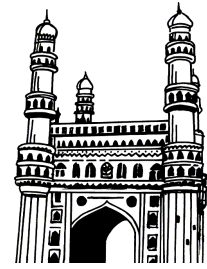


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II Year IV Semester

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LEADERSHIP AND MANAGEMENT SKILLS

-  Study Manual
-  Important Questions
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LEADERSHIP AND MANAGEMENT SKILLS

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LEADERSHIP AND MANAGEMENT SKILLS

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Module 1 - Leadership Skills

(a) Understanding Leadership and its Importance

- What is Leadership?
- Why Leadership required?
- Whom do you consider as an ideal leader?

(b) Traits and Models of Leadership

- Are Leader born or made?
- Key characteristics of an effective leader
- Leadership styles
- Perspectives of different leaders

(c) Basic Leadership Skills

- Motivation
- Team work
- Negotiation
- Networking

Module 2 - Managerial Skills

(a) Basic Managerial Skills

- Planning for effective management
- How to organise teams?
- Recruiting and retaining talent
- Delegation of tasks
- Learn to coordinate
- Conflict management

(b) Self Management Skills

- Understanding self concept
- Developing self-awareness
- Self-examination
- Self-regulation

Module 3 - Entrepreneurial Skills

(a) Basics of Entrepreneurship

- Meaning of entrepreneurship
- Classification and types of entrepreneurship
- Traits and competencies of entrepreneur

(b) Creating Business Plan

- Problem identification and idea generation
- Idea validation
- Pitch making

Module 4 - Innovative Leadership and Design Thinking

(a) Innovative Leadership

- Concept of emotional and social intelligence
- Synthesis of human and artificial intelligence
- Why does culture matter for today's global leaders

(b) Design Thinking

- What is design thinking?
- Key elements of design thinking:
 - Discovery
 - Interpretation
 - Ideation
 - Experimentation
 - Evolution.
- How to transform challenges into opportunities?
- How to develop human-centric solutions for creating social good?

Module 5 - Ethics and Integrity

(a) Learning through Biographies

- What makes an individual great?
- Understanding the person of a leader for deriving holistic inspiration
- Drawing insights for leadership
- How leaders sail through difficult situations?

(b) Ethics and Conduct

- Importance of ethics
- Ethical decision making
- Personal and professional moral codes of conduct
- Creating a harmonious life.

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Important Questions

UNIT - I

1. Define Leadership. What are the features and importance of leadership?

Ans :

Refer Unit-I, Q.No. 1

2. Discuss about Trait Approach to leadership.

Ans :

Refer Unit-I, Q.No. 5

3. Explain the Contingency theories of Leadership.

Ans :

Refer Unit-I, Q.No. 7

4. What are the Characteristics of an Effective Leader ?

Ans :

Refer Unit-I, Q.No. 9

5. Explain different types of Leadership Styles.

Ans :

Refer Unit-I, Q.No. 11

6. Explain the various Skills of Leadership.

Ans :

Refer Unit-I, Q.No. 14

7. What is motivation? Explain the nature and Importance of motivation.

Ans :

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UNIT - II

1. Write briefly about the basic managerial skills (or) functions.

Ans :

Refer Unit-II, Q.No. 1

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

Ans :

Refer Unit-II, Q.No. 2

IMPORTANT QUESTIONS

3. Define organization? Explain the features of organization.

Ans :

Refer Unit-II, Q.No. 5

4. What are the factors affecting recruitment?

Ans :

Refer Unit-II, Q.No. 10

5. Explain the process of recruitment.

Ans :

Refer Unit-II, Q.No. 11

6. Define coordination. Explain the need of coordination.

Ans :

Refer Unit-II, Q.No. 17

UNIT - III

1. Explain in detail the origin and development of Entrepreneurial activities in India during last decade.

Ans :

Refer Unit-III, Q.No. 3

2. Enumerate the characteristics of an Entrepreneur.

Ans :

Refer Unit-III, Q.No. 8

3. What do you understand by the term Entrepreneurial Competency ? Can they be acquired?

Ans :

Refer Unit-III, Q.No. 11

4. Define Business Plan. Explain the importance of Business Plan.

Ans :

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5. What do you understand by Pitch Making from the perspective of entrepreneur.

Ans :

Refer Unit-III, Q.No. 22

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1. Define Emotional Intelligence. What are the factors of Emotional Intelligence?

