   Position Power

It includes,

1.   Legitimate power

2.   Reward power

3.   Coercive power

4.   Information power

5.   Ecological power

1.   Legitimate Power

French and Raven, 1959 states power which is derived from formal authority over work activities is termed as 'legitimate power'. Influence approach/ system related to legitimate power is complicated issue.

Few authors states that the flow of authority is downdards i.e., from owners or top/senior level management but, the possible influence originated from authority relies on the consent of control same as on ownership and control of property.

One's scope of authority determine the amount of legitimate power one possess/ have such as, higher level mangers enjoys more authority compared to lower level mangers. Further, manager's authority is more stronger compared to subordinates authority especially on peers, superiorrs or outsider, the agent may possess legitimate right to make requests which is essential to perform a task responsibilities like requests for information supplies, support services, technical advice and assistance to perform interrelated task.

Guidelines for Using Legitimate Authority

a)   Prepare polite and precise requests

b)   Describe the reasons behind requests

c)   Should not exceed your scope of authority

d)   If necessary, check the authority

e)   Follow suitable channels

f)   Follow-upto check the compliance

g)   Insist on compliance if it is right/ exact.

2.   Reward Power

Perception by the target person where an agent controls and governs major resources and rewards required by the target person is called as 'reward power'. This reward power is derived from formal authority especially to allocate resources and rewards and the authority of reward power differs to a greater extent among various organizations also within the same organization from one management position to another. Higher level executive are authenticated compared to lower level managers as they have/posses more control over scarce resources. Thus, executive has the authority to make decisions regarding resources allocation to different subunits and activities as well as they possess the authority to make decisions regarding review and modification of resource allocation at lower level.

However, reward power relies not only on managers actual control over rewards and resources, but also on target person's perception/assumption as the agent may or may not possess the ability and willingness to pursue the promises made. Thus, much efforts to employ the reward power will go in vein or results in wastage or unsuccessful when the agent lacks credibility for sources of resources and rewards.

Generally, reward power is carried out as explicit or implicit form promise with a view to provide target person something within the agents control to perform a request or a task.

Guidelines for Using Reward Power

a) Such type of rewards to be provided which the people expects (desires).

b) Should offer only ethical and fair rewards.

c) Should not make much promises which becomes impossible to deliver.

d) Describe the criteria behind rewards, which should be simple.

e) Immediately after attaining the require- ments, offer rewards as promised.

f) Rewards to be used in a symbolic form instead of manipulative.

3. Coercive Power

Leader enjoys coercive power over his subordinates based on the authority of punishments differs greatly among different types/kinds of organization such as, coercive power of military and political leaders is more than the corporate managers/leaders. Khan and Katz, 1978 states from the past two centuries, it is observed that there is a greater fall in the use of legitimate coercive power by all types of leaders.

Subordinates has coercive power over superiors like in some organizations, subordinates has the ability to indirectly affect the performance evaluation of his boss. Further subordinates may damage reputation of the boss especially when they restrict production, sabotage operations, initiate grievances hold demonstrations or make complaints to top management. In case, of organizations, where leaders are eluted subordinates does not have much power to remove a leader from office. Coercion may raise anger or resentment which in turn results in retaliation. Coercion does not always results in

commitment if it is utilized in a skillful manner in suitable condition then there is a probability that it results in compliance.

Guidelines for Using Coercive Power to Maintain Discipline

a) Describe the rules and regulations clearly and assure that people understand the serious problems of violations.

b) Should respond to infractions quickly and consistently without any partiality/favouritism to particular individuals.

c) Investigate to get the facts prior to punishments or reprimands and avoid jumping to conclusions or making hasty accusation (excuses).

d) Excluding serious infractions, provide adequate oral and written warnings before resourting to punishment.

e) Manage warnings and reprimands in private and avoid creating rash threats.

f) Be calm avoid the appearance of hostility or personal rejection.

g) Define a sincere desire to help the person comply with role expectation as well as avoid punishment.

h) Person to be invited to suggest means to rectify the problem and take agreement on a concrete plan.

i) Hold credibility to manage punishment if non-compliance continues through warnings and threats made already.

j) Use only legtimate punishments (legal), fair and commensurate according to the seriousness of the infraction.

4. Information Power

One more source is power is control against information called as 'information power'. It is comprised of two things namely, access to vital information and control over its distribution among others. Individual's status acts as an important source to access information in the organizations communi- cation network. However, managerial positions commonly offers opportunities to acquire information which is directly unavailable to subordinates or peers.

For events take place in the external environment of an organization, the roles which provides access to important information easily are the 'boundary role positions', such as marketing, purchasing, public relations. It is not necessarily to occupy an important position to access information but, an individual should be engaged in collection a network of information sources to accumulate or acquire information from them.

Control over information acts as a major sources in case of upward, downward and lateral influence. In subordinates has greater access to information as required by superiors to make decisions then, subordinates are enable to influence the superior's decisions by it. Subordinates use this kind of influence as an important aspect for collecting, storing, analyzing and reporting operating information. Thus, subordinate takes an active part in making decisions as leader is completely relied on subordinate to present complex anlaysis of operating information.

5. Ecological Power

Ecological power means control over the physical environment, technology and organization of the work which gives an opportunity to influence indirectly over other people since, behaviour is defined impart by perception of opportunities and constraints, which can be modified in many wasy by rearranging the situation and this influence is sometimes known as 'situational engineering or ecological control.

One type of situational engineering is to update the design of subordinate jobs to enhance the motivation of subordinates. Another type of situational engineering is control over physical environment for instance, lights or auditory signals can be employed to inform the operator about time for necessary maintenance or to warn the operator or discontinue to do something which may either result in accident or breakdown.

Cultural engineering is a final form of ecological control such as organization's culture is comprised of the following, shared norms, values and beliefs of members. When a strong culture is introduced in an organization leaders can influence the attitudes and behaviour of members in an indirect way. Culture acts as a barrier instead of enhancer of leader influence when shared values and beliefs of organization members becomes inappropriate/ unsuitable towards influence objectives of a leader.

II. Personal Power

It includes,

1. Referent power

2. Expert power

1. Referent Power

French and Raven states (1959), referent power is originated from other's

expectations to please an agent especially for the one they have strong feelings of affection, admiration and loyalty. Generally, people desires to favour their friends and they does not feel anything to carry the requests of one whom they respect. Further, the strongest kind of referent power entails the influence process termed as 'personal identification'. The target person to gain and hold the approval and acceptance of an agent should do what the agent ask him to do like, initiation of agents behaviour, develop those attitudes similar to agent (expressed by agent).

Referent power becomes advantageous for the one who is friendly, attractive, charming and trustworthy. The impact of agent over target person tends to increase when there is strong referent power though agent did not keep much attempts to enjoy this power.

Ways to Acquire and Maintain Referent Power

a)   Show acceptance and positive regard.

b)   Be supportive and helpful.

c)   Use sincere ways of ingratiation.

d)   Whenever necessary defend and back-up people.

e)   Do unsolicited favours.

f)   To show concern, to do self-sacrifices.

g)   Keep promises.

There is one more way to perform/carry out referent power i.e., through 'role modelling'.

2.   Expert Power

An important source of personal power in organizations is associated with the task-related knowledge and skill. Therefore, one should possess unique knowledge to do the task in a best possible manner or tackle an important problem which offers a potential impact over subordinates, peers and superiors. Finally, the one who is expert/expertise person becomes a major source when others relies on agent for advice.

However, main problem underlying is to the target person because, when agent exercise more power to solve any problem then dependency on agent also increases as the agent alone becomes the source of advice.

Therefore, an agent exercises greater expert power, also he is trusted as reliable source for information and advice then, target person can carry out a request without receiving any description for it.

Example, patient who takes medicine as per the prescription by doctor without any knowledge about the medicine.

An investor purchases stocks suggested by a financial consultant from any particular company without any knowledge about that particular company who issued the stocks.

Ways to Use and Maintain Expert Power

a)   Describe the purpose for a request or proposal and why it is important.

b)   Provide proof about the success of a proposal.

c)   Do not prepare rash, careless or inappropriate statements.

d) Do not lie, exaggerate or misuse the facts.

e) Listen with careful concentration to the person's concerns and suggestions/ recommendations.

f) Behave confidentially and decisive in a crisis.

Q9. What are the Differences between powers and authority.

Ans :

Difference between power and authority.

Nature	Power	Authority
Meaning	Power means the ability or potential of an individual to influence others and control their actions.	The legal and formal right to give orders and commands, and take decisions is known as an Authority
Definitions	"Ability to cause or prevent an action, make things happen; the discretion to act or not act. Opposite of disability, it differes from a right in that it has no accompanying duties".	"Institutionalized and legal power inherent in a particulars job, function, or position that is meant to enable its holders to successfully carry out his or her responsibility".
What is it ?	It is a personal trait.	It is a formula right, given to the higher officials.
Source	Knowledge & Expertise	Position & Office
Way of rights	It is the personability to influence others or events.	It is the formal right given to a manager to make decisions or to command.
Hierarchy	Power does not follow any Hierarchy	Authority follows the Hierarchy.
Resides with Roles	Person Power is the ability of a person or a group to influence the beliefs and actions of other people	Designation Authority is the right given to a manager to achieve the objectives of the organization.
Direction	It can flow in any direction	It flows in the down-ward direction of an organization.
Legitimate	Power need not be official in nature; therefore it need not be legitimate.	Authority is always official in nature; hence, it is legitimate.

3.6 INFLUENCE

Q10. Define influence? Explain different types of influence.

Ans :   **(June-18)**

Influence refers to the capability to influence other'' behaviour in a specified direction. The term influence comes into action when leader exercises power, also leaders becomes influential only when they exercises power. Therefore, leader should obtain power to influence others. In turn power can be exercised when leader possess the ability to influence others i.e., leader should learn influence tactics for influencing others.

The two concepts, power and influence are interrelated and used interchangeably where one cannot be exercised in the absence of other since the power generates influence and influence generates power. Leader should possess the ability to influence the target people therefore, it is necessary to have influence skills or influence tactics knowledge.

Types of Influence Tactics

1.   Rational Persuasion

Rational persuasion enables to represent whether a request or proposal is suitable and appropriate to achieve task objectives comprised of explanations, logical arguments and factual evidence. Rational persuasion are of two types,

(a)   Weak and

(b)   Strong.

(a)   Weak

Weak form of rational persuasion is comprised of only a brief explanation of the reason for request or an undocumented assertion that a planned change is expectable and suitable.

(b)   Strong

Strongest form of rational persuasion, consists of detailed explanation regarding the reason why a request or proposed change is crucial and providing accurate proof/evidence that the proposal is suitable or appropriate.

2.   Apprising

This influence tactic enables to describe why a proposal or a request is beneficial to the target person as an individual. Its benefits are as follows,

(a)   Target person's career which is supported by opportunities to learn new skills, meet important personalities or gain more visibility and better reputation.

(b)   Other benefit for target person is to make his job easier or more interesting job.

Unlike rational persuasion, the tactic of apprising entails the utilization of facts and logic where benefits provided for target person instead for an organization. The use of apprising tactic becomes successful only when agent understand the target needs and which request or proposal is suitable to satisfy them.

3.   Inspirational Appeals

There is involvement of emotional or value-based appeal under this tactic of inspirational appeal. When efforts are made to improve enthusiasm and commitment by inducing strong emotions and connecting a request or proposal to a target person's needs, values, hopes and ideas is termed as an inspirational appeal. Few forms of appealing to many people comprised of their desire to be important, to feel useful, to improve and use their skills, to achieve something valuable, to perform an exceptional fact (beyond the limit) of excellency to be a member of best team or to participate in an exciting event to do things better. Sometimes few ideals also forms basis for an inspirational appeal that covers patriotism, loyalty, liberty, freedom, self-fulfillment, justice, fairness, equality, love, excellence, tolerance, humanitarianism and progress.

Efficiency with the use of this tactic relies on communication skills like ability of an agent to use vivid imagery and metaphors,

manipulate symbols, voice and gestures to create enthusiasm and excitement.

4.   Consultation

The term 'consultation' take place only if the target person is informed to participate in planning for how to perform a request or implement a proposed change. Consultation may be of many types when presented as an influence tactic where, most common form of consultation is, when manager provides a proposed policy or a plan to a person who engaged in implementing it to find whether he has any doubts or concerns.

In other type of consultation, manager provides a general strategy or objective to the target person instead of providing a detailed proposal and ask him to propose steps for its implementation.

5.   Exchange Tactics

Exchange tactics acts as a means to enhance the benefits sufficient to create value for a target person to follow the request. Criteria behind its effective usage is control over something which the target person expects sufficient to justify compliance. However, incentive under this tactic includes a broader range of tangible or intangible benefits like increase in pay or promotion, scarce resources, information, assistance on other task, assistance in developing the targets career. Exchange tactics involves both the explicit or implicit offer with a view to give target person something in return to perform a request.

6.   Collaboration

This type of influence tactic provides an offer to a target person to perform a request or approve a proposal by facilitating essential resources or guidance. Example, offer to present a target person how to perform a requested job/task, offer to provide an equipment or technical assistance required to carry out a requested task and offer to assist the target person for how to deal the problem arised while performing the request. Thus, collaboration is mostly similar when compared with exchange tactics. Since, both the tactics desire to do something for the target person.

7.   Personal Appeals

It means asking someone for favour out of friendship or loyalty to the agent, this tactic is inappropriate if the target person dislikes the agent or not bother about what happens to the agent. Therefore, the stronger the friendship or loyalty exists then there is more demand for target person. However, when referent power is more strong then personal appeal is not required. Thus, personal appeals are useful when asking for something which is not part of the target person's regular responsibilities of task such as, provide assistance, do a personal favour.

8.   Ingratiation

This influence tactic is used to make the target person feel comfortable about the agent. Example, give compliments, to do unsolicited favours, acting differential, respectful and acting friendly. Thus, ingratiation is observed as manipulative if it is used prior to something is asked and it is not much useful for instant influence effort rather than as a long-term strategy to develop relationships with people.

9.   Legitimating Tactics

Efforts to introduce one's authority or right to create a specific type of request is termed as legitimate tactics. Legitimate tactics becomes essential if request is unusual which clearly exceeds your authority or the target person does not have any idea about who are you? And what authority you possess? There exists various types of legitimate tactics and most of them are mutually compatible. Example, providing proof for prior precedent, presenting consistency with organizational rules and policies, displaying consistency for professional role expectations and presenting that the request is consistent in accordance with the terms of the contract or prior agreement.

10. Pressure Tactics

Pressure tactics covers threats, warnings and assertive behaviour like regular demands or frequent inspection to know whether the person followed the request. Pressure tactics are not always successful because it has serious side- effects sometimes, the target person

becomes lazy or apathetic. The harder forms of pressure tactics like threats, warnings, demands are confirmed to cause resentment and undermine working relationships. Further, their hard pressure tactics becomes essential to acquire compliance with a rule or policy which is important for organization like safety rules and ethical practices.

11. Coalition Tactics

It means to get help from other people to influence the target person where, coalition partners can be peers subordinates, superiors or outsiders. If assistance is given by superior of target person then the tactic is known as 'upward appeal'. Thus, this coalition tactics is used by integrating other influence tactics. For instance, the agent and a coalition partner may use rational persuasion with a view to influence the target person.

Q11. List the similarities and dissimilarities between authority, power and influence.

Ans :   **(June-18, Imp.)**

Similarities between Authority, Power and Influence

The terms authority, power and influence have a common aspect called "leadership". These terms are utilized in managing and controlling the organizational activities. Especially, power and influence are interrelated and used interchangeably where one cannot be exercised in the absence of other, since the power generates influence and influence generates power. Both power and influence do not depend on the formal status or sanctions in achieving or reaching the agreement.

Eventhough the sources of authority and influence are different, they are mostly interrelated in organization. For instance, at times the patterns of influence that are often successful may become institutionalized i.e., it may become authority concerned.

Differences between Power, Authority and Influence

Power	Authority	Influence
1. Power refers to the ability of the individual which can influence others.	1. Authority refers to the right to command and get the work done from the employees.	1. Influence refers to the capability to influence other's behaviour in a specified direction.
2. The scope of power is broader and it implies authority, as the person who possesses power also has authority. Authority constitutes power.	2. The scope of authority is narrow. For instance, in the case of a manager who is being given enough authority may not be given equal power.	2. The scope of influence is broader. It includes both authority and power. It has a broader scope than power.
3. Power is a person's attribute or quality.	3. Authority is not in the hands of any person. It is actually given to the managerial or top position	3. Influence is the characteristic of an individual in terms of technical knowledge, competencies and skills etc.
4. Power is a dynamic aspect which changes as the situation changes or any change in the situation takes place.	4. Authority is the structural and static aspect of power.	4. Influence is the tactical and dynamic aspect.
5. Power is a legitimate aspect.	5. Authority is the formal aspect of power.	5. Influence is an informal aspect.

3.7 DESIGNING ORGANIZATIONAL STRUCTURE

Q12. Define organizational design? Explain its importance.

Ans :

Organizational design is the design of the organizational structure. It entails decisions about structure and culture. In design, we use the term structure in the widest sense. Organizational structure is the design of the pattern of positions and functions in the organization.

Organizational design includes organizational structure as well as design of the organizational process of work, in particular the decision making process. Though all the organizations are different from each other in their respective fields and type, but there are certain basic features which are to be taken into consideration while designing the organizational structure or while changing it. Thus organizational design is the allocation of resources and people to specified mission or purpose and the structuring of these resources to achieve the mission.

Importance of Organizational Design and Structure

Following reasons explain why organization design is a vital task in today's competitive global environment.

1. Dealing with Contingencies

A contingency is an event that might occur and must be planned for, such as a changing environment. The design of an organization determines how effectively an organization controls various factors in its environment and obtains scarce resources.

2. Gaining Competitive Advantage

Increasingly, organizations are discovering that organization design is a source of sustained competitive advantage. Competitve advantage is the ability of a company to outperform others because its managers are able to create more value from the resources at their disposal. Competitive advantage springs from a firm's competences, manager's skills and abilities in value-creation activities

such as manufacturing, research and development, or organization design.

3. Managing Diversity

Differences in the race, gender, and national origin of organizational members have important implications for the values of an organization's effectiveness. The quality of organizational decision making, e.g., is a function of the diversity of the viewpoints that are considered and of the kind of analysis that takes place.

4. Efficiency and Innovation

Organizations exist to produce good and services that people value. The better organizations function, the more value, in the form of more or better goods and services, they create. Historically, the capacity of organizations to create value has increased enormously as organizations have introduced better ways of producing and distributing goods and services. The design and use of new and more efficient organizational structures is equally important. In today's global environment, e.g., competition from countries with low labour costs is pressuring companies all over the world to become more efficient in order to reduce costs or increase quality.

Types of Designing Organizational Structure

1. Mechanstic organizational structure
2. Organic organizational structure

3.7.1 Mechanstic Organizational Structure

Q13. Explain about mechanstic organizational structure? State its advantages & disadvantages

Ans :   **(Nov.-20)**

Each design challenge has implications for an organization as a whole and the people in the organization behave and perform. Two useful concepts for understanding how managers manipulate all these challenges collectively to influence the wayan organizational structure works are the concept of mechanistic structure and organic

structure. Both these structures are described as follows:

Mechanistic Structure

Mechanistic structures are those that resemble a bureaucracy. These structures are highly formalised and centralized. Communication tends to follow formal channels and employees are given specific job descriptions delineating their roles and responsibilities. Mechanistic organizations are often rigid and resist change, making them unsuitable for innovativeness and taking quick action. These forms have the downside of inhibiting entrepreneurial action and discouraging the use of individual initiative on the part of employees. Not only do mechanistic structures have disadvantages for innovativeness but they also limit individual autonomy and self-determination, which will likely lead to lower levels of intrinsic motivation on the job.

Characteristics of Mechanistic Structure

Some characteristics of mechanistic structure are listed below:

1. Stable Environment:

This organizational structure works best when the environment is relatively stable.

2. Low Differentiation of Tasks:

Tasks will not be differentiated much, because each sub-task is relatively stable and easy to control.

3. Low Integration of Departments and Functional Areas:

Due to the stability to tasks, there will be low integration between departments and functional areas, because tasks stay relatively stable, and because the functional areas are not heavily dependent on each other.

4. Centralized Decision-Making

When the environment is stable, there is no need for complex decision making that involves people at lower levels. Therefore, decision-making is centralized at the top of the organization.

5. Standardization and Formalization:

When tasks are stable, tasks should be standardised and formalised, so that operations can run smoothly without breakdowns.

Advantages of Mechanistic Organization

1. Benefit of Specialization

In mechanistic organization, activities are divided into different groups on the basis of common nature. Works are divided among the subordinates on the basis of their skills and efficiency.

The use of specialization helps for proper utilization of resources and maximization of productivity. In my previous post I have written about the features and characteristic of mechanistic organization. You can read this post if you like.

2. Proper disScipline

In this organization structure top level management has centralized power. There is system of chain of command from top level to subordinate levels. Subordinates are responsible for their immediate superiors. Therefore, all the subordinates perform activities according to best of their ability.

3. Minimize supervision cost

In mechanistic organization, works are divided among the employees on the basis of their specialization. It means right job is assigned to the right person. It helps to minimize supervision cost as all the subordinates perform activities according to best their capabilities.

4. Quick decision and implementation

In this organization only top level management involves in decision making process. It does not consult with subordinates in decision making process. Therefore, quick decision and its implementation become possible. And in this competitive market environment, quick decision and its implementation is essential for business success.

5.   Network position

There is the provision of network of position in management hierarchy. Top level management provides instruction and guidance to middle level managers, middle level managers to lower level managers and again lower level managers to operating level employees. This network is taken into consideration while communicating information. It helps for timely flow of information.

6.   Fixation of Responsibility

In this organizational structure, each individual has given specific responsibility on the basis of ability. He can neither transfer job to others nor avoid it. Thus, the concerned employee needs to accomplish given job himself. It develops the feeling of self responsibility among the employees.

7.   Effective Management

It is a bureaucratic form of organization structure. In this organization, there are specific rules, regulation, policies and working system. The top level management has sole authority in decision making process. There is system of chain of command from top level to subordinate levels. Therefore, manager can manage the organization in effective way.

Disadvantages of Mechanistic Organization

1.   Work Overload on Manager

In mechanistic organization there is the provision of centralized authority and decision making authority is vested in top level manager. Besides, manager needs to involve in day to day supervision and guidance. Hence it maximizes work overload on manager due to which he can not involve in creative and innovative works.

2.   Autocratic Leadership

Mechanistic organization emphasizes to autocratic leadership. The system of

delegation of authority to subordinates on the basis of given responsibility is not prevail. Subordinates need to accomplish given job. They have no right to provide suggestion and information to manager. It does not support for expansion and diversification of business.

3.   Static and Rigid

It is a static, rigid and tightly controlled structure. It emphasizes on standardized activities. There is no provision of change in working system and procedures on the basis of changing environment of the society. In such cases it is more difficult to adapt the organizational activities in dynamic environment.

4.   More Formalization

There is provision of rules, regulation and policies for official activities. All subordinates need to work in accordance of specified rules and policies of the organization. They cannot use their skill and efficiency while doing work. The fulfillment of more formalization makes difficulty for quick decision and smooth functioning of the organization.

5.   Impractical Decision

There is no provision of participation of subordinates in decision making process. They have no right to provide suggestion and information to managers at the time of taking decision. Only top level manager are involved in decision making process. Since limited persons are involved in decision making, there is possibility of impractical decision.

6.   One way Communication

It emphasizes in autocratic leadership. The information is communicated vertically only from top level to subordinate levels. Here only the manager provides information of

instruction and guidance to subordinates. Such one way system of communication does not support for smooth functioning of the organization.

7. Difficult for Coordination

In this structure, specific work is assigned to individuals on the basis of their skills. They perform the given task properly. However, there is no mechanism of maintaining coordination over their performance. Hence top level management needs to spend more time.

8. Focus on Authority

It is a bureaucratic type of organization structure. There is the system of hierarchical chain of command from top level to subordinate levels. It emphasizes on manager's authority rather than expertise of employees. Every subordinate needs to follow the instruction of superiors even though they are inefficient.

Q14. Define Organic Structure. What are its Advantages & Disadvantages.

Ans :   **(Nov.-20)**

In contrast to mechanistic structures, organic structures are flexible and decentralized, with low levels of formalization. In organizations with an organic structure, communication lines are more fluid and flexible. Employee job descriptions are broader and employees are asked to perform duties based on the specific needs of the organization at the time as well as their own expertise levels. Organic structures tend to be related to higher levels of job satisfaction on the part of employees. These structures are conducive to entrepreneurial behaviour and innovativeness.

Characteristics of Organic Structure

Some characteristics of organic structure are as follows:

i) Dynamic and Uncertain Environment

This organizational structure works best when the environment is relatively dynamic and uncertain.

ii) High Differentiation of Tasks

Because tasks are often changing, tasks may need to be differentiated, so specialists, each responsible for one or few tasks, are able to respond quickly.

iii) High Integration of Departments and Functional Areas

In complex environments, rapid communication and information sharing is necessary. Therefore, departments and different functional areas need to be tightly integrated.

iv) Decentralized Decision-Making

When the environment is dynamic and uncertain, there is a need for complex decision-making that involves people at lower levels. Therefore, decision-making power should be distributed to lower ranks, which should get empowered in making decisions.

v) Little Standardization and Formalization

When tasks change rapidly, it is unfeasible to institute, standardization and formalised procedures. Instead, tasks should be mutually adjusted, so that each sub-task is balanced with other sub-tasks.

In conclusion, it can be stated that advancements in IT, globalization, changing workforce, and other factors have strengthened the need for more organic structures that are flexible and responsive to these changes. Moreover, the era of knowledge management. This material is proprietary to KV Institute of Management, a Nationally Ranked BSchool in Coimbatore and cannot be copied or duplicated for use outside of KV. Violators will face infringement proceedings of copyright laws. Characterized by information sharing rather than hierarchy and status is more consistent with the organic structure.

Advantages of Organic Organization

1. Decentralization of Authority

Organic organization emphasizes on decentralization of authority. It initiates on participative decision making where top level management invites subordinates to provide suggestion, information, and ideas in decision making process.

Subordinates can implement decision according to best of their ability. My previous was on characteristic and features of organic organization.

2. Free flow of Information

One of the advantages of organic structure is free flow of information within organization. There is the system of two way communication. Top level management provides information of instruction and guidance to subordinates and similarly, subordinates provide information to the manager about achievement and problems in work. Such two way communication helps to solve problems and to bring smoothness to performance.

3. Feeling of Team Work

Organic organizational structure emphasizes on team work. Works are divided into different groups on the basis of common nature and each group of work is assigned to team, members of which have diversified skills. They work together for achieving common goals through mutual support.

4. Wide Span of Control

Wide span of control is one of the advantages of organic organization. It emphasizes on specialized team performance. Team members are expert in their own area of performance. They are independent and responsible for completion of given jobs. They do not require close supervision, only just simple instruction and guidance can become sufficient to them. Thus it helps to minimize supervision cost.

5. Adaptable in Dynamic Environment

Flexibility is one of important advantages of organic structure. It emphasizes on specialized jobs, but those jobs are not rigid and can be changed on the basis of requirement. Work is frequently organized around team of employees as it is needed. Such redefinition of tasks helps to adapt in accordance of changing environment of the society.

6. Relief to Manager

Decentralization of authority is one of important component of organic organization. Works are assigned to subordinates and on the basis of level of responsibility they have given proper authority. Subordinates perform activities independently and full of responsibility. Only strategic control of manager over them becomes sufficient. Therefore, top level manager feel relief in job and can involve in creative work such as planning, policy making, development of new strategy etc.

7. Increase Efficiency

In this structure employees are highly trained and empowered to handle various activities and problems independently. They need to consider minimum formal rules and regulations and small direct supervision from superiors. Since employees perform assigned job independently and it helps to develop their working efficiency. The development of working efficiency of employees automatically develops working efficiency of organization.

Disadvantages of Organic Organization

1. Lack of Coordination

In this structure works are divided in different groups on the basis of common nature. Works are assigned to the teams by considering their efficiency. Team members are independent and self responsible in doing work. If there is lack of team spirit among the team members then executive needs to invest more time to maintain coordination over their performance. It maximizes work load burden of executive.

2. Complex of Decision

Organic organization emphasizes on participative decision making process. For it, manager invites subordinates to provide their view, ideas, experience and knowledge for solving problems. Involvement of more persons in decision making process makes it complex. If any misunderstanding and conflict is developed among team members, it may create problems in timely decision. In some delay in decision is the reason of loss of business.

3. High Administrative Cost

In organic structure there is the provision of functional specialists. Team members are expert in their own area of performance. Management needs to bear additional expense to pay more remuneration and other facilities to experts. Therefore, it is not suitable for small organizations having limited resources.

4. Spoil Human Relation

Team members perform given job independently through mutual support. And this team performance is the main motive of organic organization. However, if any misunderstanding arises among team members or among teams, it will spoil human relation. In such situation it becomes more difficult to develop good working environment in organization.

5. Problem of joint Specialization

In organic organization emphasizes is given on joint specialization. Works are divided among teams on the basis of their expertise. There is inter relation over the performance all the teams. In practice it is more difficult to maintain coordination over the performance of specialists because of their ego drive. In such situation, top level managers needs to invest more time to maintain coordination.

6. Unpredictable Working Process

In organic organization there is little predetermined standard of performance. There is also the provision of flexibility and working process can be changed on the basis of changing environment of the business. Therefore, it is more difficult to predicate the the future working process. It is essential to review the working process on the basis of time and requirement.

7. Difficult to Control

There is little consideration of rules, regulation and working system. Teams have given in dependency for doing assigned work. It considers the philosophy of self responsibility of teams and their members. In such cases, if team members are unskilled and irresponsible it becomes more difficult to control their performance.

Q15. Discuss in detail about various Organic Structures of Organization.

Ans :   **(Jan.-20)**

The different organic structures of organization includes the following,

1. Cellular Organization

Cellular organization also termed as modular organization is a kind of boundaryless organization that divides the work into modules and cells. It follows the technique of cellular manufacturing for producing its products. In this kind of organization, tie-ups with outside suppliers are made to provide the product components and these components or segments are assembled into final product.

Example: Manufacturing of a ship or aircraft.

Merits

1. It has characteristics of both Lean and Flat structure.

2. It comprises of self-managed teams.

3. It is characterized by division of labours/workers.

Demerits

1. The quality of products can be affected due to division of labour.

2. It is characterized by smaller staff.

Suitability

Cellular organizations structure can be adopted by manufacturing units.

2.   Boundaryless Organization

The term 'Boundaryless Organization' was coined by Jack Welch, former chairman of General Electrics. His ideas behind the term is to eliminate barriers (vertical, horizontal) within GE, outside GE, its suppliers and customers.

A boundaryless organization is an organization without any predefined structure. It has neither vertical, horizontal nor external boundaries. In such an organization there is no chain of command, limitless spans of control and departments being replaced by empowered teams.

Advantages

*   Responsive and flexible.

*   Draws on talent wherever it's found.

Disadvantages

*   Lack of control

*   communication difficulties.

Suitability

Boundaryless organization structure is suitable for small companies. However, large organizations may also use a flexible boundaryless structure to deal with the new challenges.

3.   Team Structures

An organization that is made up of work groups or teams is called a team structure. In team structure there is no line of managerial authority nor a stipulated working pattern. The teams are given all the powers and they design the work based on the goal accomplishment.

Advantages

*   More involvement of employees as they are empowered

*   Low barriers between functional areas.

Disadvantages

*   No chain of command

*   Pressure on teams.

Suitability

Generally, large organizations make use of team structures.

Types of Teams

1.   Cross-functional Teams

Cross-functional teams are widely formed in organization., OD approaches helps in the formation and ongoing functioning of these teams. Cross-functional teams contain individuals who have a functional home base.

Example: Design, marketing, engineering etc.

This teams are permanent, but temporary teams can be setup to solve short-term problems such as planning a product change over etc. Large companies like Motorola, 3M, Ford and General Electric and many small and medium sized organizations use cross-functional teams.

2.   Effective Teams

Individuals can function effectively, frequently only when team is functioning effectively. Likert and McGregor determined some of the characteristics of well functioning and effective groups. McGregor's list of characteristics are,

*   The atmosphere must be relaxed, comfortable and informal.

*   People must express their feelings and ideas.

*   The task of a group must be understandable and accepted by all the members.

*   Decisions must be based on consensus, not majority vote etc.

According to McGregor, when team attain these conditions, it is likely to be successful in achieving its mission and concurrently satisfying the personal and interpersonal needs of its members.

3. High-performance Teams

High-performance teams consist of same characteristics but at a higher level. According to Katzenbach and Smith, high-performance teams differ from effective teams, as they contain strong personal commitment towards each other and commitment to the other's growth and success.

4. Virtual Organization

Virtual organization is a firm whose majority of activities are out sourced. Virtual organization, otherwise called as virtual corporation is defined by recent business week survey as, "the virtual corporation is a temporary network of independent companies-suppliers, customers, even erstwhile rivals linked by information technology to share skills, costs, and access to one another's markets. It will have neither central office nor organization chart. It will have no hierarchy, no vertical integration".

Elements of Virtual Organization

The following are the elements of virtual organization,

(a) Technology

Partnerships, contracts, transfer of information are done through the usage of technology. Technology reduces the legal issues and speeds up the activities.

(b) Opportunism

The work of virtual organization is based mostly on opportunities. The companies unite together to seek an opportunity and then go apart.

(c) Excellent Output

As every company put its core competence in achieving the target, the output tends to be excellent.

(d) Trust

The main attribute that binds the companies in a virtual organization is trust.

(e) Boundaryless

With an aim of producing an excellent output, companies work beyond their boundaries.

Merits

(i)   This helps in working with less capital, less personnel and less inputs.

(ii)   Highly flexible structure because of the absence of boundaries.

(iii) Readily responds to market demands.

(iv)   Helps in globalizing the product easily.

Demerits

(i)   Depends mostly on out sourcing.

(ii)   Low strength as nobody is the head of the organization.

(iii) Failure of one company will result in failure of the whole network of companies.

Suitability

These type of organizations are useful in globalizing a product. Such organizations will function effectively in the present markets due to increase in technology, such as use of computers, faxes, CAD systems and video teleconferencing which help in taking quick actions.

5. Inverted Pyramid

Inverted pyramid structure is an inverted or reverse form of traditional command-and-control hierarchy that symbolizes a pyramid like structure. An inverted pyramid structure is narrow at bottom and wide at the top. It has only three levels and follow bottom-up approach. In this structure, the lower level managers are key decision makers. They support the top level by taking decisions that are directed towards goal accomplishment. The below is a figure of inverted pyramid structure.
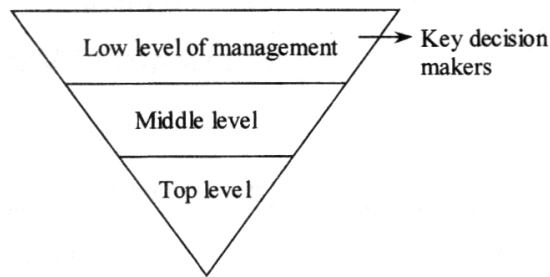
Fig : Inverted Pyramid Structure

Advantages

• Improved employee performance

• Highly motivated manpower.

Disadvantage

• Lack of control.

Suitability

Inverted pyramid structure is suitable for medium size and large size organizations.

Q16. What are the difference between Cellular Organization and Boundary Less Organization.

Ans :

	Cellular Organization		Boundary Less Organization
1.	An organizaion which is divided into units and cells and completes the entire assembly processes is known as 'cellular organization'.	1.	An organization which eliminates internal boundaries between subsystems and external environment is known as 'boundaryless organization'.
2.	A cellular organization replaces the continuous or linear production process systems in the modern organizations.	2.	A boundaryless organization replaces a formal chain of command.
3.	In cellular organization, the total product or sub assemblies are manufactured by the workers in teams or cells.	3.	In a boundaryless organization, the needs of the organization are met by entering into outsourcing contracts and alliances as and when required.
4.	Cellular organizations mainly consist of self managed teams.	4.	Boundaryless organizations consist of spontaneous, flexible and responsive work teams.
5.	In cellular organization, the workers of each team or cells are responsible for improving the quality or quantity of products. So, each team freely reorganizes for improving performance and product quality.	5.	In boundaryless organization, the team numbers share their knowledge, utilize technology and make use of their talent and competencies for attainment of a task.

Q17. What are the differences between Mechanistic Organic Structure.

Ans :

Mechanistic Structures	Organic Structures
1) Have narrow span of control.	Have wider span of control.
2) Have high degree of formalization.	Characterized by little formulation.
3) Centralized decision-making.	Decentralized decision-making.
4) Follow strict rules and regulations.	More flexible and adaptable.
5) Vertical communication flows.	Communication flows in all directions,
6) Tasks are rigidly defined.	Tasks are more fluid.
7) Task altered only with the sanctions of higher authority.	Tasks can be altered according to situations and needs.
8) Operate best in stable environments.	Operate best in dynamic environments.

3.8 CONTEMPORARY ORGANIZATIONAL DESIGN

Q18. What are the Contemporary Organizational Design ?

Ans :   **(Aug.-21, May-19, Jan.-18, Imp.)**

Organizational designs fall into two categories, traditional and contemporary, which are explained below:

A)   Traditional Designs

Traditional designs include:

1.   Simple Structure

It is defined as a design with low departmentalisation, wide spans of control, centralized authority, and little formalisation. This type of design is very common, in small start-up businesses. **For example,** in a business with few employees the owner tends to be the manager and controls all of the functions of the business. Often employees work in all parts of the business and do not just focus on one job creating little if any deparhnentalisation. In this type of design there are usually no standardised policies and procedures. When the company begins to expand then the structure tends to become more complex and grows out of the simple structure.

2.   Functional Structure

It is defined as a design that groups similar or related occupational specialties together. It is the functional approach to departmentalization applied to the entire organization.

3.   Divisional Structure

It is made-up of separate, semi-autonomous units or divisions. Within one corporation there may be many different divisions and each division has its own goals to accomplish. A manager oversees their division and is completely responsible for the success or failure of the division. This gets managers to focus more on results knowing that they will be held accountable for them.

B)   Contemporary Designs

Contemporary designs include:

1.   **Team Structure**

It is a design in which an organization is made up of teams, and each team works towards a common goal. Since the organization is made up of groups to perform the functions of the company, teams must perform well because they are held accountable for their performance. In a team-structured organization there is no hierarchy or chain of command. Therefore, teams can work the way they want to, and figure out the most effective and efficient way to perform their tasks. Teams are given the power to be as innovative as they want. Some teams may have a group leader who is in charge of the group.

2.   **Matrix Structure**

It is one that assigns specialists from different functional departments to work on one or more projects. In an organization there may be different projects going on at once. Each specific project is assigned a project manager and he has the duty of allocating all the resources needed to accomplish the project. In a matrix structure those resources include the different functions of the company such as operations, accounting, sales, marketing, engineering, and human resources. Basically the project manager has to gather specialists from each function in order to work on a project, and complete it successfully. In this structure there are two managers, the project manager and the department or functional manager.

3.   **Project Structure**

It is an organizational structure in which employees continuously work on projects. This is like the matrix structure;

however when the project ends the employees do not go back to their departments. They continuously work on projects in a team-like structure. Each team has the necessary employees to successfully complete the project. Each employee brings his or her specialised skill to the team. Once the project is finished then the team moves on to the next project.

4.   **Autonomous Internal Units**

Some large organizations have adopted this type of structure. That is, the organization is comprised of many independent decentralized business units, each with its own products, clients, competitors, and profit goals. There is no centralized control or resource allocation.

5.   **Borderless Organization**

A boundary less organization is one in which its design is not defined by, or limited to, the horizontal, vertical, or external boundaries imposed by a pre-defined structure. In other words it is an unstructured design. This structure is much more flexible because there are no boundaries to deal with such as chain of command, departmentalisation, and organizational hierarchy. 'Instead of having departments, companies have used the team approach. In order to eliminate boundaries managers may use virtual, modular, or network organizational structures. In a virtual organization' work is out sourced when necessary. There are a small number of permanent employees; however specialists are hired when a situation arises. For example, sub-contractors or freelancers. A modular organization is one in which manufacturing is the business. This type of organization has work done outside of the company from different suppliers. Each supplier produces a specific piece of the fmal product. When all the pieces are done, the organization then assembles the final

product. A network organization is one in which companies outsource their major business functions in order to focus more on what they are in business-to do.

6.   Learning Organization

It is defined as an organization that has developed the capacity to continuously learn, adapt, and change. In order to have a learning organization a company must have very knowledgeable employees who are able to share their knowledge with others and be able to apply it in a work environment. The learning organization must also have a strong organizational culture where all employees have a common goal and are willing to work together through sharing knowledge and information. A learning organization must have a team design and great leadership. Learning organizations that are innovative and knowledgeable create leverage over competitors.

3.8.1 Challenges of Organization Design

Q19. Explain the various Challenges in Contemporary Organizational Design?

Ans :   **(May-19, Dec.-18, Imp.)**

As managers look for organizational designs will best support and facilitate employees doing their work efficiency and effectively, they must contend with certain challenges. The basic challenges in organizational design are as follows:

i)   Balancing Differentiation and Integration

The design issue facing managers is to establish a level of integration that matches the organization's level of differentiation. Managers must achieve an appropriate balance between differentiation and integration. A complex organization that is highly differentiated needs a high level of integration to effectively coordinate its activities. By contrast, when an organization has a relatively simple, clearly defined role structure it normally needs to use only simple integrating mechanisms. Its managers may

find that the hierarchy of authority provides all the control and coordination they need to achieve organizational goals. At all costs, managers need to be sure they do not differentiate or integrate their organization too much. Differentiation and integration are both expensive in terms of the number of managers employed and the amount of managerial time spent on coordinating organizational activities. For example, every hour that employees spend on committees that are not really needed costs the organization thousands of dollars because these employees are not being put to their most productiveuse. Managers facing the challenge of deciding how and how much to differentiate and integrate must do two things:

1.   Carefully guide the process of differentiation so that an organization builds the core competences that give it a competitive advantage; and

2.   Carefully integrate the organization by choosing appropriate coordinating mechanisms that allow sub-units to cooperate and work together to strengthen its core competences.

ii)   Balancing Centralization and Decentralization

The design challenge for managers is to decide on the correct balance between centralization and decentralization of decision-making in an organization. If authority is too decentralized, managers have so much freedom that they can pursue their own functional goals and objectives at the expense of organizational goals. On the other hand, if authority is too centralized and top management makes all important decisions, managers lower down in the hierarchy become afraid to make new moves and lack the freedom to respond to problems as they arise in their own groups and departments. The ideal situation is a balance between centralization and decentralization of authority so that middle and lower managers who are at the scene of the action are allowed to make important decisions and top managers' primary

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Definitions of Controlling

Different scholars have defined controlling differently. The following are some of the definitions given by some scholars :

According to Philip Kotler, "Control is the process of taking steps to bring actual results and desired results closer together."

According to Dale Henning, "Control is the process of bringing about conformity of performance with planned action."

Nature/Characteristics of Controlling

Following are the characteristics of controlling function of management:

1.   Controlling is an end function

A function which comes once the performances are made in conformities with plans.

2.   Controlling is a pervasive function

Which means it is performed by managers at all levels and in all type of concerns.

3.   Controlling is forward looking

Because effective control is not possible without past being controlled. Controlling always look to future so that follow-up can be made whenever required.

4.   Controlling is a dynamic process

Since controlling requires taking reviewal methods, changes have to be made wherever possible.

5.   Controlling is related with planning

Planning and Controlling are two inseparable functions of management. Without planning, controlling is a meaningless exercise and without controlling, planning is useless. Planning presupposes controlling and controlling succeeds planning.

Objectives of Controlling

The controlling function of management is the key to the success of business. The chief aim of control is to ensure the actual progress in conformity with the predetermined standards Apart from this the following are the objectives of control:

1.   To Evaluate the Work Progress

The aim of control is to evaluate the actual work progress so that deviations can be known by comparing it with the predetermined standards.

2.   Apply to Corrective Measures

The second chief objective of control is to find out deviations in the actual results and the desired results and to apply corrective measures. It is important to do so because it is only by corrective action that the mistakes committed earlier are prevented from recurring.

3.   To Gain Maximum Cooperation of Human Resource

Human resource in the major resource among all the available resources in the enterprise because all the works are completed with the help of this resource. Therefore, its help is of utmost necessity in the accomplishment of the objectives of the business and the cooperation of human resource can be obtained through the medium of control.