Ans :

Refer Unit-IV, Q.No. 1

2. What is Human Intelligence? Explain the different types of Human Intelligence.

Ans :

Refer Unit-IV, Q.No. 6

3. Explain the various approaches of Artificial Intelligence.

Ans :

Refer Unit-IV, Q.No. 8

4. Explain the differences between human intelligence and artificial intelligence.

Ans :

Refer Unit-IV, Q.No. 9

5. What is Design Thinking? Explain the process of Design Thinking.

Ans :

Refer Unit-IV, Q.No. 13

6. Define Human-centric design. State the various phases of human-centric design.

Ans :

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UNIT - V

1. What do you mean by Learning through Biographies? How a leader can learn through Learning through Biographies.

Ans :

Refer Unit-V, Q.No. 1

2. Define holistic leadership. What are the characteristics of holistic leadership.

Ans :

Refer Unit-V, Q.No. 3

3. What are the various Principles of Ethics?

Ans :

Refer Unit-V, Q.No. 8

IMPORTANT QUESTIONS

4. Explain the objectives of business ethics.

Ans :

Refer Unit-V, Q.No. 10

5. Explain the Importance of Business Ethics.

Ans :

Refer Unit-V, Q.No. 12

6. Explain the Importance of Ethics.

Ans :

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7. Define harmonious life. How an individual can create a harmonious life.

Ans :

Refer Unit-V, Q.No. 16

Module 1

LEADERSHIP SKILLS

(a) Understanding Leadership and its Importance

- What is Leadership? - Why Leadership required? - Whom do you consider as an ideal leader?

(b) Traits and Models of Leadership

- Are Leader born or made? - Key characteristics of an effective leader - Leadership styles - Perspectives of different leaders

(c) Basic Leadership Skills

- Motivation - Team work - Negotiation - Networking

1.1 UNDERSTANDING LEADERSHIP AND ITS IMPORTANCE

Q1. Define Leadership. What are the features and importance of leadership?

Ans : (Imp.)

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

Definitions

- (i) **According to Keith Davis**, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."
- (ii) **According to Koontz and O'Donnell**, Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.
- (iii) **According to Dubin, R.** Leadership is the exercise of authority and making of decisions.

- (iv) **According to Allford and Beaty**, Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.
- (v) **According to George R. Terry**, Leadership is the activity of influencing people to strive willingly for group objectives.
- (vi) **According to Hemphill, J.K.**, Leadership is the initiation of acts which result in a consistent pattern of group interaction directed towards the solution of a mutual problem.
- (vii) **According to Jame J.Cribbin**, Leadership is a process of influence on a group in a particular situation at a given point of time, and in a specific set of circumstances that stimulates people to strive willingly to attain organisational objectives and satisfaction with the type of leadership provided.
- (viii) **According to Peter Drucker**, Leadership is not making friends and influencing people, i.e., salesmanship it is the lifting of man's visions to higher sights, the raising of man's personality beyond its normal limitations.

Characteristics

- 1. It is a inter-personal process in which a manager is into influencing and guiding workers towards attainment of goals.
- 2. It denotes a few qualities to be present in a person which includes intelligence, maturity and personality.

3. It is a group process. It involves two or more people interacting with each other.
4. A leader is involved in shaping and moulding the behaviour of the group towards accomplishment of organizational goals.
5. Leadership is situation bound. There is no best style of leadership. It all depends upon tackling with the situations.

Importance

A leader has a very important role to perform in an organisation. The leadership exerted by him is vital for the organisational success. The following points highlight the importance of leadership in an organisation,

1. Leaders are mainly responsible for the success or failures of the firms. The way in which leaders carry out their tasks helps in determining the success or failures of the organisation.
2. It is very important for the organisations to motivate their employees, so that they can perform well. An effective leader through his leadership process encourages and motivates the employees towards high performance.
3. An effective leader increases the confidence level of his followers by advising and guiding them. This in turn helps the organisation to obtain good results.
4. An effective leadership helps in increasing the morale and self esteem of the employees. Increase in the morale of the employees help in increasing the productivity and stability of the organisation.
5. The way the leaders treat their employees helps in determining whether the employees will stay or leave the organisation. So, the leaders should effectively treat the employees for retaining them in the organisation.

Thus, from the above points, it is clear that leadership plays a very important role in an organisation.

1.1.1 Why Leadership Required?

Q2. Why leadership is required ?

Ans :

Following are the main roles of a leader in an organization :

1. Required at All Levels

Leadership is a function which is important at all levels of management. In the top level, it is important for getting co-operation in formulation of plans and policies. In the middle and lower level, it is required for interpretation and execution of plans and programmes framed by the top management. Leadership can be exercised through guidance and counseling of the subordinates at the time of execution of plans.

2. Representative of the Organization

A leader, i.e., a manager is said to be the representative of the enterprise. He has to represent the concern at seminars, conferences, general meetings, etc. His role is to communicate the rationale of the enterprise to outside public. He is also representative of the own department which he leads.

3. Integrates and Reconciles the Personal Goals with Organizational Goals

A leader through leadership traits helps in reconciling/ integrating the personal goals of the employees with the organizational goals. He is trying to co-ordinate the efforts of people towards a common purpose and thereby achieves objectives. This can be done only if he can influence and get willing co-operation and urge to accomplish the objectives.

4. He Solicits Support

A leader is a manager and besides that he is a person who entertains and invites support and co-operation of subordinates. This he can do by his personality, intelligence, maturity and experience which can provide him

positive result. In this regard, a leader has to invite suggestions and if possible implement them into plans and programmes of enterprise. This way, he can solicit full support of employees which results in willingness to work and thereby effectiveness in running of a concern.

5. As a Friend, Philosopher and Guide

A leader must possess the three dimensional traits in him. He can be a friend by sharing the feelings, opinions and desires with the employees. He can be a philosopher by utilizing his intelligence and experience and thereby guiding the employees as and when time requires. He can be a guide by supervising and communicating the employees the plans and policies of top management and secure their co-operation to achieve the goals of a concern. At times he can also play the role of a counselor by counseling and a problem-solving approach. He can listen to the problems of the employees and try to solve them.

Q3. What are the various functions of Leader?

Ans :

Some of the many different functions that a leader has to perform are:

1. Policy Maker

An important function of the leader of any social group is to plan out the group goals objectives and policies. He has to lay down specific policies and objectives and inspire subordinates to work towards the attainment of the goal.

2. Planner

The leader also functions as a planner. He decides the ways and means that are to be adopted to achieve the objective of the group. He draws up both long-term and short-term plans. Based on it, he prepares a step-by-step plan to achieve the group's objectives. He also plans for contingencies or unexpected events.

3. Executive

Setting goals and drawing plans is of no use until and unless they are implemented. In his executive function, the leader has to ensure that the plans are executed. The leader has to coordinate the activities of the group. As an executive, the leader does not carry out work or activities himself but assigns it to other group members and ensures that they implemented.

4. External Group Representative

The leader has to assume the role of representative of the group in its external relations. All incoming and outgoing communications are channeled through the leader. Members of other groups deal with the leader as a representative of the particular group. He is the official spokesperson of the group.

5. Controller of Internal Group Relationship

The leader controls the internal relations among the members of the group. All communication in the group is channeled through him. He tries to establish good relations among the group members. He encourages team spirit and tries to develop the group in to a cohesive unit.

6. Controller of Reward and Punishment

The leader uses the power to give rewards and punishments to motivate, discipline and control group members. He rewards members who contribute and work towards the attainment of group goals and punishes those obstruct the group's progress.

Rewards may be in the form of cash rewards, appreciation in public, promotion, increased status etc. Punishment may be in the form of scolding, taking away responsibility assigned, penalties etc.

7. Arbitrator and Mediator

The leader acts an arbitrator and mediator when there are conflicts or differences in the

group. He must resolve disputes in a fair and just manner. He tries to establish good inter-group relationships, reduce tensions in the group and establish harmony.

8. Exemplar

The leader serves as a role model to the members of the group. He must serve an example for other to follow and set high standards. The leader must 'walk the talk.' He should practice the ideology, beliefs, values and norms laid down in the group,

9. Father Figure

The leader has to sometimes play the emotional role of a father figure for members of the group. He has to be a source of psychological and moral support to the followers. He guides his followers not only in work related issues but also helps in their personal life. He sometimes acts as a punching bag for the frustrations of the followers. The followers vent out their feelings on him.

10. Scapegoat

The leader is accountable for the performance of the group. Hence when the group does well the leader gets a lot of credit for it. However, when the group performs poorly or fails the leader is held responsible for it even though the leader did everything possible. Thus he has to play the role of a scapegoat.

1.1.2 Whom do you consider as an Ideal Leader?

Q4. When do you consider as Ideal Leader ?

Ans :

In leadership, many individuals assume that it is the same thing as management. This couldn't be further from the truth - a leader is anyone who wants to be, regardless of their position with an organization. Similarly, many managers do not actually possess the leadership qualities that would make them ideal leaders.

Leadership can mean many things to different people. One good definition of an ideal leader is "a person who does the following:

- Creates an inspiring vision of the future.
- Motivates and inspires people to engage with that vision.
- Manages delivery of the vision.
- Coaches and builds a team, so that it is more effective at achieving the vision.

Qualities

1. Vision

Perhaps the greatest quality any leader can have is vision - the ability to see the big picture of where the organization or team they are working within is headed, what it's capable of, and what it will take to get there.

2. Inspiration

Equally as important as having a vision is the ability to convey that vision to others, and get them excited about it. This means maintaining a positive yet realistic presence within the organization helping team members stay motivated and engaged, and remember what it is that they are working for.