4.   To Maximize the Utilisation of Material and Machines

It is also a major objective of control to make possible the maximum use of material and machines along with the human resource. The misuse of these resources can be prevented through the medium of control.

5.   To Fix Responsibility

The objective of control is to determine the authority to be given to different people in the enterprise connected with their work and to fix their responsibility regarding the success or failure of work performance.

6.   To Motive employees

Through the medium of control an effort is made to motivate the employees. The

information regarding the implementation of a control system makes the employees work with complete dedication. They know that their work will be assessed and in case the progress report happens to be favourable they will get recognition in the enterprise.

7. To Make Decentralization Possible

Decentralisation in required for the successful work performance of all the works. Any action that increases the importance of the subordinate is called decentralisation. This arrangement is successful only when some watch is kept on the subordinates and this is possible only through control. Hence, control can be considered the basis of the success of decentralisation.

8. To Establish Coordination among Objectives, Resources and Efforts

It is an important function of control to establish a balance in the predetermined objectives of the enterprise, necessary resource to achieve those objectives and the efforts of human group. If coordination among these three is not established with the help of control the failure of the enterprise is certain.

9. To Face the Changing Environment

Business situations continue changing and plans have to be changed accordingly. These changes can be known with the help of control and necessary changes are made in the plans.

10. To Check the Various Undesirable Activities

In order to complete some work various undesirable activities are eliminated so that the dream of the maximum production at the minimum cost can be realised by the most efficient use of resources.

Q21. Explain the importance of controlling.

Ans :

Importance of Controlling

1. Helps in Guiding the Actual Performance

Control helps the mangers in measuring the actual performance and in guiding it towards the achievement of pre-determined performance.

2. Contributes to Overall Improvement in the Organizational Efficiency

By covering all managerial activities, control contributes to the overall improvement in the organizational efficiency.

3. Smoothens the Working

Proper control smoothens the working of the organization.

4. Helps to Maintain Order and Discipline

An efficient control system creates an atmosphere of order and discipline in the organization, as there is a regular check on the activities of the subordinates.

5. Increase the Morale of the Employees

By strengthening the functioning of the organization, control increases the morale of the employees.

6. Ensure the Success of Plans

Control ensures the success of plans, as the essence of control is the adherence to plans.

7. Facilities Decisions-making

Control is basic to decision making. The process of control is complete only when corrective actions are taken and taking of corrective actions involves making the right decision as to what type of follow-up action to be taken.

8. Provides the Basis for Future Corrective Action

Control provides the basis for future corrective action as it is future oriented. It helps to reduce future mistakes.

9.   Facilitates Effective Supervision

Control simplifies supervision and makes it effective by pointing out the significant deviations or variations.

10.   Facilitates Decentralization

Control facilitates decentralization of authority, without adequate controls, decentralization of authority cannot succeed.

11.   Facilitates Co-ordination

Control facilitates co-ordination as every manger has to co-ordinate the activities of his subordinates towards the achievement of the organizational goals in the process of exercising his function of controlling. In fact, controlling and co-ordinating are interrelated and inter-independent becomes easy when activities are well co-ordinated.

3.9.1 The control process

Q22. What are the various steps involved in the control process ? Discuss major behavioural problems of control.

Ans :   **(Aug.-21, Jan.-18)**

A)   Steps in Control Process

The following are the steps involved in a control process,

1.   Establishing Standards

The first and foremost step in a control process is the establishment of standards against which the actual results would be compared.

The standards are fixed by the managers in accordance with the organizational goals and therefore are required to be set carefully. An ideal standard of control should be simple, comprehensible, flexible, easily measurable, achievable in reasonable time period and should be in accordance with the objectives of the organization.

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        │   Establishing Standards    │
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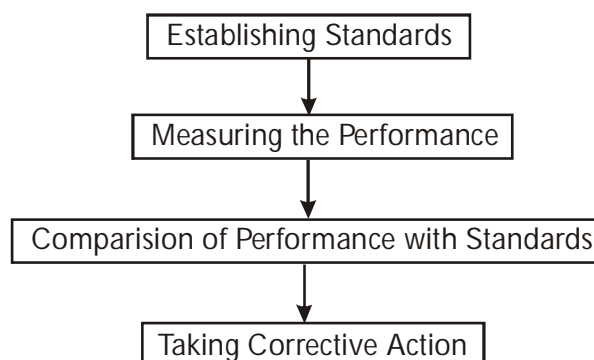
2.   Measuring the Performance

Since the performance is to be compared with the established standards, it should be measured periodically at regular intervals. If the standards are expressed in quantitative terms, then the performance should also be measured in quantitative terms.

3. Comparison of Performance with Standards

The actual performance is compared with the standards and deviations (if any) are identified by the management. The management then finds the extent of deviation and identifies the reason for it. When the actual performance is equal to the standard, then there is no need for further action. However, if the standards are not achieved, then the management has to decide the type of corrective action to be initiated.

4. Taking Corrective Action

Management identifies the causes of deviation before taking any corrective action. The causes of deviation may be due to ineffective and inadequate communication, defective system of wage payment, defective system of selection of personnel, lack of proper training, lack of motivation, ineffective supervision etc. The management takes necessary corrective action based on the nature of causes of deviation.

B) Behavioural Problems of Control

The major behavioral problems of control can be analysed through the following points,

1. Nature of Control

It is well known that, control puts pressure on people who work in the organization. Here, the basic question is does the people behave in a desirable way when there is control? The answer for such question is people perform lengage in that behaviour which gives them satisfaction irrespective of whether there is control or no control. In other words, if the process of organization are in favour of the one who perform them, then the outcome will be good whether control is present or not.

2. People Perception

The people perceive control in two ways,

(i) They think that management put control on them just for the benefit of organization not for the one who is being controlled. If control bring good results, then it is shared by the organization. Whereas it is brought by the organizational participants. Mostly control is used as pressure tactic in order to increase the performance of people.

(ii) The controls are unplanned due to the improper planning of the management. The people think that such improper planning is a serious issue on part of those who are being controlled.

3. Response to Control

The organizational participants respond to control based on the nature and perception of control as well as those who are being controlled. These responses includes the following,

(a) Willing compliance to control, if control serves the needs to the employees.

(b) Forced compliance to control, if control does not serves the needs of the organizational participants.

(c) Resistance to change, managers take corrective actions if control as per the need satisfaction of the employees.

3.9.2 Controlling for Organizational Performance

Q23. What is Organizational Performance ? Describe the most frequently used measures of Organizational Performance.

Ans :   **(Nov.-20)**

Organizational Performance

Organizational performance includes comparison of goals and objectives of firm's with its actual performance in three specific areas. They are, financial performance, market performance and shareholder value. Performance is the end result of any activity performed by the organization. Organizational performance is a multifaceted concept wherein managers should identify factors

leading to organizational performance. Managers desire to obtain higher levels of performance within their organizations, work groups or work units.

Measures of Organizational Performance

As a manager, one must know which measures are necessary to get the information regarding the organizational performance. Usually, they are organizational productivity, industry rankings and organizational effectiveness.

1.   Organizational Productivity

The volume of goods or services produced divided by all the inputs that are essential to result in output is called productivity. Organizations and individual work units or groups are desired to become more productive by producing the high amount of goods and services by using less amount of inputs. The evaluation of output is carriedout by the sales revenue that is received by organizations when goods are sold in the market. The evaluation of input is carried out by the costs of purchasing and converting the resources into outputs.

The job of management is to increase the ratio of inputs and it is possible only if the prices of the outputs are increased. This may not be an option in present days competitive environment, but the other option is to decrease the inputs side. This is possible with the efficient performance in work by decreasing the expenses of organization.

2.   Industry and Company Rankings

To measure organizational performance, ranking is another important technique for managers and there is no shortage of these rankings. Rankings are ascertained by particular performance measures which are distinct for every list. Managers gets a clear indication through ranking to know how their organization performs when compared to other organizations.

3.   Organizational Effectiveness

It is a measure/technique to know how adequate the organizational goals are and how well these organizational goals are achieved. This is the foundation for managers which guides the managerial decisions in designing the strategies and work activities and in organizing the employees work.

3.9.3 Types of control

Q24. Explain the classification / types of control systems.

Ans :   **(May-19, Imp.)**

Control systems can be classified into two broad categories as mentioned below:
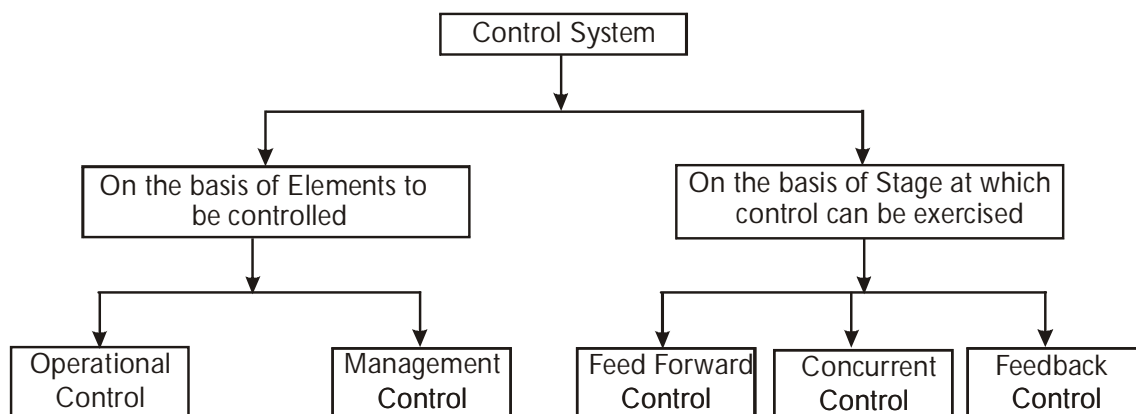
A)   On the basis of Elements to be Controlled

Based on elements to be controlled, control can be divided into two categories. These are the following :

1.   Operational Control

It refers to the process of ensuring that particular activities / jobs are carried out efficiently and effectively. It focuses on individual jobs rather than on total management system. The following are the examples of operational control system:

i)   Quality Control

Meeting quality standards during the production process.

ii)   Production Control

Manufacturing according to set programmes.

iii)   Stock Control

Ensuring enough supply of raw materials to maintain flow of output.

iv)   Supply of Control

Meeting deadlines of delivery of goods to satisfy customers.

v)   Cost Control

Maintaining various expenses as per pre-determined standards.

vi)   Budgetary Control

Maintaining performance as per budgetary targets.

Features of Operational Control

The main features of operational control system are as follows :

i)   It is based on procedures and rules.

ii)   It is programmed in advance, hence very little managerial judgement is required.

iii)   Its focus is on maintaining internal stability.

iv)   Rewards and punishments are used to ensure compliance with the system.

v)   The external environment is considered as fixed or given.

2.   Management Control

It refers to the process of ensuring that resources are obtained and used efficiently and effectively. Its main objective is to maintain equilibrium with the ever-changing and uncertain external environment. It focuses on total management functions rather than on individual jobs. For example, procuring some particular items of raw materials for inventory is comes under operational control whereas inventory management as a whole comes under management control.

Features of Management Control

The main features of management control system are as follows :

i)   It is based on objectives and policies.

ii)   As the standards are not very much clear, considerable management judgement is required.

iii)   It involves control on non-routine and variable activities.

iv)   It gives due weightage to the principles of' Control by Exception' and 'Critical Point Control'.

v)   It is more decisional control than action control.

Differences between Operational Control and Management Control

Basis of Difference	Operational Control	Management Control
1. Meaning	It refers to the process of ensuring that particulars activities are carried out effectively and efficiently.	It refers to the process of ensuring that resources are obtained and used efficiently and effectively.
2. Focus	Individual activities	Total Management Functions.
3. Basis	Procedures and Rules	Objectives and Policies
4. Nature	Action Control	Decisions control
5. Example	Quality control, Production Control, Stock Control, Budgetary Control, etc	Facing the changes in the external environment is an example of it.

B)   On the basis of Stage at which Control can be exercised

Based on the stages at which control can be exercised, control can be divided into three categories. These are the following :

1.   Feed Forward Control

It refers to that control system which anticipates problems before they actually occur. It is also known as predictive control system. For example, a Cash Budget for the coming year can predict inflow and outflow of cash. If shortage of cash is anticipated, say, in August, a bank loan can be arranged well in advance, probably on more favourable terms and conditions.

2.   Concurrent Control

It refers to that control system which is exercised during the process. It enable us to take timely action before larger damage takes place. For example, quality control charts used in manufacturing process enable us to take immediate corrective action before any major damage is done.

3.   Feedback Control

It refers to that control system which measures results after the completion of the process. It is also known as Historical Control System. It tells management to what extent objectives are actually achieved. Budgetary control is an important example of feedback control.

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3.10 FINANCIAL CONTROL

</div>

Q25. Define Financial Control ? Discuss the various Traditional Control Measures.

Ans :   **(Jan.-20)**

In every organization, managers need to watch how well the organization is performing financially by watching the numbers. Not only do the numbers tell whether the organization is on sound financial footing, but they also can be useful indicators of other kinds of performance problems. For example, a sales decline may signal problems with products, customer service, or sales force effectiveness.

Financial Statements

Financial statements provide the basic information used for financial control of an organization. Two major financial statements the balance sheet and the income statement are the starting points for financial control.

Think of the balance sheet as a thermometer that provides a reading on the health of the business at the moment you take its temperature. The balance sheet shows the firm's financial position with respect to assets and liabilities at a specific point in time. An example of a balance sheet is presented in Exhibit? The balance sheet provides three types of information: assets, liabilities, and owners' equity. *Assets* are what the company owns, and they include *current assets* (those that can be converted into cash in a short time period) and *fixed assets* (such as buildings and equipment that are long term in nature). *Liabilities* are the firm's debts, including both *current debt* (obligations that will be paid by the company in the near future) and *long-term debt* (obligations payable over a long period). *Owners' equity* is the difference between assets and liabilities and is the company's net worth in stock and retained earnings.

The income statement, sometimes called a *profit-and-loss statement* or *P&L* for short, summarizes the firm's financial performance for a given time interval, usually one year. A sample income statement is shown in Exhibit. Some organizations calculate the income statement at three-month intervals during the year to see whether they are on target for sales and profits. The income statement shows revenues coming into the organization from all sources and subtracts all expenses, including cost of goods sold, interest, taxes, and depreciation. The *bottom line* indicates the net income profit or loss-for the given time period.

During the economic recession, companies cut discretionary spending, such as travel expenses, to improve the bottom line, and managers are pushing to keep those expenses from creeping back up. If managers keep costs low where they can, they can spend scarce dollars on higher-priority areas, such as salary increases for staff or research and development. To avoid a cost creep in travel expenses, Deloitte reminds employees of company travel policies when managers see costs rising. Employees are discouraged from traveling to meetings that are expected to last less than eight hours and to use video and Web conferencing whenever possible as an alternative to travel.

Financial Analysis: Interpreting the Numbers

A manager needs to be able to evaluate financial reports that compare the organizations performance with earlier data or industry norms. These comparisons enable the manager to see whether the organization is improving and whether it is competitive with others in the industry. The most common financial analysis focuses on ratios, statistics that ex-press the relationships between performance indicators such as profits and assets, sales, and inventory. Ratios are stated as a fraction or proportion; Exhibit summarizes some financial ratios, which are measures of an organization's liquidity, activity, profitability, and leverage. These ratios are among the most common, but many measures are used. Managers decide which ratios reveal the most important relationships for their business.

1.   **Liquidity Ratios**

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Acid test ratio} = \frac{\text{Current assets less inventories}}{\text{Current liabilities}}$$

2.   **Leverage Ratios**

$$\text{Debt to assets} = \frac{\text{Total debt}}{\text{Total assets}}$$

$$\text{Times interest earned} = \frac{\text{Profit before interest and taxes}}{\text{Total interest charges}}$$

3.   Activity Ratios

$$\text{Inventory turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

$$\text{Total asset turnover} = \frac{\text{Sales}}{\text{Total assets}}$$

4.   Profitability Ratios

$$\text{Profit margin on sales} = \frac{\text{Net profit after taxes}}{\text{Total sales}}$$

$$\text{Return on investment} = \frac{\text{Net profit after taxes}}{\text{Total assets}}$$

3.11 BALANCED SCORE CARD

Q26. Briefly discuss about balanced score card.

Ans :   **(Dec.-18)**

The concept of Balanced Scorecard was introduced by Robert Kaplan and Davied Norton in 1992. Balanced scorecard identifies and links key performance measures (both financial and non-financial) to provide a comprehensive view of the business.
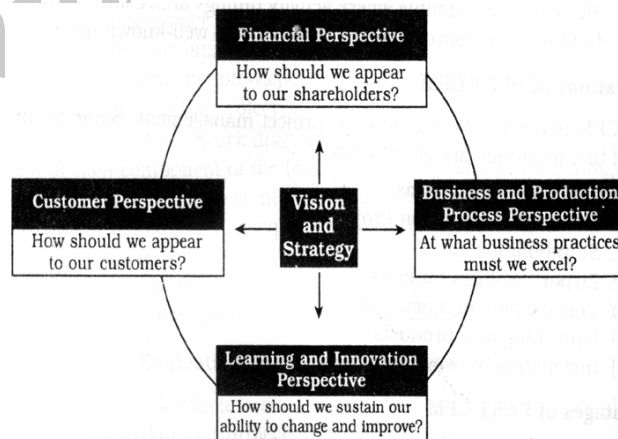
Figure : Balanced Scorecard

The four perspectives of the balanced scorecard are described below:

1.   Financial Perspective

The financial measures provide a common language for analysing and comparing companies. The key financial performance indicators include: growth, profit margin return on investment, economic value added, and shareholder market value.

Each perspective of the balanced scorecard includes objectives, measures of those objectives (metrics), targeted values of those measures, and initiatives needed to achieve targets.

2. Customer Perspective

A large, satisfied customer base means more revenues, which, other things remaining the same, should lead to improved financial outcome. The customer perspective requires an organization to know how it should create value for its customers if it is to succeed. The key overall performance indicators under this perspective are: customer satisfaction, customer retention, market share, and customer profitability. An organization should determine metrics for the processes underlying these broad strategic objectives: delivery time, defect rates, number of returns, warranty claims or customer satisfaction ratings.

3. Internal Process Perspective

This is the most critical perspective for the success of an organization. It includes internal business processes which ensure highest quality of products and services. The managers should ensure that their businesses, based on internal processes are running well and that the firm's products and services are meeting the customers' requirements and creating value for them. This perspective helps the firm to determine its competencies and-the processes where it must excel to create customer delight. The key objectives are: process improvement and suppliers' relations. The processes for determining metrics are cycle time, quality performance, productivity, and after-sales service.

4. Learning and Growth Perspective

This perspective focuses on innovation, creativity, competence, and capability. It also focuses on people their attitude, culture, knowledge, development, etc. and their ability to learn and grow for managing and sustaining change and improvement. In any organization, and particularly, a knowledge-based organization, human resource is the most critical resource. In the current environment of rapid technological changes, employees need to continuously learn. The learning and growth perspective, thus, emphasises employee training and building a corporate culture that facilitates individual self-improvement and corporate development and growth.

It is important to recognise that 'learning' is more than 'training'. Managers should act as coaches, continuously guiding and mentoring the employees. The organizational communication system should allow for easy interaction to learn from and get help from each other in understanding and solving problems.

Q27. Explain the Advantages of Balanced Scorecard

Ans :

1. Increase in Customer Focus

More and more companies, due to the recent developments leading to heightened competition and customer activism, are becoming customer-focused. They are discovering the balanced scorecard as a comprehensive tool to understand their target customers, their requirements, the performance gaps, and determine the value propositions that they should offer to create delight for their target customers.

2. Focus on Creating Intangible and Intellectual Capital

Most companies realise that future competition will be fought on the strength of intangible assets and human competency. Hence, they are investing in competency building, technology, branding, R&D, IT, marketing systems, etc. The traditional financial performance systems have an in-built bias against these initiatives. They are not seen as long-term investments but as expenditures to be expensed when incurred. Thus, they are seen as depressing the current profitability. The balanced scorecard provides a logic for these initiatives in terms of leading variables influencing the future profitability of an organization.

3.   Business Excellence and Growth

Pursuing a growth strategy with business excellence requires non-financial initiatives. Financial measures with their short-term orientation fail to appreciate such strategy and allocate funds. The balanced scorecard is able to articulate such strategy and communicate downwards to all levels of an organization. Therefore, it is quite useful in strategy formulation and implementation.

4.   Align Strategy to Operations at all Levels of the Organization

The balanced scorecard enables employees to understand strategy and link strategic objectives to their day-to-day operations. They realise exactly what their actions and tasks should be to help achieve their objectives and influence the overall corporate results.

5.   Real-time Review

The operational part of a balanced scorecard is a result- tracking device. Organizations create simple information system (for a large number of companies, the Excel spreadsheets may be useful) linked to the scorecard for built-in review and feedback in real-time. The data are continuously transferred from reporting system to the on-line balanced scorecard. An employee can easily access to see the results and managers can take actions when warranted.

- A comprehensive tool to understand the target customers, their requirements, and the performance gaps.

- Provides logic for focusing on creating intangible and intellectual capital which under the traditional financial performance systems was difficult to do.

- Articulates the strategy of growth with business excellence which requires greater focus on non-financial initiatives.

- Enables employees to understand strategy and link strategic objectives to their day- today operations.

- Facilitates performance review and feedback on a continuous basis.

Balanced scorecard is a simple, systematic, and easy-to-understand approach for performance measurement, review, and evaluation. It is also a convenient mechanism to communicate strategy and strategic objectives to all levels of management. The success of the balanced scorecard or a similar device will depend on the clear identification of non-financial and financial variables and their accurate and objective measurement and linking the performance to rewards and penalties.

Q28. Explain the Conditions Necessary for the Success- ful Implementation of the Balanced Scorecard

Ans :

1.   Top Management Commitment and Support

The top and senior management must be committed to the balanced scorecard to drive it down through the organization. It is essential that the top and senior management fully understand the' concept and the process of the balanced scorecard. They should be educated through seminars and workshops. The role of the CEO is much more critical in the success of the balanced scorecard. He/she should take lead in introducing and implementing the balanced scorecard. A number of organizations started the balanced scorecard by first creating it for the top management and the CEO and then cascading it down to other levels of the organization.

2.   Determine the Critical Success Factors (CSFs)

This is the most critical aspect of the balanced scorecard implementation. For a number of Indian companies that are just coming out of the protected environment and have started facing competition, it is not very difficult to realise that the driving force for survival is customer satisfaction. Hence, the CSFs are superior quality, low cycle time, faster inventory turns, minimum defects, high customer response, after-sale service, employees competency, etc. But for those organizations which have already reached

high levels of customer satisfaction through superior quality and other measures, the areas of improvements are not very obvious. The challenge is to identify the most fundamental CSFs. The problem is compounded because of the requirements of multiple stakeholders including government and society. The balanced scorecard will have to consider the requirements of all stakeholders which at times will conflict. It does not need to restrict to four perspectives; more may be added. The social responsibility and environmental concerns are two possible candidates. The entire organization should be involved in identifying CSFs. The organization must assign priorities to the stakeholders' requirements and rate them in terms of their impact.

3. Translate CSFs into Measurable Objectives (Metrics)

The identified objectives will not lead the organizations any where unless the CSFs are converted into good measures or metrics. There are several measures of financial variables and over the years they have been refined. For example, the economic value added is a useful aggregated financial measure which links with value creations for shareholders. It is a real challenge to develop metrics for non-financial measures as a number of them could be unique to an organization for which no standards exist. The proponents of the balanced scorecard claim that it is a device to link performance measures to strategy and performance outcomes. These measures should be precise and consistent surrogate for achieving the desired objective (for example, customer satisfaction); they should be based on objective facts and information; they should be simple to grasp and should be actionable; and they should be amenable to review and further improvement. There should not be any possibility of these measures being manipulated. The targets of these measures should be challenging but achievable. It is important that the number of measures may be kept to a level which can be easily managed.

4. Link Performance Measures to Rewards

The success of any performance management system depends on its link to rewards. A reward system that is easily understood and is prompt in rewarding employees motivates them to attain the targets.

5. Install a Simple Tracking System

The performance metrics and targets are of no value if they are not tracked quickly, feedback not provided, and lessons not learnt. An organization should follow a simple and fast tracking system which everyone can easily understand.

6. Create and Link the Balanced Scorecards at all Levels of the Organization

An organization will better serve its purpose of providing delight to all its stakeholders if it develops scorecards at corporate, divisional, and even at the individual levels. There should be a link between these scorecards; the divisional scorecards should follow from the corporate scorecard and the individual employees' scorecards from the divisional cards. The achievement of the targets of the scorecards at a lower level must ensure that targets of higher scorecards are met. The scorecard measures, particularly relating to strategic objectives, must be disaggregated so that every one understands them and are able to relate to his/her actions to strategy.

7. Communication

The balanced scorecard is a communication device a device to communicate strategy and its components to all levels of the organization. It provides a common language. But, this does not happen automatically. An organization should also develop an effective organizational communication system to make all employees understand the common language of the balanced scorecard.

8. Link Strategic Planning, Balanced Scorecard, and Budgeting Process

The strategic initiatives to meet the targets require funds. The strategic planning process that builds a balanced scorecard should be linked to the budgeting process to set priorities and allocate resources to strategic initiatives.

- Top management commitment and support.

- Determining the critical success factors (CSFs).

- Translating CSFs into measurable objectives (metrics).

- Linking performance measures to rewards.

- Installing a simple tracking system.

- Creating and liking the balanced scorecards at all levels of the organization.

- Setting up a sound organizational communication system to harness advantages of the i balanced scorecard.

- Linking strategic planning, balanced scorecard, and budgeting process for better allocation of resources.

3.12 BENCH MARKING

Q29. Define bench marking? What are the Characteristics of bench marking.

Ans : (Dec.-18)

Definition

According to Robert C. Camp Any organization which aims at grand success in a competitive world can learn a lot from the management practices of excellent corporations. Such practices serve as the benchmarks. Benchmarking is a continuous search for and application of significantly better practices that lead to superior competitive performance. It is much more than simply copying.

"Benchmarking is the search for industry's best practices that lead to superior performance." It is the practice of measuring and comparing key aspects of an organization with those in other organizations, to establish measures of relative performance and discover areas for improvement.

Sarah Cook has defined benchmarking as "a process of identifying, understanding and adopting outstanding practices from within the same organization or from other organizations to help improve performance."

In other words, benchmarking is a systematic and continuous process of measuring and comparing an organization's business processes against those of leading organizations anywhere in the world to gain information which will help the organization take action to improve its performance. It is a systematic way to identifying the superior products, services, processes and practices that can be adapted to an organization to reduce costs, improve quality, cut inventory and provide greater satisfaction to customers.

In the words of David Kearns of Xerox Corporation, "Benchmarking is the continuous process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders."

These definitions reveal the following characteristics of benchmarking:

(i) Continuous Process

Benchmarking is an ongoing process because industry practices keep on changing. Practices must be continuously monitored to ensure that the best of them are identified.

(ii) Measuring

Benchmarking involves measurement and comparison of practices across organizations. It is not just a study of competition but a process of determining the effectiveness of industry leaders by measuring their results.

(iii) Comprehensive

Benchmarking can be applied to all aspects of business products, services, processes and practices. It reveals not only the best practices but also how these are used.

(iv) Leading Organizations

Benchmarking is not restricted to direct product competitors but covers the excellent organizations across a wide spectrum of functioning.

(v) Self-examination

Benchmarking is a process of introspection and search for best management practices.

(vi) Goal-oriented

Benchmarking is a purposeful exercise. The Japanese word, *Dantotsu*—Striving to be the best of the best sums up the essence of benchmarking. Benchmarking is not imitations. It is adoption of best practices from whatever sources these may be found. Goal-setting, employee motivation for improved performance and external orientation are the main objectives of benchmarking.

Q30. Explain the advantages and pitpalls of Benchmarking.

Ans :

Advantages of Benchmarking

(i) Benchmarking involves performance comparisons with the best in the industry. It enables an organization to incorporate creatively the best practices from any industry.

(ii) It helps an organization to more adequately meet the requirements of the end user or the final customer.

(iii) It provides stimulation and motivation to the professional experts whose creativity is necessary for identifying and implementing the benchmarks,

(iv) Working outside the organization and the industry can lead to 'break-through thinking' and technological breakthrough.

(v) It helps in establishing quality goals and true measures of productivity.

(vi) It helps in attaining a competitive edge.

(vii) It facilitates change. People tend to be more receptive to new ideas when these ideas originate outside the organization.

(viii) The interactions of professionals with benchmarking facilitate future professional growth. It permits them to broaden their background and experience. It makes them more useful to the organization in future assignments.

Pitfalls of Benchmarking

Majority of the benchmarking efforts fail due to:

(i) Lack of focus and priority

(ii) Lack of commitment on the part of management

(iii) Failure to consider customer requirements

(iv) Incompetent leadership

(v) Lack of proper planning

(vi) Not involving the staff in the programme

(vii) Conflicting objectives of the organization and those of benchmarking partners

(viii) Lack of adequate resources and facilities.

Q31. Explain the involved Steps Bench marking Process.

Ans :

1. Planning Phase

This involves identifying what is to be benchmarked, *e.g.,* inventory management, production technology, quality systems, distribution system, financial management, human resource development, etc. Identify measures important to the customer and to the business to be benchmarked. Clearly define processes and current measures to be benchmarked.

(a) To whom or what will we compare : Identify the world class or leading edge companies that have similar product or process. These are certainly prime candidates to benchmark. But they Eire not enough. Benchmarking must be conducted against leadership companies and business functions regardless of where they exist. Only in this fashion, superiority will be ensured.

(b) How will the data be collected? There is no one single way to conduct benchmarking investigations. Limited methods of data collection may include primary and secondary data sources, opinion surveys, examination and dismantling, trial purchasing, telephone enquiries, analysis of annual reports and other published sources of data. Following trade journals or trade

association contacts and using consultants, services are also well-recognized sources of benchmarking data.

2. **Analysis Phase**

The analysis phase must involve a careful understanding, of current process practices as well as those of benchmarking partners. The analysis phase encompasses two steps: (a) determine current performance gap, and (b) project future performance levels. These two steps are explained as follows:

Phases   *Steps*

1. Identify what is to be benchmarked

Planning   2. Identify best competitor

3. Determine data collection method and collect data

4. Determine current performance 'GAP'

Analysis   5. Project future performance levels

6. Communicate benchmark findings and gain acceptance

Integration   7. Establish functional goals

Communication of Data   Acceptance of Analysis

8. Develop action plans

Action   9. Implement specific actions and monitor progress

10. Recalibrate benchmarks

• Leadership position attained

Maturity   • Practices fully integrated into process

Figure : Steps of Benchmarking Process

(a) Determining current performance 'Gap'

The benchmarking process is a comparative analysis. What is desired is an understanding of internal performance on which to assess strengths and weaknesses. Are the benchmarking partners better? Why are they better? But how much? What best practices are being used now or anticipated? How can their practices be incorporated or adopted for implementation?

Answers to these questions will be the dimensions of any performance gap: negative, positive or parity. The gap provides an objective basis on which to act to close the gap or capitalise on a positive one.

(b) Project Future Performance Levels

The gap, however, is a projection of performance and, therefore, will be one which changes as industry practises change. What is needed is not only an understanding of current practices but where performance will be in the future. The benchmarking should be a continuous process so that performance is constantly recalibrated to ensure superiority.

3. Integration Phase

Integration is the process of using benchmark findings to get operational targets for change. It involves careful planning to incorporate new practices in the operation and ensure benchmark findings are incorporated in all formal planning processes. Integration phase has two steps as discussed below. During this phase competitive benchmarking really begins to earn its keep.

(a) Communicate benchmark findings and gain acceptance

The effectiveness of a competitor's method used to achieve results provides the ground-work for re-engineering strategies.

The first step is to gain operational and management acceptance of benchmark findings. Based on the findings action plans can then be developed.

Benchmark findings must be communicated to all organizational levels to obtain support, commitment and ownership.

(b) Establish functional goals

On the basis of communicated data and acceptance of analysis we should develop the functional goals achieve them through the benchmarking process.

4. Action Phase

After integration phase action phase starts. It has two steps as follows:

(a) Implement specific action and monitor progress

After implementing the plains, one has to periodically assess and report the progress. Units usually build into their plan certain milestones which trigger the updating.

(b) Recalibrate benchmarks

The updating may require the recalibration of the competitive benchmarking data. It should be sufficient to indicate what is happening as a result of your actions. Obviously, it should also reflect what your competitor is doing.

5. Maturity Phase

Maturity will be reached when best industry practices are incorporated in all business processes, thus ensuring superiority. When the focus on external practices becomes the responsibility of the entire organization, benchmarking truly has achieved its objectives of ensuring superiority through incorporation of best industry practices.

Types of Benchmarking

Benchmarking can be of the following kinds:

1. Internal Benchmarking

It involves comparison between different departments and units of the same company/group. Continuous efforts are made to establish sound management practices throughout the company.

2. Functional Benchmarking

Under it, similar functions performed in different types of organizations are evaluated to benchmark the best practices in each functional area. For example, order processing, customer grievances handling practices, delivery systems, marketing logistics maybe benchmarked against leading organizations.

3. Competitive Benchmarking

Business practices of leading firms in the same industry are compared. The purpose is to identify and adopt the best practices in the industry competitive benchmarking is used often for products and services whereas functional benchmarking is popular for processes.

4. Generic Benchmarking

In this type of benchmarking, core business practices are compared. Cross-functional comparisons may, for example, be used to benchmark customer service, human resource development, product development, etc.

Requirements of Successful Benchmarking

According to Roger Sugden of Rand Zerox, successful benchmarking requires the following:

(i)   Understand your own company's processes and practices thoroughly.

(ii) Select the best companies for benchmarking.

(iii) Focus on the best practices.

(iv) Share information with the companies selected for benchmarking. However, sensitive information may be kept confidential.

(v)   Involve the concerned people in benchmarking.

(vi) Use benchmarking regularly.

(vii) Be willing to change.

3.13 CONTEMPORARY ISSUES IN CONTROLLING

Q32. Discuss in detail about contemporary issues in controlling.

Ans :   (Nov.-21)

Control is one of the xnost crucial function of managers. The four control issues faced by manager in present scenario are,

1. Cross-cultural differences

2. Workplace concerns

3. Customer interactions and

4. Corporate governance.

1.   Cross-cultural Differences

Different countries have different control techniques. The variations are basically in the evaluation and corrective action steps of the control process. In MNCs, managers of foreign operations are usually not controlled much by home office because distance managers are unable to observe work directly. MNC's depend on formal reports for control, which are mostly communicated through electronic means.

Indirect control devices like computer-generated reports and analyses apart from standardized rules and direct supervision are used by managers in countries where there is technological advancement to make sure that the operations are performed as planned. Whereas in less technologically developed countries, managers use more direct supervision and highly centralized decision making for control.

In foreign countries, managers should be aware of the restrictions imposed by law on corrective actions they may take, some countries forbid laying off employees, taking money out of the country or bringing a new management team from outside the country.

2.   Workplace Concerns

Workplaces develop substantial control challenges for managers from observing employees who are using computer at work to safeguarding the workplace from disappointed employee's intention on doing harm.

(a) Workplace Privacy

The employer have right to check the email messages of employees, tap their phones, monitor the work done on computer, store and review computer files. The managers monitor employees because they are being hired to work, not to browse the web. Wasting time on job by unnecessary surfing will result in cost of billions of dollars due to lost work productivity annually. Managers makes sure that the company secrets are not disclosed by employees, as protecting intellectual property is essential for all businesses.

(b) Employee Theft

Employee theft is defined as the unauthorized usage of employer's property by employees for their personal use. Many retail businesses faced severe losses from employee theft financial controls and availability of information technology. The idea of feed forward, concurrent and feedback control is helpful for recognizing measures to reduce employee theft.

(c) Workplace Violence

The productivity of the employees decreases with anger, rage and violence in the workplace which is also creating problems for employees. Workplace violence is because of employee stress due to many reasons like job uncertainties, long working hours, information overload, authoritarian leadership, unresolved grievances, uncaring managers etc. The managers must recognize the actions or measures that can be taken to reduce workplace violence through the concept of feed forward, concurrent and feedback control.

3. Controlling Customer Interactions

Companies that claim customer service as one of its goals can observe whether the goal is obtained or not by observing how satisfied customers are with their service. The concept of a service profit chain aids the managers in controlling the interactions between the goal and the outcome. Service profit chain is the sequential service that starts from employees to customers to profit. The customer perceptions of service value is influenced by the level of employee service productivity and service quality. When high quality of service is provided it leads to customer satisfaction which results in customer loyalty. This enhance the organizational revenue growth and profitability. To control customer interactions, the managers should strive to develop long-term relationships among the company, employees and customers. Building a work environment that makes employees to provide high level of quality service and make them aware about their capability to deliver top quality service, which motivates them. Hence, employees make efforts to satisfy customers.

4. Corporate Governance

Corporate governance can be defined as the system which is used to protect the interests of corporate owners by governing a corporation. The consequences of the scandals resulted in the reformation of corporate governance. Role of board of directors and financial reporting were the two areas where reformation has taken place.

(a) The Role of Board of Directors

Basically role of board of directors was to concentrate on interests of shareholders and stay away from routine management activities. Later on it has changed and board members involve in management. Securities and Exchange Board of India (SEBI) established the regulatory framework for listed companies. The regulatory framework was layed down as Clause 49 of the Listing Agreement. The two major legislations aims at regulating the entire corporate structure, which are the Companies Act, 1956 and Companies Bill, 2004. Changes have been made in these laws to have more transparency and accountability in the provisions of corporate governance and to give a framework for facilitating faster economic growth, SEBI introduced the Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, and Depositories Act, 1996, to protect the interests of investors in the securities market.

(b) Financial Reporting

The Sarbanes-Oxley Act lead to transparency of corporate financial data that led to know more precise financial condition of a company. For the promotion of better corporate governance practices in the country, the ministry of corporate affairs, Government of India, has setup National Foundation for Corporate Governance (NFCG) in along with Confederation of Indian Industry (CII), Institute of Company Secretaries of India (ICSI) and Institute of Chartered Accountants of India (ICAI). Managers can familiarize themselves by online library of principles, codes, rules and regulation related to the corporate governance in the Indian context which are hosted by the NFCG.

Short Question & Answers

1. Define organization? Explain the features of organization.

Ans :

Definitions of Organization

According to **Oliver Sheldon**, "Organization is the process of combining the work that individuals or a group have to perform with the facilities necessary for its execution, that the duties so performed provide the best channels for efficient, systemic. Positive and coordinated application of the available effort".

According to **Koontz and O'Donnell**, "Organization is the establishment of authority and relationships with provision for coordination between them, both vertically and horizontally in the enterprise structure".

Characteristics/Features/Nature of Organization

The following are the characteristics of organizations,

1. Large Size

Modern organizations employ hundreds and thousands of employees. Organizations in the past were generally small in size. Large organizations are a direct consequence of technological change and this in turn leads to economies of scale.

2. Complexity

Organizations involve huge investment, complicated technology and as their operations are spread over various continue" their successful running has become quite a complex affair. So elaborate rules and regulations are necessary for their governance

3. Mutually Agreed Purpose

All the activities of organization have some purpose. This purpose is mutually agreed upon by all participants and its successful accomplishment is in the interest of all.

4. Pattern of Behaviour

Policies, procedures, rules, regulations and precedents provide guidelines to behaviour. They enable the workers to maintain continuity, consistency and uniformity in their behaviour.

5. Continuing System

Organization can continue to survive if it is able to adapt itself to its environment. It does not matter who joins or leaves the organization.

6. Differentiation

In an organization, work is divided systematically on the basis of the nature of the particular category of work among people recruited to handle that work. Thus, task specialization leads to differentiation.

2. Define Organizational Structure.

Ans :

Organizational structure is an established pattern of relationships among the component parts of an organization. Structure is made up of three component parts viz., complexity, formalization and centralization.

Complexity refers to horizontal differentiation, vertical differentiation and locational differentiation. Horizontal differentiation is horizontal separation between units based on occupations and specialisations. Vertical differentiation is the potential for communication distortion. Locational differentiation refers to the degree to which the location of an organization's offices, plants and personnel are geographically spread.

Formalization refers to the degree to which the jobs within the organization are standardised. High standardisation of jobs results in less freedom and discretion. Centralisation refers to the degree to which decision-making is concentrated at a single point in an organization.

Initially, firms adopt a structure. As it grows, in size, spread into new businesses, new geographical regions, it will change the structure and adopt new type of organizational structures. Many companies change their structures as and when there is a change in their strategies and/or size.

Efficient strategy implementation largely depends on appropriate organizational structure. Structuring an appropriate organization should be a top priority for the management.

The first step in organization design is analysis of present and future circumstances "and environmental factors. The next stage deals with detail planning and implementation. Organization analysis is the basis for organization design and is the process of defining aims, objectives, activities and structure of an enterprise.

3.   Line and Staff Organization .

Ans :

Both line and staff organization suffer from some drawbacks. Line organization is autocratic in nature and staff organization does have a strong control. To eliminate the drawbacks of both the organizations, the line and staff organization was evolved. It simplifies the relationships. Line authority gives the supervisor a better chance to monitor and control the subordinates. As a matter of fact the exactness of a decision will depend on the responsibility and authority given to a decision maker. In the line and staff organization. The disadvantages of line organization and staff organization form the advantages of line and staff organiza-tion. Whereas the nature of staff relationship is advisory. The staff function is to support the line function (basically a production function) in terms of data material, personnel relations, labour welfare and all those facilities required for the production activity is the role of staff function in this organization.

From the following figure we observe that the Human Resource Development (HRD) as a staff function extends its support to sales manager and production manager by any of recruiting, training and development of employees and looking after the welfare and taking problems connected to labour's unrest and implementing personnel policies to motivate employees to complete the targets.

* →	Staff are "thinkers" & line people's are "doers"
B.E →	Business economist
L.E →	Industrial engineer
L.A →	Business economist
L.A →	Legal Advisor
C.A →	Cost accountant

Merits

(i)   As the number of specialists reduce, the organization becomes economical.

(ii) Line authorities are not concerned with planning work. Therefore, they concentrate their efforts on achieving greater efficiency in their day-to-day work.

(iii) The effective coordination of functional heads and supervisors is achieved.

(iv) Specialists are meant only to think about the ways and means to bring down the cost of production and increase profits by doing research in the specialized lines.

(v) It avoids confusion that prevails in functional organization structure.

Demerits

(i) The prestige of the line executive suffers as his/her work is planned and decisions are taken by somebody else.

(ii) Establishing the exact relationship between line and staff is difficult.

4. Define Authority.

Ans :

Authority is the degree of discretion conferred on people to make it possible for them to use their judgement. When an enterprise is small then decision-taking power is centralised in few hands. As the enterprise grows there is a need to delegate authority to more and more people to cope with the work. The main purpose of delegation is to make organization possible. "Just as no one person in enterprise do all the tasks necessary for accomplishment of group purpose, so it is impossible, as an enterprise grows, for one person to exercise all the authority for making decisions."

Meaning of Authority

Authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. It is the right to give commands, orders and get the things done. The top level management has greatest authority.

Definition of Authority

According to Henri Fayol, "Authority is the right to give orders and the power to exact obedience."

According to Kootnz and O'Donnell, "Authority is the power to command others to act or not to act in a manner deemed by the possessor of the authority to further enterprises or departmental purposes."

According to Terry, "Authority is the power to exact others to take actions considered appropriate for the achievement of a predetermined objective."

According to Daris defines authority as the "right of decision and command."

According to Louis Allen, "The sum of the powers and rights entrusted to make possible the performance of the work delegated."

According to Dr. Paterson defines, "The right to command and expect and enforce obedience."

According to Strong says, "Authority is the right to command."

According to Massie defines, "The formal right to exercise control."

5. Define power.

Ans :

According to Mintzberg and Pfeffer states, the concept of power is an important aspect to understand employee's ability to influence each other in organization. Power is comprised of two aspects mainly.

(a) Capacity of one party called as an 'agent'

(b) To influence the other party called as the 'target'.

Concept of power is useful in many different ways and it is referred as agent's influence over a single target person or over multiple target persons, also it is used for potential influence over things or events even attitudes and behaviour. This agent can be sometime a group or organization instead of individual alone.

Power is also defined under relative terms as an extent a degree to which the agent exercise more influence over the target person compared to target person compared to target person have over an agent. Power is a dynamic aspect which changes as the situation changes or any change in the situation take place.