3. Strategic & Critical Thinking

A good leader will be able to think critically about the organization or team they work within, and develop a clear understanding of its strengths, weaknesses, opportunities, and threats. They'll be able to course-correct when necessary, and be able to assess the work they do to determine how it fits into overall organizational strategy and goals.

4. Interpersonal Communication

Good leaders must be able to interact with other people in a way that feels genuine. This does not mean you have to be an extrovert or a people-person to be a leader - there are many excellent leaders who self-identify as introverts! Rather, it means being able to demonstrate empathy, engaging in active

listening, and building meaningful working relationships with those around you, whether they are a peer or a direct report.

5. Authenticity & Self-Awareness

One of the key ways to become a great leader is to be self-aware enough to understand your strengths and your flaws, and to build an authentic leadership style that's true to who you are and how you do your best work.

6. Open-Mindedness & Creativity

Being a good leader means being open to new ideas, possibilities, and perspectives, and understanding that there's no "right" way to do things.

7. Flexibility

Leadership also means being adaptable and nimble when the situation calls for it. Nothing ever goes according to plan - whether you encounter minor roadblocks or large obstacles, you will need to be prepared to stop, reassess, and determine a new course of action.

8. Responsibility & Dependability

One of the most important qualities a leader can have is a sense of responsibility and dependability. This means displaying those traits in your individual work, but also demonstrating them in your interactions with others

9. Patience & Tenacity

A good leader knows how to take the long view, whether it's of a strategy, a situation, or a goal. Being able to take on any bumps in the road and persist on without getting frustrated or defeated is key from small projects to corporate vision, patience is a trait that is essential to strong leadership.

10. Continuous Improvement

True leaders know that perfection is a myth - there is always room for improvement on all levels, from the personal to the team to the overall organization.

1.2 TRAITS AND MODELS OF LEADERSHIP

Q5. Discuss about Trait Approach to leadership.

Ans : (Imp.)

The trait model of leadership is based on the characteristics of many leaders - both successful and unsuccessful - and is used to predict leadership effectiveness. The resulting lists of traits are then compared to those of potential leaders to assess their likelihood of success or failure.

Scholars taking the trait approach attempted to identify physiological (appearance, height, and weight), demographic (age, education and socioeconomic background), personality, self-confidence, and aggressiveness), intellective (intelligence, decisiveness, judgment, and knowledge), task-related (achievement drive, initiative, and persistence), and social characteristics (sociability and cooperativeness) with leader emergence and leader effectiveness.

Successful leaders definitely have interests, abilities, and personality traits that are different from those of the less effective leaders

Through many researches conducted in the last three decades of the 20th century, a set of core traits of successful leaders have been identified. These traits are not responsible solely to identify whether a person will be a successful leader or not, but they are essentially seen as preconditions that endow people with leadership potential.

Among the core traits identified are:

- **Achievement drive:** High level of effort, high levels of ambition, energy and initiative
- **Leadership motivation:** an intense desire to lead others to reach shared goals
- **Honesty and integrity:** trustworthy, reliable, and open
- **Self-confidence:** Belief in one's self, ideas, and ability

- **Cognitive ability:** Capable of exercising good judgment, strong analytical abilities, and conceptually skilled
- **Knowledge of business:** Knowledge of industry and other technical matters
- **Emotional Maturity:** well adjusted, does not suffer from severe psychological disorders.
- **Others:** charisma, creativity and flexibility.

Trait Approach

The trait approach of leadership aims to explain how traits influence leadership. Traits are the innate personal characteristics of any person. The great leaders like Mahatma Gandhi, Abraham Lincoln etc., possessed these traits (such as integrity, high energy, self confidence and internal locus of control etc).

The trait approach is quite different from other leadership approaches, as it emphasizes solely on the leader and not on other elements like followers and situation. In theoretical terms, trait approach is a much straight forward approach when compared to the other approaches. The trait approach deals with what traits are required by a leader and shows who possess these traits. The trait approach does not specify or gives out principles or hypotheses regarding what a leader needs to do in different set of situations or what kind of leader needs to be placed in certain situation and so on. However, it focuses on a leader who possesses few set of traits that makes the leadership effective. In a leadership process, the emphasis is laid on leader and his personality.

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 innate qualities, of potential candidates. It is common for organizations to specify the preferable characteristics for managerial positions. It is based on the assumption that such talented people would enhance the organizational effectiveness.

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 clear 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. In fact many present day 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
2.	Sensitive :	Is understanding, tactful, shows people skills	1	2
3.	Dependent :	Acts with certainty, determined	1	2

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.