6.   What are the Differences between powers and authority.

Ans :

Nature	Power	Authority
Meaning	Power means the ability or potential of an individual to influence others and control their actions.	The legal and formal right to give orders and commands, and take decisions is known as an Authority
Definitions	"Ability to cause or prevent an action, make things happen; the discretion to act or not act. Opposite of disability, it differes from a right in that it has no accompanying duties".	"Institutionalized and legal power inherent in a particulars job, function, or position that is meant to enable its holders to successfully carry out his or her responsibility".
What is it ?	It is a personal trait.	It is a formula right, given to the higher officials.
Source	Knowledge & Expertise	Position & Office
Way of rights	It is the personability to influence others or events.	It is the formal right given to a manager to make decisions or to command.
Hierarchy	Power does not follow any Hierarchy	Authority follows the Hierarchy.
Resides with	Person	Designation
Roles	Power is the ability of a person or a group to influence the beliefs and actions of other people	Authority is the right given to a manager to achieve the objectives of the organization.
Direction	It can flow in any direction	It flows in the down-ward direction of an organization.
Legitimate	Power need not be official in nature; therefore it need not be legitimate.	Authority is always official in nature; hence, it is legitimate.

7.   Define influence.

Ans :

Influence refers to the capability to influence other'' behaviour in a specified direction. The term influence comes into action when leader exercises power, also leaders becomes influential only when they exercises power. Therefore, leader should obtain power to influence others. In turn power can be exercised

when leader possess the ability to influence others i.e., leader should learn influence tactics for influencing others.

The two concepts, power and influence are interrelated and used interchangeably where one cannot be exercised in the absence of other since the power generates influence and influence generates power. Leader should possess the ability to influence the target people therefore, it is necessary to have influence skills or influence tactics knowledge.

8. Define organizational design.

Ans :

Organizational design is the design of the organizational structure. It entails decisions about structure and culture. In design, we use the term structure in the widest sense. Organizational structure is the design of the pattern of positions and functions in the organization.

Organizational design includes organizational structure as well as design of the organizational process of work, in particular the decision making process. Though all the organizations are different from each other in their respective fields and type, but there are certain basic features which are to be taken into consideration while designing the organizational structure or while changing it. Thus organizational design is the allocation of resources and people to specified mission or purpose and the structuring of these resources to achieve the mission.

9. Define Organic Structure.

Ans :

In contrast to mechanistic structures, organic structures are flexible and decentralized, with low levels of formalization. In organizations with an organic structure, communication lines are more fluid and flexible. Employee job descriptions are broader and employees are asked to perform duties based on the specific needs of the organization at the time as well as their own expertise levels. Organic structures tend to be related to higher levels of job satisfaction on the part of employees. These structures are conducive to entrepreneurial behaviour and innovativeness.

Characteristics of Organic Structure

Some characteristics of organic structure are as follows:

i) Dynamic and Uncertain Environment

This organizational structure works best when the environment is relatively dynamic and uncertain.

ii) High Differentiation of Tasks

Because tasks are often changing, tasks may need to be differentiated, so specialists, each responsible for one or few tasks, are able to respond quickly.

iii) High Integration of Departments and Functional Areas

In complex environments, rapid communication and information sharing is necessary. Therefore, departments and different functional areas need to be tightly integrated.

iv) Decentralized Decision-Making

When the environment is dynamic and uncertain, there is a need for complex decision-making that involves people at lower levels. Therefore, decision-making power should be distributed to lower ranks, which should get empowered in making decisions.

v) Little Standardization and Formalization

When tasks change rapidly, it is unfeasible to institute, standardization and formalised procedures. Instead, tasks should be mutually adjusted, so that each sub-task is balanced with other sub-tasks.

10. Define controlling.

Ans :

Controlling is the last but the most important function of management. Under the first function of management in the form of Planning the future activities are determined before hand. After having decided the activities the second function of management, i.e., Organizing takes care of the

implementation of the activities determined under planning by preparing the structure of roles, meaning thereby that different posts are established in the enterprise. The various posts established under organizational structure are sought to be filled under Staffing. The work of providing guidance to all the people working in the organization comes under the function of Directing.

Meaning of Controlling

In management control means that in order to achieve the desired objectives efficiently, economically and successfully the real progress of the work should be assessed from time to time so that the actual progress of the work is in accordance with the expected progress. Under controlling deviations are sought to be noticed in the actual work progress and the standards already determined, the causes of deviations are found out and corrective action is taken so that in future the mistakes are not repeated. In short, the chief function of controlling is to ensure actual progress with relevance to the objectives.

Definitions of Controlling

Different scholars have defined controlling differently. The following are some of the definitions given by some scholars :

According to Philip Kotler, "Control is the process of taking steps to bring actual results and desired results closer together."

According to Dale Henning, "Control is the process of bringing about conformity of performance with planned action."

11. **Importance of controlling.**

Ans :

1. **Helps in Guiding the Actual Performance**

Control helps the mangers in measuring the actual performance and in guiding it towards the achievement of pre-determined performance.

2. **Contributes to Overall Improvement in the Organizational Efficiency**

By covering all managerial activities, control contributes to the overall improvement in the organizational efficiency.

3. **Smoothens the Working**

Proper control smoothens the working of the organization.

4. **Helps to Maintain Order and Discipline**

An efficient control system creates an atmosphere of order and discipline in the organization, as there is a regular check on the activities of the subordinates.

5. **Increase the Morale of the Employees**

By strengthening the functioning of the organization, control increases the morale of the employees.

6. **Ensure the Success of Plans**

Control ensures the success of plans, as the essence of control is the adherence to plans.

12. **Define bench marking.**

Ans :

Definition

According to Robert C. Camp Any organization which aims at grand success in a competitive world can learn a lot from the management practices of excellent corporations. Such practices serve as the benchmarks. Benchmarking is a continuous search for and application of significantly better practices that lead to superior competitive performance. It is much more than simply copying.

"Benchmarking is the search for industry's best practices that lead to superior performance." It is the practice of measuring and comparing key aspects of an organization with those in other organizations, to establish measures of relative performance and discover areas for improvement.

Sarah Cook has defined benchmarking as "a process of identifying, understanding and adopting outstanding practices from within the same organization or from other organizations to help improve performance."

In other words, benchmarking is a systematic and continuous process of measuring and comparing an organization's business processes against those of leading organizations anywhere in the world to gain information which will help the organization take action to improve its performance. It is a systematic way to identifying the superior products, services, processes and practices that can be adapted to an organization to reduce costs, improve quality, cut inventory and provide greater satisfaction to customers.

In the words of David Kearns of Xerox Corporation, "Benchmarking is the continuous process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders."

13.   Advantages of Benchmarking.

Ans :

(i)   Benchmarking involves performance comparisons with the best in the industry. It enables an organization to incorporate creatively the best practices from any industry.

(ii)   It helps an organization to more adequately meet the requirements of the end user or the final customer.

(iii)   It provides stimulation and motivation to the professional experts whose creativity is necessary for identifying and implementing the benchmarks,

(iv)   Working outside the organization and the industry can lead to 'break-through thinking' and technological breakthrough.

(v)   It helps in establishing quality goals and true measures of productivity.

(vi)   It helps in attaining a competitive edge.

(vii) It facilitates change. People tend to be more receptive to new ideas when these ideas originate outside the organization.

Organizational Behavior:

Individual and Group Behavior : Importance of Organizational Behavior, Culture and dynamics of diversity, personality theories, perception, formation of group behavior, classification of groups, group properties, group cohesiveness, build teams.

4.1 ORGANIZATIONAL BEHAVIOR

Q1. Define organizational behaviour. What are its features?

Ans : (Nov.-21, June-18)

Definition of Organizational Behaviour

➢ **According to John W. Newstrom and Keith Davis** define the term organizational behaviour as, "the study and application of knowledge about how people as individuals and as groups - act within organizations. It strives to identify ways in which people can act more effectively."

This definition deals with the behaviour of the people as individual and as members of groups within the organizations. It also deals with diverting the human behaviour towards organizational requirements.

➢ **According to Stephen R Robbins** defines organizational behaviour as "a field of study that investigates the impact that individuals, groups and structures have on behaviour within organizations for the purpose of applying such knowledge toward improving an organization's effectiveness."

This definition deals with the development of knowledge regarding the behaviour caused by individuals, groups and structures in an organization also deals with utilization of such knowledge for enhancing organizational effectiveness.

➢ **According to Steven L. McShane and Mary Ann Von Glinow** define organizational behaviour as "the study of what people think, feel and do in and around organizations." The authors view that organizational behaviour includes the study of the impact of individual, team and structural characteristics on behaviour in organizations and understanding and predicting the impact of these behaviours on organizational success.

➢ **According to Fred Luthans** defines organizational behaviour as "the understanding prediction and management of human behaviour in organizations."

This definition seems to be simple and cdmprehensive. But further analysis is necessary to understand it thoroughly.

➢ Organizational behaviour can be defined as studying, predicting and managing human behaviour caused by individuals, groups and structures towards the requirements of organizational strategies.

Analysis of these definitions indicates the following features of organizational behaviour.

Features of Organizational Befravioar

➢ Human behaviour is caused by individuals, groups and structures of the organizations. For example, the tall structures make the individuals to be rule minded and behave mechanically. The flat structures make the individual to be innovative, crevalle, challenging and committed.

➢ Human behaviour can be studied, predicted and managed. This can be done to some extent but not completely as required or anticipated.

➤ Understand the organizational strategies, type of human behaviour necessary for their implementation and manage the people to exert the behaviour necessary for strategy implementation to the maximum extent.

➤ The purpose of organizational behaviour is to enhance organizational efficiency and effectiveness.

➤ Organizational behaviour is a multidisciplinary subject i.e. various disciplines contributed to OB.

Q2. **Explain the significance of organizational behaviour.**

Ans :   **(Nov.-21)**

Change is the order of the day since human civilization. A number of significant changes have taken place in the economy and society after liberalisation privatisation and globalization. The latest trends includes: globalization of economies, strides in information technology and diversity of human resources at work places.

i)   Globalization

The concept of the global village resulted in exchange of cultures across the globe, location of manufacturing centres in various countries by treating the entire globe as a single country, producing the components in one country, assembling the product in the second country and marketing the product in the third country, financing from banks in the fourth country for the operations and getting insurant from companies in the fifth country and so on and so forth.

Most of the countries in the world globalized their economies by opening their economies to the rest of the world. Formation of the trade blocks and he establishment of the World Trade Organization enabled globalization and global business faster.

These developments will determine and direct the future globalization process. Added to this, the information technology enabled globalization process in an efficient way and at a faster pace.

ii)   Information Technology

Internal environment of today's organisations is phenomenally different from those of the 1980s organisations. In fact, external environment forces the organization to equip the work places with the state-of-the-ar information technology. Out of the external environmental factors viz., Social, Technical, Economic, Political. International and Natural (STEPIN), it is are information technology which influences the production, marketing, and human resources significantly. Information technology influences the business through intranet, internet and worldwide web, e-mail, video conferencing, computer-aided design, computer-aided production, online operations, e-marketing etc. The impact that the information technology explosion has had on organisations is truly amazing with no end in sight.

The influence of information technology on various activities 3S of organizations made most of the coordination, supervision and controlling ; activities redundant. Consequently, many jobs related to these activities were eliminated. Companies restructured their organisations and shifted to flat organisations by delayering and downsizing the organisations. Elimination of these activities made the managements to direct their skills towards quality in order to meet the customer expectations.

iii) Total Quality Management

Total quality is a people-focussed technique aiming at continuous increase in customer satisfaction at continually lower cost. Total quality management (TQM) is a continuous process of improvement for individuals, groups of people and the total organization. TQM has become the dominant culture of most of the organisations.

TQM aims at providing the best quality product to the customer. The copetitive environment enabled the organisations to design the products based on the of each customer i.e., customisation. Customisation has become possible business process reengineering.

iv) Business Process Reengineering

Introducing radical changes in the business process refers to business process reengineering. According to Hammer and Champy, reengineering is "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements is critical. Contemporary measures of performance include cost, quality, service and speed." Another related concept is benchmarking.

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v)   Benchmarking

Benchmarking is the, "process of comparing work and service methods age the best practices and outcomes for the purpose of identifying the chances will result in higher-quality output." Benchmarking helps the organize the following ways:

➢   Companies compare their practices with the best organisations and formulate best improvement strategies

➢   Organization can learn the best practices from other organisations and

➢   Helps the organization to identify a need for change.

Globalization along with information technology revolution, total quality management and benchmarking made the organisations competitive, serve the customer with qualitative products, maintain the sound relations with the customer etc. These aspects made the companies to adopt highly competitive strategies and improve them continuously. These strategies brought unprecedented shifts in the human resources management of various companies. The important among them are:

➢   Demand for multi-skilled and knowledge employees with varied background.

➢   Employees with ability to learn continuously.

➢   Employees with abilities to adapt to all kinds of situations and

➢   Employees with the skills and abilities of a change agent.

These shifts in the organizational demand for human resources shook the employees' values, expectations, attitudes etc. Human resources have become highly mobile in consequence with the shift in demand for a variety of human resources by companies across the globe. In addition, adoption of the strategies like mergers, acquisitions, joint ventures by the companies across the globe also made the human resources of various countries move to other countries Consequent upon these developments, most of the organisations across the globe are endowed with diversified human resources.

vi)   Diversity of Human Resources

Most of the organisations in the past preferred homogeneous group of employees as it was comfortable to manage such groups regarding work, social and psychological areas. But, today's organisations realised that the homogeneous groups fail to be innovative, competitive and entrepreneurial. The diversified groups are not only innovative, but provide a variety of skills, knowledge, abilities required by a variety of situations ana projects. Today's organisations realised this and started building strategies upon the diversified human resources to make a more stronger and competitive company. In addition, some other factors also contributed to the growth in diversity in human resources. They include:

(a)   Competitive pressures

The ever growing competitive pressures made the organisations to develop new products, new markets, innovative methods to attract new customers and retain existing customers, maintain and improve quality, reengineer the business process etc.

(b)   Rapidly Growing Global Business

The increased phase of globalization and the establishment of the World Trade Organization, increased incomes and expectation of the customers across the globe, large scale economies, advantages of specialization etc. resulted in significant growth in international business.

(c)   Desire for Diverse Views

Employees with multi-skills, diversified backgrounds and cultures have a variety of views regarding customer needs, tastes, work design, production process etc. Further, each one of them has the knowledge of each market, each group of customers, variety of inputs etc. These diverse views are most essential in making decisions relating to product design, price, customer service, promotional programmes etc.

(d)   Changing Workforce Demographics

People with different demographic characters are entering today's organisations. For

example, increase in the number of unmarried women employees due to increase in the career orientation (known as C102: Career, Increase in the number of married women employees and working mothers in order to meet the growing family budgets, thus increasing the double income groups (DIGs), etc.

These are some of the consequences at the macro-level of the organization due to diversity in human resources. There would be innumerable micro-level consequences of diversity of human resources. These consequences, made the employees of an organization behave significantly different from one individual to another and one group to another.

Q3.   Discuss various model of organizational behaviour.

Ans :

Human behaviour in organisations is caused by individuals as individuals, as member of groups and structures of the organisations. Figure 13.5 presents the model of organizational behaviour.

Human Behaviour

Individual Behaviour	Group Behaviour	Organisation Factors
• Preception	• Group Fynamics	• Organisation Theory
• Personality	• Teamwork	• Organisation Design & Structure
• Values, Attitudes Job satisfaction	• Power & Politics	• Organisational Culture
• Motivation	• Communication	• Organisational Effectiveness
• Learning	• Leadership	
	• Decision - Making	

Organisationa Behaviour

I)   Individual Behaviour

Behaviour of an individual employee is influenced by several factors like the individual's mental make-up, family background, educational background, social and cultural background, geographical region, personality traits, values, attitudes, opinions etc. Individual behaviour is studied through perception, personality, values, attitudes, job satisfaction and motivation.

➢   **Perception** refers to a complex cognitive process that yields a unique picture of the world that may be quite different from reality. Individuals behave based on their perceptual world or impressions.

➢   **Personality** is the sum total of ways in which an individual reacts and interacts with others. Hereditary factors, environmental factors and situational factors determine personality.

➢   **Values** are the basic convictions that a "specific mode of conduct or end- state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."

➢   **Attitudes** are evaluative statements - either favourable or unfavourable- concerning objects, people or events.

➢ **Job satisfaction** prefers to a person's feeling of satisfaction on the job, which acts as a motivation to work

➢ **Motivation** is the process that account for an individual's intensity, direction and "persistence of effort toward attaining a goal"

➢ **Learning** is relatively permanent change in behaviour that occurs as a result of experience.

II) Group Behaviour

An integrated and comprehensive behaviour of people in a group is referred to as group behaviour. Group behaviour is studied through group dynamics, teams communication, power and politics, leadership and decision-making.

➢ **Group Dynamics**

Groups are formed with a specific purpose. They exist for some time until the purpose is achieved and then disband or adjourn. Groups are both formal and informal. Other types of groups include: command groups, task groups, interest groups and friendship groups. Groups behave and function based on its norms.

➢ **Teamwork**

Teamwork is a group whose individual efforts result in a performance that is greater than the sum of the individual inputs. Different types of teams include: problem solving teams, self-managed work teams, cross-functional teams and virtual teams.

➢ **Power and Politics**

Power refers to the ability of the people to acquire resources and award them to various people in organisations.

➢ **Communication**

Communication is transferring of information and understanding the meaning of it. Communication may be formal or informal downward, upward, horizontal and cross-wise.

➢ **Leadership**

Leadership is the ability to influence a group towards the achievement of goals. Leadership styles include autocratic style, bar autocratic style, participative style and democratic style.

➢ **Decision-making**

Decision making is developing alternative solution to a problem and selecting the best solution from among the alternative solutions

III) Organization Factors

Organizational structure is dividing, grouping and coordinating the job tasks job may be structured based on departments, functions, geographies, areas products or services.

➢ **Organization Theory**

Organization theory refers to various models of structuring the work activies and jobs in order to build relationships among people, jobs, goals etc.

➢ **Organizational Design**

Organizational design is formulating the philosophy for coordinating the job tasks. One philosophy is narrow bandwidth which results in narrow and specialized jobs. Narrow bandwidth leads to all organisations. Another philosophy is wider bandwidth which leads to flat structures.

➢ **Organizational Culture**

Organizational culture is a "pattern of basic assumption-invented, discovered or deployed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

➢ **Organizational Effectiveness**

Organizational effectiveness refers to selecting the right objectives and goals depending up on the environment and social goals of the country in which the company is operating''.

4.1.1 Importance of Organizational Behavior

Q4. Explain the importance of organizational behaviour.

Ans :

Studying organizational behavior benefits in several ways. It guides us in understanding organizations that affect our lives. Organizations comprise human resource and OB helps in optimum utilization of this resource. Individuals differ in physical strength, skills, executive skills, organizing abilities, perceptions, social backgrounds etc. OB helps in understanding individuals and using their qualities to achieve organizational goals.

The following points highlight the importance of organizational behavior.

1. Organizational Life

Organizational behavior involves scientific research that helps us to understand the organizational life. It can also identify various complex factors influencing the decisions and actions of individuals in an organization. It is not a pure science. Yet, it helps in predicting behaviours of individuals in an organization to some extent.

2. Control Organizational Events

With organizational behavior we can control organizational events. Understanding organizational life enables us to understand the cause and effect relationships in organizational events. Understanding causes helps us control effects. Thus, using the behavioral theories and concepts in OB, we can influence the organizational events. For example, HR executive can control conflicts and ensure employees commitment through effective communication skills and motivation.

3. Interpersonal Relationship

Organization behavior helps individuals in understanding themselves and their peers organization behavior enables individuals understand attitudes, perceptions, leadership skills, motivation sources, communication etc. Once individuals understand these issues,

their behavior changes consequently an conflicts will be reduced.

4. Industrial relations

True that defencies in working conditions or inefficiencies of employees stress industrial relations. Nevertheless, often, conflicts among management, employees and trade unions arise due to the indifference management shows to trade unions or other such personal aspects. Theories and concepts in organization behavior lay the foundation for resolving such disputes in industrial relations.

5. Aids Delegation

Organization behavior facilities managers in getting things done. When a manager knows his employees, their motivation, goals, leadership skills etc., he can delegate the work accordingly and get better results. Right work will be good to the right person. For example, a potential employee lagging behind because of monotonous work could be given a challenging task and be motivated to work.

6. Organizational Efficiency

Successful manager is expected to have "people skills" to improve efficiency of an organization as a whole. Individuals pursuing careers in management therefore are keen in learning organizational behavior that would contribute to the organizational efficiency.

7. Aids Marketing

In marketing, organization behavior helps in understanding consumer behavior, evaluating responses, innovation of products etc. It helps marketing managers understand the social and individual phenomena contributing to the overall marketing process.

8. Change Management

Organizations today are marked by growing information technology, bench marking performances and other changes in the economy like organization, liberalization etc. The impact of these changes that can be seen in the form of diversity in human resources in organizations highlights the importance of organization behavior.

4.2 CULTURE AND DYNAMICS OF DIVERSITY

Q5. Define Organizational Culture? Explain the characteristics of organizational culture.

Ans :

Culture is generally subjective and reflects the meanings and understanding that we typically attribute to situations.

Organizational culture is defined as the set of assumption, beliefs, values and norms that are shared by an organization's members.

Definitions of the Culture

According to Deal and Kennedy say that culture is the single most important factor accounting for the success or failure or an organization.

Organizational culture is a set of assumptions that the members of an organisation share in common. The assumption may be in the form of internally oriented characteristics or externally-oriented characteristics. Internally-oriented characteristics include values, attitudes, beliefs, feelings, personality types etc., also known as abstract elements of culture. Externally-oriented characteristics include buildings, products, dresses etc., also known as material elements of the culture.

Characteristics of Organizational Culture

The following are the nature of organisation culture,

1. **Individual Initiative :** The degree of responsibility, freedom, and independence that individuals have.

2. **Risk Tolerance :** The degree to which employees are encouraged to be aggressive, innovative and risk-seeking.

3. **Direction :** The degree to which the organization creates clear objectives and performance expectat-ions.

4. **Integration :** The degree to which units within the organization are encouraged to operate in a coordinated manner.

5. **Management Support:** The degree to which managers provide clear communication, assistance and support to their subordinates.

6. **Control :** The number of rules and regulations and the amount of direct supervision that is used to oversee and control employee behaviour.

7. **Identity:** The degree to which members identity with the organisation is as a whole rather than with their particular work group or field of professional expertise.

8. **Reward System:** The degree to which reward allocations are based on employee's performance criteria in contrast to seniority, favoritism, and so on.

9. **Conflict Tolerance:** The degree to which employees are encouraged to air conflicts and criticism openly.

10. **Communication Patterns:** The degree to which organizational communications are restricted to the formal hierarchy or authority.

Q6. Explain the Importance of Organizational Culture.

Ans :

1. **Acts as Talent Attractor**

Organizational culture is part of the package that prospective employees look at when assessing organisation. The talent market is tighter and those looking for a new organisation are more selective than ever. The best people want more than a salary and good benefits. They want an environment they can enjoy and succeed in. Good organisation culture can help in attracting good and potential employees.

2. **Engages People**

People want to be engaged in their work. Organisation culture can engage people. Engagement creates greater productivity, which can impact profitability.

3. **Creates Greater Synergy**

A strong culture brings people together. When people have the opportunity to (and are expected to) communicate and get to know each other better, they will find new connections. These connections will lead to new ideas and greater productivity and create

a great synergy in employees' work. Literally, 1+1+ right culture = more than 10.

4. Makes Everyone more Successful

An investment of time, talent and focus on organizational culture will make everyone more successful. Not only is creating better culture a good thing to do for the human capital in the business, it makes good business sense too.

5. Acts as Control System

That culture is a deeply embedded form of social control that influences employee decisions and behaviour. As a control system, culture is pervasive and operates unconsciously. Employers might think of it as an automatic pilot, directing employees in ways that are consistent with organizational expectations.

6. Operates as Social Glue

Organizational culture is the "social glue" that bonds people together and-makes them feels part of the organizational experience. Employees are motivated (of internalise the organisation's dominant culture because it fulfils their need for social identity.

7. Helps in Sense Making

Organizational culture assists the sense-making process. It helps employees understand what goes on and why things happen in the company. Corporate culture also makes it easier for them to understand what is expected of them and to interact with other employees who know the culture and believe in it.

Q7. Explain the concept of Diversity with reference to demographic characteristics, levels of diversity and discrimination.

Ans :

Diversity

Diversity refers to the difference among people/ employees/workforce with regard to factors like Age, Gender, Ethnictiy, Race or Physical ability. According to online Dictionary of Webster, diversity is "the condition of being different or diverse, variety".

In the present environment, Diversity at workplace is significantly seen in due to the concept of globalization and internationalization. As a result, it has become an important concept within the context of organizational behaviour. Therefore, a manager needs to be careful while managing diversity at workplace, because optimum management of diversity may help him to achieve greater organizational efficiency and employee growth.

The Concept of Diversity' is further explained with reference to,

    (a)   Demographic characteristics

    (b)   Levels of Diversity

    (c)   Discrimination.

(a) Demographic Characteristics

Demographic characteristics includes Age, Race, Ethnicity, Sex, National origin, Physical status and sexual orientation. Demographic diversity is the mixture of above demographic characteristics. In present scenario, eventhough women is also working full-time and possess enough qualification and skills, there is significant difference between the income of men and women. A study reveals that in past 50 years, the earning gap between whites and other group in U.S has minimized and the past difference between Asians is also reversed or disappeared. These changes in present day environment make organizations feel the requirement of diversity management concept.

(b) Levels of Diversity

There are two levels in the diversity they are,

1.   Surface-level diversity

2.   Deep-level diversity.

1. Surface-level Diversity : Surface level diversity refers to the difference between the perceived characteristics of individual like gender, race, ethnictiy, age or disability which does not influence thinking and feeling of individual but may activate certain stereotypes. Surface level diversity includes differences in religion, language, region, physical appearance etc.

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2.   **Deep-level Diversity :** Deep level diversity refers to the difference between the individual's, beliefs, values, norms, personality and work preferences which plays a crucial role while understanding and determining similarity in each other. Deep level diversity includes differences in risk-seeking, considering opinions while decision making etc.

(c)   Discrimination

Discrimination means differentiating people/ employees by highlighting differences among them. One employee is more educated or qualified than other. Highlighting this quality for recruitment purpose is termed as fair discrimination. If the same quality is highlighted to demotivate or degrade an individual then it is termed as unfair discrimination. Unfair discrimination can be eliminated with the help of effective diversity management. If unfair discrimination is not considered then it may result in various problems for managers. Some of them includes dissatisfaction and irritation among employees, conflicts, low performance and so on.

Q8.   Explain the dynamics of diversity in organization.

Ans :

The global is a constantly changing marketplace, and the best way to gain a competitive advantage is through diversifying the workforce in companies and organisations. Diversity in the workplace matters not only because it brings benefits in business spheres as brand management, client engagement and CSR but because it creates additional value for the organisation by attracting diverse professionals that drive innovation.

Diversity is Important in Organisations

Diversity in the workplace promotes the individuality within an organisation, acknowledging that every person can contribute with different, creative and new ideas and solutions. Employees with different backgrounds and experiences can bring together a variety of perspectives on matters and thus increase the productivity and deliver better results. Diversity brings in diverse different talents together working towards a common goal using different sets of skills that increases their retention and productivity.

Diversity within a company helps in building a stronger brand and makes the company more interesting and desirable employer. With a diversified workforce an organisation gains even good reputation and image because it is seen as having fair employment practices.

Workplace diversity increases creativity and problem solving. Having a variety of different people from various backgrounds together is essential for finding and implementing creative solutions to business problems. With diverse mindset coming together many more solutions will arise as every individual brings in their way of thinking, operating and solving problems and decision making.

A diversified organisation encourages personal growth and development. Having expects or persons with international background working for the company can help employees learn new ideas, perspectives and connect professionally with different people. That enriches the employees and gives them another point of view on how the market and the business work.

Interacting with diversified staff improves their ability to work in a diverse environment, with different styles, cultures and personalities.

Diversity in a workforce can optimize an organisation's ability to meet the needs of each different market. Representatives of specific country or demographics can be paired with clients of the similar backgrounds, helping clients feel more comfortable and in a way to create customer loyalty to the company. For example having an employee who is actually part of a specific culture or a region where a given business is conducted is a great advantage for the organisation.

A diversified company can attract and retain talents, young and as well experienced professionals and thus add a competitive edge to the organization. Possessing different set of skills and having a good command of different and/or exotic languages and being appreciated for that increases the feeling of

belonging. This enables the company to compete in the international market or to increase its diverse customer base and market share.

Managing Cultural Diversity in the Workplace

Developing cultural competence results in an ability to understand, communicate with, and effectively interact with people across cultures, and work with varying cultural beliefs and schedules. While there are myriad cultural variations, here are some essential to the workplace:

1. Communication

Providing information accurately and promptly is critical to effective work and team performance. This is particularly important when a project is troubled and needs immediate corrective actions. However, people from different cultures vary in how, for example, they relate to bad news. People from some Asian cultures are reluctant to give supervisors bad news – while those from other cultures may exaggerate it.

2. Team-building

Some cultures – like the United States – are individualistic, and people want to go it alone. Other cultures value cooperation within or among other teams. Team-building issues can become more problematic as teams are comprised of people from a mix of these cultural types. Effective cross-cultural team-building is essential to benefiting from the potential advantages of cultural diversity in the workplace

3. Time

Cultures differ in how they view time. For example, they differ in the balance between work and family life, and the workplace mix between work and social behavior. Other differences include the perception of overtime, or even the exact meaning of a deadline. Different perceptions of time can cause a great misunderstanding and mishap in the workplace, especially with scheduling and deadlines. Perceptions of time underscore the importance of cultural diversity in the workplace, and how it can impact everyday work.

4. Calendars

The business world generally runs on the western secular year, beginning with January 1 and ending with December 31. However, many cultures use other calendars to determine holidays such as New Years or specific holy days. For example, Eastern Orthodox Christians celebrate Christmas on a different day from western Christians. For Muslims, Friday is a day for prayer. Jews observe holidays ranging from Rosh Hashanah to Yom Kippur. These variations affect the workplace as people require time off to observe their holidays.

4.3 PERSONALITY

Q9. Define Personality. Explain the nature of Personality.

Ans :   (June-18)

In the organizational behaviour human behaviour is primarily the focus of study and personality happens to be an important aspect of human behaviour. It is, therefore, important for the manager to study personality so that they are able to control the behaviour of their subordinates.

Personality combines both the psychological and physical aspects with the help of which one comes to have a special adjustment with the circumstances. It is only on the basis of his personality that a person appears to be different from the other members of the group. Personality does not one some particular quality of a person. On the contrary, it's a combination of all the psychological and physical traits. It is, therefore a fact that personality of an individual is referred to as a whole just as a house gets a complete shape when all the bricks are joined with the help of cement so is the case with personality which is a combination of all the traits of an individual.

Definitions of Personality

According to Schiffman and Kanuk, "Personality can be defined as those inner psychological characteristics that both determine and reflect how a person responds to his or her environment".

According to Gordon Allport, "Personality is the dynamic organisation within the individual and consists of those psychophysical systems that determine his unique adjustments to his environment".

According to Eyseneck, "Personality is more or less a stable and enduring organisation of a person's character, temperament, intelligence and physique which determine his unique adjustment to environment".

According to Camerson, "Personality is the dynamic organisation of interlocking behaviour systems, that each of us possesses, as he grows from a biological newborn to a biological adult in an environment of other individuals and cultural products".

Nature of Personality

Nature of personality is as follows:

1. Unique

Personality represents a unique integration of traits so as to differentiate one person from another on the basis of this very quality. The unique way in which people laugh or smile, weep or cry, talk or lecture, greet or salute becomes the watermark of our personality.

2. Reflects Individual Differences

Because the inner characteristics that constitute an individual's personality are a unique combination of factors, no two individuals are exactly alike. Nevertheless, many individuals tend to be similar in terms of a single personality characteristic. For example, many people can be described as "high" in sociability (the degree of interest they display in social or group activities), while others can be described as "low" in sociability.

3. Result of both Heredity and Environment

It is indisputable that heredity determines the difference of sex and it is on this basis that some scientists contend that heredity determines personality because it is the difference of sex, which determines the personality of men and women.

Environment has a very significant effect on man. Its effect starts from his birth and continues almost till his death. The status of the child, youth and the old man in the family and in the society is not same and as a result of this difference, a man's roles, temperaments, ways of thinking, tendencies and character are affected; all these determine the personality of men and women. In the same way, the status of the person in places like school, occupation, social situation, etc., affects his personality.

4. Learned or Acquired

By the time people become a mature personality, the contribution of learning is so prominent that people often misinterpret personality as the equivalent of learning. It is important to note that learning plays a very important role in the making of one's personality. In order to explain the dynamics of one's personality, it is sometimes convenient to refer to the various types of learning, which a person is able to exhibit in his behavioural range.

5. Integration of Various Traits

All the elements, which are ultimately identified as parts of personality structure, get integrated rather than assembled together. Thus, the integration of various traits results into a distinct whole which is known as personality of an individual.

6. Dynamic Process

Personality is the dynamic organisation within the individual. Here, dynamic means that personality is undergoing a constant change but is still organized. Personality development is a reciprocal relationship between the ways in which a person views his experiences and his actual social and interpersonal experiences. Development of personality is a continuous growth, which occurs because of the inherent tendency toward self-growth on the one hand and our personal, environmental and social experiences on the other hand. Therefore, people can say that personality is a dynamic process.

7. Psychophysical Systems

Personality is neither exclusively physical nor is exclusively mental. Similarly, it is neither the product of heredity exclusively, nor it is

the product of acquired behaviour or learning exclusively. Organisation of personality entails the functioning of both 'body' and 'mind'. Psychophysical systems composed of habits; attitudes, sentiments, etc., are the product of hereditary endowments and the acquired life experiences of the individual.

8.   Social

Personality is completely social. Personality has existence only in relation to the external world.. An individual's relation with his environment, his feelings, attitudes, are basic to the idea of personality. An integrated personality is one which makes harmonious adjustment to environment, particularly the social environment.

Q10. What are the of factors determining personality?

Ans :   **(Dec.-18, Imp.)**

Study of determinants of personality forms an empirical approach to personality development. Various determinants of personality are as follows:

Determinants of Personality

Biological Factors	Cultural Factors	Family and Social Factors	Situational Factors	Physical Environment
– Heredity		– Home Environment		
– Brain		– Family Members		
– Physical Features		– Social Groups		
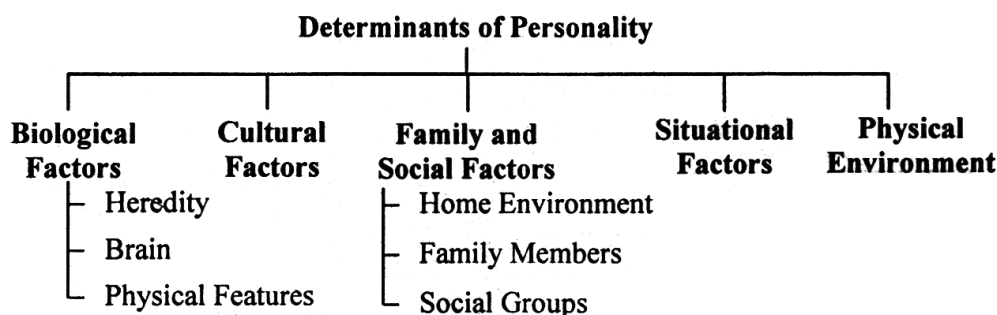
1.   Biological Factors

The general biological characteristics of human biological system influence the way in which human being tends to sense external event data interpretation and respond to them. The study of the biological contribution to personality can be divided into three major categories which are:

i)   Heredity: It is the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Heredity predisposes to certain physical, mental, and emotional states. Heredity influences human nature which causes differences in personality of an individual. Hereditary factors are the major habits and behaviour transfers from parents and blood relations. Traits are passed on from one generation to another. Hereditary factors determine a person's temperament.

Some studies of twins have suggested that heredity plays an important role in personality. Identical twins (who have the same genetic composition) score more alike on standard personality tests than fraternal twins (whose genetic composition is different).

Identical twins reared in separate families tend to share more personality and behaviour characteristics than fraternal twins rose in the same household. Thus, studies of identical twins show that about half of the personality traits are inherited.

ii)   Brain: It is the second factor, which is supposed to play role in personality. The structure of brain determines personality though role of brain in personality formation is also their.

iii) Physical Features: Third factor of determining personality foundation is physical characteristics and rate of maturation. A person's physical features have some influence on his personality because it will influence on others and, in turn, affect his self-concept as well.

2. Cultural Factors

Culture is traditionally considered as the major determinant of an individual's personality. The culture largely determines what a person is and what a person will learn. The culture within which a person is brought up is very important determinant of behaviour of a person. It generally determines attitudes towards independence, aggression, competition, and cooperation. Each culture expects and trains its members to behave in the ways that are acceptable to the group.

Culture is the underlying determinant in decision-making. It generally determines attitudes towards independence, aggression, competition, and cooperation. The personality of an individual to a marked extent is determined by the culture in which he is brought up.

3. Family and Social Factors

Development of the individual proceeded under the influence of many socialising forces and agencies, from nuclear family to more distant or global groupings. Family and social groups have most significant impact on personality development. Following are the factors that affect personality:

i) Home Environment: Total home environment is a critical factor in personality development. For example, children with markedly institutional upbringing or children in a cold, non stimulating home have a much greater potential to be emotionally maladjusted than children raised by parents in a warm, loving, and stimulating environment.

ii) Family Members: Parents and other family members have strong influence on the personality development of the child. The relationship between parents and children was higher than that between the children and their teachers. Besides parents, siblings also contribute to personality.

iii) Social Groups: Besides a person's home environment and family members, there are other influences arising from the social placement of the family as the person is exposed to agencies outside the home, particularly the school, friendship, and other work groups. Similarly, socio-economic factors also affect personality development.

4. Situational Factors

Situational factors of personality also have a complete share in the formation of personality of an individual. Situational factors of personality are changing according to the social situations. Every person face may situations in his life which enables him/her to change his/her behaviour.

5. Physical Environment

It also determines the personality of an individual. Environmental factors include land, river, mountains, hills, forests, plain area, atmosphere, etc., which affect the personality to be good or bad, healthy or weak. All the feelings, emotions, ideas, attitudes, habits and behaviour as well as body structure are the result of physical environment of to which an individual belongs.

Q11. What are various personality attributes that Influence organizational behaviour?

Ans :   (Jan.-18)

Major personality traits that influence the behaviour at workplace are as follows:

1. Self-Monitoring

Self-monitoring is the extent to which people try to control the way they present themselves to others. High self-monitors want their behaviour to be socially acceptable and are attuned to any social cues that signal appropriate or inappropriate behaviour. They strive to behave in a situationally appropriate manner. High self-monitors are more likely than low self-monitors to tailor their behaviour to fit a given situation. Thus, high self-monitors may perform especially well in jobs such as sales or consulting which require employees to interact with different types of people on a regular basis.

2. Self-Esteem

Self-esteem is the extent to which people have pride in themselves and their capabilities. Individuals with high self-esteem think they are generally capable and worthy people who can deal with most situations. Individuals with low self-esteem question their self-worth, doubt their capabilities, and are apprehensive about their ability to succeed in different endeavours.

3. Need Patterns

Individuals with a high need for achievement have a special desire to perform challenging tasks well and to meet their own personal standards for excellence. They like to be in situations in which they are personally responsible for what happens, like to set clear goals for themselves, are willing to take personal responsibility for outcomes, and like to receive performance feedback. Not surprisingly, such individuals are often found in jobs that help them to satisfy their strong desire to excel.

4. Locus of Control

The term 'locus of control' refers to a construct that originated from within Rotter's social learning theory. In social learning terminology, locus of control is a generalised expectancy pertaining to the connection between personal characteristics and/or actions and experienced outcomes. It develops as an abstraction from accumulated specific encounters in which persons perceive the causal sequences occurring in their lives. Locus of control is a personality characteristic manifested in individual who attribute causes of their behaviour to either external or internal sources. It refers to an individual's belief that events are either within one's control (internal locus of control) or are determined by forces beyond one's control.

5. Authoritarianism

It refers to a belief that there should be status and power differences among people in organisations. An individual with authoritarian personality believes in the legitimacy of formal authority, views obedience to authority as necessary holds negative views about people and is intellectually rigid. Authoritarians tend to place high moral value on their beliefs, and are strongly oriented towards conformity to rules and regulations. They naturally prefer stable and structured work environments, which are governed by clean rules and procedures.

6. Machiavellianism

It represents the degree to which an individual is p-agmatic, maintains emotional distance and believes that ends can justify means. People with high Machiavellianism manipulate more, win more, are persuaded less and persuade others more than do people with low Machiavellianism. However, high-Mach outcomes are moderated by situational factors.

7. Introversion and Extraversion

These terms are generally associated with an individual's sociability and interpersonal orientation. Extroverts are gregarious and sociable individuals while introverts are shy, quiet and retiring. It has been observed that introverts and extroverts have significantly different career orientations and require different organizational environments to maximize performance.

8. Bureaucratic Personality

Merton notes that the bureaucratic personality is a result of features of the bureaucracy, such as the depersonalisation of relationships. The degree of alienation can also be heightened by bureaucratic features. For example, Aiken and Hage concluded that employees working in organisations that conformed more strongly to bureaucratic arrangements experienced greater work aliena-tion. In organisations with more centralisation and formalisation, there are

fewer opportunities for staff to participate in decisions concerning organizational policies and individual tasks. Furthermore, there are strict rules and the rules are often heavily enforced, increasing the degree of powerlessness. Hence, bureaucratic features can enhance both a bureaucratic personality and work alienation.

9.   Risk Taking

The propensity to assume or avoid risk has been shown to have an impact on how long it takes managers to make a decision and how much information they require before making their choice. High risk-taking managers made more rapid decisions and used less information in making their choices. While managers in organisations are generally risk-aversive; there are still individual differences on this dimension.

10.   Type A and Type B

People who are impatient, aggressive and highly competitive are termed as Type 'A' personality. But those who are easy going, laid-back and non-competitive are termed as Type 'B' personality.

Type A Personality

People falling under the type A personality classification will have characteristics that portray them as people with a lot of time urgency and impatience. Money and finances mean a lot to them, so much so, that even their relationships, they think, should be based on money. Type A personality people prioritise their work over all their relationships, since they are so particular about time and the way they spend their time. They have the urge to do something productive all the time or else may be engulfed with guilt of wasting time.

Type B Personality

The type B personality people are quite the opposite of the type A personality people. These people are patient to a large extent, are easygoing and take things slowly and steadily. They do not believe in hurrying into things, take time to think and ponder before acting and may also delay their work to the last minute. These people love to socialise and be in the company of both known and unknown people. They often manage to grab quite a lot of attention wherever they go and seek comfort more than success while working.

4.3.1 Personality Theories

Q12. Briefly discuss about various personality theories.

Ans :   **(Aug.-21, Nov.-20, May-19, Imp.)**

Theories of personality can vary greatly depending on the school of psychology it is derived from. These theories play an important role in shaping an individual's personality. There are dozens of personality theories. It is possible to introduce only a few of the most influential. Various theories of personality are as follows:

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                              Theories of Personality
       ┌──────────────────────────┬──────────────────────────┐
 ┌─────────────┐          ┌─────────────┐          ┌──────────────────────┐
 │Trait Theories│          │Type Theories│          │Psychodynamic Theories│
 └─────────────┘          └─────────────┘          └──────────────────────┘
  ├─ Big Five Model         ├─ Myers Briggs Type       ├─ Sigmund Freud's
  │                         │   Indicator (MBTI)        │   Psychosexual Theory
  └─ R.B. Cattell Theory    └─ Sheldon's Type Theory    └─ Erik Erikson's Theory
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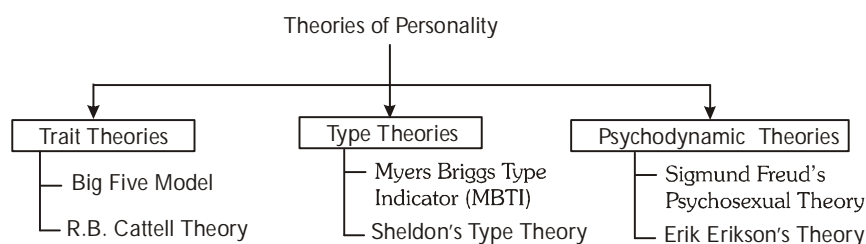
A)   Traits Theories

A trait is a characteristic way in which an individual perceives feels, believes, or acts. The more consistent the characteristic and the more frequently it occurs in diverse situations, the more important that trait is ii. describing an individual. Trait theorists advocated that personality tests will indicate the individual differences in terms of specific traits. Among trait theorists are included Allport, and Cattell. Various trait theories of personality are as follows:

1.   Big Five Model

The 'Big Five' is the commonly used term for the model of personality which describes the five fundamental factors of personality. Big five factors have been replicated in studies across the world.