Strength, Criticism and Applications of Trait Approach

Strengths

The trait leadership approach is the most widely researched topic and showcases the following 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". This approach fully supports, that perception as it proposes, that there are certain unique traits, that make extraordinary leaders 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.

Criticisms

The trait approach limits its scope to the study of leaders and thus is criticized on the following grounds,

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. In spite 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. 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.

Applications

1. Trait approach can be used by the individual: different organisations at all levels.
2. Even though it does not give a particular set of traits yet it provides the guidance as to which traits are better and needed to work effectively in a leadership position.
3. The personality tests and other related questioner. Aries helps people in identifying their strengths, weak about leadership and other traits which are essential for leadership.
4. Regardless of its limitations, trait approach officer valuable and important information about leadership concept.
5. It is helpful to the managers in examining and valuing their personality with respect to personal characteristics, strengths and level of understanding.
6. The information provided by trait approach facilitates the managers in understanding the areas where their personal characteristics are beneficial to the company and also the areas in which they need to be improved/enhanced.

Q6. Explain about personality traits of leadership.

Ans :

According to the various research studies conducted by managers and human resource specialists, it was found that leaders have some personality traits which contribute toward leadership effectiveness in several situations.

The personality traits of a leader is classified into two types.

1. General personality traits and
2. Task related personality traits.

1. General Personality Traits

A general personality trait is a trait which is observable inside and outside the work circumstances. These personality traits deal with the success and satisfaction of work as well as personal life of the leader. The following figure mentions the general personality traits which contribute towards effective leadership.

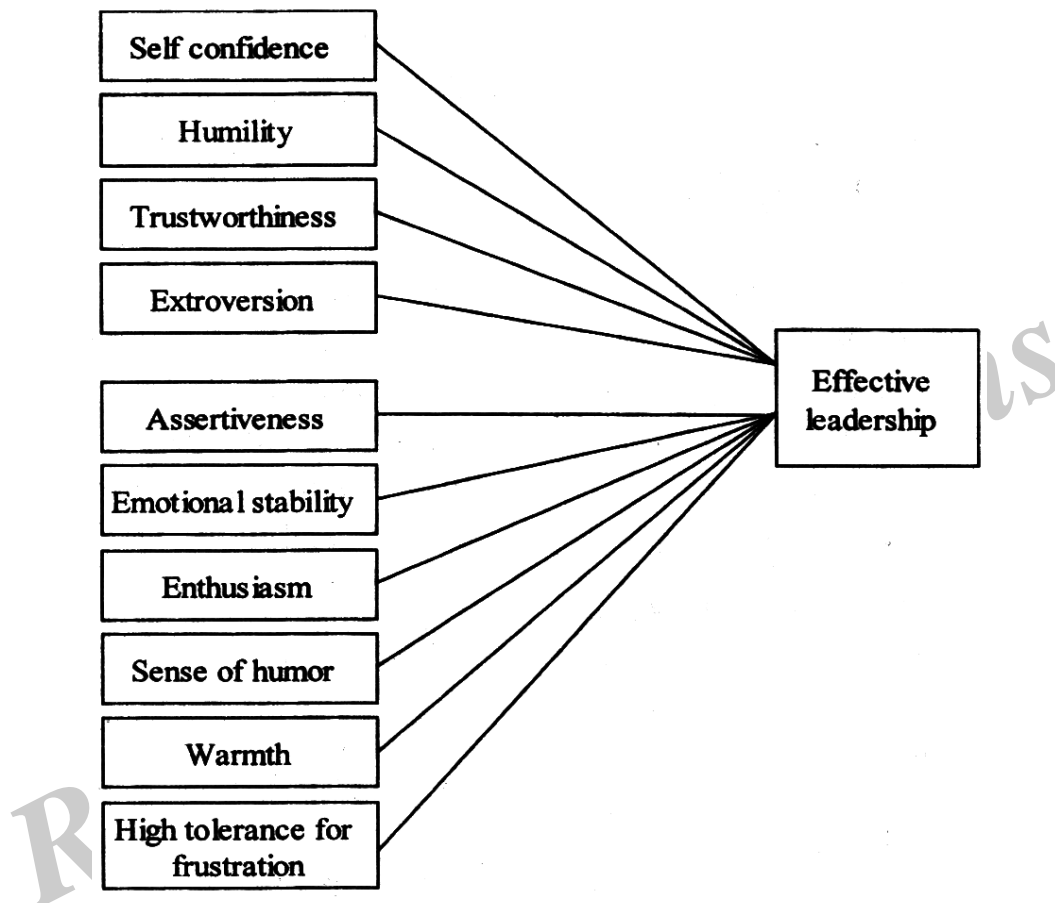


Fig.: General Personality Traits of Effective Leaders

(i) Self Confidence

Self confidence is a behaviour and interpersonal skill which an individual shows in various difficult situations like being chill at the times of stress. A self confident leader induces self confidence among its group members.