According to the Five Factor taxonomy, there are five major personality traits:

i)   **Neuroticism:** The first major personality trait is Neuroticism and can be described as the tendency to experience negative emotions, notably anxiety, depression and anger. Neurotic individuals can be characterised by their tendency to experience anxiety, as opposed to the typically calm, relaxed personalities of low Neuroticism or emotionally stable individuals. The primary facets of Neuroticism are anxiety, angry hostility, depression, self-consciousness, impulsiveness and vulnerability.

ii) **Extraversion:** The second major personality dimension is Extraversion which refers to high activity, the experience of positive emotions, impulsiveness, assertiveness and a tendency towards Social behaviour. Conversely, low Extraversion or Introversion is characterised by rather quiet, restrained and withdrawn behavioural patterns. The primary facets of Extraversion are warmth, gregariousness, assertiveness and activity, excitement-seeking and positive emotions.

iii) **Openness to Experience:** A third dimension, Openness to Experience, represents the tendency to engage in intellectual activities and experience new sensations and ideas. This factor is also referred to as Creativity, Intellect and Culture. It comprises the primary facets of fantasy, aesthetics, feelings, actions, ideas and values. In a general sense, Openness to Experience is associated with intellectual curiosity, aesthetic sensitivity, vivid imagination, behavioural flexibility and unconventional attitudes. People high on Openness to Experience tend to be dreamy, imaginative, inventive and non-conservative in their thoughts and opinions. Poets and artists may be regarded as typical examples of high Openness scorers.

iv) **Agreeableness:** A fourth factor, Agreeableness (also known as Sociability), refers to friendly, considerate and modest behaviour. Thus, agreeableness is associated with a tendency towards friendliness and nurturance and comprises the primary facets of trust, straightforwardness, altruism, compliance, modesty and tender-mindedness. Agreeable people can thus be described as caring, friendly, warm and tolerant and have a general predisposition for pro-social behaviour.

v)   **Conscientiousness:** Conscientious-ness is associated with pro-activity, responsibility and self- discipline. This factor includes the primary facets of competence, order, dutifulness, achievement- striving, self-discipline and deliberation. Conscientious individuals are best identified for their efficiency, organisation, determination and productivity. No wonder, then, that this personality dimension has been reported to be significantly associated with various types of performance.

2.   R.B. Cattell Theory

Raymond B. Cattell developed a personality model in 1940s. Cattell 'uncovered' 16 traits

from his factor analysis which he called source or primary traits. Cattell's 16 Personality Factor Model is valuable to the study of psychology. The sixteen source traits have been presented below:

Sixteen Primary Traits

i)	Reserved	vs.	Outgoing
ii)	Less intelligent	vs.	More intelligent
iii)	Affected feelings	vs.	Emotionally more stable
iv)	Submissive	vs.	Dominant
v)	Serious	vs.	Happy-go-lucky
vi)	Expedient	vs.	Conscientious
vii)	Timid	vs.	Venturesome
viii)	Tough-minded	vs.	Sensitive
ix)	Trusting	vs.	Suspicious
x)	Practical	vs.	Imaginative
xi)	Forthright	vs.	Shrewd
xii)	Self-assured	vs.	Apprehensive
xiii)	Conservative	vs.	Experimenting
xiv)	Group dependent	vs.	Self-dependent
xv)	Uncontrolled	vs.	Controlled
xvi)	Relaxed	vs.	Tense

A major criticism of his theory is that it has never been replicated. Besides, Cattell argued that intelligence should be conceptualised as part of personality and assessed through self-report inventories, though most intelligence theories demand that abilities are measured through objective performance tests.

B) Type Theories

People are categorised according to distinguishing features. These include college class, academic major, sex, and race. Some personality theorists also group people into distinct, non-overlapping categories that are called personality types. Personality types are all-or-none phenomena, not a matter of degree. If a person is assigned to one type, he or she could not belong to any other type within that system. Many people like to use personality types in everyday life because they help simplify the complex process of understanding other people. Personality type theory aims to classify people into distinct categories i.e. this type or that. Personality types are synonymous with "personality styles".

Various type theories of personality are as follows:

1. Myers Briggs Type Indicator (MBTI)

One approach to applying personality theory in organisations is the Jungian approach and its measurement tool, the MBTI instrument. Swiss psychiatrist Carl Jung built his work on the notion that people are fundamentally different, but also fundamentally alike. His classic treatise Psychological Types proposed that the population was made up of two basic types - extroverted types and introverted types. He went onto identify two types of Perceiving (Sensing and Intuition) and two types of

Judgment (Thinking and Feeling). Perceiving (how we gather information) and Judging (how we make decisions) represent the basic mental functions that everyone uses.

The **Myers Briggs Type Indicator (MBTI),** is a widely used and highly regarded system for understanding and interpreting personality and derives most of its underpinning theory from Carl Jung's Psychological types ideas and to a lesser extent the four temperaments (or four humours). The MBTI model and test instrument was developed by **Katharine Briggs** and her daughter **Isabel Briggs Myers** in 1942 after their studies particularly of Carl Jung whose basic concepts relating to this aspect of personality and behaviour. MBTI helps people to identify their own psychological type and their interpersonal needs. It has been widely used in US organisations for the last three decades and internationally since the 1990s.

Classification of Individuals According to MBTI

Classification of individuals according to MBTI is given below:

i) **Extraversion versus Introversion :** Extrovert (E) people like getting energy from active involvement in events and having a lot of different activities. They are excited when they are around people and they like to energise other people. They like moving into action and making things happen. They generally feel at home in the world. They often understand a problem better when they can talk out loud about it and hear what others have to say.

Introvert (I) people like getting energy from dealing with the ideas, pictures, memories and reactions that are inside their head, in their inner world. They prefer doing things alone or with one or two people they feel comfortable with. They take time to reflect so that they have a clear idea of what they will be doing when they decide to act. Ideas are

almost solid things for them. Sometimes, they like the idea of something better than the real thing.

ii) **Sensing versus Intuition :** Sensing (S) type pays attention to physical reality, what they see, hear, touch, taste and smell. They are concerned with what is actual, present, current and real. They notice facts and they remember details that are important to them. They like to see the practical use of things and learn best when they see how to use what they are learning. Experience speaks to them louder than words.

Intuition (N) type pays more attention to impressions or the meaning and patterns of the information they get. They would rather learn by thinking a problem than by hands-on experience. They are interested in new things and what might be possible, so that they think more about the future than the past. They like to work with symbols or abstract theories, even if they do not know how they will use them. They remember events more as an impression of what it was like, than as actual facts or details of what happened.

iii) **Thinking versus Feeling :** When Thinking (T) type makes a decision, they like to find the basic truth or principle to be applied, regardless of the specific situation involved. They like to analyse pros and cons and then be consistent and logical in deciding. They try to be impersonal, so they would not let their personal wishes - or other people's wishes - influence them.

Feeling (F) type believe that they can make the best decisions by weighing what people care about and the points-of-view of persons involved in a situation. They are concerned with values and what is the best for the people involved. They like to do whatever will establish or maintain harmony. In their relationships, they appear caring, warm and tactful.

iv) Judging versus Perceiving : Judging (J) type seems to prefer a planned or orderly way of life, like to have things settled and organized, feel more comfortable when decisions are made and like to bring life under control as much as possible.

Perceiving (P) type seems to prefer a flexible and spontaneous way of life and they like to understand and adapt to the world rather than organize it. Others see them staying open to new experiences and information.

2. Sheldon's Type Theory

Sheldon defined three typical physical types with three distinctive patterns of personality:

i) Endomorphic with a soft and round body, large trunk, thick neck and relatively short legs. They are generally easy-going, relaxed and sociable in temperament.

ii) Mesomorphic with a muscular and athletic type of body stature. They are assertive, aggressive and energetic type of people.

iii) Ectomorphic with a fragile body build. They are usually socially withdrawn and over restrained in nature and vend to suffer from inferiority complexes.

The relative-existence of these physical elements indicates specific personality patterns. Corresponding to these aspects, he assumed three aspects of temperament - viscerotonia (love of comfort and affection), soamtotonia (physical adventure and risk taking) and cerebrotonia (restraint and inhibition). Although he assumed a very close relationship between respective aspects of structure and personality, there is no evidence to support this view.

C) Psychodynamic Theories

The term psychodynamic refers to a broad range of psychological theories that explore the influence of instinctive drives, forces and developmental experiences on one's personality. Psychodynamic theories range in focus from unconscious motives, unconscious conflicts, conscious experiences and their interaction with the unconscious to the impact of social factors on the human psyche. Accordingly, psychodynamic theorists argue that young violence can be understood by examining internal processes, personality development, motivation, drives and childhood experiences. Psychodynamic theories mainly include:

1. Sigmund Freud's Psychosexual Theory

Freud's psychosexual theory proposes that three components of personality i.e., the id, ego, and superego develop and gradually become integrated in a series of five developmental psychosexual stages. These three components are as follows:
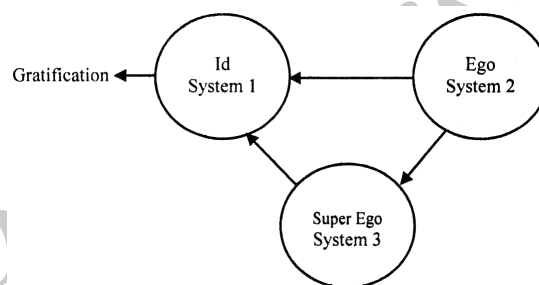
Figure : Interrelationships among the Id, Ego and Superego

i) **Id:** The id is the source of strong inborn drives and urges such as aggression and sex. The id operates on what is called the pleasure principle, that is, it acts to avoid tension and seeks immediate pleasure. However, it tends to operate at a very subjective and unconscious level and is not fully capable of dealing with objective reality. Also, many of its impulses are not acceptable to the values of organized society.

ii) **Ego:** The ego comes into being because of the limitations of the id in dealing with the real world. Through learning and experience, the ego develops the individual's capabilities of realistic thinking and ability to deal appropriately with his environment. It operates on what is called the reality principle, which is capable of postponing the release of

tension until that time when it will be effectively directed at coping with the external environment. To illustrate, although in hunger individual's id would encourage him to just take food away from his friend, the ego might reason that asking for the food may take longer but may also result in getting a greater portion. Because it serves in this way as the organized focal point for effective action in the environment, the ego is said to be the executive of the personality.

iii) **Super Ego:** The super ego represents societal and personal norms and serves as an ethical constraint on behaviour. It can best be described as the conscience. The super ego provides norms to ego to determine what is wrong or right. However, a person is not aware of the working of the super ego, and conscience is developed by absorption of cultural values and norms of the society.

Five stages of psychosexual development given by Freud which influence the personality development are as follows:

a) **Oral Stage:** This stage is from the birth up to the age of one year. Infants during this stage depend on others for survival. The biological drives are reduced through the mouth. Mouth remains an important erogenous zone throughout life. Insufficient amounts of stimulation during this stage may lead to the development of an oral-passive personality in adulthood, with the characteristics of exploitation and domination of others.

b) **Anal Stage:** This stage is from the age of one year to age of three years. The liberal energy is focused on the anal region during this stage. The harsh and repressive toilet training given during this stage may result in anal-retentive personality with the characteristics of punctuality, orderliness, obstinacy, stinginess and cleanliness. The other side of the toilet training will develop an anal-aggressive personality with traits like disorderliness, hostility, destructiveness and cruelty.

c) **Phallic Stage:** This stage starts at the age of three years and ends at the age of four. This stage focuses on psychosexual development. Freud believes that children during this stage identify themselves with the parents of the same sex. Children at this stage are generally interested in the genitals. The Oedipus complex or conflict occurs during this stage, which results in both loving and hating parents. If this conflict is unresolved, it would lead to severe anxiety and guilt feelings affecting normal personality development.

d) **Latency Period:** This stage occurs between the 4 and 6 years of age. The children during this stage shift their interest from sexual issues and seeking gratification of the libido to the social knowledge and skills needed for work. Children develop the interest in developing social relations with classmates and friends. Similarly, they develop the basic skills necessary for their work by understanding the basics of environments with the entry in schools.

e) **Genital Stage:** This stage occurs during adolescence to adulthood and sexual interest is re-emerged during this stage. Interest and awareness towards the opposite sex increase during this stage.

2.   Erik Erikson's Theory

Erik Erikson is another theorist most often associated with the psychodynamic perspective. Erikson built upon Freud's concept of ego. He identified eight stages of life that characterise the unending development of a person. He characterised each stage by a particular conflict that needs to be resolved successfully before a person can move to the next stage. However, these eight stages are not totally separable, and the crises are never fully resolved. These stages are as follows:

i)   **Infancy/Trust versus Mistrust (Birth to 1 Year):** During the first year of life, a child resolves the basic crisis of trust vs. mistrust. An infant who is cared for in an affectionate way learns to trust other people. Lack of love and affection results in mistrust. This stage makes a serious impact on a child that influences events for remaining life.

ii)   **Early Childhood/Autonomy versus Shame and Doubt (1 to 3 Years):** In the second and third years of life, a child begins to assert independence. If the child is allowed to control these aspects of life that the child is capable of controlling, a sense of autonomy will develop. If the child encounters constant disapproval by elders a sense of self-doubt and shame is likely to develop.

iii)   **Play Age/Initiative versus Guilt (3 to 6 Years):** The four and five year old seeks to discover just how much he can do. If a child is encouraged to experiment and to achieve reasonable goals, he will develop a sense of initiative. If the child is blocked and made to feel incapable, he will develop a sense of 'guilt and lack of self-confidence'.

iv)   **School Age/Industry versus Inferiority (6 to 12 Years):** From ages 6 to 12, a child learns many new skills and develops social abilities. If a child experiences real progress at a rate compatible with his abilities, he or she will develop a sense of enterprise. The reverse situation results in a sense of inferiority.

v)   **Adolescence/Identity versus Role Diffusion (12 to 20 Years):** The crisis of the teenage years is to gain a sense of identity rather than to become confused about who you are. While undergoing rapid biological changes, the teenager is also trying to establish himself or herself as socially separate from the parents. The autonomy, initiative and enterprise developed in earlier stages are very important in helping the teenager to successfully resolve this crisis and prepare for adulthood.

vi)   **Early Adulthood/Intimacy versus Isolation (20 to 40 Years):** The young adult during the twenties faces the crisis of intimacy versus isolation. The developmental task of this stage is to establish intimate bonds of love and friendship. This psychological conflict involves individuals establishing intimate ties with others. If this is not completed, individuals will remain in isolation.

vii)   **Adulthood/Generativity versus Stagnation (40 to 65 Years):** During this stage, the adults face the crisis of generativity versus self-absorption. Self-absorbed persons never develop an ability to look beyond themselves. They become absorbed in career advancement and maintenance; and they never learn to have concern for future generations, the welfare of organisations to which they belong or the welfare of society as a whole. Generative people see the world as much bigger than themselves. Productivity at work and societal advancement become important to them. Through innovation and creativity, they begin to exert influence that benefits their organisations.

viii) **Mature Adulthood/ Ego Integrity versus Despair (Old Age):** The person is developed as a highly mature person. He has gained a sense of wisdom and perspective that can really guide the younger generations.

4.4 PERCEPTION

Q13. Define Perception. What are the characteristics of Perception?

Ans :   **(Nov.-20)**

Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin.

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to us.

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Definitions of Perception

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

According to Joseph Reitz, "Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting, and smelling."

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

Characteristics of Perception

The following are the chief characteristics of perception:

1. **Mental Process**

   Perception is a mental process. Under it an individual chooses, organizes and interprets information available in the environment. No individual can get attracted towards all the stimuli available in the environment. He selects only those stimuli which are related to him. After selecting the stimuli they are organized so that they are interpreted. In the end they are explained. In this way, one needs brain or intelligence at every step in the process of perception. Therefore, it will be quite right to call it a mental process.

2. **Activation Process**

   Perception is a process of activating an individual. Prior to the process of perception there is some sensation. Under sensation an individual remains inactive. He simply feels and does not react in any way. On the contrary, an individual gets activated under perception. Signal received from physical sensory organs set him thinking and his mind gets activated. Hence, perception is a process of activation.

3. **Subjective Process**

   Subjectivity means interpreting some thing on the basis of individual interest and understanding and not on the basis of facts. In other words, subjective process means looking at an object by different individuals from different point of views. Perception has this inherant speciality. Under perception a single particular truth can be viewed differently by different people. The main cause of this happens to be the fact that each individual has a different way of collecting information from the environment, organising it and interpreting it differently.

4. **Unique Interpretation**

   Perception is a particular interpretation of a real situation and is not an actual representation of reality. In other words, it can be said that perception is not a photocopy presentation but is only a description of some object, event or individual according to an individual's understanding. Every individual interprets the real world in a different manner. Two individuals can have difference of opinion

on any single point. Out of these both the two or any one of them can be wrong.

5.   Wider than Sensation

There is a difference between perception and sensation. Every individual has five sensory organs. Sensation is a response of these organs. Perception is wider than sensation. It is a mixture of sensation and cognitive process. Sensation is regulated only by the sensory organs while in perception both the sensory organs and individual's understanding are involved. Sensation is the starting point of perception. First of all sensation is born, then an individual's brain gets activated and from here the process of perception starts. Therefore, perception is wider than sensation.

6.   Provides Meaning to Stimulus

An individual gets information about stimulus through sensation, e.g., first of all an individual feels the smell, taste, touch, etc. On the basis of this information the meaning is found out under perception.

7.   Affected by many Factors

The concept of perception is influenced by many factors. Major factors which affect it are as follows:

(i)   Internal Factors: These factors are related to perceiver. They mainly include needs, values, experiences, understanding, etc.

(ii)   External Factors: These factors are related to external environment which chiefly includes intensity, size, repetition, motion, etc.

8.   Provides check on Behaviour

Understanding of perception has an important contribution in the anticipation and control of the behaviour of the employees. People's behaviour is according to their perception. If the manager can come to know how people perceive things, then he can anticipate organizational behaviour and can also control it.

9.   Multiple Use

The knowledge of the concept of perception increases the understanding of organizational

behaviour. Consequently, better results will be obtained in different areas of organizational behaviour, e.g., selection of employees, training, reward, labour-management neogations, etc.

Q14. Explain the process of perception.

Ans :

Perception is a process consists of several sub-processes. One can take an input-throughput-output approach to understand the dynamics of the perceptual process. This approach emphasises that there is input, which is processed and gives output. The stimuli in the environment – subjects, events, or people – can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanisms of selection, organisation, and interpretation can be treated as the throughputs, and the resultant opinions, feelings, attitudes, etc., which ultimately influence our behaviour, can be viewed as the perceptual outputs.

One type of input is physical stimuli from the outside environment; the other type of input is provided by individuals themselves in the form of certain pre-dispositions (expectations, motives, and learning) based on previous experience. The combination of these two very different kinds of inputs produces for each human being a very private, very personal picture of the world. Because each person is a unique individual, with unique experiences, needs, wants, desires, and expectations, it follows that each individual's perceptions are also unique. This explains why no two people see the world in precisely the same way.

The steps in the perceptual process – selection, organisation, and interpretation– are shown in figure.
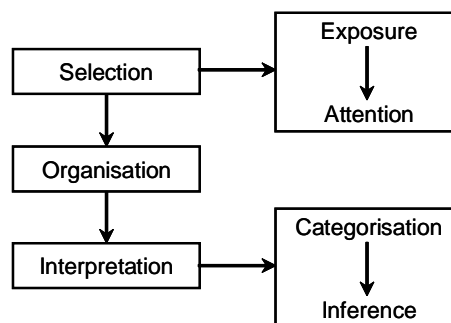
Figure : Process of Perception

A) Perceptual Selectivity / Selection

There are a variety and a multitude of stimuli confronting us everyday affecting all our senses. Out of all these stimuli, people select only some. Perceptual selectivity refers to the tendency to select certain objects from the environment for gaining attention such that these objects are consistent with our existing beliefs, values and needs.

Without this ability of selection, the individuals will not be able to consider all available information necessary to initiate behaviour. This selectivity is enhanced by two related processes :

1. **First Process,** known as, **"sensory activation"** assumes that our senses are activated only by a certain type of stimuli so that some stimuli may go unnoticed if these are not strong, bright or loud enough to activate our senses.

2. **Second process,** known as, **"sensory adaptation"** relates to our ability to tune out certain stimuli to which we have been continuously exposed. **For example,** a new home owner near an airport might be excessively bothered by the noise, but such noise does not bother those who have been living there for a long time and have been exposed to this noise over this long period.

Thus, many objects or stimuli are stopped from entering our perceptual system by the above two processes. All the remaining stimuli must compete for attention. Various external and external factors influence our process of stimuli selection.

Factors in Perceptual Selectivity

(i) Internal or Personal Factors in Perceptual Selectivity. The internal factors relate to the perceiver and include such factors as learning and motivation. These factors are self concept, beliefs, expectations, inner needs, response disposition, response salience and perceptual defence.

(ii) External Factors in Perceptual Selectivity. External factors relate to the characteristics of objects or people that activate our senses and thus get our attention. Some of these external factors are size, intensity, contrast, repetition, novelty and familiarity, motion and order.

B) Perceptual Organisation

Perceptual Organisation emphasises on the subsequent activities that take place in the perceptual process after a stimulus is received. A person rarely perceives the extent of colour, light or sound associated with objects. Instead he perceives organized patterns, stimuli and identifiable whole objects.

Factors Affecting Perceptual Organisation

1. Figure and Ground

Figure-Ground principle is generally considered to be the most basic form of perceptual organisation. This principle simply implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. For example, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to understand what the white spaces in the middle of black letters could mean.

Likewise, in the organizational setting, some people are more noticed or stand out than others. For example, an individual in the organisation might try to focus his entire attention on his immediate supervisor, trying to be in his good books, completely ignoring his colleagues and how they feel about his behaviour. Thus according to this principle, the perceiver tends to organise only the information which stands out in the environment which seems to be significant to the individual.

2. Perceptual Grouping

Grouping is the tendency to curb individual stimuli into meaningful patterns. For example, if we perceive objects or people with similar characteristics, we tend to group them together and this organising mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with so many details. Some of the factors underlying his grouping are:

i) **Similarity:** According to this principle, when objects and things are similar they are perceived as in the same group. For example, workers wearing same uniform tend to be perceived as one although they have their own different personalities.

ii) **Proximity:** The principle of proximity or nearness states that a group of stimuli that are close together will be perceived as a whole pattern of parts belonging together. Employees often perceive other employees working together in a department as a team or unit because of their physical proximity. For example, four people on the third floor of a large office building quit their jobs. Even if they did so for completely unrelated reasons, the human resource department may perceive the resignation as a problem on the third floor and examine the morale, pay, and working conditions there in an attempt to determine what is wrong.

iii) **Closure:** The principle of closure relates to the tendencies of the people to perceive objects as a whole, even when some parts of the object are missing. The person's perceptual process will close the gaps that are unfilled from sensory input. For example, a manager perceives complete agreement of his workers on a given project, when, in fact, there was opposition from several workers.

iv) **Continuity:** Continuity is closely related to closure. But there is a difference. Closure supplies missing stimuli, whereas the continuity principle says that a person will tend to perceive continuous lines of pattern. The continuity may lead to inflexible or non creative thinking on the part of the organizational participants. For example, the tendency to perceive continuous patterns may result in an inability to perceive uniqueness and to detect change. In economic or business forecasting, a common continuity error is to assume that the future will be a simple continuation of current events and trends.

3. **Perceptual Constancy**

Constancy is one of the more sophisticated forms of perceptual organisation. This concept gives a person a sense of stability in this changing world. This principle permits the individuals to have some constancy or stability in a tremendously variable and highly complex world. If constancy were not at work, the world would be very chaotic and disorganised for the individual. There are several aspects of constancy:

i) **Shape Constancy:** Whenever an object appears to maintain its shape despite marked changes in the retinal image e.g. the top of a glass bottle is seen as circular whether we view it from the side or from the top.

ii) **Size Constancy:** The size constancy refers to the fact that as an object is moved further away from us we tend to see it as more or less invariant in size. For example, the players in cricket field on the opposite side of the field do not look smaller than those closer to you even though their images on the retina of the eye are much smaller.

iii) **Colour Constancy:** Colour constancy implies that familiar objects are perceived to be of the same colour in varied conditions. The owner of a red car sees it as red in the bright sunlight as well as in dim twilight. Without perceptual constancy the size, shape and colour of objects would change as the worker moved about and it would make the job almost impossible.

4. **Perceptual Context**

The highest and most sophisticated form of organisation is 'perceptual context'. It gives meaning and value to simple stimuli, objects, events, situations and other persons in the environment. The organizational structure and culture provide the primary context in which workers and managers do their

perceiving. For example, a verbal order, a new policy, a pat on the back, a raised eye brow or a suggestion takes on special meaning when placed in the context of the work organisation.

5. Perceptual Defence

Closely related to perceptual context is the perceptual defence. A person may build a defence against stimuli or situational events in a particular context that are personally or culturally unacceptable or threatening. Accordingly, perceptual defence may play a very important role in understanding union-management and supervisor-subordinate relationship. Most studies verify the existence of a perceptual defence mechanism.

The general conclusions drawn from these studies are that people may learn to avoid certain conflicting, threatening or unacceptable aspects of the context. The various defences may be denial of an aspect, by modification and distortion, by change in the perception, then the last but not the least is recognition but refusal to change.

C) Perceptual Interpretation

After the data have been received and organized, the perceiver interprets the data in various ways. Perception is said to have taken place only after the data are interpreted. Indeed, perception is essentially giving meaning to the various data received and interpreted.

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experience. Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfil personal needs, wishes, and interests. How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

Features of Perceptual Interpretation

There are the following features of perceptual interpretation :

1. Dynamic/Influential

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experiences, the number of plausible explanations they can envision, and their motives and interests at the time of perception.

2. Ambiguous in Nature

Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfil personal needs, wishes, and interests.

3. Depends on Stimuli

How close a person's interpretations are to reality depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

Q15. What are the factors influencing perception?

Ans :   (Jan.-18, Imp.)

Individuals may look at the same thing, yet perceive it differently. A number of factors operate to shape and sometimes distort perception. These factors are shown in figure.
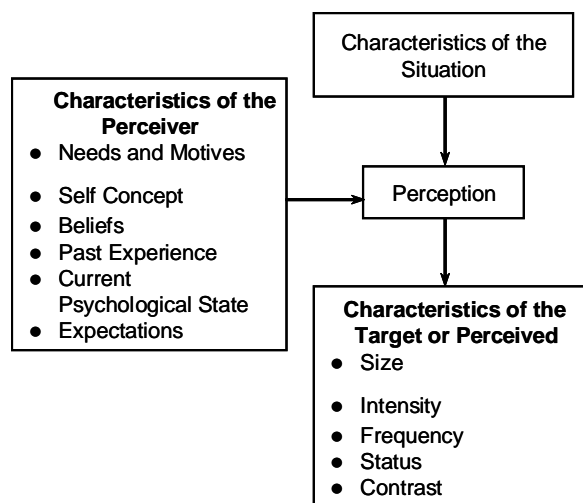
Figure : Factors Influencing Perception

1.   **Characteristics of the Perceiver (Internal Factors)**

(i)   **Needs and Motives :** People's perception is determined by their inner needs. A need is a feeling of tension or discomfort when one thinks he is missing something or requires something. People with different needs usually experience different stimuli. Similarly people with different needs select different items to remember or respond to.

(ii) **Self Concept :** The way a person views the world depends a greatly on self-concept or image he has about himself. The self-concept plays an important role in perceptual selectivity.

(iii) **Beliefs :** A person's beliefs have profound influence on his perception. Thus, a fact is conceived not on what it is but what a person believes it to be.

(iv) **Past Experience :** A person's past experiences mould the way he perceives the current situations. If a person has been betrayed by a couple of friends in the past, he would tend to distrust any new friendship that he might be in the process of developing.

(v)   **Current Psychological State :** The emotional and psychological states of an individual are likely to influence how things are perceived. If a person is depressed, he is likely to perceive the same situation differently than if he is elated.

(vi) **Expectations :** Expectations affect what a person perceives. Thus, a technical manager may expect ignorance about the technical feature of a product from the nontechnical people.

2.   **Characteristics of the Target or Perceived (External Factors)**

(i)   **Size :** The bigger the size of the perceived stimulus, the higher is the probability that it is perceived. Size attracts the attention of an individual. It establishes dominance and enhances perceptual selection.

(ii) **Intensity :** High intensity increases the chances of selection. If the message is bright, if sentences are underlined, it gets more attention than in normal case. The greater the intensity of stimulus, the more likely it will be noticed.

(iii) **Frequency :** Repeated external stimulus is more attention-attracting than a single time. Repetition increases our sensitivity and alertness to the stimulus. Thus, greater the frequency with which a sensory stimulus is presented, the greater than chances we select it for attention.

(iv) **Status :** Perception is also influenced by the status of the perceiver. High status people can exert greater influence on perception of an employee than low status people.

(v)   **Contrast :** Stimuli that contrast with the surrounding environment are more likely to be attention catching than the stimuli that blend in. A contrasting effect can be caused by colour/size or any other factor that is unusual. The contrast principle states that external stimuli stand out against the background, not what are expected will receive better attention.

3.   **Characteristics of the Situation**

The context in which objects or events is seen, is important. Elements in the surrounding environment influence, our perception. The time at which an object or event is seen can influence attention, as can location, light, heart, or any other situational factors.

Q16. Explain briefly about perceptual errors.

Ans :

One of the more interesting findings from attribution theory is that there are errors or biases that distort attributions. Each of these errors can lead to poor decisions and are discussed below:

1.   Selective Perception

People selectively interpret what they see on the basis of their interests, background, experience and attitudes. One is more likely to notice cars like his own, or why some people may be reprimanded by their boss for doing something that, when done by another employee, goes unnoticed. Since people can not observe everything going on about us, we engage in selective perception.

Selective perception allows us to "speed-read" others, but not without the risk of drawing an inaccurate picture. Because we see what we want to see, we can draw unwarranted conclusions from an ambiguous situation. If there is a rumour going around the office that the company's sales are down and that large layoffs may be coming, a routine visit by a senior executive from headquarters might be interpreted as the first step in management's identification of people to be fired, when in reality such an action may be utmost thing from the mind of the senior executive.

2.   Halo Effect

The halo effect refers to evaluating another person solely on the basis of one attribute, either favourable or unfavourable. In other words, a halo blinds the perceiver to other attributes that also should be evaluated to obtain a complete, accurate impression of the other person. Managers have to guard against the halo effect in rating employee performance. A manager may single-out one trait and use it as the basis for judging all other performance measures. Students have been known to evaluate the overall effectiveness of a faculty member in just the first two seconds of the first class. The ratings they gave after these two seconds were almost identical to those rankings after sitting through the instructor's course the entire semester. That is the power of the halo effect.

Amabile and Hasdorf define the halo effect as arising from the logical error of seeing different traits as belonging together when they logically do not - "When the halo effect occurs, the error consists of assuming the presence of many positive traits from the existence of one favourable characteristic".

3.   Contrast Effects

Evaluations of person's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same characteristics.

An illustration of how contrast effects operate is an interview situation in which one sees a pool of job applications. Distortions in any given candidate's evaluation can occur as a result of his or her place in the interview schedule. The candidate is likely to receive a more favourable evaluation if preceded by mediocre applicants and less favourable evaluation if preceded by strong applicants.

4.   Projection

Attributing one's own characteristics to other people. If a person is honest and trustworthy, so he takes it for granted that other people are equally honest and trustworthy. People who engage in projection tend to perceive others according to what they themselves are like rather than according to what the person being observed is really like. When observing other who actually are like them, these observers are quite accurate - not because they perceptive but because they always judge people as being similar to themselves. So when they do find someone who is like them, they are naturally correct.

5.   Stereotyping

Stereotypes are generalizations or assumptions that people make about the characteristics of all members of a group based on an image (often wrong) about what people in that group are like. For example, one study of stereotypes revealed that Americans are generally considered to be friendly, generous, and tolerant but also arrogant, impatient, and domineering.

Asians, on the other hand, were expected to be shrewd and alert but reserved. Clearly, not all Americans are friendly and generous; and not all Asians are shrewd.

6. **Impression**

People often form impression of others on the first sight. Even before knowing any of their personality traits, they start having impression and making assessment of individuals they meet for the first time. This sometimes leads to perceptual distortion because first impression need not be the last impression. If a new employee in an industrial organisation is judged on the basis of his first impression on the superior, it will be a great injustice to such an employee.

7. **Inference**

There is a tendency on the part of some people to judge others on limited information. For example, an employee might be sitting at his desk throughout the working hours without doing anything, but it may be inferred that he is sincere towards his duties. Thus, performance appraisal must not be based on half-cooked or incomplete information. In the above case, the productivity and the behaviour of the concerned employee towards customers, fellow employees and others must also be taken into consideration.

8. **Attribution**

When people give cause and effect explanation to the observed behaviour, it is known as attribution. Perception is distorted sometimes by the efforts of the perceiver to attribute a causal explanation to an outcome. There is a tendency for the individuals to attribute their own behaviour to situational factors, but explain the behaviour of others by their personal dispositions.

9. **Distortions**

Distortion occurs when we twist and manipulate events either consciously or unconsciously. We often tend to distort reality when it is unfavourable to us, because it threatens our self-image. We then act in a defensive manner and distort or even totally shut out what is actually occurring. In other words, we tend to twist or avoid that which is an unpalatable threat to our ego. Thus, distortion is due to defence mechanisms that operate when one encounters data or receives information that is incongruent with one's self-concept.

10. **Self-Fulfilling Prophecy**

Based on expectations, some bias in perception may creep in. In many cases it has been found that people try to validate their perceptions of reality (or expected performance) when those perceptions are faulty. The thing that is acceptable in one culture may seem extremely unusual or even dysfunctional in another. Managers need to know the emotional norms in each culture they do business in so they don't send unintended signals or misread the reactions of locals. For example, an American manager in Japan should know that while Americans tend to view smiling positively, Japanese are apt to attribute frequent smiling to a lack of intelligence.

Q17. How Perceptual Skills can be developed. Explain the importance of Perception.

Ans :

Since perception helps people in their behaviour, therefore, it is important to have correct perception. The following efforts can be made for correct perception.

1. **Strengthening Self-Concept**

The meaning of self-concept is as to how much we know our ownself and how confident we are about our own self. Those people who have faith in themselves have self-regard. Such people who respect themselves are always respectful to others and they have a correct perception about others. Therefore, by strengthening self-concept we can form a correct perception of other people.

2. **Avoiding Perceptual Distortions**

There are many factors which are an obstacle in the way of correct perception. These are

Stereotyping, Halo Effect, Attribution, First Impression, Projection, etc. In order to form a true perception one has to be careful about these obstructing factors. This is possible only when all the people in the organisation are educated and trained properly, e.g., everybody should be specifically told that while making a perception the particular personal should be the object of their attention rather than the group. In this way, the evil effect of stereotyping can be eliminated. Similarly, while evaluating a person all his qualities should be kept in mind rather than taking into consideration only one particular quality. By doing so the adverse effect of the Halo Effect can be avoided.

3.   Open Communication

In an organisation the lack of open communication is responsible to a large extent for the wrong perception. It should be kept in mind that the open communication is particularly affected by the one-sided communication. As a result of this, enough information cannot be available. This raises the possibility of the perception going wrong. Thus, efforts should be made so that the two-way communication system should be implemented. In such a situation enough information will be available at the right time and at the right place. In case of enough information being made available the possibility of wrong perception is almost eliminated.

4.   Be Empathetic

Perceptual skill can be developed by having an empathetic attitude towards other people. It actually means looking at a particular situation from the point of view of others. By looking at problems from the point of view of others the reality of the problem or the situation can be understood in a better way. When a manager acts in an empathetic way, he will certainly be in a position to have a correct perception of the person or the situation and will be in a position to take comparatively better decisions.

5.   Avoiding Personal Biases

It is possible to develop perceptual skill by controlling personal biases or eliminating partial behaviour. The managers should always take care of the fact that they are not partial to anybody, they should be impartial in their attitude. Those people who behave in a partial manner, always form a wrong perception. Now. the question arises as to how such a behaviour towards others should be checked. Partial behaviour can be checked by controlling negative feelings about others. Therefore, it can be said that a manager who adheres to this formula can certainly be successful in having a correct perception.

Importance of Perception

Perception is important due to various reasons which are as follows:

1.   Facilitates Understanding of Human Behaviour

Perception is very important in understanding the human behaviour, because every person perceives the world and approaches the life problems differently. Whatever people see or feel is not necessarily the same as it really is. It is because what people hear is not what is really said, but what people perceive as being said. When a person buys something, it is not because it is the best, but because he takes it to be the best. Thus, it" is because of perception, it is found why one individual finds a job satisfying while another one may not be satisfied with it.

2.   Helps in Behaviour Prediction

If people behave on the basis of their perception, people can predict their behaviour in the changed circumstances by understanding their present perception of the environment. One person may be viewing the facts in one way which may be different from the facts as seen by another viewer.

3.   Assists in Determination of Needs

With the help of perception, the needs of various people can be determined, because people's perception is influenced by their needs. Like the mirrors at an amusement park, they distort the world in relation to their tensions.

4.   Effective Subordinate Dealing

Perception is very important for the manager who wants to avoid making errors when dealing with people and events in the work setting. This problem is made more complicated by the fact that different people perceive the same situation differently. In order to deal with the subordinates effectively, the managers must understand their perceptions properly.

4.5 FORMATION OF GROUP BEHAVIOUR

Q18. Define Group? Explain the characteristics of a group.

Ans :

A group consists of two or more persons who interact with each other, consciously for the achievement of certain common objectives. The members of the group are interdependent and are aware that they are part of a group.

Definition of Group

According to David H. Smith : *"A group is a set of two or more individuals who are jointly characterized by a network of relevant communications, a shared sense of collective identity and one or more shared dispositions with associated normative strength".*

According to Edgar H. Schien : *"A group may be defined as a social phenomenon in which two or more persons decide to interact with one another, share common idol*

gy and perceive themselves as a group".

In order to be called a group, an aggregation of persons must satisfy the following conditions.

i)   People must interact with one another.

ii)   People must be psychologically aware of one another.

iii)   People should perceive themselves to be a group.

Nature / Characteristics of a Group

1.   Social Interaction

One of the most obvious characteristics of group is that they are composed of two or more people in social interaction. In other

words, of group must have influence on each other. The interaction between parties may either verbal on nonverbal, but the parties must have some impact on each other to be considered as a group.

2.   Stable Structure

Group also must posses a stable structure. Although groups can change, and often do, there must be some stable relationships that keep group members together and functioning as an unit.

3.   Common Interest

Another characteristic of groups is that their members share common interests or goals.

4.   Perceive themselves as Part of Group

Finally, to be a group, the individuals involved must perceive themselves as a group. Group is composed of people who recognized each other as a member of their group and can distinguish these individuals from nonmembers.

Q19. What is group formation. Explain the nature of group formation.

Ans :

Group formation is a key stage in complete group development, leading to team cohesion and unity. In fact, group formation is the first part of any group development and needs to have a strong foundation to ensure complete group development. Without suitable focus, group formation will develop in a haphazard manner which could easily lead to the failure of any group project.

Group formation should not be about people just agreeing to work with each other. There will be group personalities to deal with different levels of ability and different talents that should unite to produce team cohesion. The formation of the group at this point is therefore very important. At the beginning there will, perhaps, be the usual human feelings of anxiousness, anxiety, suspicion, lack of confidence or demonstrative posturing. This is natural as group members begin to feel the group environment, examine the group's goal and try to figure out where they fit into the overall, picture.

After group formation, a group goes through predictable stages of development. Groups take time to develop. How long, of course, is impossible to specify. It depends on size, frequency of interaction, structural features, and so on. However, one of the best-known bits of literature on groups is Tuckman's model of group development based on a meta-analysis of the complex models which had been developed. It has the virtue of being memorable but the limitation of being rather rigid.

Nature of Group Formation

Nature of group formation includes:

1. Group formation involves the development of new relationships between the group and the individual group members. This development is important for both the new members as well as for the group itself.

2. During group formation, group and individual will exchange knowledge about appropriate norms, including the existing group structures, procedures and routines.

3. Establishing a clear set of rules, or norms, at the beginning of the group formation helps its members to proceed more effectively toward the group's goals.

4. Group formation depends on the members themselves; some people are more likely than others to join together and when they do a group is born. Group formation also depends on physical proximity, affective integration, and cognitive integration, including group norms.

5. The greater the extent to which individuals share activities the more they will interact and the higher the probability that they will form a group.

6. Groups also come into existence when the pressure of environmental circumstances pushes people together rather than keeping them apart.

7. Groups also spring up, sometimes unexpectedly, when people discover that they like one another, and this attention provides the foundation for the development of interpersonal bonds.

8. Getting a group formed takes time and skills, as personal skills and attitudes in forming a group are crucial to success.

9. The group formation helps to generate peer group support and solidarity. The group meets regularly, initially for awareness generation.

Q20. Explain the various stages of the group Development / Formation.

Ans : **(Nov.-20, Jan.-20)**

A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function. Group dynamics are relevant in both formal and informal groups of all types. In an organizational setting, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behavior.

The following sections provide information related to group dynamics. Specifically, the formation and development of groups is first considered. Then some major types or classifications of groups are discussed. Then the structure of groups is examined.

Stages of Group Development / Formation

According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members must address several issues and the way in which these issues are resolved determines whether the group will succeed in accomplishing its tasks.
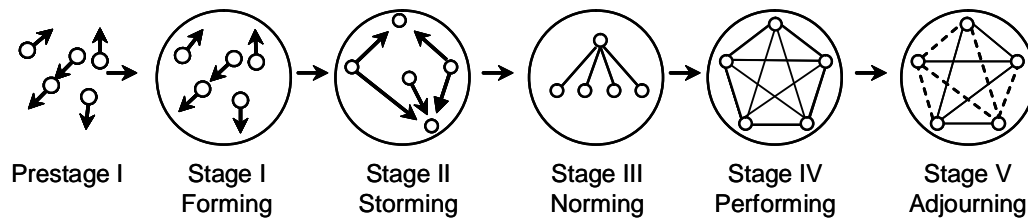
Figure : Stages of Group Development

1.   Forming

This stage is usually characterized by some confusion and uncertainty. The major goals of the group have not been established. The nature of the task or leadership of the group has not been determined . Thus, forming is an orientation period when members get to know one another and share expectations about the group. Members learn the purpose of the group as well as the rules to be followed.

The forming stage should not be rushed because trust and openness must be developed. These feelings strengthen in later stages of development. Individuals are often confused during this stage because roles are not clear and there may not be a strong leader.

2.   Storming

In this stage, the group is likely to see the highest level of disagreement and conflict. Members often challenge group goals and struggle for power. Individuals often vie for the leadership position during this stage of development. This can be a positive experience for all groups if members can achieve cohesiveness through resolution.

Members often voice concern and criticism in this phase. If members are not able to resolve the conflict, then the group will often disband or continue in existence but will remain ineffective and never advance to the other stages.

3.   Norming

This stage is characterized by the recognition of individual differences and shared expectations. Hopefully, at this stage the group members will begin to develop a feeling of group cohesion and identity. Cooperative effort should begin to yield results. Responsibilities are divided among members and the group decides how it will evaluate progress.

4.   Performing

Performing, occurs when the group has matured and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflict is resolved through group discussion. Members of the group make decisions through a rational process that is focused on relevant goals rather than emotional issues.

5.   Adjourning

Not all groups experience this stage of development because it is characterized by the disbandment of the group. Some groups are relatively permanent. Reasons that groups disband vary, with common reasons being the accomplishment of the task or individuals deciding to go their own ways. Members of the group often experience feelings of closure and sadness as they prepare to leave.

4.5.1 Classification of groups

Q21. Discuss how groups in organizations are classified.