(ii) Humility

A humble leader does not have pride and arrogance. He confesses his mistakes to his group members and confesses that he is not perfect in everything. For improving the organisational performance it is very important for the organisations to have humble leaders.

(iii) Trustworthiness

For a leader to become effective, it is very important for him to be trustworthy. Trust plays a very important role in building effective relationships. It is not only important for a leader to be

trustworthy, but they should also trust his/her group members. If the group members do not have trust in their leaders, then it will develop negative attitude among the group members towards their leaders.

(iv) Extroversion

This trait reflects talkativeness, assertiveness, being sociable and open to establish new relationships. Such type of leadership trait helps the leaders to be friendly and demonstrative in various situations. An extrovert leader would love to take up the leadership role and take part in the group activities.

(v) Assertiveness

An individual's ability to explain his demands, opinions, feelings and attitudes in a straight forward and outspoken manner is called as assertiveness. If a leader is assertive, then he/she can carry out number of tasks and can accomplish its objectives. An assertive leader tackles his mistakes, desires for higher performance and have very high expectations from his group members.

(vi) Emotional Stability

Emotional stability is the individual's ability to cope up with stress. A less emotional stable person tends to be nervous, depressed and insecure, whereas a positively emotional stable person tends to be calms enthusiastic and secure. It is very important for a leader to have positive emotional stability in them as the team members expects and wants stability and uniformity while treating them.

(vii) Enthusiasm

It is very important for a leader to be enthusiastic as it helps in developing effective relationships with its group members. Enthusiasm and passion should be there in a leader in all the leadership situations.

(viii) Sense of Humor

Leader should make effective use of humor as it helps in reducing the tension and boredom of the group members. A good sense of humor also helps in removing the ill-feelings and conflicts in the group.

(ix) Warmth/Kindness

If a leader is warm and kind, then he can build effective relationships with the team members and can give emotional support to his team members.

(x) Tolerating Frustration/Anger

It is very important for a leader to tolerate his/her frustration, as leader faces number of disappointments. Having a high tolerance level helps a leader to cope up with the hindrances which comes in the way of goal attainment.

2. Task Related Personality Traits

A task related personality trait is a trait which is mainly related with the accomplishment of a task. The following figure mentions the task related personality traits which contributes towards effective leadership.

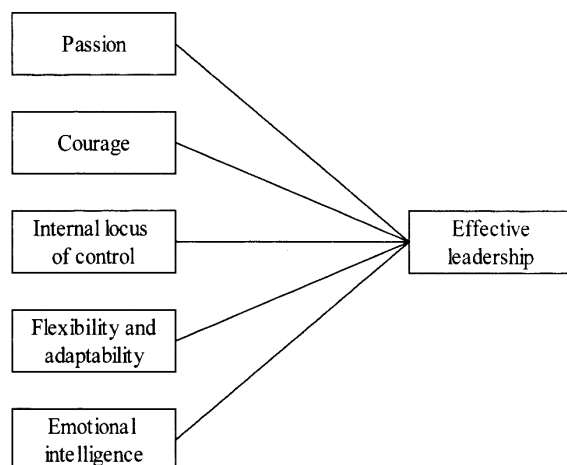


Fig.: Task Related Personality Traits of Leaders

(i) Passion

Passion refers to the individual's obsession towards accomplishing the

organisational objective. An effective leader should not only have passion for his/ her work but should also have passion for his group members without which he cannot accomplish the task.

(ii) Courage

It is very important for a leader to be brave and courageous, so that he or she can face the challenges of risk taking and being initiative. If an enterprise fails, only a courageous leader will have the capacity to recommend a new enterprise.

(iii) Internal Locus of Control

Internal locus of control refers to an individual's belief that events and happenings are controllable by him. Internal locus of control encourages self confidence among the leaders with which they can effectively control various situations. The leaders with internal locus of control thinks that they have the capacity to change the adverse situations.

(iv) Flexibility and Adaptability

It is very important for a leader to implement changes in the organisation, so, for implementing changes, the leader have to be flexible and adaptable to various circumstances. Being flexible and adaptable helps the leaders to adjust with the changing situations.

(v) Emotional Intelligence

The individual's ability to understand, sympathize and manage the emotions and feelings of other persons is called as emotional intelligence. Emotional intelligence helps a leader to connect and understand the feelings and emotions of his group members. It also helps a leader to have self awareness, self management, social awareness and managing the relationship with the group members.

Thus, the above mentioned general personality traits and task related personality traits help a leader to become effective and carry out his leadership process effectively.