Ans :   (Nov.-20, Jan.-20, May-19)

Groups can be of two types:

1.   Formal Groups

A designated work group defined by the organization's structure. A formal group is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviours that one should engage in are stipulated by - and directed toward - organizational goals. Examples include a book-keeping department, an executive committee, and a product development team. Formal groups may be command groups or task groups.

i)   Command Group: A command group consists of a manager and the employees who report to him or her. Thus, it is defined in terms of the organization's hierarchy. Membership in the group arises from each employee's position on the organizational chart.

ii)   Task Group: A task group is made up of employees who work together to complete a particular task or project. A task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships. An employee's membership in the group arises from the responsibilities delegated to the employee -that is, the employee's responsibility to carry out particular activities. Task group may be temporary with an established life span, or they may be open ended.

iii)   Committee: A group of people officially delegated to perform a function, such as investigating, considering, reporting, or acting on a matter. Committee, one or more persons appointed or elected to consider report on, or take action on a particular matter. It investigates analyses and debates the problem and makes recommendation.

Committee usually has their own committee member comprising of advisory authority, secretary and others. Recommendation is sent to the authority that is responsible for implementing them.

2.   Informal Groups

An organization's informal groups are the groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Many factors explain why people are attracted to one another. One explanation is simply proximity; when people work near one another every day, they are likely to form friendships. That likelihood is even greater when people also share similar attitudes, personalities, or economic status.

i)   Friendship Groups: Groups often develop because the individual members have one or more common characteristics. We call these formations 'friendship groups'. Social alliances, which frequently extend outside the work situation, can be based on similar age, same political view, attended the same college, etc.

ii)   Interest Groups: People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

iii)   Reference Groups: Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is a reference group. Employees have reference groups inside or outside the organization where they work. For most people, the family is the most important reference groups.

iv) **Membership Groups:** When a person does belong to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group) for that person. Members of a group have some collection of benefits and responsibilities that go beyond the group serving as a reference point. In a membership group, each member would be expected to contribute to the group's well being and would enjoy the benefits arising from the group members' friendship.

v) **Cliques:** A relatively permanent informal groups that involves friendship. Most of the relationships came down to two cliques, each with a hanger-on, and some isolates. The groups included several different professions. They developed ideas about each other. Clique membership acted as a form of social control, forcing people to conform to group desires. The groups established norms regarding output, treatment of supervisor, reciprocity and other interpersonal relations. The cliques served as a system for sense making about organizational events. They developed their own set of beliefs, explaining things to each other.

Q22. What are the factors affecting group behaviour.

Ans :

There are several factors that affect group behaviour in addition to the group process. These factors affect the group process and group decision making and hence it is important to learn about them.

1. **Norms**

Norms can be defined as "acceptable standards of behaviour that are shared by the group members." This is a guideline for members detailing what they ought and ought not to do under certain circumstances.

2. **Conformity**

Conformity is the process of adhering to group norms. Research evidence suggests strong evidence that groups can place strong pressures on individual members to change their attitudes and behaviours to conform to the group's standard. Norms are enforced effectively by the groups by:

1. Increasing communication with a non-conforming member

2. Ignoring the non-conforming member

3. Excluding him or her from activities and physical coercion or expulsion

3. **Status**

Status is a socially defined position or rank given to groups or group members by others. Those members of the group who enjoy a higher status are able to break group norms e.g., landing up late for meetings and often this can be a drag on the morale of the group.

4. **Groupthink**

Groupthink is perhaps the greatest danger to effectiveness of groups. Caught between the need for cohesion and multiplicity of ideas, most groups suffer from this. According to Irving Janis (1972), groupthink is "a deterioration of mental efficiency, reality testing, and moral judgment resulting from in-group pressures".

Groupshift: This is a special case of groupthink. As the discussion proceeds, those who are more conservative, tend to shift to greater risk. This can happen because:

1. once the members become familiar, they become bolder

2. the society values more risk and therefore people want to be seen as more risk taking

3. group decision is not attributable to a single person, people take greater risk since they do not have to shoulder accountability for it singly

5. Social loafing

Social loafing occurs when one or more group members rely on the efforts of other group members and fail to contribute their own time, effort, thoughts or other resources to a group since it is harder to attribute the group's output to individual contributions.

6. Production blocking

Production blocking is limiting another person's output by getting in his or her way. Production blocking occurs when too many employees are trying to work in a given space or when the organisation has poorly planned the use of its facilities. It can also occur when the organisation assigns more than the optimal number of employees to carry out a task. This is often a problem on the shop floor in India.

Q23. What are the differences between formal group and informal group?

Ans :

S.No.	Formal Groups/Organizations	S.No.	Informal Groups/Organizations
1.	Formal organizations are created deliberately and consciously by the frames of the organization.	1.	Informal organizations are created because of the operation of socio-psychological forces at the workplace.
2.	Purpose: These are created for achieving legitimate objectives of the organization.	2.	Purpose: These are created by organizational members for their social and psychological satisfaction.
3.	Size : These are large in size.	3.	Size: Informal groups tend to be small in size.
4.	Nature : Formal groups are stable and continue for a long time. Their membership is specified through organizational process.	4.	Nature: Informal groups are unstable in nature. Since their formation and functioning depend upon the value systems, general liking and disliking and other personality features of the members concerned, they may disappear very quickly due to change in the membership or change in values held.
5.	Number of Groups : The number of formal groups may depend on the organizational pattern.	5.	Number of Groups: There may be large number of informal groups.

4.5.2 Group properties

Q24. Explain about group properties.

Ans :   **(May-19)**

Work groups are not unorganized mobs; they have properties that shape members' behaviour and help explain and predict individual behaviour within the group as well as the performance of the group itself. Some of these properties are roles, norms, status, size, and cohesiveness.
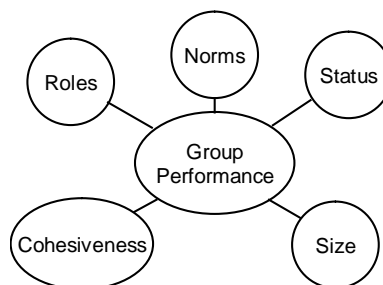
Figure : Group Property

Group Roles

Role is the expected pattern of behavior of an individual in a particular position of society. The employees of an organization play different roles within and outside the organization and understanding their roles helps to understand their behavior. Dimensions such as identity, perception, expectations, and conflict of roles influence the behavior of individuals.

1. Role Identity

Role identity results from attitude and behavior of individuals in different roles. Individuals need to make the necessary changes in behavior to suit the requirements of an organization. Changes like promotions, demotions, or any other changes in organizations require individuals to identify with the new roles and change and re-change their behavior accordingly.

2. Role Perception

Role perception is the view of an individual about accepted behavior in a particular role. Employees in an organization perceive and interpret the roles by observing the behavior of other employees.

3. Role Expectations

How an individual is expected to behave in a particular situation is referred to as role expectation. Employees and employers in organizations have different role expectations from each other. A psychological contract existing between employer and employees is an agreement that sets out expectations on the behavior of each party in performing various roles in the organization.

4. Role Conflict

Individuals play different roles in their personal and professional lives. The roles of an individual in the organization may contradict other roles in the organization or with the roles in his/her personal life as the expectations from the roles differ.

Group Norms

Norms are set standards for behavior of individuals. Norms can be formal or informal in organizations. Formal norms are stated in the manuals of the organization while informal norms are unwritten and are not specific. Informal norms of groups in organizations can sometimes be dysfunctional. Some norms are common to most workgroups and some workgroups have a set of norms specially set for them.

1. Norms pertaining to performance-related processes

Norms give an indication of the expected performance levels of employees. Informal norms of groups influence the performance of employees along with their personal motivation levels.

2. Appearance norms

Appearance norms include norms to dress up, to appear loyal to the organization along with the group, to be busy, and other formalized and informal norms.

3. Norms pertaining to informal social arrangements

These norms control the social interactions of people within organizations. They determine the friends that people make within the organization. Lunch groups in organizations are determined by such norms.

4. Norms that regulate the allocation of resources

These norms direct the allocation of new tools and equipment, assignment of projects, and overtime in organizations.

Norms for groups develop over time and can be after-effects of statements by influential members, important actions of a group and its responses, etc. Individuals need to stick to the norms of the group to be acceptable to members. Sometimes, groups can even pressure members to change their behavior.

Group Status

Status is the rank or social position given to an individual or group by others. It influences the behavior of individuals and motivates them. Organizational titles are used to establish status formally. People with high status in organizations have the liberty to deal with the norms of the

organization as per their convenience. If there is a difference between ranking by the organization and the perceived ranking of the employee, disequilibrium in status is created. This leads to corrections in behaviour. However, members of groups in general, have the approval of others on the rankings given to them.

In an organisation there are two types of status available :

(a) Formal status

(b) Informal status

A short description of it is as under :

(a) Formal Status

Various posts are created in every organisation, e.g. General Manager, Functional manager, Supervisor, etc. People get a particular post in accordance with their education, training and experience. The salary, other benefits, respect, etc. are connected with the position that one holds. Once gets encouraged on seeing these things and tries to work better.

(b) Informal Status

In an organisation alongwith the formal status one gets informal status also. Informal status is obtained with the help of experience, personality, age, sex, etc. Accepting somebody as the leader is an example of an informal status.

On the basis of the above description it can be said that group status is a prominent characteristic affecting the behaviour of the members.

4.5.3 Group Cohesiveness

Q25. Define group cohesiveness. What are the characteristics of group cohesiveness?

Ans :

Cohesiveness refers to the closeness among group members. Some groups seem to have a certain atmosphere of intimacy or common attitudes, behaviour and performance that is lacking in other groups. Group cohesiveness is generally regarded as characteristic of the group in which the

factors acting on the group members to remain and participate in the group are greater than those acting on members to leave it.

Characteristics of Group Cohesiveness

The characteristics are as follows :

(i) Cohesiveness is an important indicator of the degree of influence of the group as a whole. The greater the cohesiveness, the greater the group's influence on members.

(ii) Highly cohesive groups are usually characterized by good feeling among members and an absence of tension, hostility and major conflicts.

(iii) Highly cohesive groups are potentially better performers than non-cohesive groups.

How Can Managers Encourage Cohesiveness?

1. Make the group smaller

2. Encourage agreement with group goals

3. Increase the time spent together

4. Increase the status and perceived difficulty of group membership

5. Stimulate competition with other groups

6. Give rewards to the group rather than to individual members

7. Physically isolate the group

Q26. Explain the Factors Effecting Group Cohesiveness

Ans :

Some groups have more cohesiveness while some others have less of it. The following elements influence the extent of cohesiveness in the group:

(i) Competition

Competition deeply affects the cohesiveness of the group. Competition can be of two types: (i) between the members of the same group, (ii) between one group and the other. If the competition is between the members of the same group, it will reduce the group cohesiveness. If the competition is between one group and other, cohesiveness will increase.

(ii) Outer Threat

If one group gets threatened by the other group, then all the members of the first group will forget their bitterness and get united. Consequently, the group cohesiveness will increase. In this way, we can say that outer threat affects group cohesiveness.

(iii) Group Composition

The basis of the group composition is the specialities of its members. If all the members of a group have similar qualities, it is called homogeneous group. In such a group because of the similarity of nature of the members, there is more cohesiveness. On the contrary, if the members of the group have dissimilar nature, the group is called hetrogeneous group. In such a group because of the dissimilarity of qature of the members group cohesiveness is less.

(iv) Group Size

The size of the group can both be large or small. If the size of the group is small members will be close to one another. As a result of it, there will be greater cohesiveness. On the contrary, if the size of the group is large, there is not regular meeting among the members as they may be spread over a large area. In such a group, the group cohesiveness will be less.

(v) Group Leadership

The extent of the group cohesiveness depends to a large extent on the leader of the group. If the leader possesses all the qualities of a good leader, it will have positive effect on the members. There will be more group cohesiveness. On the contrary, if the leader happens to be careless, it will have negative effect on the members. As a result of it, group cohesiveness will be less.

(vi) Success Rate

The members of the group that is regularly achieving its objectives successfully will be more satisfied. Such a group has more group cohesiveness. On the contrary, the members of a group who are regularly failing to achieve their objectives will be dissatisfied. In such a situation, the group cohesiveness will decidely be less.

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4.6 BUILDING TEAMS

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Q27. Define team building? Explain its interventions.

Ans :

Team building is a method of improving organizational effectiveness at the team level by diagnosing barriers to team performance and improving inter-team relationships and task accomplishment. Team building analyses the activities, resource allocations and relationships of a group or team to improve its effectiveness. This technique can be used to develop a sense of unity among members. Team building is for two types of teams viz., (i) an existing or permanent team comprising of a manager and his/her subordinates often called a family; group and (ii) a new group made through a merger or other structural changes in the organisation or formed to solve a specific problem called the special group.

Team work needs collaboration among its members. It is said that one plus one may be three in team work due to the impact of synergy. The synergetic effect is evident in team work. Each team is a linking pin to another team and to the total organisation. Teams do wonders. They make the impossible things possible.

Team Building Interventions

Team building activities, for both kinds of groups, aim at

➢   Diagnosing barriers to effective team performance,

➢   Improving task accomplishment and improving relationship between team members.

➢   Understanding and managing group process and culture,

➢   Role analysis technique for role clarification,

➢   Definition and role negotiation techniques is important

Diagnostic meetings
Team building focused on

Task accomplishment, including
problem solving, decision making,
role clarification, goal setting, etc.

Building and maintaining effective
interpersonal relationships, including
boss subordinate relationships and
peer relationships

Family Group
(ntact work teams

Understanding and manaing group
processes and culture

Role analysis technique for the
clarification and delintion

Role negotiation techniques

TEAM - BUILDING
ACTIVITIES

Diagnostic meetings
Team building focused on

Task accomplishment, especially
special problems, role and goal
utilization, etc

Relationship, especially interpersonal
or interunit connflict, and underutilization
of each other as resources.

Special Groups
(Start-up teams,
Special project
teams, etc.)

Processes, especially communications,
decision-making, and task allocation

Role analysis technique for role
clarification and definition

Role negotiation

Diagnostic meeting may involve the total group and several sub-groups and require only a brief time in order to identify strengths and problem areas and to conduct a general critique of the performance of the group. Actual team building requires a subsequent longer meeting ideally held away from the work place. The purpose of this meeting is to improve the team's effectiveness through better management of task demands, relationship demands and group processes.

The role analysis technique is designed to clarify role expectations and obligations of team members to improve team effectiveness. Role negotiation intervenes directly in the relationships of power, authority and influence within the group. A follow-up meeting evaluates the success of the action steps.

Q28. Explain the purpose and essential conditions of team building.

Ans :

Purpose of Team Building

The purposes of team building are:

(i)   to set goals or priorities;

(ii)   to analyse/allocate the way the work is performed;

(iii)   to examine the way a group is working and its process;

(iv)   to examine the relationships among people.

       The primary goal of team-building activity is task accomplishment and

Essential Conditions of Team Building

       The essential conditions for team building include:

➤   Every member must have a clearly assigned role

➤   The team must take collective responsibility for the action of each of its members

➤   Team must speak with one voice

➤   No appeal from one member to another

➤   Good team is small in number

➤   No inordinate difference in salary of members and

➤   Each member should be able to handle responsibilities of other members.

The essential hints to the manager to build the team successfully are:

➤   Hold small and informal meetings for minor problems and large and long meetings for strategic issues

➤   Create a climate of cooperation

➤   The rule of order is to pick easy problems first

➤   Keep the atmosphere casual and light

➤   Compliment the participants and strengthen the spirit of cooperation and collaboration

➤   Keep an open mind

➤   Don't harp on a pet idea and do not let any one else hog the floor either

➤   Encourage the subordinates to formulate the goals through you are the-boss

➤   Workers expect something to fulfil their goals;

➤   Help the members when they need it

➤   Protect the workers when they do something wrong

➤   Provide the members all necessary material, finance etc.

➤   Follow feed forward and feedback and keep the members informed always and

➤   Be aware that the democracy is almost always the best policy.

Short Question & Answers

1.   Define organizational behaviour.

Ans :

Definition of Organisational Behavioar

➢   **According to John W. Newstrom and Keith Davis** define the term organisational behaviour as, "the study and application of knowledge about how people as individuals and as groups - act within organisations. It strives to identify ways in which people can act more effectively."

      This definition deals with the behaviour of the people as individual and as members of groups within the organisations. It also deals with diverting the human behaviour towards organisational requirements.

➢   **According to Stephen R Robbins** defines organisational behaviour as "a field of study that investigates the impact that individuals, groups and structures have on behaviour within organisations for the purpose of applying such knowledge toward improving an organisation's effectiveness."

      This definition deals with the development of knowledge regarding the behaviour caused by individuals, groups and structures in an organisation also deals with utilization of such knowledge for enhancing organisational effectiveness.

➢   **According to Steven L. McShane and Mary Ann Von Glinow** define organisational behaviour as "the study of what people think, feel and do in and around organisations." The authors view that organisational behaviour includes the study of the impact of individual, team and structural characteristics on behaviour in organisations and understanding and predicting the impact of these behaviours on organisational success.

➢   **According to Fred Luthans** defines organisational behaviour as "the understanding prediction and management of human behaviour in organisations."

      This definition seems to be simple and cdmprehensive. But further analysis is necessary to understand it thoroughly.

➢   Organisational behaviour can be defined as studying, predicting and managing human behaviour caused by individuals, groups and structures towards the requirements of organisational strategies.

      Analysis of these definitions indicates the following features of organanisational behaviour.

2.   Define Organizational Culture.

Ans :

      Culture is generally subjective and reflects the meanings and understanding that we typically attribute to situations.

      Organisational culture is defined as the set of assumption, beliefs, values and norms that are shared by an organisation's members.

Definitions of the Culture

      According to Deal and Kennedy say that culture is the single most important factor accounting for the success or failure or an organization.

      Organisational culture is a set of assumptions that the members of an organisation share in common. The assumption may be in the form of internally oriented characteristics or externally-oriented characteristics. Internally-oriented characteristics include values, attitudes, beliefs, feelings, personality types etc., also known as abstract elements of culture. Externally-oriented characteristics include buildings, products, dresses etc., also known as material elements of the culture.

3.   Importance of Organizational Culture.

Ans :

1.   Acts as Talent Attractor

      Organisational culture is part of the package that prospective employees look at when assessing organisation. The talent market is

tighter and those looking for a new organisation are more selective than ever. The best people want more than a salary and good benefits. They want an environment they can enjoy and succeed in. Good organisation culture can help in attracting good and potential employees.

2. Engages People

People want to be engaged in their work. Organisation culture can engage people. Engagement creates greater productivity, which can impact profitability.

3. Creates Greater Synergy

A strong culture brings people together. When people have the opportunity to (and are expected to) communicate and get to know each other better, they will find new connections. These connections will lead to new ideas and greater productivity and create a great synergy in employees' work. Literally, 1+1+ right culture = more than 10.

4. Makes Everyone more Successful

An investment of time, talent and focus on organisational culture will make everyone more successful. Not only is creating better culture a good thing to do for the human capital in the business, it makes good business sense too.

5. Acts as Control System

That culture is a deeply embedded form of social control that influences employee decisions and behaviour. As a control system, culture is pervasive and operates unconsciously. Employers might think of it as an automatic pilot, directing employees in ways that are consistent with organisational expectations.

4. Diversity.

Ans :

Diversity refers to the difference among people/ employees/workforce with regard to factors like Age, Gender, Ethncitiy, Race or Physical ability. According to online Dictionary of Webster, diversity is "the condition of being different or diverse, variety".

In the present environment, Diversity at workplace is significantly seen in due to the concept of globalization and internationalization. As a result, it has become an important concept within the context of organizational behaviour. Therefore, a manager needs to be careful while managing diversity at workplace, because optimum management of diversity may help him to achieve greater organizational efficiency and employee growth.

The Concept of 'Diversity' is further explained with reference to,

    (a)   Demographic characteristics

    (b)   Levels of Diversity

    (c)   Discrimination.

5. Define Personality.

Ans :

In the organisational behaviour human behaviour is primarily the focus of study and personality happens to be an important aspect of human behaviour. It is, therefore, important for the manager to study personality so that they are able to control the behaviour of their subordinates.

Personality combines both the psychological and physical aspects with the help of which one comes to have a special adjustment with the circumstances. It is only on the basis of his personality that a person appears to be different from the other members of the group. Personality does not one some particular quality of a person. On the contrary, it's a combination of all the psychological and physical traits. It is, therefore a fact that personality of an individual is referred to as a whole just as a house gets a complete shape when all the bricks are joined with the help of cement so is the case with personality which is a combination of all the traits of an individual.

Definitions of Personality

According to Schiffman and Kanuk, "Personality can be defined as those inner psychological characteristics that both determine and

reflect how a person responds to his or her environment".

According to Gordon Allport, "Personality is the dynamic organisation within the individual and consists of those psychophysical systems that determine his unique adjustments to his environment".

According to Eyseneck, "Personality is more or less a stable and enduring organisation of a person's character, temperament, intelligence and physique which determine his unique adjustment to environment".

According to Camerson, "Personality is the dynamic organisation of interlocking behaviour systems, that each of us possesses, as he grows from a biological newborn to a biological adult in an environment of other individuals and cultural products".

6.   Sheldon's Type Theory.

Ans :

Sheldon defined three typical physical types with three distinctive patterns of personality:

i)   Endomorphic with a soft and round body, large trunk, thick neck and relatively short legs. They are generally easy-going, relaxed and sociable in temperament.

ii)   Mesomorphic with a muscular and athletic type of body stature. They are assertive, aggressive and energetic type of people.

iii)   Ectomorphic with a fragile body build. They are usually socially withdrawn and over restrained in nature and vend to suffer from inferiority complexes.

The relative-existence of these physical elements indicates specific personality patterns. Corresponding to these aspects, he assumed three aspects of temperament - viscerotonia (love of comfort and affection), soamtotonia (physical adventure and risk taking) and cerebrotonia (restraint and inhibition). Although he assumed a very close relationship between respective aspects of structure and personality, there is no evidence to support this view.

7.   Sigmund Freud's Psychosexual Theory.

Ans :

Freud's psychosexual theory proposes that three components of personality i.e., the id, ego, and superego develop and gradually become integrated in a series of five developmental psychosexual stages. These three components are as follows:

i)   **Id:** The id is the source of strong inborn drives and urges such as aggression and sex. The id operates on what is called the pleasure principle, that is, it acts to avoid tension and seeks immediate pleasure. However, it tends to operate at a very subjective and unconscious level and is not fully capable of dealing with objective reality. Also, many of its impulses are not acceptable to the values of organised society.

ii)   **Ego:** The ego comes into being because of the limitations of the id in dealing with the real world. Through learning and experience, the ego develops the individual's capabilities of realistic thinking and ability to deal appropriately with his environment. It operates on what is called the reality principle, which is capable of postponing the release of tension until that time when it will be effectively directed at coping with the external environment. To illustrate, although in hunger individual's id would encourage him to just take food away from his friend, the ego might reason that asking for the food may take longer but may also result in getting a greater portion. Because it serves in this way as the organised focal point for effective action in the environment, the ego is said to be the executive of the personality.

iii)   **Super Ego:** The super ego represents societal and personal norms and serves as an ethical constraint on behaviour. It can best be described as the conscience. The super ego provides norms to ego to determine what is wrong or right. However, a person is not aware of the working of the super ego, and conscience is developed by absorption of cultural values and norms of the society.

8.   Define Perception.

Ans :

Perception is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world. Sensation usually refers to the immediate, relatively unprocessed result of stimulation of sensory receptors in the eyes, ears, nose, tongue, or skin.

Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to us.

Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

Definitions of Perception

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

According to Joseph Reitz, "Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting, and smelling."

According to Kolasa, "Perception is selection and organization of material which stems from the outside environment at one time or the other to provide the meaningful entity we experience."

According to S.P. Robbins, "Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment."

9.   Characteristics of Perception.

Ans :

1.   Mental Process

Perception is a mental process. Under it an individual chooses, organises and interprets

information available in the environment. No individual can get attracted towards all the stimuli available in the environment. He selects only those stimuli which are related to him. After selecting the stimuli they are organised so that they are interpreted. In the end they are explained. In this way, one needs brain or intelligence at every step in the process of perception. Therefore, it will be quite right to call it a mental process.

2.   Activation Process

Perception is a process of activating an individual. Prior to the process of perception there is some sensation. Under sensation an individual remains inactive. He simply feels and does not react in any way. On the contrary, an individual gets activated under perception. Signal received from physical sensory organs set him thinking and his mind gets activated. Hence, perception is a process of activation.

3.   Subjective Process

Subjectivity means interpreting some thing on the basis of individual interest and understanding and not on the basis of facts. In other words, subjective process means looking at an object by different individuals from different point of views. Perception has this inherant speciality. Under perception a single particular truth can be viewed differently by different people. The main cause of this happens to be the fact that each individual has a different way of collecting information from the environment, organising it and interpreting it differently.

4.   Unique Interpretation

Perception is a particular interpretation of a real situation and is not an actual representation of reality. In other words, it can be said that perception is not a photocopy presentation but is only a description of some object, event or individual according to an individual's understanding. Every individual interprets the real world in a different manner. Two individuals can have difference of opinion on any single point. Out of these both the two or any one of them can be wrong.

10.   Define Group.

Ans :

A group consists of two or more persons who interact with each other, consciously for the achievement of certain common objectives. The members of the group are interdependent and are aware that they are part of a group.

Definition of Group

According to David H. Smith : "A group is a set of two or more individuals who are jointly characterized by a network of relevant communications, a shared sense of collective identity and one or more shared dispositions with associated normative strength".

According to Edgar H. Schien : "A group may be defined as a social phenomenon in which two or more persons decide to interact with one another, share common ideolo

gy and perceive themselves as a group".

In order to be called a group, an aggregation of persons must satisfy the following conditions.

i)   People must interact with one another.

ii)   People must be psychologically aware of one another.

iii)   People should perceive themselves to be a group.

11.   Formal Groups.

Ans :

A designated work group defined by the organization's structure. A formal group is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviours that one should engage in are stipulated by - and directed toward - organizational goals. Examples include a book-keeping department, an executive committee, and a product development team. Formal groups may be command groups or task groups.

i)   Command Group

A command group consists of a manager and the employees who report to him or her. Thus, it is defined in terms of the organization's hierarchy. Membership in the group arises from each employee's position on the organizational chart.

ii)   Task Group

A task group is made up of employees who work together to complete a particular task or project. A task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships. An employee's membership in the group arises from the responsibilities delegated to the employee -that is, the employee's responsibility to carry out particular activities. Task group may be temporary with an established life span, or they may be open ended.

iii) Committee

A group of people officially delegated to perform a function, such as investigating, considering, reporting, or acting on a matter. Committee, one or more persons appointed or elected to consider report on, or take action on a particular matter. It investigates analyses and debates the problem and makes recommendation. Committee usually has their own committee member comprising of advisory authority, secretary and others. Recommendation is sent to the authority that is responsible for implementing them.

12.   Define group cohesiveness.

Ans :

Cohesiveness refers to the closeness among group members. Some groups seem to have a certain atmosphere of intimacy or common attitudes, behaviour and performance that is lacking in other groups. Group cohesiveness is generally regarded as characteristic of the group in which the factors acting on the group members to remain and participate in the group are greater than those acting on members to leave it.

Characteristics of Group Cohesiveness

The characteristics are as follows :

(i) Cohesiveness is an important indicator of the degree of influence of the group as a whole. The greater the cohesiveness, the greater the group's influence on members.

(ii) Highly cohesive groups are usually characterized by good feeling among members and an absence of tension, hostility and major conflicts.

(iii) Highly cohesive groups are potentially better performers than non-cohesive groups.

13. Define team building.

Ans :

Team building is a method of improving organisational effectiveness at the team level by diagnosing barriers to team performance and improving inter-team relationships and task accomplishment. Team building analyses the activities, resource allocations and relationships of a group or team to improve its effectiveness. This technique can be used to develop a sense of unity among members. Team building is for two types of teams viz., (i) an existing or permanent team comprising of a manager and his/her subordinates often called a family; group and (ii) a new group made through a merger or other structural changes in the organisation or formed to solve a specific problem called the special group.

Team work needs collaboration among its members. It is said that one plus one may be three in team work due to the impact of synergy. The synergetic effect is evident in team work. Each team is a linking pin to another team and to the total organisation. Teams do wonders. They make the impossible things possible.

UNIT V

Leadership and Motivation

Leadership traits, Leadership styles, Leadership theories, Power and Politics.

Motivation

Approaches to Motivation, Maslow's needs hierarchy theory, two factor theory of motivation, McGregor's theory, ERG theory, McClelland's needs theory, Valance Theory

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5.1 LEADERSHIP

Q1. Define leadership.

Ans :

Leadership is the factor that helps individuals and groups to achieve the goal. It is the process of influencing and supporting employees or others to work enthusiastically toward achieving the objectives.

Definitions of Leadership

"Leadership is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals."

"Leadership is the ability to get other people to do what they don't want to do an like it".

– Harry Truman

"Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action."

– Chester Barnard

"Leadership is the ability of a manager to induce subordinates to work with confidence and zeal."

– Koontz and O'Donnell

"Leadership is the activity of influencing people to strive willingly for mutual objectives."

– George R. Terry

Q2. What are the Components of Leadership?

Ans :

According to House et all, "leadership is the ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organisation".

Components of Leadership

The important components of leadership includes the following,

1. **Leadership is a Process**

   When leadership is being defined as a process it refers that is not a feature or trait of a leader that prevails in leader but it is a transactional event which takes place between the leader and the followers. Process refers to a two-way event which is interactive wherein leader affects and is affected by followers. This definition of leadership conveys that it is available for everyone and that not limited to formal designated leader in a group.

2. **Leadership Includes Influence**

   It deals with as to how the leader influences his followers. Influence refers to sine equal non of leadership which means leadership does not prevail without influence.

3. **Leadership Exists in Groups**

   In this regard leadership takes place in a group wherein group of individuals with a common goal are being influenced by a leader. These groups can be in the form of a community group, small task group or a large group including the whole organization. A group is regarded as essential component for the leadership to take place whereas leadership training programs are not considered important in definition of leadership.

4. **Leadership Includes Common Goals**

   In this component leaders completely focuses upon those individuals who are striving hard

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to achieve the common goals. Common goal refers to mutual understanding/purpose that exists between leaders and followers. By focussing upon mutuality it reduces, the possibility of leaders and followers who are working together to achieve the common goal.

Q3. What are the Characteristics of Leadership?

Ans :   (June-18)

After analyzing the definitions of leadership, the following major characteristics become quite apparent:

1. Followers

The first requirement of leadership is the presence of followers without whom leadership cannot be thought of. Without followers, leader himself has no existence. Therefore, it is important that leader should have followers (or the employees) to work with.

2. Personal Ability

Leadership depends on the ability of a particular individual. For example, the degree of the success of a manager will be in proportion to his qualities of leadership. Different scholars have different opinions about the ability of an individual with reference to leadership. According to one opinion this ability is inborn, while according to the other view this ability can be acquired. Still the third opinion holds the view that leaders are born as well as made.

3. Influencing Process

Leadership is a process of influencing people. It means taking other people under one's influence. Under leadership a leader behaves with his followers in such a manner that they come under his influence effortlessly and they start working in accordance with his wishes.

4. No Need of Coercion

It is an important characteristic of leadership that it does not require coercion. A manager so impresses the employees with his behaviour that they willingly start working. Leadership does not mean getting work out of the employees under coercion.

5. Full Capability Utilisation

It is clear that ordinarily an individual does not work at his full capacity. He needs to be encouraged to do so and this is possible only under leadership .Thus, it is a characteristic of leadership that the followers start working at their full capacity.

6. Ideal Conduct

It is important for leadership that a leader should have an ideal conduct. He should not only be delivering lectures to others but should behave in a manner that he expects from others. For example, if a manager tells his employees to be punctual in coming to their work but himself always arrives late at office, he cannot be a successful leader.

7. Leadership is a Continuing Process

Leadership is a continuous process. In other words, the job of a leader does not end by explaining the objectives of the organisation to his followers but they have to be regularly guided. Therefore, it can be said that leadership is a dynamic process.

8. Leadership is a Part of Management but not all of it

Generally, management and leadership are thought to be synonyms, but it is a wrong idea. Under management, we include planning, establishing the organizational structure for the implementation of planning, appointing competent persons on different posts in the organizational structure, and exercising control over them. All these functions require a manager but he cannot successfully perform these functions if he does not know how to lead or get work done through other people. The reality is that a leader is not appointed separately but a manager has to take the burden of leadership while performing his managerial functions.

9. Leadership is ever a new Process

Normally the nature of work, the efficiency of people, enthusiasm for work and level of

competition continue changing. In this way new problems daily confront the leader in the changing situations. To face these problems the leader has to find out new techniques of leadership so that he continues motivating his followers as usual so that they can successfully achieve the objectives. It is, therefore, said that leadership is always a new process.

10. Leadership is something a person does, not something he has

Leadership is associated not with the name of a person or his position but with his works. In other words, leadership is recognized from the way how successfully a person influences his followers. For example, a person holding a high post can lack the qualities of leadership, while another person on a low level post can be a leader because of his really good behaviour. In other words, the presence of the qualities of leadership in an individual does not depend on his bookish knowledge but on his practical knowledge.

11. Leadership transforms Potential into Reality

Leadership is that power which brings to light the latent abilities with the help of one's conduct. Generally, some employees cannot estimate their capabilities. There is a mental limit of their work which tells them that they cannot do any more than this but in reality it is not so. An efficient leader brings out their hidden capability by motivation. Thus, the objectives which appear to be imaginary are converted into reality.

12. Leaders exist because of the need of the people to follow some one

If the human nature has a tendency to work, there will be no need to have a leader but the reality is not so. Mostly the employees shirk work so long as they do not get clear orders and directions. Leadership fulfils such needs of the people. Leadership strikes an understanding between the available business environment and the feelings of the employees. They are motivated in such a

manner that they start using their utmost capacity most enthusiastically in the available situations.

Q4. Explain the various Skills of Leadership.

Ans :

1. Communication

Leaders must master all forms of communication, including one-on-one, departmental, and full staff conversations, as well as communication via the phone, email, and social media.

A large part of communication involves listening. Therefore, leaders should establish a steady flow of communication between themselves and their staff or team members, either through an open-door policy or regular conversations with workers. Leaders should make themselves regularly available to discuss issues and concerns with employees. Other skills related to communication include:

➢ Active listening

➢ Articulating

➢ Business storytelling

➢ Clarity

➢ Concision

➢ Correspondence

➢ Editing

➢ Explaining

➢ Expression

➢ Facilitating group conversations

➢ Non-verbal communication

➢ Presentation

➢ Public speaking

➢ Reading body language

➢ Reducing ambiguity

➢ Verbal communication

➢ Written communication

2. Motivation

Leaders need to inspire their workers to go the extra mile for their organisations; just paying a fair salary to employees is typically not enough inspiration (although it is important too). There are a number of ways to motivate your workers: you may build employee self-esteem through recognition and rewards, or by giving employees new responsibilities to increase their investment in the company. Leaders must learn what motivators work best for their employees or team members to encourage productivity and passion. Skills related to effective motivation include:

➢ Allowing employee autonomy

➢ Asking for input

➢ Assessing interests of staff

➢ Convincing

➢ Mentoring

➢ Open to employee concerns

➢ Persuasive

➢ Providing productive and challenging work

➢ Providing rewards

➢ Recognizing others

➢ Setting effective goals

➢ Team building

➢ Thanking staff

➢ Understanding employee differences

3. Delegating

Leaders who try to take on too many tasks by themselves will struggle to get anything done. These leaders often fear that delegating tasks is a sign of weakness, when in fact, it is a sign of a strong leader.

Therefore, you need to identify the skills of each of your employees, and assign duties to each employee based on his or her skill set. By delegating tasks to staff members, you can focus on other important tasks. Some skills that make a good delegator include:

➢ Accepting feedback from employees

➢ Allotting resources for employees

➢ Assessing employee strengths and weaknesses

➢ Defining expectations

➢ Evaluating employee performance

➢ Identifying measurable outcomes

➢ Matching the task to the right employee

➢ Prioritising tasks

➢ Setting expectations

➢ Teamwork

➢ Time management

➢ Training

➢ Trust in employees

4. Positivity

A positive attitude can go a long way in an office. You should be able to laugh at yourself when something doesn't go quite as planned; this helps create a happy and healthy work environment, even during busy, stressful periods. Simple acts like asking employees about their vacation plans will develop a positive atmosphere in the office, and raise morale among staff members. If employees feel that they work in a positive environment, they will be more likely to want to be at work and will therefore, be more willing to put in the long hours when needed.

Some skills that help make for a positive atmosphere in the workplace include:

➢ Caring

➢ Conflict management

➢ Developing rapport

➢ Diplomacy

➢ Encouraging

➢ Empathetic

➢ Friendliness

➢ Helping others

➢ Humour

➢ Interpersonal

➢ Positive reinforcement

➢ Respect

➢ Social

5.   Trustworthiness

Employees need to be able to feel comfortable coming to their manager or leader with questions and concerns. It is important for you to demonstrate your integrity - employees will only trust leaders they respect.

By being open and honest, you will encourage the same sort of honesty in your employees. Here are some skills and qualities that will help you convey your trustworthiness as a leader:

➢ Ability to apologise

➢ Accountability

➢ Business ethics

➢ Confidentiality

➢ Conscientious

➢ Consistent in behaviour towards employees

➢ Credibility

➢ Emotional intelligence

➢ Empathy

➢ Honesty

➢ Integrity

➢ Moral compass

➢ Reliability

➢ Respectfulness

➢ Standing up for what is right

➢ Thoughtful

5.1.1 Functions of Leadership

Q5.   What are the Functions of Leadership ?

Ans :

1.   Setting the Target

At first of the function of leadership is to determine the target. On the basis of the policies of the organization. In fact a leader provides guidance to group of the people by setting goals. In the any business Organization a leader has an accountability to decide about the target. And after that the target which is decided by the leader is implemented by a group of the people. Who are working in the organization. On the whole it is clear that a leader provides guidance to the group of the people by setting the target. It is an essential function of a leader.

2.   To strive towards the goal

The another function of a leadership ostensibly to accomplish the organizational goal. Which is decided by himself. In fact a leader has an responsibility to strive the Whole activities & events towards the goal. As we know that the main objective or goals of a leader is to earn more and more Profit. But to earn more & more profit it is very essential that all the activities & events must be concerned with the Organizational goal. But its may be possible when a leader is to do the all activities towards the goal. Hence, it is clear that the function of a leader is to strive the whole activities towards the goal.

3.   Policy Maker

It is a Very Vital Function of a Leader. The Policy of the any organization is made by a leader. In fact a leader has a responsibility to determine the policies of the Organization. Because all the activities of the organization is done on the basic of the Policies of the Organization. Hence, It is very essential that the Policies of the Organization must be in the favor of organization. On the other side. If the Policies of the organization is not in the favour of the organization then such kind of Organization can't survive a long time. It is the duty of a leader is to make a policy of

the organization. Which is in the favour of him. On the whole it is Clear that as a policy maker it is an essential function of a leader.

3 Motivation

One of the most essential function of a leader is Motivation. How to motivate a group of the people who are working in the organization for the Purpose of accomplishing organizational goal. In fact Motivation is an important weapon of a leader by which he can establish unity & coordination amongst the group of people. Who are working in the organization for the purpose of getting things done. So that it is clear that motivation must be required in the organization to do the various activities in the proper direction. On the other hand in the absence of a motivation tool a leader can't do any activity in the proper direction. Hence, it is Clear that motivation is one of the must important function of a leader.

4 To determine different activities

In the context of the functions of a leader the determination of different activities is an important function. As we know that is any business organization there different types of activities is done by the different types of the peoples. It is the liability of leader to determine the different activities & to divide the activities amongst the employees on the basis of their ability. In the absence of such function an organization can't achieve his own Objective in the proper way. On the whole it is clear that by dint of this function a leader can achieve his goal very smoothly.

5. To bring Economy in Operations

By the process of leadership a leader can bring the economy in various operations. Which is done in the Organization. As we know that under the organization there are different types of operations & activities is done by different types of the employees Hence, it is the duty of a leader to bring economy in all operations of the organization by dint of their own ability. So that it is that to bring economy on operations leadership functions is required.

5.2 LEADERSHIP TRAITS

Q6. Define trait. Explain in detail different leadership traits.

Ans :   (Nov.-21, Aug.-21)

Trait

Trait is defined as a relatively enduring quality of an individual. The 'Trait approach' seeks to determine what makes a successful leader from the leader's own personal characteristics. It is emphasized that a particular individual becomes a successful leader because he possesses certain qualities or characteristics.

Leadership Traits

Trait approach leadership method involves selecting leaders of eminence and studying their characteristics. The hypothesis was that the persons having certain traits could become successful leaders.

According to Stogdill, various trait theories have suggested the following traits in a successful leader,

1. Physical and constitutional factors (height, weight, physique, energy, health, appearance.

2. Intelligence

3. Self-confidence

4. Sociability

5. Will (initiative, persistence, ambition)

6. Dominance

7. Surgency (talkative, cheerfulness, geniality, enthusiasm, expressiveness, alertness and originality.

The traits can be classified into innate qualities and acquirable qualities,

(a)   Innate Qualities

Innate qualities are those which are possessed by various individuals since their birth. These qualities are natural, often known as God gifted. These qualities cannot be acquired by individuals. It includes,

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i) **Physical Features :** Physical features of a man are determined by heredity factors. Heredity is the transmission of the qualities from ancestors to descendants. Physical characteristics and role of maturity determine personality formation, which is an important factor in determining leadership success. Height, weight, physique, health and appearance are also important for leadership.

ii) **Intelligence :** Higher level of intelligence is required. Intelligence is generally expressed in terms of mental ability. Intelligence to a great extent is a natural quality in the individuals.

There are some persons who believe that most of the human qualities are partly natural and partly a matter of acquisition through training.

(b) Acquirable Qualities

Acquirable qualities of leadership are those which can be acquired and increased through various processes. Behavioural patterns are developed in the child as various traits over a period of time. Many of these traits can be increased through training programmes. It includes,

i) **Emotional Stability :** A leader should have a high level of emotional stability. He should be free from bias, consistent in action and refrain from anger. He should be well- adjusted, self-confident and should have no anti-social attitudes.

ii) **Motivating Skills :** The leader can play an active role in stimulating the inner drives of his followers. A leader must understand his people to the extent that he knows how to activate them.

iii) **Technical Skills :** The ability to plan, organize, delegate, analyze, seek advice, make decisions, control and win cooperation requires the use of important abilities which constitute technical competence of leadership. The various technical competencies of

leaders may win support from their followers.

iv) **Communicative Skills :** A successful leader knows how to communicate effectively. Communication has great force in getting acceptance from its receivers. A leader uses communication skillfully for persuasive, informative and stimulating purposes. A successful leader is an extrovert.

v) **Social Skills :** A successful leader has social skills. He understands people and knows their strengths and weaknesses. He should have the ability to work with people and conduct himself so that he gains their confidence and loyalty and people cooperate willingly with him.

5.3 LEADERSHIP STYLES

Q7. Explain different types of Leadership Styles.

Ans :　　　　　　　　　(Nov.-21, Dec.-18, Imp.)

Leadership styles :

The different types of leadership styles is as follows:

1. Autocratic leadership

Autocratic leadership, also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their own ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group. Characteristics of Autocratic Leadership Some of the primary characteristics of autocratic leadership include:

➢ Little or no input from group members

➢ Leaders make the decisions

➢ Group leaders dictate all the work methods and processes

➢ Group members are rarely trusted with decisions or important tasks Benefits of

Autocratic Leadership Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently.

Downsides of Autocratic Leadership While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who abuse an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members. Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas. Researchers have also found that autocratic leadership often results in a lack of creative solutions to problems, which can ultimately hurt the performance of the group. While autocratic leadership does have some potential pitfalls, leaders can learn to use elements of this style wisely.

2.   Democratic leadership

Democratic leadership, also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process. Researchers have found that this learning style is usually one of the most effective and lead to higher productivity, better contributions from group members, and increased group morale. Characteristics of Democratic Leadership Some of the primary characteristics of democratic leadership include:

➢   Group members are encouraged to share ideas and opinions, even though the leader retains the final say over decisions.

➢   Members of the group feel more engaged in the process.

➢   Creativity is encouraged and rewarded.

Benefits of Democratic Leadership

group members are encouraged to share their thoughts, democratic leadership can leader to better ideas and more creative solutions to problems. Group members also feel more involved and committed to projects, making them more likely to care about the end results. Research on leadership styles has also shown that democratic leadership leads to higher productivity among group members.

Downsides of Democratic Leadership

democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process. Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action

3.   Laissez-faire leadership

Laissez-faire leadership, also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members.

Laissez-faire leadership is characterized by:

➢   Very little guidance from leaders

➢   Complete freedom for followers to make decisions

➢   Leaders provide the tools and resources needed

➢   Group members are expected to solve problems on their own

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is 'laissez-

faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

Downsides of Laissez-Faire Leadership

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders.