Q7. Explain the Contingency theories of Leadership.

Ans :

(Imp.)

A single leadership style cannot be applicable to all the people at all the times so the leadership styles must vary along with the people and the scenarios. These different leadership styles can often be referred as contingency theory of leadership.

Contingency theories of leadership state that effective leadership comprises of all the three factors, i.e. traits, behaviour and situation. A leader's behaviour varies as per the situation. To support this theory of leadership various models were developed, and multiple studies were conducted in this direction.

Contingency Theory of Leadership

1. Fred Fiedler's Contingency Model
2. Hersey Blanchard Situational Theory
3. Evans and House Path-Goal Theory
4. Vroom-Yetton-Jago Decision-Making Model
5. Cognitive Resource Theory
6. Strategic Contingencies Theory

Strengths

Strengths of Contingency Approach highlights the major strengths of the Contingency Approach:

- Contingency theory has survived over the decades as a valid and reliable approach how to achieve effective leadership because it is grounded in empirical research. Researchers who have followed Fiedler have validated contingency theory with their own research.
- Contingency theory has broadened the scope of leadership understanding from a focus on a single, best type of

leadership (e.g., trait approach) to emphasizing the importance of a leader's style and the demands of different situations.

- Contingency theory has also been proved to have 'predictive powers' in determining the type of leadership that is most likely to be effective in particular contexts.
- Contingency theory suggests not to expect leaders to be equally effective in all situations and therefore organizations should consider leaders in optimal situations according to their leadership style.
- Contingency theory supplies data on leadership styles that could be useful to organizations in developing leadership profiles for human resource planning.

Criticisms

Contingency theory, although having several strengths, generally falls short in trying to explain why leaders with certain leadership styles are effective in some situations but not others. It is also criticized that LPC scale validity as it does not correlate well with other standard leadership measures.

Contingency theory also fails to adequately explain what should be done about a leader/situation mismatch in the workplace.

Application

Contingency theory has many applications in the organizational world: It can be used to answer a host of questions about the leadership of individuals in various types of organizations. For example, it can be used to explain why a person is ineffective in a particular position even though the person is a conscientious, loyal, and hardworking manager.

In addition, the theory can be used to predict whether a person who has worked well in one position in an organization will be equally effective if moved into a quite different position in the same company. Further-more, contingency theory can

point to changes that upper management might like to make in a lower-level position in order to guarantee a good fit between an existing manager and a particular work context. These are just a few of the ways in which this theory could be applied in organizational settings.

1.2.1 Are Leaders Born (or) Made?

Q8. "Are Leaders born (or) made"? Discuss.

Ans :

Research by psychologists has proved that, in the main, Leaders are 'mostly made.' The best estimates offered by research is that leadership is about one-third born and two-thirds made.

The ability to effectively lead, motivate and direct a group of people – whether it is in business, sport or politics - requires a very complex set of skills, mostly acquired through experiences, self development as well as access to subsequent training.

To expect a person to be born a fully rounded, complete Leader with the ability to influence and direct their Team just doesn't make sense based on what we know about Group Dynamics.

The fact that leadership is mostly made is good news for those of us involved in leadership development - leaders can indeed be developed. However – and this is the one third – there are some inborn characteristics that the great leaders have naturally which they use to their advantage,

1. A Natural Born Leader

Does this mean that introverts, persons of average social intelligence, or those of us who are not particularly empathic will not make good leaders? Certainly not. A great leader in recent history - the Mayor of New York – has Leadership thrust on him in the aftermath of the September 11 attacks for which he was subsequently honoured. Remember, most of leadership is made, not born. So, if you aspire to positions of leadership, then the best course is to embark on a leadership self-development plan.

2. Doing the Right Thing

To be successful, all leaders – whatever their leadership style, type and so on - must choose the right action at the right time and “keep a steady eye on the ball”. They must be courageous, self-aware – and ensure the consistent support of their team of followers. This is a skill which needs to be practised.

3. Introvert v Extrovert

Research suggests that extraverts are consistently associated with obtaining leadership positions and being more effective leaders. Think of Richard Branson, Winston Churchill et al. There is evidence that being bold, assertive, or risk-taking can be advantageous for leaders. Leaders also need to be smart to analyze situations and figure out courses of action.

Intelligence is often associated with leadership. Indeed it is often considered a prerequisite. But this doesn't necessarily mean having a very high IQ or being a member of Mensa! Often super intelligent high functioning humans struggle to empathise which is a critical component in being a great leader.

Emotional intelligence – the ability to understand social situations and processes - is the component of intelligence that is important for leadership. Some sort of empathy, or ability to understand what your Team is feeling, is also advantageous for leaders (although much of this is learned).