4. Bureaucratic Leadership Style

Bureaucratic leadership is where the manager manages "by the book¨ Everything must be done according to procedure or policy. If it isn't covered by the book, the manager refers to the next level above him or her. This manager is really more of a police officer than a leader. He or she enforces the rules.

This style can be effective

➤ When are performing routine tasks over and over .

➤ Employees need to understand certain standards or procedures.

➤ Employees are working with dangerous or delicate equipment that requires a definite set of procedures to operate.

➤ Safety or security training is being conducted.

➤ Employees are performing tasks that require handling cash.

This style is ineffective when:

➤ Work habits form that are hard to break, especially if they are no longer useful.

➤ Employees lose their interest in their jobs and in their fellow workers.

➤ Employees do only what is expected of them and no more.

5.4 LEADERSHIP THEORIES

Q8. What are the different theories of leadership? Explain briefly about trait theory.

Ans :

Theories of Leadership

The important theories of leadership are as follows,

1. Trait theory

2. Behavioural theory

    (a) The Ohio State Leadership Studies

    (b) The Michigon Studies

    (c) The Managerial Grid.

3. Situational theories.

Trait Theory

The trait approach of leadership aims to explain how traits influence leadership. Traits are the natural/inborn personal characteristics of any person. Generally great leaders like Mahatma Gandhi, Abraham Lincoln etc., possess traits, like integrity, high energy, self-confidence, internal locus of control etc.

The working of this approach is quite different from other leadership approaches, as it focuses solely on the leaders trait, and not on other elements like the followers, situation etc. It clearly explains about the traits, that are required to be a successful leader and identify leaders who possess these traits.

By using the trait approach, organizations can select the right person for the managerial post. This can be done by using test and interviews, that assess the personality and natural qualities, of potential candidates. It is common for organizations to specify the preferable characteristics for managerial positions.

This approach is also useful for making managers aware of their traits, strengths and weaknesses by undergoing a trait assessment test. It gives them, a clearer picture about who they are, how and where they fit in the organization etc. By analyzing the assessment results, they may know their weak areas, and work towards improving their

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overall leadership impact. Infact, today many organizations use the LTQ (Leadership Trait Questionnaire) to measure the personal characteristics of the leaders. A sample LTQ is shown below.

Leader Name _____ Designation _____

Date _____

			Points		
1.	Self confident :	Is focussed and persistent, hard working.	1	2	3
2.	Sensitive :	Is understanding, tactful, shows people skills	1	2	3
3.	Dependent :	Acts with certainty, determined	1	2	3

The LTQ is assessed using a scoring key and it helps to identify the innate qualities, of each leader that can be beneficial to the organization.

Strengths

1. The general perception of a great leader in our society is that he/she is someone special, unique i.e., "a person with natural gifts". Example: Mahatma Gandhi etc.

2. A major strength is that the data of trait approach is correct and credible as it is backed by more than a century of research. There has been extensive research on it by famous scholars like Stogdill, Kirkpatrick, Bader etc.

3. Another conceptual strength of this approach is the way it highlights, the role of a leaders competencies, in the leadership process. Leadership is composed of three elements i.e., leaders, followers and situations. This approaches exclusively deals about the first element.

4. Trait approach has provided us with invaluable and practical knowledge for understanding and improving the overall effectiveness of supervisors and leaders in the organization.

5. It has provided organizations with benchmarks and assessment tools to select an effective and efficient candidate to lead the organization.

Criticism

1. Although, the trait theory has proposed hundreds of leadership traits, it has failed to define a limited number of traits, that are universally applicable.

2. Inspite of more than years of research study, its findings are sometimes uncertain and ambiguous.

3. A major drawback is that this approach is incomplete as it focuses only on the characteristics of a leader and ignores, two other important elements of effective leadership i.e., followers and situation.

4. Respected scholar stogdill has pointed out that, it is quite difficult to isolate leadership traits, without considering the situation and other elements.

5. A final criticism against the trait approach is that it is not useful for training and development of leaders.

Q9. **Explain the research methods that have been used to study the leadership behaviour.**

OR

Write a note on,

(a) Ohio state leadership studies

(b) Michigan leadership studies.

Ans :   **(May-19, Imp.)**

Leadership is the ability to stimulate, motivate and provide support to the individuals for achieving organizational objectives. With the help of an effective leader, the group members can achieve efficiency,

quality and satisfaction throughout the organization. In the last five decades, number of studies were conducted on leadership behaviour at Ohio State University and Michigan University.

(a)   Ohio State Leadership Studies

Researchers carried out number of studies at Ohio State University for determining certain aspects of leadership behaviours. About 1800 specific examples of leadership behaviour was identified in these studies, which was later reduced to 150 examples of definite leader behaviour. While carrying out these studies, researchers developed leader Behaviour Description Questionnaire (LBDQ) which had these 150 examples of definite leader behaviour.

According to this study, a supervisor's behaviour can be defined into two categories,

   (i)   Consideration

   (ii)   Initiating structure.

(i)   Consideration

Consideration is the concern which a leader has towards his subordinates and developing interpersonal relationships with them. A leader does personal favours for the subordinates and supports for the work done by them.

1.   The leaders who have high consideration are trustful, act in a friendly and supportive manner, obtain respect and develop friendly relationship with group members.

2.   Whereas the leaders with low consideration are autocratic and has neutral or impersonal relationship with their group members.

(ii)   Initiating Structure

Initiating structure describes task oriented leaders. Here, a leader provides guidance and direction to their subordinates, so that they can carry out their work activities in an effective manner and achieve their goals.

Ohio State University Leadership Model
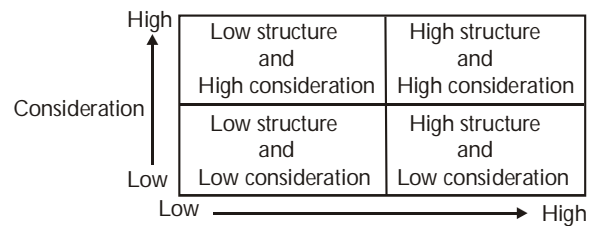
In the above figure, one can see that a leader can be high or low on initiating structure or consideration. The leader with high structure and low consideration does not make decisions and make use of one way communication. The decisions here, are taken by the managers. The leaders with high consideration and low structure share decision making and make use of two way communication in the organisation.

(b)   Michigan Leadership Studies

Researchers carried out number of studies at Michigan University for determining the effectiveness of leadership. While carrying out these studies, the researchers developed a questionnaire known as "survey of organisations" which helped them to gather the information relating to leadership styles. The main aim of the researchers for carrying out these studies was to compare the behaviours of effective supervisors and ineffective supervisors and to find out the reasons for effective leadership.

Michigan researchers determined two types of leadership behaviours,

   (i)   Job centered leadership style and

   (ii)   Employee centered leadership style.

(i)   Job Centered Leadership Style

In this leadership style, the leader focuses on technical and production aspects of a job. The job centered leadership behaviour concentrates on achievement of goal and work facilitation. Here a leader guides and directs the subordinates in setting the performance goals and efficiency. This behaviour is very similar to the initiating structure identified at the Ohio State studies.

(ii)   Employee Centered Leadership Style

In this leadership behaviour, leaders concentrate on fulfilling the human needs of

their subordinates. Leaders support and help their subordinates, tries to understand their problems and gives special attention to their personal needs. The leaders also recognize and reward their subordinates for their contributions and accomplishments. Thus, this behaviour is very similar to the "consideration" behaviour identified at the Ohio State studies.

Q10. Write a note on managerial/leadership grid style.

Ans :

Managerial grid was refined and renamed by Blake and Mouton in 1964 as 'Leadership Grid'. Leadership grid style relies mainly on the degree to which an individual has concern for production and people. The leaders concern for accomplishing the organizational tasks is considered as 'concern for production'. It mainly includes high quality, performance, profit etc., and is taken on the horizontal axis of the grid.

The leader's concern towards the organizational members who are trying to accomplish its goals is considered as 'concern for people'. It mainly includes supporting group members, providing good working conditions etc., and is taken on the vertical axis of the grid.
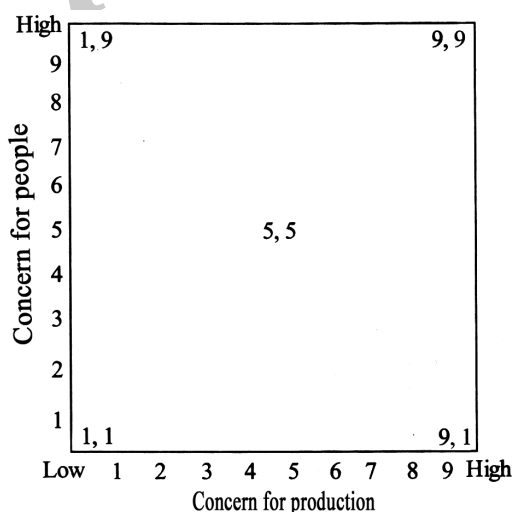
Fig. : Leadership grid

In the above figure one can see that, leadership grid have five leadership styles, 1, 1-impoverished leader 9, 1-authority compliance, 1, 9-country club 5, 5-middle of the road and 9, 9-team leader.

1. **1,1-Impoverished Leader**

    In the figure, (1,1) style represents that a leader does not have concern for production and people. This type of leaders only do minimum work needed for being a member of the organisation.

2. **9,1-Authority Compliance Leader**

    The (9, 1) style of leadership grid represents that a leader has high concern for production and minimum concern for people. Such type of leaders make use of power and authority and concentrate mainly on completing the task.

3. **1, 9-Country-club Leader**

    The (1, 9) style represents that a leader has less concern for production and high concern for people. Here, the leaders give more importance to people and their feelings, opinions and suggestions to achieve better results.

4. **5, 5-Middle of the Road Leader**

    The (5, 5) style represents that the leader balances the concern for task and concern for people. Such type of leaders aim for satisfactory organizational performance and team spirit.

5. **9, 9-Team Leader**

    The (9,9) style represents that a leader has maximum concern for production and people. Such type of leaders aim for top most performance and employee's satisfaction.

Thus, leadership grid is a practical leadership model which helps in developing the organisations.

Q11. Explain briefly about fielder's contingent model.

Ans :

The important situational theories/approaches to leadership are as follows,

(a) Fielder's Contingent Model

Fred Fiedler was the first to develop the contingency model for leadership. According to Fiedler contingency model, a group's effective performance depends upon the way of interaction of the leader with its followers and degree extent of the situation which allows the leader to control and influence. The main aim of this theory was to identify the different types of situations and the leadership styles and their adequate combinations of style and situation.

The important factor in leadership success is leadership style whether it is task oriented or relationship oriented in nature. In order to evaluate the leader' style, Fiedler developed a questionnaire which is known as Least Preferred Co-worker (LPC) questionnaire. When a person is least liked by the co-workers in favourable terms, that style is known as relationship oriented. If least preferred co-worker is in unfavourable terms that style is known as task oriented.

When leadership style is identified through LPC i.e., Least-Preferred Co-worker, it is necessary to evaluate the situation so that leader can be matched with the situation. Fiedler after research developed three contingency dimensions which acts as the important factors for evaluating the leader effectiveness as follows,

1. Leader-member Relations

The level of confidence, trust and respect employees had towards their leader are rated as either good or bad.

2. Task Structure

The level of formalizing and proceduring the job assignments are related as either high or low.

3. Position Power

The level of control a leader posses over power-based activities such as hiring, firing, discipline, promotions and salary increases are rated as either strong or weak.

Leadership situations are evaluated using the above contingency variables. When leader variables and situational variables are identified, it helps in defining the specific contigencies for leadership effectiveness.

However, this theory also involves some criticisms. It was criticised that requires some additional variables in order to overcome the drawbacks of the model. Conducting LPC also involved many problems. Effective leaders often changed their style to fulfill the needs of the specific situation, assuming that leadership styles are constant and unrealistic. Inspite of many limitations, Fiedler model display effective leadership style which is required for the situational factors.

Q12. Describe the path goal theory of leadership. Explain about leadership styles involved in it.

Ans:

Path-Goal Theory of Leadership

Path-Goal theory leadership behavior is a combination of situational leadership and room's expectancy theory of motivation.

This theory attempts to predict leadership effectiveness in different situations. A leader can adopt following four types of behavior to clarify and to set goals with subordinates, to help them to find the best path to achieve them and to remove obstacles to their performance.

1. Instrumental/Directive
2. Supporting
3. Participative
4. Achievement-Oriented

1. Instrumental/Directive

The leader gives sub-ordinates specific orders and makes it clear what is expected of them, his focus is on planning, organising, coordinating and controlling the activities of the sub-ordinates.

2. Supportive

The leader shows friendly behavior to his employees. He shows his concern for their needs and welfare and creates a pleasant organizational climate.

3. Participative

The leader makes decisions with active participation of the employees, shares information with them and seeks suggestions from them.

4.   Achievement-Oriented

The leader sets challenging goals, seeks improvements of performance by displaying confidence in the abilities of his sub-ordinates.

The above behavioural patterns do not work effectively in all situations but work in a particular situation as a nature of subordinates and work environment.

Nature of Subordinates

Externally-Oriented Employees believe in external factors for the performance of jobs, like clear-cut directives and motivation.

Internally-Oriented Employees are self-motivated and believe that they can control situations.

Work-Environment

Structured Task is well-defined in terms of the nature of task, authority and responsibility associated with it, type of organizational relationship etc.

Leadership Style	Situation in which Appropriate
Directive	Positive effect on satisfaction and expectancies of subordinates working on unstructured tasks.
Supportive	Positive effect on satisfaction and expectancies of subordinates working on unstructured tasks
Participative	Positive effect on satisfaction of subordinates who are ego involved with non- repetitive tasks.
Achievement	Positive effects on the confidence that the efforts will lead to effective oriented performance of subordinates working on ambiguous and non-repetitive task.

Leadership Style and Situations

Thus, this theory proposes that there is nothing like the best leadership style appropriate for all situations. Appropriate style is the one that helps subordinates cope with environment ambiguity.

Path-goal theory makes great sense for academic research and practicing managers.

Q13. Explain briefly about the Hersey-Blanchard situational model of leadership.

OR

Explain the four leadership styles of the situational model.

Ans:

The situational leadership model was developed by "Paul Hersey" and Kennett H. Blanchard". This model is also known as "Hersey-Blanchard situational leadership model". Which deals with task behaviours as well as relationship behaviours. In the task behaviours, the leader directs and informs the employees about the type of work which is to be performed, the way in which the work should be performed and who are responsible for performing it. There is only one-way communication in this type of behaviours. In the relationship behaviours, leaders give social and emotional support to the employees, so that they can feel relaxed and happy with their work.

The situational leadership model deals with four leadership styles which are as follows,

1.   Style 1 - High task and low relationship - Directing style.

2.   Style 2 - High task and high relationship - Coaching/guiding style.

3.   Style 3 - High relationship and low task - Supporting style.

4.   Style 4 - Low relationship and low task - Delegating style.

1.   **Style 1: High Task and Low Relation-ship /High Directive and Low Supportive Style**

"High task and low relationship" is the first style of situational leadership model, which is also known as "directing style". In this style, leaders concentrate more on accomplishing the goals and less on building relationships with their subordinates. This style is similar to autocratic form of leadership style, where the leader directs and instructs the employees for accomplishing the goals and carefully oversees them.

2.   **Style 2: High Task and High Relat-ionship/High Directive and High Supportive Style**

"High task and high relationship" is the second style of situational leadership model which is also known as "coaching" style. In this style, leaders concentrate on accomplishing the goals as well as on fulfilling the needs of their subordinates. These leaders give encouragement to their subordinates and guide them in accomplishing the goals. They help the subordinates by providing necessary input and guiding them in completing the task.

3.   **Style 3: High Relationship and Low Task / High Supportive and Low Directive Style**

"High relationship and low task" is the third style of situational leadership model which is also known as "supporting" style. In this style, leaders do not concentrate on accomplishing the goals but provide support to their subordinates, so that the task can be completed easily. These leaders give less orders to their employees and works collaboratively with them. In this style, leaders pay attention to the ideas of their employees, applaud them and give feedback to them. This style is similar to the consensus and consultative forms of participative leadership style where the leaders give the authority to take day to day decisions to their subordinates and help them in solving their problems.

4.   **Style 4: Low Relationship and Low Task/Low I Supportive and Low Directive Style**

"Low relationship and low task" is the fourth style of situational leadership model, which is also known as "delegating" style. In this style, leaders concentrate less on both task and relationship. These leaders give complete authority of the task to their group members. The group members take the responsibility and complete the task in a way in which they think is the best. This style of leadership is similar to the free rein leadership style.

Hence, the situational leadership model explains the way in which the task and relationship behaviours are integrated for each of the four different leadership styles.
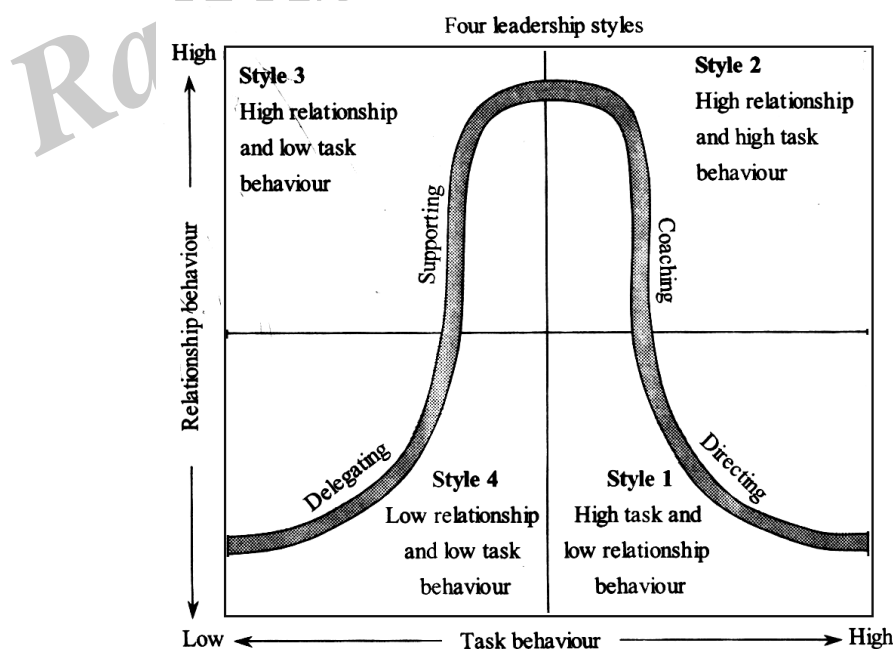
Figure: Situational Leadership Model

5.5 POWER AND POLITICS

Q14. Define power? Explain bases / sources of power.

Ans :

Power is an important element in motivation. It is required to motivate individuals or groups to work towards a certain end. In this context, it is also an important aspect in leadership.

Definitions of Power

"Power is the probability that one actor within the relationship will be in a position to carry out his own will despite resistance."

– Max Weber

"Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other."

– Nord

"Power refers to a capacity that A has to influence the behaviour of B. So that B does something he or she would not otherwise do."

– Robbins

Bases of Power (or) Types of Power

Power means many different things to different people. For some, power is seen as corrupt. For others, the more power they have, the more successful they feel. For even others, power is of no interest at all. The five bases of power were identified by John French and Bertram Raven in the early 1960's through a study they had conducted on power in leadership roles. The study showed how different types of power affected one's leadership ability and success in a leadership role.

The five bases of power are divided in two categories:

A) Formal Power

1. Coercive

Coercive power is conveyed through fear of losing one's job, being demoted, receiving a poor performance review, having prime projects taken away, etc. This power is gotten through threatening others. For example, the VP of Sales who threatens sales folks to meet their goals or get replaced.

2. Reward

Reward power is conveyed through rewarding individuals for compliance with one's wishes. This may be done through giving bonuses, raises, a promotion, extra time off from work, etc. For example, the supervisor who provides employees comp time when they meet an objective she sets for a project.

3. Legitimate

Legitimate power comes from having a position of power in an organization, such as being the boss or a key member of a leadership team. This power comes when employees in the organization recognize the authority of the individual. For example, the CEO who determines the overall direction of the company and the resource needs of the company.

B) Personal Power

1. Expert

Expert power comes from one's experiences, skills or knowledge. As we gain experience in particular areas, and become thought leaders in those areas, we begin to gather expert power that can be utilized to get others to help us meet our goals. For example, the Project Manager who is an expert at solving particularly challenging problems to ensure a project stays on track.

2. Referent

Referent power comes from being trusted and respected. We can gain referent power when others trust what we do and respect us for how we handle situations. For example, the Human Resource Associate who is known for ensuring employees are treated fairly and coming to the rescue of those who are not.

Q15. Write about dependency and power tactics.

Ans :

i)   Dependency : The Key to Power

The study of power is incomplete without understanding the role of 'dependency' in the process of application of power. When a person is dependent on another for a certain thing, then the other person is said to have power over him/her. The extent of "dependency' is inversely proportionate to the availability of substitute sources. The level of dependency depends upon the importance, scarcity, and non-substitutability of the resource controlled by a person.

1.   Importance

The importance of resources as perceived by an individual is a major element in deciding the level of dependency of a person. For example, the marketing department in a manufacturing company might have a greater influence if the company gives more importance to it. Similarly, the research and development department may influence an organization if the organization lays more emphasis on product innovation.

2.   Scarcity

The dependency levels of individuals on people who control scarce resources is higher. For instance, when the demand for employees possessing certain skills is more than their supply, then they are paid much higher salaries than other employees.

3.   Non-substitutability

When a particular resource does not have any viable substitutes, then the person who controls that resource will have power over those who require that resource. When the resources possessed by a person cannot be substituted, then people who are in need of such resources have to be dependent on the person who possesses them.

ii)   Power Tactics

Research has identified nine distinct influence tactics:

➤   **Legitimacy.** Relying on your authority position or saying a request accords with organizational policies or rules.

➤   **Rational persuasion.** Presenting logical arguments and factual evidence to demonstrate a request is reasonable.

➤   **Inspirational appeals.** Developing emotional commitment by appealing to a target's values, needs, hopes, and aspirations.

➤   **Consultation.** Increasing the target's support by involving him or her in deciding how you will accomplish your plan.

➤   **Exchange.** Rewarding the target with benefits or favors in exchange for following a request.

➤   **Personal appeals.** Asking for compliance based on friendship or loyalty.

➤   **Ingratiation.** Using flattery, praise, or friendly behaviour prior to making a request.

➤   **Pressure.** Using warnings, repeated demands, and threats.

➤   **Coalitions.** Enlisting the aid or support of others to persuade the target to agree.

Some tactics are more effective than others. Rational persuasion, inspirational appeals, and consultation tend to be the most effective, especially who the audience is highly interested in the outcomes of a decision process. Pressure tends to backfire and is typically the least effective of the nine tactics.

You can also increase your chance of success by using more than one type of tactic at the same time or sequentially, as long as your choices are compatible. Using both ingratiation and legitimacy can lessen the negative reactions from appearing to "dictate" outcomes, but only when the audience does not really care about the outcomes of a decision process or the policy is routine.

Q16. Define organizational politics. What are its dimensions?

Ans :

Organizational politics do exist in most organizations. According to many organizational behaviorists, to some extent politics does have a positive impact on organizations. It is also believed that organizational politics plays a major role in the dynamics of OB.

Definitions and nature of politics

According to Stephen Robbins, politics are, "those activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization."

According to Bronston T. Mayes and **Robert W. Allen**, organizational politics can be defined as the deliberate, "management of influence to obtain ends not sanctioned by the organization or to obtain sanctioned ends through non sanctioned influence means."

The above definitions suggest that politics is -

➢ Outside the range of an individual's work environment

➢ Is concerned with obtaining and utilizing power for one's own needs.

Dimensions of Politics in Organizations

There are primarily two distinct dimensions of politics. These are:

1. Legitimate Political Behaviour

It refers to the normal everyday politics, for example, complaining to your supervisor, bypassing the chain of command, forming coalition, obstructing organizational policies or decision through inaction or excessive adherence to rules and developing contacts outside the organization through one's professional activities.

2. Illegitimate Political Behaviour

It can be defined as the behaviour that violates the stated rules of game. This kind of behaviour shows the extreme political behaviour that violates the stated rules and regulations of the organization that are pre-decided by the people at the strategic positions. Activities like sabotage, whistle blowing, symbolic protests, etc. are the examples of illegitimate political behaviour.

Q17. What are various factors that contributing to political behaviour?

Ans :

Factors Contributing to political Behaviour

A number of factors are responsible for political behaviour. These factors are grouped into individual factors and organizational factors.

Individual Factors

Factors contributing to the political behaviour at the individual level are:

➢ **High self-monitors:** Skilled in political behaviour.

➢ **Internal Locus of Control:** Proactive and prone to manipulate situation in their favour.

➢ **High Machiavellian Personality:** Will to manipulate and desire for power. Use politics to further self interest.

➢ **Investment in Organisation:** Investment in terms of expectations force the individual to use illegitimate means.

➢ **Perceived Job Alternatives:** More job opportunities an individual has results in more political behaviour.

Organizational Factors

Organizational factors contributing to political behaviour include:

➢ **Reallocation of Resources:** The reallocation of resources is necessary when the resources available either increase or decrease. These situations forece the individuals to resort to politics.

➢ **Promotion Opportunities:** Normally, the opportunities for promotion or advancement are lesser than the candidates expecting promotion. This situation leads to competition and thereby political behaviour by the competing candidates.

➢ **Low Trust:** Low trust in organisations leads to tight control which in turn makes the subordinates to behave illegitimately.

➢ **Role Ambiguity:** The unclear expectations from the employee makes him to act politically.

➢ **Unclear Performance Appraisal System:** Employee does not know what to do? And to what level of perfection he has to do? etc. under the unclear performance appraisal system. This situation creates ambiguity and leads to political behaviour.

➢ **Zero-Sum Reward System:** The win-lose approach in reward allocation is called zero-sum approach. People perceive that they won double if others lose. For example, if only one employee is promoted have employee's joy is immense. Therefore, this situation makes people take the chance, even through illegitimate means.

➢ **Democratic Decision-Making:** The traditionally autocratic managers cannot make the decisions democratically in its true sense. Therefore, they refer the issues to committees and commissions to offer recommendations, and finally they make the decisions as they desire.

➢ **High Performance Pressures:** High performance pressures make the people to find short-cuts and politics to show superfluously high performance or through window-dressing.

➢ **Self-serving Senior Managers:** The political behaviour by the top management with rewards encourages the people at the lower level to resort to politics.

Q18. Explain about managing political behaviour in an organizations.

Ans :

Managing Political Behaviour

It is impossible to eliminate political behavior in the organization in totality. But one can adopt certain measures through which the dysfunctional component of political behavior can be minimized. The following measures may be adopted to manage

political behavior effectively and in the interest of the organization:

1. **Clarity of Roles**

   It is the responsibility of the management to define the roles and authority of organizational members in a clear and unambiguous manner. Such an attempt of defining roles, responsibilities, authority and accountability clearly helps in minimizing favouritism and nepotism in the organization.

2. **Ethical Role Model**

   Top managers should work positively and ethically, so that they serve as a role model to other employees in the organization. If people at senior positions engage themselves in playing political games, it is bound to convey a wrong message to the subordinates and creates an un healthy culture in the organization where people perceive that such kind of behaviour is acceptable. They further promote such environment and get trapped in an unending vicious circle.

3. **Transparent Appraisal System**

   To ensure stable and positive environment, which is free from all sort of dysfunctional politics, organizations must ensure sound and transparent performance appraisal mechanisms. The scope of bias in performance appraisal mechanism should be minimised. They also need to ensure that performance should be the only basis of rewards like increments, promotions etc.

4. **Fair Distribution of Resources**

   Organization must adopt a systematic approach for the allocation of resources within the organization. They need to give due concern especially when the resources are scarce in nature. This would restrict the dysfunctional aspect of politics in the organization.

5. **Effective Communication**

   Restrictions and barriers in communication develop a land for dysfunctional political behaviour in the organization. To ensure smooth functionality, organization must

ensure a two-way communication channel. The efforts should also be made to eliminate any sort of barriers to communication. There should be free flow of information in the organization.

6.   **Aspiration of Employees**

Organization must be aware of the perception of their employees on different issues. Management should be responsive to the needs and aspirations of their employees so that they can achieve a direct sync between the individual needs and the organizational needs.

5.6 MOTIVATIONS

Q19.   What is motivation? Explain the nature and Importance of motivation.

Ans :   **(June-18, Imp.)**

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be:-

➤   Desire for money

➤   Success

➤   Recognition

➤   Job-satisfaction

➤   Team work, etc.

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the role of a leaders is to arouse interest in performance of employees in their jobs.

Definitions of Motivation

According to Koontz and 'O' Donnell, "Motivation is a general term applied to the entire class of drives, needs, wishes and similar forces".

According to Stephen. P. Robbins, "Motivation is a process that starts with physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive".

According to Encyclopedia management, "Motivation refers to degree of readiness of an organism to pursue some designates goal and implies the determination of the nature and locus of the forces, including the degree of readiness".

According to Dale Breachus, "Motivation is the willingness to expand energy to achieve goals and rewards."

According to Dubin, "Motivation is the complex of forces staring and keeping a person at work in an organization".

Nature of Motivation

1.   **Unending Process**

Man has number of wants. These wants induce a man to work. All the wants cannot be satisfied at one time. If one want is satisfied, then another want emerges. Motivation is also an unending process just like the satisfaction of wants is an unending process.

2.   **Psychological Concept**

Motivation deals with the psychology of workers. An efficient worker will not perform the work desirable well unless he is properly motivated. So, the effective performance requires proper motivation.

3.   **The Whole Individual is Motivated**

An individual is motivated fully and not partly because motivation is related to psychology. The basic needs of a man determine motivation to a greater extent.

4.   **Motivation may be Financial or Non-monetary**

Monetary motivation includes increase in wages, allowances, bonus etc. Non-monetary benefits are recognition, praise, more responsibility, decision making etc.

5.   **Goals are Motivators**

Man works to achieve his individual goals. Whenever the goal is achieved, he will no longer be interested to work. So, management has to identify the goals of individuals, to persuade them to work by directions.

Importance of Motivation

Motivation is an important factor in determining the efficiency of an organisation. With its help a desire is born in the minds of the employees to achieve successfully the objectives of the enterprise. An enterprise may have the best of material, machines and other means of production but all these resources are meaningless so long as they are not utilized by properly motivated people. There was a time when the human resource of production was treated like other non-human resources and was not given any special importance. But this old concept has lost all importance in this competitive age. The importance or need of motivation becomes clear from the following facts:

1. High Level of Performance

The efficiency of the motivated employees is better than the unmotivated people. It is important to achieve high level of efficiency for the organisation and this can be achieved only through motivation. Many researchers have proved the high degree of positive correlation between motivation and efficiency.

2. Low Employees Turnover and Absenteeism

The goodwill of an enterprise is adversely affected by the high level of employees turnover and absenteeism. This creates many problems for the managers. The problems of appointing the employees time and again, arranging for their education and training, etc., lead to wastage of time as well as money. It is impossible to face this wastage in today's competitive economy. Only motivation can save this wastage for the organisation. Motivated people work for a longer time in the enterprise and the rate of absenteeism also gets lowered.

3. Easy Acceptance of Organizational Changes

Changes continue taking place in the organisation - like technical changes, methods of work performance, etc. Generally, the employees do not accept changes in the method of their work performance they are accustomed to. But changes become necessary keeping in view the demands of time. These changes can be made acceptable only through motivation. Motivated people accept them enthusiastically and perform their work.

4. Sweet Relations between Owner and Employees

A high level of motivation establishes sweet relations among the appointors and the employees. Motivation fills the employees with enthusiasm and they start accepting orders and information willingly. Thus, motivation makes a great contribution in establishing good human relations.

5. Good Image of Organisation

Where the employees are motivated through a proper method by satisfying their needs one after the other, a good image of the enterprise is created in the mind of the public. Qualified employees give preference to getting appointment in such an enterprise making the function of appointing the employees easier.

6. Increase in Morale

High level of motivation increases the morale of the employees and they face challenges and, in case of need, are not afraid of taking bold decisions.

7. Proper use of Human Resources Possible

Human resource has an important place among the resources of production. The success or failure of an enterprise depends on the proper use of this resource. Its proper use can be made with the help of various types of motivation. Motivated employees work at their full capability and their aim is the achievement of the objectives of the enterprise.

8. Helpful in Achieving Goals

The employees have to be shown the right way in order to achieve the pre-determined objectives of any enterprise through their medium. This aim can only be achieved through the weapon of motivation. Without motivation the achievement of goals is only a dream. Motivation is essential to realise this dream.

9.   Builds Good Relations Among Employees :

Since most of the needs of the motivated people are satisfied their behaviour assumes calmness. All the employees working in such a human group develop a sense of cooperation with one another. There is thus no conflict among them and there is no hindrance in their work performance.

A study of the above facts makes it clear that motivation is an important tool in the hands of management for the attainment of objectives of the individual and the organisation economically and effectively. Through the medium of motivation the subordinates can be guided in the desired direction and the wastage of human and other resources of production can be minimised.

Q20.   Explain the classification of motivation.

Ans :

Types of Motivation

1.   Negative Motivation

It is based on force or fear, i.e., workers can be threatened with demotion, dismissal, lay-off, pay cut etc. Negative motivation results in disloyalty to the group as well as to organization.

2.   Positive Motivation

It is based on reward. It is a process of attempting to influence others to do your will through the possibility of gain or reward.

3.   Extrinsic Motivation

Increase in wages, retirement benefits, rest periods, holidays, health wages, health insurance and the like are the examples of extrinsic motivation. Extrinsic motivation is available only after the completion of job.

4.   Intrinsic Motivation

Intrinsic motivation is available at the time of performance of work. These motivations provide a satisfaction during the performance of the work itself. Praise, recognition, power, delegation of authority and responsibility, competition and participation in the

decision-making process are some of the examples of intrinsic motivation.

5.   Financial Motivation

Financial motivation is directly or indirectly associated with money, wages, salaries, bonus, profit- sharing, paid vacation, retirement benefits, free-medical service are some of the financial motivations.

6.   Non-financial Motivation

These are not associated with monetary rewards. Praise, job rotation, delegation of authority and responsibility, participation, recognition and power are some of the examples of non-financial motivation.

Q21.   Explain the features of motivation.

Ans :

The analysis of definitions on motivation presents the following features:

1.   Motivation is Individual's Internal Feeling

Motivation is a psychological process within individuals. Individual needs/desires are the feelings in the mind of a person regarding the deficiencies. These deficiencies include physical, social and psychological.

2.   Motivation is concerned with the total person

Individuals are total persons. They are self-contained. Each individual is an inseparable unit and all his needs are interrelated. The individual feelings in the social area affect his physical and psychological areas also. Individual feelings and motivation is continuous process. They result in continuous and interrelated human behaviour.

3.   Motivation = Anticipated values × Perceived Probablity :

Motivation is the product of anticipated values from an action and the perceived probability that these values would be attained by the action. The anticipated value is called 'Valence' and the perceived probability is called 'Expectancy. Thus the

Motivation = Valence × Expectancy

4. **Motivation is the willingness to exert** high levels of effort towards organizational goals, conditioned by the efforts and the ability to satisfy some individual need.

5. **Motivation involves** the arousal, direction and maintenance of behaviour towards a goal.

5.7 APPROACHES TO MOTIVATION

5.7.1 Maslow's needs Hierarchy Theory

Q22. Evaluate the contribution of Maslow to our understanding of behaviour in organizations.

Ans :   (Dec.-18, Imp.)

Maslow's Theory

The advocate of this theory is **Abraham Maslow** who first of all presented the Need Hierarchy Theory of Motivation in 1943. Maslow developed the theory of motivation on the basis of a chain or sequence of needs. According to him, a man has countless needs and they can be categorized on the basis of priority. For example, the needs which are more sharply felt should be satisfied first and the less sharply felt needs should be satisfied afterwards. Similarly, the least felt needs should be thought of last of all. Maslow has divided different human needs on the basis of priority into five parts which are shown in the following diagram:
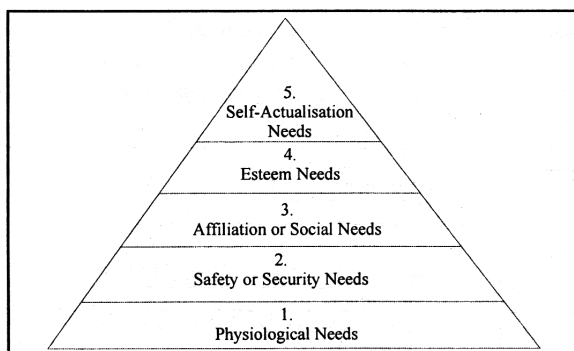
Fig.: Pyramid Representing Maslow's Hierarchy of Need

(i)   Physiological Needs

In this category, those needs are included which need to be satisfied to keep a man alive. These needs include food, shelter, clothing and sleep, etc.

(ii) Safety Needs

After physiological needs are satisfied, a man thinks about his safety. Safety needs include physical, economic and psychological needs. Physical Safety refer to defence against accidents, attacks, diseases and other unexpected problems. Economic Safety means safety of livelihood and arrangement for old age. Psychological Safety means maintaining one's prestige.

(iii) Affiliation or Social Needs

Man is a social animal and wants to live in society honourably. It is, therefore, necessary that he should have friends and relatives with whom he can share his joys and sorrows. Maslow has placed social needs at number three in order of priority.

(iv) Esteem and Status Needs

These needs are called ego needs of man. This means every human being wants to attain a higher status so that his power increases and he gets authority.

(v)   Self Actualization Needs

Last of all, a man tries to satisfy himself by attaining self-realisation. This means that a man should be whatever he can be, meaning thereby, that he should actually be an achiever in respect of his capability. For example, a musician wants to be proficient in music, an artist wants to excel in the field of creating works of art. Similarly, a poet wants to be a specialist in his field.

Assumptions of Maslow's Theory

Following are the assumptions of Maslow's theory:

(i)   People's behaviour, being affected by their needs.

(ii) There are many needs of people and their order or priority can be made.

(iii) Motivation ends with the satisfaction of needs. After that the next higher need serves as a motivator.

(iv) People move to next higher need only when the lower level needs are satisfied.

The above analysis shows that an individual has many needs and that their order can be determined. The moment an individual's one need is satisfied, he gets worried about his next need. After the satisfaction of the second need comes the third and this order continues till all his needs are satisfied. It is, therefore, clear that needs can be motivators. In order to satisfy needs an individual himself wants to work with vigour and full capacity.

Criticisms

If the special study is not undertaken, Maslow's theory of hierarchy of needs will appear to be right. However, many researchers have opposed this theory and given their own criticisms which are as under:

(i) Maslow's hierarchy of needs is not permanent. This changes according to the situation.

(ii) It is not necessary that the needs of only one category be strong at a time and the remaining remain unimportant.

5.7.2 Two factor theory of motivation

Q23. Write about Herzberg's two factor theory of motivation.

Ans :   (Aug.-21, May-19, Jan.-18, Dec.-18, Imp.)

Herzberg is the late fifties developed a motivation theory known as motivation hygiene theory or two-factor theory of motivation. For this purpose, he conducted a study and interviewed some 200 engineers and accountants and asked them to think of a time when they felt good at their jobs and a time when they felt bad at their job and then to describe condition which led to such feelings.

Researchers concluded that factors responsible for job satisfaction are different from factors that led to dissatisfaction. Job satisfaction and job dissatisfaction are not possible to each others. Absence of job satisfaction does not mean in job dissatisfaction but it no job satisfaction. The factors so identified where classified by him into two categories:

1. Motivational Factors

These factors are related to the nature of work (job content) and the intrinsic to the job itself. These factors have a positive influence on morale, satisfaction, efficiency and higher productivity. Some of these factors are Achievement, Recognition, Work itself, Responsibility, Advancement, and Possibility of Growth.

2. Hygiene Factors/Maintenance Factors

Hygiene factors do not motivate people. They produce no growth but prevent loss. The absence of these factors leads to job dissatisfaction. The elimination of dissatisfaction does not mean satisfaction and these factors simply maintain a "zero level of motivation".

For example, if a person indicated "low pay as a cause of dissatisfaction, it would not necessarily identify" "high pay" as a cause of satisfaction. Some of these factors are Company Policies and administration, Relationship with supervisor, Work conditions, Salary, Relationship with peers, Personal life, Relationship with subordinates, Status, job Security.

Herzberg's Classification of Maintenance and Motivational Factors

Maintenance Factors or Dissatisfiers Motivational   Factors or Hygiene Factors or Satisfiers

1)	Job context	1)	Job content
2)	Extrinsic factor	2)	Intrinsic factors
3)	Company policy and administration	3)	Achievement
4)	Quality of supervision	4)	Recognition
5)	Relations with supervisors	5)	Work Itself
6)	Work conditions	6)	Responsibility
7)	Salary	7)	Advancement
8)	Peer relations	8)	Possibility of growth
9)	Personal life		
10)	Relations with subordinates		
11)	Status		
12)	Job security		

Role of Hygiene and Motivational Factors
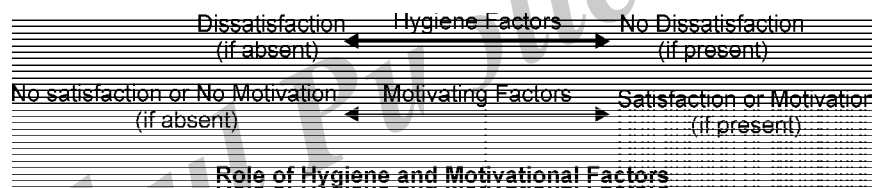
Herzberg noted that the two sets of factors are one-dimensional as their effect can be seen in one direction only. If hygiene factors are present, they act as maintenance factors and if they are absent, they act as dissatisfiers. Removing dissatisfying characteristics from a job does not necessarily make the job satisfying.

But if motivators are present, they provide satisfaction or motivation to the individual. And if motivators are absent, the individual will get no satisfaction. Thus, satisfaction and dissatisfaction are independent rather than opposite ends of the same continuum as was traditionally believed.

Criticism of Herzberg Theory

1. Job satisfiers and dissatisfiers where recognize at two different qualitative factors where as these two are opposite factors.

2. The procedure used by Herzberg is limited by its methodology.

3. The model does not give sufficient emphasis to the motivating qualities of pay, status, etc. which are important motivators.

4. The difference between motivational and maintenance factors is no clear. They can be used interchangeably in different situation.

5. The theory is based on small sample.

5.7.3 MC Gregor's theory

Q24. Explain briefly about theory X and theory Y.

Ans :   **(Nov.-20)**

This theory was evolved at a stage when human behavior was considered the prime factor for effective management. Motivation is an important tool which causes goal directed behavior. Motivation brings in a kind of psychological feeling that a human being applies to himself on a certain work which gives him satisfaction i.e., goal directed behavior leads to goal fulfillment and the individual succeeds in fulfilling his needs.

The management's action of motivating individuals in the organisation involves certain assumptions, generalizations and deriving various hypotheses, which are related to human behavior (individual's outlook). Me Gregor's theory is oriented upon the basic assumption that human behavior may differ considerably because of various factors which are influencing and determining behavior. McGregor has characterized these assumptions into two opposite view points, i.e., Theory X and Theory Y.

Theory X

This is the traditional theory of human behavior. The assumptions about the human behavior are stated as negative in this approach. Based on these assumptions organizations and managers who believe in Theory X kind of human nature attempt to structure, control and closely supervise their em-ployees. These managers feel that internal control is a must as the employees are irresponsible.

Assumptions

➤ The personnel are inherently lazy.

➤ They lack ambition.

➤ They require constant guidance and support. ➤ They are inherently self-centered.

➤ Their inherent nature is to resist change.

➤ They avoid responsibility, when an oppor- tunity was given.

Theory Y

The assumptions in Theory Y are totally opposite to what we have seen in Theory X. This theory emphasizes the need for a cooperative effort from management and employees. This theory highlights the requirement of today i.e., to get maxi-mum output with minimum amount of input.

Assumptions

➤ The expenditure of physical and mental effort in work is natural as play or rest.

➤ The average human being does not inherently dis-like work. They feel work as a source of satisfaction.

➤ They exercise self-control and direction to meet the organizational goals.

➤ They take up responsibility.

➤ They exhibit a high degree of imagination, ingenuity and creativity in solving organizational problems.

➤ They face all types of challenges and are highly committed to the organisation.

Q25. How do theory-X and theory-Y differ from one another? List out the differences.

Ans :

Differences between Theory X and Theory Y

Douglas McGregor defined organizations as psychological entities which can be characterized by their assumptions about what motivates people.

On the basis of this, Douglas McGregor proposed two different opinions and assumptions about human behaviour. These two opinions are opposite to one another and are named as theory X and theory Y. Theory X talks about negative behaviour of people and theory Y talks about positive behaviour of people.

The differences between theory X and theory Y are listed down below,

	Basis	Theory X	Theory Y
1.	Planning	Superior sets objectives for subordinates little participation in objective setting and plan formulation.	Superior and subordinates set objectives jointly. Great deal of participation in objective setting and plan formulation. Many alternatives are explored. High commitment to objectives and plans.
2.	Directing	Few alternatives are explored. Low commitment to objectives and plan. Autocratic leadership is based on authority. Top down communication with little feedback.	Participations and team work leadership based on competence. Two-way communication with plenty of feedback.
3.	Appraising and controlling	Limited information flow. Low trust in appraisal, control is extreme and rigid. Focus on past and fault findings.	Free information flow. High trust in appraisal. Internal control based on self- control. Based on past but forward looking problem solving.
4.	Human beings interest to wards	Such individuals don't like to work and always try to work avoid it.	Such individuals are itself-director and self controller who are very much committed towards their work.
5.	Level of ambition	Theory X states that people don't have goals and objectives. They are not ambitious.	People are assumed to be very ambitious in theory Y.
6.	Motivating factors	Theory X says that people gets motivated with the satisfaction of lower needs.	Theory Y says that people get motivated with the satisfaction of higher level needs (lower level needs are important too).
7.	Type of authority	Theory X focuses on centralization of authority.	Theory Y focuses on decentralization of authority.
8.	Creativity	As per theory X, most of the people lack creativity and possess less skills than theory Y individuals.	As per theory Y, people possess creative skills and are much more creative than theory X individuals.
9.	Focus	Negative behaviour of people is being discussed in theory X.	Positive behaviour of people is being discussed in theory' Y.
10.	Type of leadership	Such individuals follow autocratic leadership.	Such individuals follow democratic and supportive leadership.

5.7.4 ERG Theory

Q26. Explain Alderfer's modified need hierarchy model.

Ans :   (Aug.-21, Nov.-20, May.19, Imp.)

Alderfer Model

A modified need hierarchy model or ERG theory has been presented by Alderfer. This model condenses Maslow's five levels of need into only three levels based on the core needs of existence, relatedness and growth.

➢ Existence needs are concerned with sustaining human existence and survival and cover physiological and safety needs of a material nature.

➢ Relatedness needs are concerned with relationships to the social environment and cover love or belonging, affiliation, and meaningful interpersonal relationships of a safety or esteem nature.

➢ Growth needs are concerned with the development of potential and cover self-esteem and self-actualization.

Continuum of Needs

Like Maslow, Alderfer suggest that, individuals progress through the hierarchy from existence needs, to relatedness needs, to growth needs, as the lower-level needs become satisfied. However, Alderfer suggests these needs are more a continuum than hierarchical levels. More than one need may be activated at the same time. Individuals may also progress down the hierarchy. There is a frustration-regression process. For example, if an individual is continually frustrated in attempting to satisfy growth needs, relatedness needs may reassume most important. The lower level needs become the main focus of the individual's efforts.

Alderfer proposed a number of basic propositions relating to the three need relationships. Some of these propositions followed Maslow's theory, some were the reverse of the theory. A number of studies were undertaken to test these propositions across different samples of people in different types of organizations. Results from the studies were mixed. However, the proposition that satisfaction of existence needs activates desires for relatedness needs was not supported in any of the six samples.

Satisfaction of Needs

Unlike Maslow's theory, the results of Alderfer's work suggest that lower level need not be satisfied before a higher level need emerges as a motivating influence. The results, however, do support the idea that lower-level needs decrease in strength as they become satisfied. ERG theory states that an individual is motivated to satisfy one or more basic sets of needs. Therefore, if a person's needs at a particular level are blocked then attention should be focused on the satisfaction of needs at the other levels. For example, if a subordinate's growth needs are blocked, because the job does not allow sufficient opportunity for personal development, then the manager should attempt to provide greater opportunities for the subordinate to satisfy existence and relatedness needs.

Maslow's hierarchy of Needs	Alderfer's ERG Theory	Herzberg's Two-factor Theory
Physiological	Existence	Hygiene factors
Safety		
Love	Relatedness	
Esteem		
Self-actualization	Growth	Motivators

Table: Linking Maslow's, Alderfer's and Herzberg's Theories of Motivation

5.7.5 McCellands needs theory

Q27. Write about McCellands Theory of Motivation

Ans :   (Nov.-21)

In his acquired-needs theory, David McClelland proposed that an individual's specific needs are acquired over time and are shaped by one's life experiences. Most of these needs can be classed as either achievement, affiliation, or power. A person's motivation and effectiveness in certain job functions are influenced by these three needs. McClelland's theory sometimes is referred to as the three need theory or as the learned needs theory.

1.   Achievement

People with a high need for achievement (nAch) seek to excel and thus tend to avoid both low-risk and high-risk situations. Achievers avoid low-risk situations because the easily attained success is not a genuine achievement. In high-risk projects, achievers see the outcome as one of chance rather than one's own effort. High nAch individuals prefer work that has a moderate probability of success, ideally a 50% chance. Achievers need regular feedback in order to monitor the progress of their achievements. They prefer either to work alone or with other high achievers.

2.   Affiliation

Those with a high need for affiliation (nAFF) need harmonious relationships with other people and need to feel accepted by other people. They tend to conform to the norms of their work group. High nAff individuals prefer work that provides significant personal interaction. They perform well in customer service and client interaction situations.

3.   Power

A person's need for power (nPow) can be one of two types - personal and institutional. Those who need personal power want to direct others, and this need often is perceived as undesirable. Persons who need institutional power (also known as social power) want to organize the efforts of others to further the goals of the organization. Managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

4.   Thematic Appreciation Test

McClelland used the Thematic Appreciation Test (TAT) as a tool to measure the individual needs of different people. The TAT is a test of imagination that presents the subject with a series of ambiguous pictures, and the subject is asked to develop a spontaneous story for each picture. The assumption is that the subject will project his or her own needs into the story.

Psychologists have developed fairly reliable scoring techniques for the Thematic Appreciation Test. The test determines the individual's score for each of the needs of achievement, affiliation, and power. This score can be used to suggest the types of jobs for which the person might be well suited.

Implications for Management

People with different needs are motivated differently.

➢   **High need for achievement** - High achievers should be given challenging projects with reachable goals. They should be provided frequent feedback. While money is not an important motivator, it is an effective form of feedback.

➢   **High need for affiliation** - Employees with a high affiliation need perform best in a cooperative environment.

➢   **High need for power** - Management should provide power seekers the opportunity to manage others.

Note that McClelland's theory allows for the shaping of a person's needs; training programs can be used to modify one's need profile.

5.7.6 Valence Theory

Q28. Write about Vroom's Valence Expectancy Theory.

Ans :   **(Nov.-21, Imp.)**

The most widely accepted explanations of motivation has been propounded by Victor Vroom. His theory is commonly known as expectancy theory. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple, expectancy theory says that an employee can be motivated to perform better when their is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in form of some reward. Therefore an employee is :

Motivation = Valence x Expectancy.

The theory focuses on three things :

➢ Efforts and performance relationship

➢ Performance and reward relationship

➢ Rewards and personal goal relationship

This leads us to a conclusion that

Valance × Expectancy

↓

Motivation

↓

Action

↓

Results

↓

Satisfaction in form of Rewards

Advantages of the Expectancy Theory

➢ It is based on self-interest individual who want to achieve maximum satisfaction and who wants to minimize dissatisfaction.

➢ This theory stresses upon the expectations and perception; what is real and actual is immaterial.

➢ It emphasizes on rewards or pay-offs.

➢ It focuses on psychological extravagance where final objective of individual is to attain maximum pleasure and least pain.

Limitations of the Expectancy Theory

➢ The expectancy theory seems to be idealistic because quite a few individuals perceive high degree correlation between performance and rewards.

➢ The application of this theory is limited as reward is not directly correlated with performance in many organizations. It is related to other parameters also such as position, effort, responsibility, education, etc.

Implications of the Expectancy Theory

➢ The managers can correlate the preferred outcomes to the aimed performance levels.

➢ The managers must ensure that the employees can achieve the aimed performance levels.

➢ The deserving employees must be rewarded for their exceptional performance.

➢ The reward system must be fair and just in an organization.

➢ Organizations must design interesting, dynamic and challenging jobs.

➢ The employee's motivation level should be continually assessed through various techniques such as questionnaire, personal interviews, etc.

Short Question & Answers

1.   Define leadership.

Ans :

Leadership is the factor that helps individuals and groups to achieve the goal. It is the process of influencing and supporting employees or others to work enthusiastically toward achieving the objectives.

Definitions of Leadership

"Leadership is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals."

– Harry Truman

"Leadership is the ability to get other people to do what they don't want to do an like it".

– Harry Truman

"Leadership is the ability of a superior to influence the behavior of his subordinates and persuade them to follow a particular course of action."

– Chester Barnard

"Leadership is the ability of a manager to induce subordinates to work with confidence and zeal."

– Koontz and O'Donnell

"Leadership is the activity of influencing people to strive willingly for mutual objectives."

– George R. Terry

2.   Leadership Traits

Ans :

Trait approach leadership method involves selecting leaders of eminence and studying their characteristics. The hypothesis was that the persons having certain traits could become successful leaders.

According to Stogdill, various trait theories have suggested the following traits in a successful leader,

1.   Physical and constitutional factors (height, weight, physique, energy, health, appearance.

2.   Intelligence

3.   Self-confidence

4.   Sociability

5.   Will (initiative, persistence, ambition)

6.   Dominance

7.   Surgency (talkative, cheerfulness, geniality, enthusiasm, expressiveness, alertness and originality.

3.   Autocratic leadership.

Ans :

Autocratic leadership, also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their own ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group. Characteristics of Autocratic Leadership Some of the primary characteristics of autocratic leadership include:

➢   Little or no input from group members

➢   Leaders make the decisions

➢   Group leaders dictate all the work methods and processes

➢   Group members are rarely trusted with decisions or important tasks Benefits of Autocratic Leadership Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently.

Downsides of Autocratic Leadership While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who abuse an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members. Because

autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas. Researchers have also found that autocratic leadership often results in a lack of creative solutions to problems, which can ultimately hurt the performance of the group. While autocratic leadership does have some potential pitfalls, leaders can learn to use elements of this style wisely.

4. Laissez-faire leadership

Ans :

Laissez-faire leadership, also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members.

Laissez-faire leadership is characterized by:

➢ Very little guidance from leaders

➢ Complete freedom for followers to make decisions

➢ Leaders provide the tools and resources needed

➢ Group members are expected to solve problems on their own

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is 'laissez-faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

5. Trait theory.

Ans :

The trait approach of leadership aims to explain how traits influence leadership. Traits are the natural/inborn personal characteristics of any person. Generally great leaders like Mahatma Gandhi, Abraham Lincoln etc., possess traits, like integrity, high energy, self-confidence, internal locus of control etc.

The working of this approach is quite different from other leadership approaches, as it focuses solely on the leaders trait, and not on other elements like the followers, situation etc. It clearly explains about the traits, that are required to be a successful leader and identify leaders who possess these traits.

By using the trait approach, organizations can select the right person for the managerial post. This can be done by using test and interviews, that assess the personality and natural qualities, of potential candidates. It is common for organizations to specify the preferable characteristics for managerial positions.

This approach is also useful for making managers aware of their traits, strengths and weaknesses by undergoing a trait assessment test. It gives them, a clearer picture about who they are, how and where they fit in the organization etc. By analyzing the assessment results, they may know their weak areas, and work towards improving their overall leadership impact.

6. Define power.

Ans :

Power is an important element in motivation. It is required to motivate individuals or groups to work towards a certain end. In this context, it is also an important aspect in leadership.

Definitions of Power

"Power is the probability that one actor within the relationship will be in a position to carry out his own will despite resistance."

– Max Weber

"Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other."

– Nord

"Power refers to a capacity that A has to influence the behaviour of B. So that B does something he or she would not otherwise do."

– Robbins

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7.   Define organizational politics.

Ans :

Organizational politics do exist in most organizations. According to many organizational behaviorists, to some extent politics does have a positive impact on organizations. It is also believed that organizational politics plays a major role in the dynamics of OB.

Definitions and nature of politics

According to Stephen Robbins, politics are, "those activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organization."

According to Bronston T. Mayes and **Robert W. Allen**, organizational politics can be defined as the deliberate, "management of influence to obtain ends not sanctioned by the organization or to obtain sanctioned ends through non sanctioned influence means."

The above definitions suggest that politics is -

➢   Outside the range of an individual's work environment

➢   Is concerned with obtaining and utilizing power for one's own needs.

8.   What is motivation?

Ans :

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be:-

➢   Desire for money

➢   Success

➢   Recognition

➢   Job-satisfaction

➢   Team work, etc.

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the role of a leaders is to arouse interest in performance of employees in their jobs.

Definitions of Motivation

According to Koontz and 'O' Donnell, "Motivation is a general term applied to the entire class of drives, needs, wishes and similar forces".

According to Stephen. P. Robbins, "Motivation is a process that starts with physiological or psychological deficiency or need that activaties behaviour or a drive that is aimed at a goal or incentive".

According to Encyclopedia management, "Motivation refers to degree of readiness of an organism to pursue some designates goal and implies the determination of the nature and locus of the forces, including the degree of readiness".

According to Dale Breachus, "Motivation is the willingness to expand energy to achieve goals and rewards."

According to Dubin, "Motivation is the complex of forces staring and keeping a person at work in an organization".

9.   Types of Motivation

Ans :

1.   Negative Motivation

It is based on force or fear, i.e., workers can be threatened with demotion, dismissal, lay-off, pay cut etc. Negative motivation results in disloyalty to the group as well as to organization.

2.   Positive Motivation

It is based on reward. It is a process of attempting to influence others to do your will through the possibility of gain or reward.

3.   Extrinsic Motivation

Increase in wages, retirement benefits, rest periods, holidays, health wages, health insurance and the like are the examples of extrinsic motivation. Extrinsic motivation is available only after the completion of job.

4. Intrinsic Motivation

Intrinsic motivation is available at the time of performance of work. These motivations provide a satisfaction during the performance of the work itself. Praise, recognition, power, delegation of authority and responsibility, competition and participation in the decision-making process are some of the examples of intrinsic motivation.

5. Financial Motivation

Financial motivation is directly or indirectly associated with money, wages, salaries, bonus, profit- sharing, paid vacation, retirement benefits, free-medical service are some of the financial motivations.

10. Maslow's needs Hierarchy Theory

Ans :

(i) Physiological Needs

In this category, those needs are included which need to be satisfied to keep a man alive. These needs include food, shelter, clothing and sleep, etc.

(ii) Safety Needs

After physiological needs are satisfied, a man thinks about his safety. Safety needs include physical, economic and psychological needs. Physical Safety refer to defence against accidents, attacks, diseases and other unexpected problems. Economic Safety means safety of livelihood and arrangement for old age. Psychological Safety means maintaining one's prestige.

(iii) Affiliation or Social Needs

Man is a social animal and wants to live in society honourably. It is, therefore, necessary that he should have friends and relatives with whom he can share his joys and sorrows. Maslow has placed social needs at number three in order of priority.

(iv) Esteem and Status Needs

These needs are called ego needs of man. This means every human being wants to attain a higher status so that his power increases and he gets authority.

(v) Self Actualization Needs

Last of all, a man tries to satisfy himself by attaining self-realisation. This means that a man should be whatever he can be, meaning thereby, that he should actually be an achiever in respect of his capability. For example, a musician wants to be proficient in music, an artist wants to excel in the field of creating works of art. Similarly, a poet wants to be a specialist in his field.

11. Vroom's Valence Expectancy Theory.

Ans :

The most widely accepted explanations of motivation has been propounded by Victor Vroom. His theory is commonly known as expectancy theory. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple, expectancy theory says that an employee can be motivated to perform better when their is a belief that the better performance will lead to good performance appraisal and that this shall result into realization of personal goal in form of some reward. Therefore an employee is :

Motivation = Valence x Expectancy.

The theory focuses on three things :

➢ Efforts and performance relationship

➢ Performance and reward relationship

➢ Rewards and personal goal relationship

This leads us to a conclusion that

Objective Types

Unit - I

CHOOSE THE CORRECT ANSWER

1. Management deals with _____   [c]
    (a) Internal environment
    (b) External environment
    (c) Both internal and external environment
    (d) None of the above

2. According to Mary Parker _____ is an art of getting things done through others. [c]
    (a) Job   (b) Behaviour
    (c) Management   (d) Both A & B

3. Management functions include _____   [d]
    (a) Planning & organizing   (b) Directing
    (c) Controlling   (d) All of the above

4. _____ is known as ' the father of scientific management.   [a]
    (a) Fredrick W. Taylor   (b) Henry Fayol
    (c) Robert Owen   (d) None of these

5. Management is _____ in order to create a surplus.   [c]
    (a) An art   (b) A science
    (c) Both A & B   (d) None of these

6. Management skills applies to managers at _____   [d]
    (a) Middle levels in an organization
    (b) Top levels in an organization
    (c) Executive levels in an organization
    (d) All levels in an organization

7. _____ is the basic reason for it's existence.   [b]
    (a) The organizational vision
    (b) The organizational mission
    (c) The organizational objectives
    (d) The organizations CEO

8. Planning is about deciding in advance what should be done.   [c]
    (a) Organising   (b) Directing
    (c) Planning   (d) Controlling

9. _____ is about grouping of jobs   [a]

    (a) Organising   (b) Directing

    (c) Planning   (d) Controlling

10. Managerial skills involves   [d]

    (a) Technical skills   (b) Human skills

    (c) Conceptual skills   (d) All of the above

FILL IN THE BLANKS

1. According to Harold Koontz, _____

2. _____ is the primary function of management.

3. _____ as a managerial function, deals with guiding and instructing people to do the work in the right manner.

4. _____ refers to manpower required for the execution of a business plan.

5. _____ is the most comprehensive and all embracing function of management.

6. The neo-classical approach to management developed around the year _____.

7. _____ management is equally important to employers, workers and the society as a whole.

8. _____ was a major contributor to administrative management approach.

9. _____ refers to a system in which only authorized person can take vital decisions for the development of organization.

10. _____ must be provided by organization to each personnel.

ANSWERS

1. Management

2. Planning

3. Directing

4. Staffing

5. Decision-making

6. 1930

7. Scientific

8. Henry Fayol

9. Centralization

10. Job security

Unit - II

CHOOSE THE CORRECT ANSWER

1. _____ describes one of the concepts, that is crucial for the smooth running of an organisation. Name that concept.   [a]

    (a) Planning   (b) Management

    (c) None of the options are correct   (d) Coordination

2. In which step of the planning process, the best and most feasible plan will be chosen to be implemented.

                                                                                                  [a]

    (a) Selecting an alternative   (b) Evaluating alternative course of action

    (c) Setting up objective   (d) Developing Premises

3. In which step of the planning process pros and cons of each alternative is examined.   [c]

    (a) Developing Premises   (b) Setting up Objective

    (c) Evaluating alternatives course of action   (d) Selecting an alternative premises

4. Planning is the _____.   [a]

    (a) Primary/First function of the manager (b) Both (a) and (d)

    (c) None of the options are correct   (d) The last function of the manager

5. Making assumptions for the future is called _____.   [c]

    (a) Making policy   (b) All of the options are correct

    (c) Setting planning premises   (d) Making derivative plans

6. The composite plan which involves setting up a long-term objective, finding a course of action, and allocation of resources is called _____.   [b]

    (a) Programme   (b) Strategy

    (c) Procedure   (d) Policy

7. The plan which includes objective, policy, procedure, and rule, is called _____.   [c]

    (a) Budget   (b) All of the options are correct

    (c) Programme   (d) Strategy

8. Standardised way in which a task has to be performed is called _____.   [d]

    (a) Procedure   (b) Strategy

    (c) Policy   (d) Method

9. The sequence of steps or actions to be taken to enforce a policy and attain a predetermined objective is called _____.   [c]

    (a) Policy   (b) Strategy

    (c) Procedure   (d) Objective

10. Organisations' own customised way of handling problems or making decisions is called _____.   [b]

    (a) Budget   (b) Policy

    (c) Rule   (d) Strategy

FILL IN THE BLANKS

1. _____ means the determination of what is to be done, how and where it is to be done, who is to it and how results are to be evaluated.

2. _____ involves setting of goals and developing a direction to achieve them.

3. A _____ Statement describes the desired future position of the company.

4. _____ is "a statement which defines the role that an organization plays in a society".

5. _____ is an important function of every manager.

6. The contingency model developed by _____.

7. _____ likes to make quick decisions without taking the time to get the information that may be needed and without considering alternatives.

8. A _____ maker likes to take plenty of time to make decisions, gathering considerable information and analyzing several alternatives.

9. The purpose of planning and goal setting is to help the organization achieve _____.

10. _____ and _____ keep evolving and require managers to adapt rapidly is constantly changing.

ANSWERS

1. Planning
2. Goal setting
3. Vision
4. Mission
5. Decision-making
6. Victor Vroom
7. A reflexive decision maker
8. Reflective decision
9. High performance
10. Customer preferences, attitudes

Unit - III

CHOOSE THE CORRECT ANSWER

1. Which of the following is not a part of the organising process?   [c]

    (a) Assignment of responsibilities

    (b) Establishing reporting relationship

    (c) Specialisation

    (d) Division of work

2. Organising doesn't include _____.   [d]

    (a) By whom will be done   (b) When will be done

    (c) What will be done   (d) How will be done

3. Who reports to whom is made clear by _____.   [a]

    (a) Organising process   (b) Management process

    (c) Planning process   (d) None of the above

4. Grouping the activities on the basis of the product line is a part of _____. [b]

    (a) Formal organisation   (b) Divisional structure

    (c) Informal organisation   (d) Functional Structure

5. The form of organisation known for giving rise to rumours is called _____.   [d]

    (a) Decentralised organisation   (b) Formal organisation

    (c) Centralised organisation   (d) Informal organisation

6. Controlling function finds out how far _____ deviates from standards.   [a]

    (a) Actual performance   (b) Improvement

    (c) Corrective actions   (d) Cost

7. Which of the following is not a limitation of controlling?   [c]

    (a) Little control on external factors

    (b) Costly affair

    (c) Ensuring order & discipline

    (d) Difficulty in setting quantitative standards

8. Which of the following is not a process of controlling?   [b]

    (a) Analyzing deviations

    (b) Integrates employees efforts

    (c) Taking corrective measures

    (d) Setting performance standards

9. Which of the following is a traditional technique of managerial control?   [b]

    (a) Personal observation   (b) Breakeven analysis

    (c) Budgetary control   (d) All of the above

10. Remedial actions taken to prevent deviation in future is called   [b]

    (a) Measurement of actual performance   (b) Taking corrective actions

    (c) Analyzing deviations   (d) Setting performance standards

FILL IN THE BLANKS

1. _____ is an established pattern of relationships among the component parts of an organization.

2. _____ is beneficial to implement when the organization has to handle such projects where there is a combination of small or large projects.

3. _____ it is one of the oldest type of organization.

4. Both _____ and _____ organization suffer from some drawbacks.

5. _____ is the degree of discretion conferred on people to make it possible for them to use their judgement.

6. _____ refers to the capability to influence other'' behaviour in a specified direction.

7. _____ design includes organizational structure as well as design of the organizational process of work, in particular the decision making process.

8. _____ structures are those that resemble a bureaucracy.

9. _____ is the last but the most important function of management.

10. The concept of Balanced Scorecard was introduced by _____ and _____ in 1992.

ANSWERS

1. Organizational Structure

2. Matrix organization

3. Line Organization

4. Line, staff

5. Authority

6. Influence

7. Organizational

8. Mechanistic

9. Controlling

10. Robert Kaplan, Davied Norton

Unit - IV

CHOOSE THE CORRECT ANSWER

1. Work attitudes can be reflected in an organisation through   [c]

    (a) Job satisfaction   (b) Organisational commitment

    (c) Both 'A' and 'B'   (d) None of the above

2. The model(s) of Organisational Behaviour is (are):   [d]

    (a) Autocratic   (b) Custodial

    (c) Supportive   (d) All of the above

3. At the norming stage, the team is involved in defining _____   [a]

    (a) Goals   (b) Roles

    (c) Relations   (d) None of the above

4. The philosophy that guides an organisation's policies towards its _____ employees and customers
    is an important part of   [c]

    (a) Management strategy   (b) Organisation behaviour

    (c) Organisational culture   (d) Organisation development

5. Organisation structure primarily refers to   [a]

    (a) how activities are coordinated & controlled

    (b) how resources are allocated

    (c) the location of departments and office space

    (d) the policy statements developed by the firm

6. A major problem with a task force type of management is   [b]

    (a) there is no logical basis for task force information

    (b) its status is too inflexible

    (c) accountability

    (d) lack of planning

7. Communication begins with   [b]

    (a) Encoding   (b) Idea Origination

    (c) Decoding   (d) Channel Selection

8. Policies are sometimes defined as a(n)   [d]

    (a) Shortcut For Thinking   (b) Action Plan

    (c) Substitute For Strategy   (d) Substitute For Management Authority

9. _____ embodies a team concept, is based on the principle of mutual contribution by employer and employees   [d]

    (a) Autocratic model   (b) Custodial model

    (c) Supportive Model   (d) Collegial Model

10. Forces affecting organisational behaviour are   [d]

    (a) People   (b) Environment

    (c) Technology   (d) All of the above

FILL IN THE BLANKS

1. _____ in organisations is caused by individuals as individuals, as member of groups and structures of the organisations.

2. _____ involves scientific research that helps us to understand the organizational life.

3. _____ "can be defined as those inner psychological characteristics that both determine and reflect how a person responds to his or her environment".

4. _____ is the extent to which people try to control the way they present themselves to others.

5. A _____ is a characteristic way in which an individual perceives feels, believes, or acts.

6. The _____ comes into being because of the limitations of the id in dealing with the real world.

7. _____ is the process by which organisms interpret and organize sensation to produce a meaningful experience of the world.

8. The _____ effect refers to evaluating another person solely on the basis of one attribute, either favourable or unfavourable.

9. A _____ consists of two or more persons who interact with each other, consciously for the achievement of certain common objectives.

10. _____ is defined as the set of assumption, beliefs, values and norms that are shared by an organisation's members.

ANSWERS

1. Human behaviour

2. Organizational behavior

3. Personality

4. Self-monitoring

5. Trait

6. Ego

7. Perception

8. Halo

9. Group

10. Organisational culture

Unit - V

CHOOSE THE CORRECT ANSWER

1. _____ is increasing Leadership rapidly: [d]

   (a) Strategy   (b) Command

   (c) Control   (d) Getting others to follow

2. Regarding leadership, which statement is false?   [b]

   (a) Leadership does not necessarily take place within a hierarchical structure of an organisation

   (b) When people operate as leaders their role is always clearly established and defined

   (c) Not every leader is a manager

   (d) All of the above

3. _____ are the approaches to the study of leadership which emphasise the personality of the leader: [c]

   (a) Contingency theories   (b) Group theories

   (c) Trait theories   (d) Inspirational theories

4. The effectiveness of a leader is dependent upon meeting _____ areas of need within the workgroup:

                                                                                  [b]

   (a) One   (b) Three

   (c) Five   (d) None of the above

5. Needs, setting standards and maintaining discipline, and appointing sub-leaders according to Adair's approach, called as: [d]

   (a) Work functions   (b) Task functions

   (c) Individual functions   (d) Team functions

6. _____ is the set of forces that energize, direct, and sustain behavior.   [a]

   (a) Motivation   (b) Expectancy

   (c) Empowerment   (d) Socialization

7. Which of the following statements regarding internal forces of motivation is true?   [c]

   (a) They are more important to understand than external forces of motivation.

   (b) They are less important to understand than external forces of motivation.

   (c) They are as important as external forces of motivation.

   (d) They are seldom recognized by managers.

8. Which of the following is NOT a "pull" force of motivation?   [b]

   (a) availability of training   (b) performance-level goals

   (c) rewards and compensation   (d) pressure for high levels of output

9.   Which of the following is NOT an internal motivational force?   [d]

      (a)   goals   (b)   needs

      (c)   attitudes   (d)   feedback

10.   Characteristics of a job are considered _____ forces, which focus on _____.   [b]

      (a)   external or push; what happens in the work setting

      (b)   external or pull; what a person does in the work setting

      (c)   internal or push; what a person brings to his or her workd

      (d)   internal or pull; what happens outside of the work setting

FILL IN THE BLANKS

1.   _____ is a process of influencing people to direct their efforts towards the attainment of some particular goal or goals.

2.   _____ is defined as a relatively enduring quality of an individual.

3.   Autocratic leadership, also known as _____ leadership.

4.   Laissez-faire leadership, also known as _____ leadership.

5.   Democratic leadership, also known as _____ leadership.

6.   Managerial grid was refined and renamed by _____ in 1964.

7.   _____ is an important element in motivation.

8.   _____ is a general term applied to the entire class of drives, needs, wishes and similar forces.

9.   A modified need hierarchy model or ERG theory has been presented by _____ .

10.   _____ who first of all presented the Need Hierarchy Theory of Motivation in 1943.

ANSWERS

      1.   Leadership

      2.   Trait

      3.   Authoritarian

      4.   Participative

      5.   Delegative

      6.   Blake and Mouton

      7.   Power

      8.   Motivation

      9.   Alderfer

      10. Abraham Maslow

Internal Assessment (Mid Examinations)

In CIE, for theory subjects, during a semester, there shall be two mid-term examinations. Each MidTerm examination consists of two parts i) **Part – A** for 10 marks, ii) **Part – B** for 15 marks with a total duration of 2 hours as follows:

1. Mid-Term Examination for 25 marks:

    (a) Part - A: Objective/quiz paper/Short Note for 10 marks.

    (b) Part - B: Descriptive paper for 15 marks.

    Student shall have to earn 40%, i.e. 10 marks out of 25 marks from average of two mid-term examinations (I Mid-Term & II Mid-Term).

    The remaining 15 marks of Continuous Internal Assessment (out of 40) are distributed as:

2. Assignment for 5 marks. (Average of 2 Assignments each for 5 marks)

3. PPT/Poster Presentation/ Case Study/Video presentation/Survey/Field Study/Group discussion /Role Play on a topic in the concerned subject for $5 + 5 = 10$ marks before II MidTerm Examination.

    ● The objective/quiz paper is set with multiple choice, fill-in the blanks, match the following type of questions and short notes for a total of 10 marks. The descriptive paper shall contain 5 full questions out of which, the student has to answer 3 questions, each carrying 5 marks. The student has to get minimum of 40% (on 25 marks allocated for Mid-Term examinations) on average of two Mid-Term examinations.

    ● While the first mid-term examination shall be conducted on 50% of the syllabus, the second mid-term examination shall be conducted on the remaining 50% of the syllabus.

    ● Five (5) marks are allocated for assignments (as specified by the subject teacher concerned). The first assignment should be submitted before the conduct of the first mid-term examination, and the second assignment should be submitted before the conduct of the second mid-term examination.

    ● The average of the two assignments shall be taken as the final marks for assignment (for 5 marks). PPT/Poster Presentation/ Case Study/ Video presentation/ Survey/ Field Study/ Group discussion / Role Play on a topic in the concerned subject for $5 + 5 = 10$ marks before II Mid-Term Examination.

UNIT - I

Part - A

Multiple Choice Questions

1. Management deals with _____   [c]

    (a) Internal environment

    (b) External environment

    (c) Both internal and external environment

    (d) None of the above

2. According to Mary Parker _____ is an art of getting things done through others.   [c]

    (a) Job   (b) Behaviour

    (c) Management   (d) Both A & B

3. Management functions include _____   [d]

    (a) Planning & organizing   (b) Directing

    (c) Controlling   (d) All of the above

Fill in the Blanks

4. According to Harold Koontz, _____   **(Management)**

5. _____ is the primary function of management.   **(Planning)**

6. _____ as a managerial function, deals with guiding and instructing   **(Directing)**
    people to do the work in the right manner.

Short Notes

7. What are the objectives of Management?   **(Unit-I, SAQ - 2)**

8. Interpersonal Roles   **(Unit-I, SAQ - 4)**

9. Decisional Roles   **(Unit-I, SAQ - 5)**

10. Features of Contingency Approach   **(Unit-I, SAQ - 10)**

Part - B

1. Explain various functions of management.   **(Unit-I, Q.No. 7)**

2. What are the Managerial Skills? Who should have more of conceptual skills.   **(Unit-I, Q.No. 10)**

3. Explain the principles of scientific management?   **(Unit-I, Q.No. 16)**

4. Explain the Henry Fayol's principles of management.   **(Unit-I, Q.No. 21)**

5. Discuss contingency approach in detail by explaining its features,   **(Unit-I, Q.No. 26)**
    limitations and implications.

UNIT - II

Part - A

Multiple Choice Questions

1. Planning is the _____.   [a]

    (a) Primary/First function of the manager   (b) Both (a) and (d)

    (c) None of the options are correct   (d) The last function of the manager

2. Making assumptions for the future is called _____.   [c]

    (a) Making policy   (b) All of the options are correct

    (c) Setting planning premises   (d) Making derivative plans

3. The composite plan which involves setting up a long-term objective, finding a course of action, and allocation of resources is called _____.   [b]

    (a) Programme   (b) Strategy

    (c) Procedure   (d) Policy

Fill in the Blanks

4. _____ is "a statement which defines the role that an organization plays   **(Mission)**
    in a society".

5. _____ is an important function of every manager.   **(Decision-making)**

6. The contingency model developed by _____.   **(Victor Vroom)**

Short Notes

7. Benefits of vision.   **(Unit-II, SAQ - 5)**

8. Define Mission.   **(Unit-II, SAQ - 6)**

9. Need for mission statement.   **(Unit-II, SAQ - 7)**

10. What is decision-making?   **(Unit-II, SAQ - 10)**

Part - B

1. Describe the process of Organizational Planning.   **(Unit-II, Q.No. 6)**

2. Define goals. Explain the features of goals.   **(Unit-II, Q.No. 13)**

3. Outline the steps involved in planning process.   **(Unit-II, Q.No. 16)**

4. What are the various approaches to planning?   **(Unit-II, Q.No. 18)**

5. What are the various Approaches to Decision making?   **(Unit-II, Q.No. 21)**

UNIT - III

Part - A

Multiple Choice Questions

1. Which of the following is not a part of the organising process?   [c]

    (a) Assignment of responsibilities   (b) Establishing reporting relationship

    (c) Specialisation   (d) Division of work

2. Organising doesn't include _____.   [d]

    (a) By whom will be done   (b) When will be done

    (c) What will be done   (d) How will be done

3. Who reports to whom is made clear by _____.   [a]

    (a) Organising process   (b) Management process

    (c) Planning process   (d) None of the above

Fill in the Blanks

4.   _____ it is one of the oldest type of organization.   **(Line Organization)**

5.   _____ structures are those that resemble a bureaucracy.   **(Mechanistic)**

6.   _____ is the last but the most important function of management.   **(Controlling)**

Short Notes

7.   Define Organizational Structure.   **(Unit-III, SAQ - 2)**

8.   Define Authority.   **(Unit-III, SAQ - 4)**

9.   What are the Differences between powers and authority.   **(Unit-III, SAQ - 6)**

10.   Define organizational design.   **(Unit-III, SAQ - 8)**

<div align="center">

Part - B

</div>

1.   Define power. Explain different types of power.   **(Unit-III, Q.No. 8)**

2.   List the similarities and dissimilarities between authority, power and influence.   **(Unit-III, Q.No. 11)**

3.   Explain about mechanstic organizat-ional structure? State   **(Unit-III, Q.No. 13)**

       & disadvantages

4.   What are the Contemporary Organizational Design ?   **(Unit-III, Q.No. 18)**

5.   Define controlling? Explain the nature & objectives of controlling.   **(Unit-III, Q.No. 20)**

<div align="center">

UNIT - IV

Part - A

</div>

Multiple Choice Questions

1.   Work attitudes can be reflected in an organisation through   [c]

       (a)   Job satisfaction   (b)   Organisational commitment

       (c)   Both 'A' and 'B'   (d)   None of the above

2.   The model(s) of Organisational Behaviour is (are):   [d]

       (a)   Autocratic   (b)   Custodial

       (c)   Supportive   (d)   All of the above

3.   At the norming stage, the team is involved in defining _____   [a]

       (a)   Goals   (b)   Roles

       (c)   Relations   (d)   None of the above

Fill in the Blanks

4.   _____ in organisations is caused by individuals as individuals, as   **(Human behaviour)**
      member of groups and structures of the organisations.

5.   _____ involves scientific research that helps us to understand   **(Organizational behavior)**
      the organizational life.

6.   _____ "can be defined as those inner psychological characteristics that   **(Personality)**
      both determine and reflect how a person responds to his or her environment".

Short Notes

7.   Diversity   **(Unit-IV, SAQ - 4)**

8.   Sheldon's Type Theory.   **(Unit-IV, SAQ - 6)**

9.   Sigmund Freud's Psychosexual Theory.   **(Unit-IV, SAQ - 7)**

10.   Define Group   **(Unit-IV, SAQ - 10)**

Part - B

1.   Define Personality. Explain the nature of Personality.   **(Unit-IV, Q.No. 9)**

2.   What are the of factors determining personality?   **(Unit-IV, Q.No. 10)**

3.   Briefly discuss about various personality theories.   **(Unit-IV, Q.No. 12)**

4.   Explain the various stages of the group Development / Formation.   **(Unit-IV, Q.No. 20)**

5.   Discuss how groups in organizations are classified.   **(Unit-IV, Q.No. 21)**

UNIT - V

Part - A

Multiple Choice Questions

1.   Needs, setting standards and maintaining discipline, and appointing sub-leaders according to Adair's
      approach, called as: [d]

      (a)   Work functions   (b)   Task functions

      (c)   Individual functions   (d)   Team functions

2.   _____ is the set of forces that energize, direct, and sustain behavior.   [a]

      (a)   Motivation   (b)   Expectancy

      (c)   Empowerment   (d)   Socialization

3.   Which of the following statements regarding internal forces of motivation is true?   [c]

      (a)   They are more important to understand than external forces of motivation.

      (b)   They are less important to understand than external forces of motivation.

      (c)   They are as important as external forces of motivation.

      (d)   They are seldom recognized by managers.

Fill in the Blanks

3.　Autocratic leadership, also known as _____ leadership.　　**(Authoritarian)**

4.　Laissez-faire leadership, also known as _____ leadership.　　**(Participative)**

5.　Democratic leadership, also known as _____ leadership.　　**(Delegative)**

Short Notes

7.　Define leadership.　　**(Unit-V, SAQ - 1)**

8.　Leadership Traits　　**(Unit-V, SAQ - 2)**

9.　Define organizational politics.　　**(Unit-V, SAQ - 7)**

10.　Types of Motivation　　**(Unit-V, SAQ - 9)**

Part - B

1.　Define trait. Explain in detail different leadership traits.　　**(Unit-V, Q.No. 6)**

2.　Explain different types of Leadership Styles.　　**(Unit-V, Q.No. 7)**

3.　Explain the research methods that have been used to study the leadership behaviour.　　**(Unit-V, Q.No. 9)**

4.　What is motivation? Explain the nature and Importance of motivation.　　**(Unit-V, Q.No. 19)**

5.　Write about Herzberg's two factor theory of motivation.　　**(Unit-V, Q.No. 23)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A I - Year I - Semester Examination
$\boxed{\text{R22}}$
MODEL PAPER - I

MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 60**

Note : This question paper contains two parts **A** and **B**.

            Part A is compulsory which carries 10 marks. Answer all questions in **Part A.**

            Part B consists of 5 Units. Answer any **One** full question from each unit.

            Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

ANSWERS

1.	(a)	What are the objectives of Management?	**(Unit - I, SQA - 2)**
	(b)	Decisional Roles	**(Unit - I, SQA - 5)**
	(c)	What is Planning?	**(Unit - II, SQA - 1)**
	(d)	Define vision.	**(Unit - II, SQA - 4)**
	(e)	Define Organizational Structure.	**(Unit - III, SQA - 2)**
	(f)	Define Authority.	**(Unit - III, SQA - 4)**
	(g)	Define Personality.	**(Unit - IV, SQA - 5)**
	(h)	Define Organizational Culture.	**(Unit - IV, SQA - 2)**
	(i)	What is motivation?	**(Unit - V, SQA - 8)**
	(j)	Define organizational politics.	**(Unit - V, SQA - 7)**

PART - B (5 × 10 = 50 Marks)

2.	(a)	Define management process. What are its elements?	**(Unit - I, Q.No. 6)**
		OR	
	(b)	Explain the principles of scientific management?	**(Unit - I, Q.No. 16)**
3.	(a)	Outline the steps involved in planning process.	**(Unit - II, Q.No. 16)**
		OR	
	(b)	Describe the process of Organizational Planning.	**(Unit - II, Q.No. 6)**
4.	(a)	List the similarities and dissimilarities between authority, power and influence.	**(Unit - III, Q.No. 11)**
		OR	
	(b)	Explain the various Challenges in Contemporary Organizational Design?	**(Unit - III, Q.No. 19)**
5.	(a)	Define organizational behaviour. What are its features?	**(Unit - IV, Q.No. 1)**
		OR	
	(b)	Briefly discuss about various personality theories.	**(Unit - IV, Q.No. 12)**
6.	(a)	Write about Herzberg's two factor theory of motivation.	**(Unit - V, Q.No. 23)**
		OR	
	(b)	Explain different types of Leadership Styles.	**(Unit - V, Q.No. 7)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A I - Year I - Semester Examination

R22

MODEL PAPER - II

MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 60**

Note : This question paper contains two parts **A** and **B**.

Part **A** is compulsory which carries 10 marks. Answer all questions in **Part A.**

Part **B** consists of 5 Units. Answer any **One** full question from each unit.

Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

Aₙsᴡᴇʀs

1.	(a)	Interpersonal Roles	**(Unit - I, SQA - 4)**
	(b)	Principles of Scientific Management.	**(Unit - I, SQA - 7)**
	(c)	Goal setting.	**(Unit - II, SQA - 2)**
	(d)	What is decision-making?	**(Unit - II, SQA - 10)**
	(e)	Define Organic Structure.	**(Unit - III, SQA - 9)**
	(f)	Define controlling.	**(Unit - III, SQA - 10)**
	(g)	Define organizational behaviour.	**(Unit - IV, SQA - 1)**
	(h)	Define Perception.	**(Unit - IV, SQA - 8)**
	(i)	Leadership Traits	**(Unit - V, SQA - 2)**
	(j)	Maslow's needs Hierarchy Theory	**(Unit - V, SQA - 10)**

PART - B (5 × 10 = 50 Marks)

2.	(a)	Explain the Henry Fayol's principles of management.	**(Unit - I, Q.No. 21)**
		OR	
	(b)	Explain various functions of manage-ment.	**(Unit - I, Q.No. 7)**
3.	(a)	Define vision? Explain the importance, and components of a vision statement.	**(Unit - II, Q.No. 7)**
		OR	
	(b)	Narrate on Vroom's participative decision making model.	**(Unit - II, Q.No. 27)**
4.	(a)	Define Organizational Structure. Explain the steps involved in designing Organizational Structures.	**(Unit - III, Q.No. 3)**
		OR	
	(b)	Explain about mechanstic organizat-ional structure? State its advantages & disadvantages	**(Unit - III, Q.No. 13)**
5.	(a)	Define Personality. Explain the nature of Personality.	**(Unit - IV, Q.No. 9)**
		OR	
	(b)	Discuss how groups in organizations are classified.	**(Unit - IV, Q.No. 21)**
6.	(a)	Write a note on managerial/leadership grid style.	**(Unit - V, Q.No. 19)**
		OR	
	(b)	Write about Vroom's Valence Expectancy Theory.	**(Unit - V, Q.No. 28)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

M.B.A I - Year I - Semester Examination   R22
MODEL PAPER - III

MANAGEMENT AND ORGANIZATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 60**

Note : This question paper contains two parts **A** and **B**.

       Part A is compulsory which carries 10 marks. Answer all questions in **Part A.**

       Part B consists of 5 Units. Answer any **One** full question from each unit.

       Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (10 × 1 = 10 Marks)

                                                              ANSWERS

1.   (a)   Behavioural theory of management.   **(Unit - I, SQA - 9)**

       (b)   Managers based on Management Levels.   **(Unit - I, SQA - 3)**

       (c)   Define Mission.   **(Unit - II, SQA - 6)**

       (d)   Benefits of vision.   **(Unit - II, SQA - 5)**

       (e)   Line and Staff Organization   **(Unit - III, SQA - 3)**

       (f)   Define power.   **(Unit - III, SQA - 5)**

       (g)   Formal Groups.   **(Unit - IV, SQA - 11)**

       (h)   Define team building.   **(Unit - IV, SQA - 13)**

       (i)   Define leadership.   **(Unit - V, SQA - 1)**

       (j)   Define power.   **(Unit - V, SQA - 6)**

PART - B (5 × 10 = 50 Marks)

2.   (a)   Comment on different managerial roles.   **(Unit - I, Q.No. 9)**

                                  OR

       (b)   Discuss contingency approach in detail by explaining its features,   **(Unit - I, Q.No. 26)**

           limitations and implications.

3.   (a)   What are the various approaches to planning?   **(Unit - II, Q.No. 18)**

                                    OR

       (b)   Narrate on Vroom's participative decision making model.   **(Unit - II, Q.No. 27)**

4 .   (a)   Define controlling? Explain the nature & objectives of controlling.   **(Unit - III, Q.No. 20)**

                                    OR

       (b)   Define power. Explain different types of power.   **(Unit - III, Q.No. 8)**

5.   (a)   Explain the various stages of the group Development / Formation.   **(Unit - IV, Q.No. 20)**

                                    OR

       (b)   What are the of factors determining personality?   **(Unit - IV, Q.No. 10)**

6.   (a)   Define trait. Explain in detail different leadership traits.   **(Unit - V, Q.No. 6)**

                                    OR

       (b)   Explain the research methods that have been used to study the   **(Unit - V, Q.No. 9)**

           leadership behaviour.

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

M.B.A I - Semester Examination
January - 2018

R17

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time: 3 hours   **Max. Marks: 75**

Note: This questions paper contains two **parts A** and **B**

Part A is compulsory which carries 25 marks. Answer all questions in **Part A. Part B** consists of 5 Units. Answer any one full questions from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (5 × 5 = 25 Marks)

ANSWERS

1. (a) Differentiate administration from management.

Ans :

S.No.	Administration	Management
1.	Administration is the process of determining the object to be obtained.	Management is the process of planning the work as per the objectives laid down down by the administration.
2.	It is the first and provides guide lines to the management and organization.	It comes second follows the administration and derives strength from administration.
3.	It prepares the framework under which one is asked to work and execute.	It supervises and controls the execution of assigned work.
4.	It lays down the policies and principles.	It executes the policies and programmes
5.	It provides : (a) Direction (b) Guidance and (c) Leadership	It co-ordinates activities : (a) Direction (b) Guidance, and (c) Leadership

(b) What is a strategic plan?   **(Unit-II, Q.No.4 (Point No. iv)**

(c)   Elaborate the importance of organizational structure.

Ans :

➢   Clear definition of authority, responsibility relationship facilities better understanding of the objectives and the policies of the enterprise.

➢   Organisational structure lays down both channels and the patterns of communication. It facilitates proper administration.

➢   It helps to coordinate activities of the component parts in order to facilitate the realisation of the goals of the organisation.

➢   It helps in growth and diversification of the activities of an organisation.

(d)   What are the challenges of organizational behavior?

Ans :

i)   Improving Peoples' Skills.

ii)   Improving Quality and Productivity.

iii)   Total Quality Management (TQM).

iv)   Managing Workforce Diversity.

v)   Responding to Globalization.

vi)   Empowering People.

vii)   Coping with Temporariness.

viii) Stimulating Innovation and Change.

ix)   Emergence of E-Organisation & E-Commerce.

x)   Improving Ethical Behaviour.

(e)   What are the symptoms charismatic style of leadership?

Ans :

➢   The messenger outshines the message.

➢   The stories hit home fast.

➢   They always have the perfect compliment for a price.

➢   They never let you forget they're on your side.

➢   The mood and the moment make it hard to think.

PART - B (5 × 10 = 50 Marks)

2.   Discuss critically the various functions of management and supplement your

     answer with the help of examples.   **(Unit-I, Q.No.7)**

OR

3.   Explain in detail the various roles to be performed by managers as professed

     by Fayol.   **(Unit-I, Q.No.9)**

4.   (a) Examine critically various types of plans that are being used in organizations

         with the help of examples.   **(Unit-II, Q.No.15)**

     (b) Point out the process of developing a plan.   **(Unit-II, Q.No.16)**

                                        OR

5.   Describe in detail various steps involved in decision making process. Discuss the

     individual influences that affect decision making.   **(Unit-II, Q.No.23)**

Ans :

     Decisions are typically made under one of three conditions-

(a) Certainty

➢ Decisions are made under conditions of certainty when the manager has enough information to
    know the outcome of the decision before it is made.

➢ The manager knows the available alternatives as well as the conditions and consequences of those
    actions.

➢ There is little ambiguity and hence relatively low possibility of making a bad decision.

(b) Risk

➢ Most managerial decisions are made under conditions of risk.

➢ Decisions are taken in risk when the manager has some information leading to the decision but
    does not know everything and is unsure or unaware of the consequences.

    Under conditions of risk, the manager may find it helpful to use probability estimates. This is where
    the manager's experience and/or intelligence is of great help.

(c) Uncertainty

➢ Decisions are made under uncertainty when the probabilities of the results are unknown.

➢ There is no awareness of all the alternatives and also the outcomes, even for the known alternatives.

6.   Discuss in detail the basic design dimensions managers must consider in

     structuring an organizations.   **(Unit-III, Q.No.18)**

                                        OR

7.   Explain in detail the steps in the controlling process. What are the various

     techniques that can be followed for effective controlling ?   **(Unit-III, Q.No.22)**

Ans :

1.   Personal Observation

     Personal observation of actual performance of the subordinates at the work place is the most
     effective, direct and oldest method of control.

     The managers need to hold discussion with the persons whose work is being controlled and they
     should watch the actual operations.

2. Budgetary Control

'Budgetary Control' is the process of utilizing budgets for comparing the actual performance with the corresponding budget performance in order to find out the deviations, and to remove the deviations by either adjusting the budget estimates or correcting the causes of deviations.

3 Ratio Analysis

A 'Ratio' is an arithmetical relationship between two figures. 'Ratio Analysis' is a study of ratios between various items or groups in the financial statement of an organisation. With the help of such analysis, the efficiency of financial performance of an enterprise can be judged. It measures financial condition, profitability and efficiency of the enterprise. This analysis is an important technique to exercise control over the departments of an enterprise. Some important examples of Ratio Analysis are the analysis of Liquidity Ratio, Leverage Ratio, Turnover Ratio, Profitability Ratio, Valuation Ratio, etc.

4. Cost Control

'Cost Control' is an important technique for financial controlling process. The technique of cost control involves the determination of the standard in respect of each item of cost, ascertainment of the actual costs regarding those items, detection of variations in order to determine the responsibility, cause, extent and cost of each variance, and then taking necessary action to ensure that the actual costs conform to the standard costs in future.

8. Explain in detail how personality influences behavior in organizations. **(Unit-IV, Q.No.11)**

OR

9. Critically examine the various factors that influence perception and also discuss

why people perceive differently for identical situations. **(Unit-IV, Q.No.15)**

10. Enlist the various differences between leadership and management and also between leaders and managers.

Ans :

Basis for Comparison	Leader	Manager
Meaning	A leader is a person who influences his subordinates to achieve a specified goal.	A manager is a person who manages the organisation and is responsible for planning, direction, coordination and control
Approach	Sets Direction	Plans details
Attribute	Foresightedness	Mind
Subordinate	Followers	Employees
Style	Transformational	Transactional
Decision	Facilitates decision	Makes decision
Aim	Growth and development.	Attainment of the required result.
Focus	People	Process and Procedure

Basis for Comparison	Leadership	Management
Meaning	Leadership is a skill of leading others by examples	Management is an art of systematically organizing and coordinating things in an efficient way.
Basis	Trust	Control
Emphasis on	Inspiring People	Managing activities
Power	Influence	Rule
Focus on	Encouraging change	Bringing stability
Strategy	Proactive	Reactive

OR

11. Describe in detail the two-factor theory of motivation.   **(Unit-V, Q.No.23)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

M.B.A I - Semester Examination

June /July - 2018

R17

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time: 3 hours   **Max. Marks: 75**

Note: This questions paper contains two **parts A** and **B**

Part A is compulsory which carries 25 marks. Answer all questions in **Part A. Part B** consists of 5 Units. Answer any one full questions from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

PART - A (5 × 5 = 25 Marks)

ANSWERS

1.   Briefly narrate the following:

    (a)   Techniques used in management science.   **(Out of Syllabus)**

    (b)   Goal setting and its advantages.   **(Unit-II, SQA-2)**

Ans :

Advantages

➢   Provides Direction. First and foremost, goals give you a direction and destination.

➢   Clearer Focus on what is important.

➢   Clarity in Decision Making.

➢   Gives you control of your future.

➢   Provides Motivation.

    (c)   Balance scorecard and its advantages.   **(Unit-III, Q.No.26,27)**

    (d)   Group conesiveness   **(Unit-IV, SQA-12)**

    (e)   Importance of leadership.

Ans :

        Leadership is an important function of management which helps to maximize efficiency and to achieve organizational goals. The following points justify the importance of leadership in a concern.

(i)   Initiates action : Leader is a person who starts the work by communicating the policies and plans to the subordinates from where the work actually starts.

(ii)   Motivation : A leader proves to be playing an incentive role in the concern's working. He motivates the employees with economic and non-economic rewards and thereby gets the work from the subordinates.

(iii) Providing guidance :   A leader has to not only supervise but also play a guiding role for the subordinates. Guidance here means instructing the subordinates the way they have to perform their work effectively and efficiently.

(iv) **Creating confidence :** Confidence is an important factor which can be achieved through expressing the work efforts to the subordinates, explaining them clearly their role and giving them guidelines to achieve the goals effectively. It is also important to hear the employees with regards to their complaints and problems.

(v) **Building morale :** Morale denotes willing co-operation of the employees towards their work and getting them into confidence and winning their trust. A leader can be a morale booster by achieving full co-operation so that they perform with best of their abilities as they work to achieve goals.

<div align="center">

PART - B (5 × 10 = 50 Marks)

</div>

2.   (a)   Define the management process.   **(Unit-I, Q.No.6)**

     (b)   Briefly explain the various elements of management process.   **(Unit-I, Q.No.6)**

<div align="center">OR</div>

3.   (a)   What is the meaning of scientific management?   **(Unit-I, Q.No.16)**

     (b)   What are the benefits of scientific management to :

          (i) Employees ; and (ii) Workers?   **(Unit-I, Q.No.19)**

4.   What is decision making approach? And what are its advantages and

     disadvantages ?   **(Unit-II, Q.No.21)**

Ans :

Advantages

(i)   Gives More Information

Good decision-making process acquires enough information before taking any action. In decision making, there is a large number of peoples involved.

(ii)   Increase People's Participation

Decision making in the organisation is done by a group of peoples working in the organisation. It is not carried out by a single individual rather than by a group of people

(iii)   Provide More Alternatives

Companies are able to get different alternatives for a particular situation through group decision making. There are different people working as a group for proper decisions.

(iv)   Improves The Degree Of Acceptance And Commitment

Companies always face the chances of conflict among its staff working in the organisation. Through group decision making each person gets equal right to share his views and ideas.

(v)   Improves The Quality Of Decisions

Decision making helps in taking quality decisions at the right time. There are different experts engaged by organisations in their decision-making group. These peoples have through knowledge and creative thinking.

(vi)   Helps In Strengthening The Organisation

It helps in improving the strength of the organisation. Decision making provides a platform to each individual working in an organisation to equally represent their ideas. Everybody gets an equal right to take part in managing the organisation.

Disadvantages

(i) Costly

The first and foremost disadvantage of decision making is that it is too expensive to process. Decision making in organisations involves different peoples for taking proper action

(ii) Time-Consuming

Decisions are of no use if they are not taken timely. Decision making involves a series of steps to be followed to arrive at a particular conclusion.

(iii) Individual Domination

This is another disadvantage of the decision-making process in an organisation. There may be a possibility that all members are not treated equally in a group created for decision making.

(iv) Ambiguous Responsibility

Another disadvantage of decision-making is that responsibility is not clear. In the case of individual decision making, responsibility is on a single person.

<div align="center">OR</div>

5.   (a)   What is organizational planning?   **(Unit-II, Q.No.5)**

     (b)   Differentiate between standing plans and single use plans.

Ans :

<div align="center">**Difference between Standing and Single use plans**</div>

S.No.	Basis	Standing plans	Single use plans
1.	Period	They are formed for a long period	They are formed for a short period and discarded when the assignment/ project is over
2.	Scope	They have a wide scope as they involve the whole organisation in its scope.	They have a narrow scope and they are formulated for a specic project/assinment/ situation.
3.	Frequency of use	These are repective in nature	They are one time plan, not used for recuring situations.
4.	Examples	Policies, procedures, methods, etc.	Objectives, budgets, etc.

6.   (a)   What is organizational structure?   **(Unit-III, Q.No.3)**

     (b)   Briefly explain: (i) Line; (ii) Line and staff; and (iii) Functional organizations.   **(Unit-III, Q.No.4)**

<div align="center">OR</div>

7.   Briefly explain authority, power and influence, and explain the relationship between them?

<div align="right">**(Unit-III, Q.No.6,8,10,11)**</div>

8. (a) Define personality.   **(Unit-IV, Q.No.9)**

    (b) Briefly explain the different natures of Personality.   **(Unit-IV, Q.No.9)**

                                        OR

9. (a) What is organizational behavior?   **(Unit-IV, Q.No.1)**

    (b) What are the challenges and opportunities of organizational behavior?

Ans :

(i) Improving People's Skills

➤ Technological,Structural, Environmental changes are accelerated at a faster rate in the business field.

➤ Unless employees and executives are equipped to possess the required skills to adapt those changes, the targeted goals cannot be achieved in time.

➤ Two different categories of skills – Managerial skills and Technical skills.

➤ Managerial skills include listening skills, motivating skills, problem-solving skill, decision-making skills etc.

(ii) Improving quality and productivity

➤ Quality is the extent to which the customers believe the product or service surpasses their needs and expectations.

(iii) The key dimensions of quality as follows

➤ Performance

➤ Reliability

➤ Durability

➤ Services

➤ Response

(iv) Total Quality Management (TQM)

➤ It is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational process.

➤ The components of TQM are; (a) An intense focus on the customer, (b) Concern for continual improvement, (c) Improvement in the quality of everything the organization does (d) Accurate measurement and, (e) Empowerment of employees.

(v) Managing workforce diversity

➤ The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs, and work styles. Because In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations

(vi)   Responding to globalization

➢   Today's business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic Conditions (i.e. the business operations are expanded to gain their market share and to remain in the top rank etc.

(vii) Empowering people

➢   Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them.

10.   (a)   What are the qualities of a successful leader?   **(Unit-V, Q.No.3)**

       (b)   Briefly explain the leadership skills.   **(Unit-V, Q.No.4)**

<div align="center">OR</div>

11.   (a)   Give any two definitions of motivation.   **(Unit-V, Q.No.19)**

       (b)   What are steps in Motivation?

Ans :

Steps of motivation process explained below;

(i)   Identify Unsatisfied Needs and Motives

The first process of motivation involves unsatisfied needs and motives. Unsatisfied needs activated by internal stimuli such as hunger and thirst.

They can also be activated by external stimuli such as advertisement and window display.

(ii)   Tension

Unsatisfied needs to create tension in the individual. Such tension can be physical, psychological, and sociological. In this situation, people try to develop objects that will satisfy their needs.

(iii) Action to satisfy needs and motives

Such tension creates a strong internal stimulus that calls for action. The individual engages in activities to satisfy needs and motives for tension reduction.

For this purpose, alternatives are searches and choice are made, the action can be hard work for earning more money.

(iv)   Goal accomplishment

Action to satisfy needs and motives accomplishes goals. It can be achieved through reward and punishment. When actions are carried out as per the tensions, then people are rewarded others are punished. Ultimately goals are accomplished.

(v)   Feedback

Feedback provides information for revision or improvement or modification of needs as needed. Depending on how well the goal is accomplished their needs and motives are modified.

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

MBA I-Semester Examinations

December-2018

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

R17

Time : 3 Hours]   **[Max. Marks : 75**

Note: This question paper contains two **Part A** and **B**.

     Part A is compulsory which carries 25 marks. Answer all questions in **Part A.**

     Part B consists of 5 Units. Answer any **One** full question from each unit.

     Each question carries 10 marks and may have a, b, c as sub questions.

ANSWERS

PART - A (5 × 5 = 25 Marks)

1.   Give short answers to the following :

     (a)   What do you understand by 'Direction'?   **(Unit-I, Q.No.7 (4th point)**

     (b)   State the different types of Plans.   **(Unit-II, Q.No.15)**

     (c)   Distinguish between formal and informal group.

Ans :

Basis for Comparison	Formal Group	Informal Group
Meaning	Groups created by the organization, for the purpose of accomplishing a specific task are known as Formal Groups.	Groups created by the employees themselves, for their own sake are known as Informal Groups.
Formation	Deliberately	Voluntarily
Size	Large	Comparatively small.
Life	Depends on the type of group.	Depends on the members.

     (d)   State the elements of Organisational behaviour.

Ans :

(i)   People/ Employee

     The employee is one of the very important parts of an organization. There is no any alternative in an organization without employee/people. You know, there may be many parties in an organization. Some party may be formal and some may be informal.

     These parties are not stable rather than mobile. Actually, today's Human Organization is tomorrow's future.

Organization and employee are connected to each other and it will remain forever.

(ii)   Structure

This is the second steps of organizational behavior. Actually, Structure means the formal relationship with on the job employee of an organization.

(iii)   Technology

Technology is a very important primary aspect of organizational structure in the modern age. Technology supplies essential resource and equipment to the employee for doing their work efficiently.

(iv)   Social System

Everything around us is society and everyone in the social lives together. The social system determines the organizational work environment and from which the organization can operate.

(v)   Environment

There is no any organization where they can survive alone. Every organization has to work on the internal and external environment.

(e)   Substantiate the characters of two factors of leadership with example   **(Unit-V, Q.No.3)**

PART - B (5 × 10 = 50 Marks)

2.   Explain the Henry Fayol's contribution to management.   **(Unit-I, Q.No.21)**

OR

3.   Describe the Fredrick Taylor's contribution to scientific management.   **(Unit-I, Q.No.17)**

4.   Describe in detail the steps in planning process.   **(Unit-II, Q.No.16)**

OR

5.   Summarize the various approaches to planning.   **(Unit-II, Q.No.18)**

6.   Describe the various forms of Organization structure and critically evaluate.   **(Unit-III, Q.No.4)**

OR

7   Answer briefly :

(a)   Balanced score card   **(Unit-III, Q.No.26)**

(b)   Bench marking   **(Unit-III, Q.No.29)**

(c)   Challenges in organizational design   **(Unit-III, Q.No.19)**

8.   Explain the various approaches to Organizational behaviour.

Ans :

There are 4 Approaches to Organizational Behavior

(i)   Human Resources Approach

This approach recognizes the fact that people are the central resource in any organization and that they should be developed towards higher levels of competency, creativity, and fulfillment.

People thus contribute to the success of the organization.

The human resources approach is also called as the supportive approach in the sense that the manager's role changes from control of employee to active support of their growth and performance.

(ii) Contingency Approach

The contingency approach (sometimes called the situational approach) is based on the premise that methods or behaviors which work effectively in One situation fail in another.

For example; Organization Development (OD) programs, way work brilliantly in one situation but fail miserably in another situation.

Results differ because situations differ, the manager's task, therefore, is to identify which method will, in a particular situation, under particular circumstances, and at a particular time, best contribute to the attainment of organization's goals.

The strength of the contingency approach lies in the fact it encourages analysis of each situation prior to action while at the same time discourages the habitual practice of universal assumptions about methods and people.

(iii) Productivity Approach

Productivity which is the ratio of output to input is a measure of an organization's effectiveness. It also reveals the manager's efficiency in optimizing resource utilization.

The higher the numerical value of this ratio, the greater the efficiency.

Productivity is generally measured in terms of economic inputs and outputs, but human and social inputs and outputs also are important.

For example, if better organizational behavior can improve job satisfaction, a human output or benefit occurs

(iv) Systems Approach

The Systems Approach to OB views the organization as a united, purposeful system composed of interrelated parts.

This approach gives managers a way of looking at the organization as a whole, whole, person, whole group, and the whole social system.

In so doing, the systems approach tells us that the activity of any segment of an organization affects, in varying degrees the activity of every other segment. A systems view should be the concern of every person in an organization.

OR

9.   Determine the factors influencing Personality.   **(Unit-IV, Q.No.10)**

10. Explain the different leadership styles and make critical appraisal.   **(Unit-V, Q.No.7)**

OR

11. Discuss any two motivational theories of your choice.   **(Unit-V, Q.No.22,23)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD
MBA I-Semester Examinations
April / May- 2019
R17

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Note: This question paper contains two **Part A** and **B**.

   Part A is compulsory which carries 25 marks. Answer all questions in **Part A.**

   Part B consists of 5 Units. Answer any **One** full question from each unit.

   Each question carries 10 marks and may have a, b, c as sub questions.

A**NSWERS**

PART - A (5 × 5 = 25 Marks)

1.   Write short notes on the following :

      (a)   Management process.   **(Unit-I, Q.No.6)**

      (b)   Goal setting   **(Unit-II, SQA-2)**

      (c)   Organizational structure.   **(Unit-III, SQA-2)**

      (d)   Group cohesiveness   **(Unit-IV, SQA-12)**

      (e)   ERG Theory   **(Unit-V, Q.No.26)**

PART - B (5 × 10 = 50 Marks)

2.   (a)   Explain the functions of management.   **(Unit-I, Q.No.7)**

      (b)   State the managerial roles and skills.   **(Unit-I, Q.No.9)**

OR

3.   Explain the systems and contingency theory of management in detail.   **(Unit-I, Q.No.25,26)**

4.   (a)   How can you set an organizational vision, mission and goals?   **(Unit-II, Q.No.7,10,13)**

      (b)   Explain the different steps in planning.   **(Unit-II, Q.No.16)**

OR

5.   (a)   Explain the different types of decisions.   **(Unit-II, Q.No.24)**

      (b)   Explain Vroom's participative decision making model.   **(Unit-II, Q.No.27)**

6.   (a)   Explain the principles of organising.   **(Unit-III, Q.No.5)**

      (b)   Explain the contemporary organizational design and its challenges.   **(Unit-III, Q.No.18,19)**

OR

7   (a)   What are the different types of control?   **(Unit-III, Q.No.24)**

      (b)   Explain the controlling of organisational performance.   **(Unit-III, Q.No.23)**

8.   Explain the different personality theories in detail.   **(Unit-IV, Q.No.12)**

                                    OR

9.   (a) State the classification of groups. Explain   **(Unit-IV, Q.No.21)**

     (b) What are the group properties? Explain.   **(Unit-IV, Q.No.24)**

10. (a) Explain the transformational leadership style.

Ans :

      Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and organization as a whole. Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They have a charismatic appeal. But charisma alone is insufficient for changing the way an organization operates. For bringing major changes, transformational leaders must exhibit the following four factors:

(i)   **Inspirational Motivation :** The foundation of transformational leadership is the promotion of consistent vision, mission, and a set of values to the members. Their vision is so compelling that they know what they want from every interaction. Transformational leaders guide followers by providing them with a sense of meaning and challenge. They work enthusiastically and optimistically to foster the spirit of teamwork and commitment.

(ii) **Intellectual Stimulation :** Such leaders encourage their followers to be innovative and creative. They encourage new ideas from their followers and never criticize them publicly for the mistakes committed by them. The leaders focus on the "what" in problems and do not focus on the blaming part of it. They have no hesitation in discarding an old practice set by them if it is found ineffective.

(iii) **Idealized Influence :** They believe in the philosophy that a leader can influence followers only when he practices what he preaches. The leaders act as role models that followers seek to emulate. Such leaders always win the trust and respect of their followers through their action. They typically place their followers needs over their own, sacrifice their personal gains for them, ad demonstrate high standards of ethical conduct. The use of power by such leaders is aimed at influencing them to strive for the common goals of the organization.

(iv) **Individualized Consideration :** Leaders act as mentors to their followers and reward them for creativity and innovation. The followers are treated differently according to their talents and knowledge. They are empowered to make decisions and are always provided with the needed support to implement their decisions.

     (b) Explain the behavioural theory in detail.   **(Unit-V, Q.No.9)**

                                    OR

11. Explain the two factor theory of motivation.   **(Unit-V, Q.No.23)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

MBA I-Semester Examinations

January - 2020

R19

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Note: This question paper contains two **Part A** and **B**.

        Part A is compulsory which carries 25 marks. Answer all questions in **Part A.**

        Part B consists of 5 Units. Answer any **One** full question from each unit.

        Each question carries 10 marks and may have a, b, c as sub questions.

ANSWERS

PART - A (5 × 5 = 25 Marks)

1.   (a) What are the different kind of managers.   **(Unit-I, Q.No.8)**

       (b) Explain how planning is done in dynamic environment.   **(Unit-II, SQA-1)**

       (c) What are the financial controls of an organization?   **(Unit-III, Q.No.25)**

       (d) Explain the classification of groups.   **(Unit-IV, Q.No.21)**

       (e) Mention the leadership traits.   **(Unit-V, SQA-2)**

PART - B (5 × 10 = 50 Marks)

2.   Identify some of the important skills that help managers succeed.

    Give suitable examples.   **(Unit-I, Q.No.10)**

OR

3.   What are the basic functions that make up the management process?

    How are they related to one another?   **(Unit-I, Q.No.7)**

4.   Analyze the importance of planning and also explain the steps involve in it.   **(Unit-II, Q.No.3,6)**

OR

5.   (a) Is Decision making a rational process ? Discuss.   **(Unit-II, Q.No.23)**

       (b) Explain the concept of vroom's participative decision making model.   **(Unit-II, Q.No.27)**

6.   Discuss any four types of organization structure. Represent them diagrammatically.

                                                     (Unit-III, Q.No.4)

OR

7.   Elaborate the merits and demerits of line organization and staff organization.

<div align="right">(Unit-III, Q.No.4 (Point 2 & 3))</div>

8.   Explain the Tuckman's model of group development.   **(Unit-IV, Q.No.20)**

<div align="center">OR</div>

9.   Define the nature of values and attitudes and explain their importance within

organizational behavior.

Ans :

Nature of values

➢   These are extremely practical, and valuation requires not just techniques but also an understanding of the strategic context.

➢   These can provide standards of competence and morality.

➢   These can go beyond specific situations or persons.

➢   Personal values can be influenced by culture, tradition, and a combination of internal and external factors.

➢   These are relatively permanent.

➢   These are more central to the core of a person.

➢   Most of our core values are learned early in life from family, friends, neighbourhood school, the mass print, visual media and other sources within the society.

➢   Values are loaded with effective thoughts about ideas, objects, behaviour, etc.

➢   They contain a judgmental element in that they carry an individual's ideas as to what is right, good, or desirable.

Nature of attitude

➢   Attitudes are the complex combination of things we call personality, beliefs, values, behaviours, and motivations.

➢   It can fall anywhere along a continuum from very favourable to very unfavourable.

➢   All people, irrespective of their status or intelligence, hold attitudes.

➢   An attitude exists in every person's mind. It helps to define our identity, guide our actions, and influence how we judge people.

➢   Although the feeling and belief components of attitude are internal to a person, we can view a person's attitude from their resulting behaviour.

10. "A good leader is not necessarily a good manager" Discuss this statement and

compare leadership with management.

Ans :

Definition:

Group dynamics is the analysis of all those factors which contribute to the creation and functioning of a group. It is moreover concerned about the change in psychology or mindset of the individuals while performing in a group. It is a parameter to evaluate the overall performance of a group.

1.   Group Membership

Membership in the group is a selective process in which individuals are granted membership primarily on the basis of commonality of interests and willingness to be co-operative and to conform to the group norms. Individuals may have overlapping memberships in a number of informal groups, depending upon the frequency of contacts, the mutual interests shared and other factors. Often several employees of a concern may be members of the formal and informal groups.

2.   Emergent Leadership

As a group strives to complete some objectives and the individual members begin to know each other, they choose someone to lead them. The leader is accepted by the group members and emerges from within. He is followed and obeyed because members perceive that he can bring them their cherished result. The selected leader is granted authority by the members to make decision, take action, seek conformity or take other actions that seem appropriate.

3.   Formal Hierarchy

All groups have a certain degree of formal organisation. For instance, consultation and discussions on important issues are held with the "lieutenants." It is through these sub-leaders that messages are communicated to the members of the group. The individuals performing leadership roles possess prestige because of their role. They are ranked by group members as being at a particular level in the group status hierarchy.

However, it is to be noted that the actions and existence of the group are not completely controllable by the use of formal authority methods. Informal relationships develop and act within the formal organisation but tend to remain somewhat independent. This aloofness provides many interesting challenges to formal managers and leaders.

4.   Group Has Some Activity or Task to Perform

A group does something which may be related to its job or unconnected with it. For example, it may go on a picnic or movie or simply engage in a gossip session. It undertakes these tasks to serve some ends in purpose. It may provide them with information and further social ties, or satisfy their social and affiliation needs or bring them protection against some type of threatening, oppressive forces, etc.

5.   Interaction

All people interact with one another. When such interaction takes place, there is a social transaction, in which one person responds to another. According to Berne, "people interact with each other in terms of three psychological positions or behavioural patterns known as ego states. These ego states are parent, adult and child, and a normal person operates with some or all the three. Persons interacting with a parent ego are protective, dogmatic, evaluative and righteous. They prefer laws, rules and standards. The adult ego state is based upon reason and seeking and processing

information, and on factual discussion. It views people as equal, worthy and reasonable human beings. The child ego state reflects the conditions and experiences of early childhood. It is dependent, rebellious, selfish and sometimes creative. It tends to seek approval, and grasps for immediate satisfactions. It is usually emotional."

6.   Group Norms:

Each informal group characteristically establishes group behaviour standards or norms, beliefs, traditions and attitudes to which it expects its members to conform.

According to Luthens, "norms are the oughts of behaviour. They are prescriptions for acceptable behaviour determined by a group, institution, or society."

In the opinion of Argyle, "Group norms are rules or guidelines of accepted behaviour which are established by a group and used to monitor the behaviour of its members."

OR

11.   Explain the need and importance of motivation in an organization and also

explain the McClelland's need based motivational model.

Ans :

Intercultural describes communities in which there is a deep understanding and respect for all cultures. Intercultural communication focuses on the mutual exchange of ideas and cultural norms and the development of deep relationships. In an intercultural society, no one is left unchanged because everyone learns from one another and grows together.

The Intercultural Training and Consulting program at Spring Institute is committed to promoting mutual respect among cultures by strengthening intercultural understanding within organizations.

Benefits

➢   Most people have a variety of intercultural relationships that may feature differences in age, physical ability, gender, ethnicity, class, religion, race, or nationality.

➢   Rewards of intercultural relationships are great, and the key to these relationships is an interesting balance of differences and similarities.

➢   Acquiring knowledge about the world

➢   Breaking stereotypes

➢   Acquiring new skills

➢   In intercultural relationships we often learn about the partner's language, cultural patterns, and history. This relational learning comes from a particular relationship, but generalizes to other contexts.

➢   Building intercultural relationships provides information and experiences that may challenge previously held stereotypes.

➢   We may learn how to do new things (new games, new recipes, new sports).

➢   These benefits lead to a sense of interconnectedness to others and establish a lifelong pattern of communication across differences.

Challenges

There are several ways in which intercultural relationships are unique, and these present particular challenges.

1. Dissimilarities may be more obvious during early stages of the relationship and then have less impact as commonalities are established and the relationship develops.

2. There seems to be an interplay between differences and similarities in intercultural relationships.

3. Because differences are a given, the challenge is to discover and build on similarities.

4. Negative stereotypes often affect intercultural relationships.

5. People often experience anxiety initially in intercultural relationships.

    (a) It is greater in intercultural relationships than intracultural relationships.

    (b) It comes from being worried about possible negative consequences.

    (c) Once someone has developed a close intercultural relationship, that person is more inclined to have others.

    (d) The level of anxiety will be higher if: one or both parties has negative expectations because of negative stereotypes or negative previous experiences.

6. Intercultural relationships often present us with the challenge to explain to ourselves, to each other, and to our communities.

7. The biggest obstacles come from majority communities because they have less to gain from boundary-crossing friendships.

8. In intercultural relationships, individuals recognize and respect differences.

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

M.B.A I - Semester Examination
October / November - 2020

R19

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 2 Hours]   **[Max. Marks : 75**

Note: **Answer any five questions**

All questions carry equal marks

ANSWERS

1.	Explain the mangerial skills and roles involved for manager.	**(Unit-I, Q.No.9,10)**
2.	Brief about the steps in the planning process.	**(Unit-II, Q.No.16)**
3.	Explain about the decision making styles.	**(Unit-II, Q.No.26)**
4.	What do you know about the mechanistic and organic structures?	**(Unit-III, Q.No.13,14)**
5.	Explain in detail about controlling for organizational performance.	**(Unit-III, Q.No.23)**
6.	Explain about personality theories and perception in detail.	**(Unit-IV, Q.No.12,13)**
7.	Explain formation of group behavior and classification of groups.	**(Unit-IV, Q.No.20,21)**
8.	Explain McGregor Theory & ERG Theory.	**(Unit-V, Q.No.24,26)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

M.B.A I - Semester Examination

July / August - 2021

| R19 |

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Note: Answer any five questions

All questions carry equal marks

ANSWERS

1.   Define the term 'Management' and explain various function of management.   **(Unit-I, Q.No.1,7)**

2.   (a) Explain the core concept of the contingency school of management

thought.   **(Unit-I, Q.No.26)**

(b) Explain the core concept of the systems school of management thought.

Ans :

Management theory can be classified into the following schools of thought

1.   Management Process School

This school considers management as a process of getting things done by people who operate in the organization. Management can best be studied in terms of process that it involves. The management process can be divided in five broad functions such as: planning, organizing, staffing, directing and controlling. It seeks to analyze the nature, purpose, structure and the underlying process of each of these functions.

2.   The Empirical School

The empirical or case approach analyses management by studying experiences of people actually managing business. This thinking is based on the belief that the study of actual situation, where success, will help the students and practitioners to know how to manage effectively in similar situations. This knowledge will help managers in taking decisions in different situations. The basic assumption of this thought is that the actual business situation contributes to the development of managerial skills. By such observations, managers develop problem solving abilities which are essential for the successful practice of management in actual life.

3.   The Human Behaviour School

This approach is based on the idea that managing involves getting things done through people so its study should concentrate on interpersonal relationships. The school concentrates on the human aspect of management and the belief that when people work together to accomplish objectives, 'people should understand people'. The relationships among people are the cementing force that binds them together to accomplish common objectives.

4.   The Social Systems School

This thought is closely linked to human behavior school of thought. In this approach, an organization could be considered as a social system consisting of various groups of people. It is primarily concerned with behavior of people in groups. It thus tends to be based on sociology and social psychology rather than on individual psychology.

5.   The Decision Theory School

This school of thought is based on the belief that managers make decisions, we should concentrate on decision-making, whatever mangers do is the outcome of decisions made by them out of the alternatives available to them. The decision theory school concentrates its attention on decision-making and treats various aspects of decision-making as constituting the scope of the study of management. Decisions are important for formulation of policies in managing a business.

3.   Write briefly about:

    (a) Types of plans   **(Unit-II, Q.No.15)**

    (b) Approaches to planning   **(Unit-II, Q.No.18)**

4.   Explain about contemporary organizational design and state its challenges.   **(Unit-III, Q.No.18)**

5.   What is control? Explain the control process.   **(Unit-III, Q.No.20,22)**

6.   Write an essay on personality theories.   **(Unit-IV, Q.No.12)**

7.   Define the term 'Leader' and discuss the traits which a successful leader

    should possess.   **(Unit-V, Q.No.6)**

8.   (a) Explain two factor theory of motivation.   **(Unit-V, Q.No.23)**

    (b) Explain ERG theory.   **(Unit-V, Q.No.26)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

M.B.A I - Semester Examination
October / November - 2021

R19

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Note: Answer any five questions

All questions carry equal marks

ANSWERS

1. Explain the process involved in management.   **(Unit-I, Q.No.6)**

2. Brief about the vision, vision and mission and goals involved in organization

   setting.   **(Unit-II, Q.No.7,9,13)**

3. Explain about Vroom's participation decision making model.   **(Unit-II, Q.No.27)**

4. What do you know about the structure of organization, brief with diagram.   **(Unit-III, Q.No.3,4)**

5. What are the issues involved in controlling.   **(Unit-III, Q.No.32)**

6. Does OB is much important? Explain the context.   **(Unit-IV, Q.No.1,2)**

7. Explain leadership styles and Traits in detail.   **(Unit-V, Q.No.6,7)**

8. Explain McClelland's theory and valance theory.   **(Unit-V, Q.No.27,28)**

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

MBA I - Semester Examinations

May - 2022

R19

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Answer any Five questions
All questions carry equal marks

			ANSWERS
1.	(a)	What is management? Discuss the main functions of Management.	(Unit -I, Q.No.1,7)
	(b)	Write a descriptive note on the management process in an organization.	(Unit -I, Q.No.6)
2.	(a)	Explain Scientific and Administrative-Management Theories.	(Unit -I, Q.No.16)
	(b)	Discuss the various Management roles and skills required.	(Unit -I, Q.No.9,10)
3.	(a)	Define the meaning of Planning and outline planning features.	(Unit -II, Q.No.1)
	(b)	Elucidate the term Decision Making Process.	(Unit -II, Q.No.23)
4.	(a)	Write a detailed note on Organizational Planning.	(Unit -II, Q.No.5,6)
	(b)	Discuss the various Decision-making Styles.	(Unit -II, Q.No.26)
5.	(a)	Explain principles of Organizing.	(Unit -III, Q.No.5)
	(b)	Differentiate between Mechanistic and Organic Structures.	(Unit -III, Q.No.17)
6.	(a)	Elucidate the concept of Balanced Score Card.	(Unit -III, Q.No.26)
	(b)	Discuss the control process.	(Unit -III, Q.No.22)
7.	(a)	Define Organizational behavior and outline its importance an organization.	(Unit -IV, Q.No.1,4)
	(b)	Discuss briefly the Personality Theories.	(Unit -IV, Q.No.12)
8.	(a)	What is Leadership? Explain its role in management of an organization.	(Unit -V, Q.No.1,3)
	(b)	Explain the McClelland's needs theory.	(Unit -V, Q.No.27)

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERBAD

MBA I - Semester Examinations

October / November - 2022

MANAGEMENT AND ORGANIATIONAL BEHAVIOR

Time : 3 Hours]   **[Max. Marks : 75**

Answer any Five questions
All questions carry equal marks

ANSWERS

1. (a) Define Management. Explain management by objectives.   **(Unit-I, Q.No.1)**

Ans :

  The process of setting objectives in the organization to give a sense of direction to the employees is called as Management by Objectives.

  It refers to the process of setting goals for the employees so that they know what they are supposed to do at the workplace.

  Management by Objectives defines roles and responsibilities for the employees and help them chalk out their future course of action in the organization.

  Management by objectives guides the employees to deliver their level best and achieve the targets within the stipulated time frame.

  (b) Explain the required skills and roles of manager.   **(Unit-I, Q.No.9,10)**

2. (a) Describe the evolution of the management.   **(Unit-I, Q.No.12)**

  (b) Explain the F.W Taylor's scientific management theory.   **(Unit-I, Q.No.16)**

3. (a) What are different types of plans? Explain in brief.   **(Unit-II, Q.No.15)**

  (b) Explain the steps involved in Goal setting process.

Ans :

i) Believe in the process

  The first step to goal setting is having absolute faith and belief in the process. If you don't have the confidence in yourself and your abilities, then you might as well forget about your attempt to achieve your goals. If you are in doubt, look around you. Everything you can see began as a goal in someone's head. Turn your thoughts into a reality.

ii) Write it down

  In order to eventuate the goal, you have to plan your attack. Write your goals down and schedule dates for their completion and evaluation. This can be the key to success, as writing down your goals will position you as the creator. If you neglect this step, you may continue to forget them or they will diminish in importance. Having them somewhere that you see them every day will help to reiterate their significance and increase your chances of achieving them.

iii) Set goals that are specific

A goal has a much greater chance of being accomplished if it deals with specific facts and events. If your directions are vague, they can be misconstrued and easily skipped over. Specific goals provide regimen and precision to your training program.

iv) Set goals that are measurable

If your goals are able to adhere to concrete criteria, you are able to measure progress towards their achievement. If you identify what you will see, hear and feel when you reach your goal, you can feel as if you have accomplished something tangible. In order to achieve effective goal setting, you should break your goal down into measurable elements.

v) Set goals that are attainable

While there is nothing wrong with shooting for the stars, it is important to investigate whether the goal is really applicable to you and your lifestyle. If you don't have the time, money or experience to achieve something, you will be setting yourself up to fail and most certainly be miserable. For the most effective goal setting, ensure you are planning your steps wisely and establishing a realistic time frame that will allow you to carry out those steps.

vi) Set goals that are realistic

Nothing demotivates more than not being able to achieve something you set up to do. To be realistic, your goal must represent an objective in which you are willing and able to work towards. You are the only one that can determine just how substantial your goal should be, but you should ensure there is a realistic chance that given the right circumstances, you are able to achieve it.

vii) Set goals that are timely

Every set goal should be grounded within a time frame. Without a time frame, there is no sense of urgency. Make a tentative plan of everything you do and the time in which you want to do it. Instilling deadlines will help you and your team work towards them, creating motivation that can keep morale high. However, creating time frames can be a tricky and sensitive task. On the one hand, being too stringent on the timely aspect of goal setting can motivate, but it can also have the opposite effect, demotivating if you aren't ticking the boxes on schedule.

viii) Remain accountable

When you are working towards a goal, things are bound to get tough. When facing adversity, you have to hold yourself accountable. Telling your family and friends about your goals may give you the responsibility you need, helping you gather the support system to give you a push. If you remain accountable in your everyday life, you will also surround yourself with constant encouragement from those who are following your progress.

ix) Don't be afraid to ask for help

When entering a new venture, it is crucial to learn from those around you. Asking for help is nothing to be ashamed of, as freshening up your skills may be the thing that sets you apart. Seeking advice may come in a variety of different forms: from asking a friend, to developing a mentor these will only get you one step closer to achieving your goals. Many people find that going back to study is one of the most beneficial steps when attempting to successfully achieve a goal. Adult learning courses are available in a variety of helpful fields, with some like a Diploma of Project Management (BSB50820) specifically targeting those in your position.

x)   Continuously assess your progress

As time goes on, our goals are constantly changing and evolving. The end result may not look anything like what we initially set out to do; however, this can sometimes be a good thing. In order to learn from your mistakes and assist you next time, constantly assess your progress throughout your goal-setting journey.

4.	(a)	What are the different types of decisions.	**(Unit-II, Q.No.24)**
	(b)	Elucidate decision making styles.	**(Unit-II, Q.No.26)**
5.	(a)	Depict the functional based organization structure of any organisation.	**(Unit-III, Q.No.4)**
	(b)	What is a span of control and authority in designing Organisation structure?	

Ans :

Definition

The span of control in management suggests estimating the optimum number of subordinates managed by a single supervisor. It is a primary factor that determines the shape of the organization. Also, it involves all the management activities than just supervision and control.

The levels of management are created based on the span of control expressed by comparing managers with employees. It depicts the organization's size and workgroups.

The span of control can interchangeably termed as:

➢   Span of Management

➢   Span of Supervision

➢   Span of Authority

There are two types of span-wide and narrow span of control, determined by the manageable number of personnel under one senior. However, it differs under different circumstances based on variables like:

➢   Degree of autonomy granted to employees.

➢   Number of layers in the organization structure.

➢   Nature of work.

➢   Need for supervision, etc.

6.	(a)	What is controlling? Describe whether controlling comes first or Planning.	**(Unit-III, Q.No.20)**
	(b)	What are the different types of Control?	**(Unit-III, Q.No.24)**
7.	(a)	Write the concept of organisational behaviour and importance of OB.	**(Unit-IV, Q.No.1,2)**
	(b)	Explain the factors influence in perceptual process.	**(Unit-IV, Q.No.15)**
8.	(a)	What is Leadership? Explain the styles of leadership.	**(Unit-V, Q.No.1,7)**
	(b)	Describe the Maslow's needs of hierarchy theory of motivation.	**(Unit-V, Q.No.22)**