1.2.2 Key Characteristics of an Effective Leader**Q9. What are the Characteristics of an Effective Leader ?**

Ans : (Imp.)

A great deal of research has been carried out to find out the physical, intellectual and personality characteristics that distinguish leaders from non-leaders and successful leaders from unsuccessful leaders.

Research findings indicate that successful leaders possess the following characteristics :

1. Drive

This includes desire for achievement, ambition, high energy, tenacity and initiative. Most leaders have a clear sense of purpose (or mission), clear goals, focus and commitment.

2. Intelligence

Leaders are generally more intelligent than the followers. It was found that leaders have higher intelligence than the average intelligence of the followers. It was also found that the leader should not be far more intelligent than the followers.

3. Energy Levels and Stress Tolerance

Leaders are very energetic and have the ability to tolerate high levels of stress. These qualities enable the leader to deal with role conflicts and handle the pressure of making important decisions with inadequate information.

4. Optimistic: Most Leaders are Highly Optimistic

They always look at the brighter side of life. For them the glass is always half-full rather than half-empty. Even in the worst situations, they see something to smile about.

5. Emotional Maturity

Leaders are emotionally mature and stable. They are not self-centered and have greater self-control. They do not get easily upset or excited. Emotional maturity helps the leaders to maintain cooperative and good relation with their subordinates, peers and superiors.

6. Honesty and Integrity

Leaders are trustworthy, reliable and open. They are not hypocrites and their behavior matches the values they hold and speak of.

7. Leadership Motivation

This is the desire to influence and lead others but not to seek power for its own sake. Leaders exercise influence over others to reach shared goals.

8. Self-confidence

They have faith in their own abilities and believe in themselves. They are persistent and continue to work toward the goal despite problems and setbacks.

9. Cognitive Ability

Leaders have a high ability to integrate and interpret large amounts of information.

10. Knowledge of the Business

Leaders are well informed above industry and other relevant technical matters.

Q10. Explain the continuum and effectiveness of leadership in present corporate world?

Ans :

Leadership is mainly related to the interpersonal aspects of a leader's job like planning, organising, controlling and administering. As there is a direct impact of leadership on organisational performance, effective leadership is very important for any organisation. Leader's effectiveness mainly depends on the leader's behaviour. The task, relationship and change oriented behaviour are the basis for understanding the attitudes, behaviours and practices.

A) Task Oriented Behaviours

In the task oriented behaviours, leaders concentrate mainly on the performance of task. These behaviours are not concerned with the interpersonal aspects of leadership.

The following are the task-oriented behaviours which are important for effective leadership.

(i) Flexible and Adaptable

It is very important for a leader to be flexible and adaptable to the various

changing situations of the organisation. On the basis of the demands of the situation, the leader should select a suitable structure of the organisation. He should supervise the subordinates by providing training and developing their skill, so that they get adjusted in the organisation.

(ii) Planning and Setting the Direction

One of the most important role of a leader is to implement change in the organisation and to set a direction for change. For setting the direction, leader creates a vision of the future and develops strategies for making the desired changes to achieve the vision. The leader should formulate short term plans and take actions for implementing plans by communicating them to the group members.

(iii) Risk Taking

Risk is inherent in any business organisation. Unless and until risk is taken in the organisation, a leader cannot implement 'change'. Risk taking is very important for a leader and is an important aspect of leadership behaviour. So, a leader should be ready to take risk and help the group members to accept the change.

(iv) Monitoring and Guiding

Monitoring the operations and performance of the employees, helps a leader to plan and solve their problems. A leader should conduct periodic review meetings against plans and budgets and should monitor the key process variables. They should observe the operations and performances of the subordinates and provide feedback to them. They must also guide the group members about the way in which they should complete their task.

(v) Clarifying Roles and Objectives

Clarifying means “communicating” or “making clear”. A leader should communicate about the plans, policies and role expectations to the group members. He should clearly define the job responsibilities and important rules, policies and requirements of the organisation to the group members. The performance goals set by a leader should be clear and specific. The main aim of the clarifying behaviour is to direct and integrate the work activities of the group members.

(vi) Performance Stability

A leader is said to be an effective leader, when he carry out his task consistently at the time of heavy work load and uncertain situations. A stable leader help its group members to cope up with difficult situations. By carrying out the work with stability, the leader becomes professional and cool at the time of stress.

B) Relationship Oriented Behaviours

Leadership is a process which influences the leaders and followers for achieving organisational objectives. Relationship oriented behaviours deal with the relationship between the leaders and their followers.

The following are the relationship oriented behaviours which are important for effective leadership.

(i) Aligning and Mobilizing Individuals

Mobilizing deals with communicating the expectations to the group members clearly and caring about them. By aligning, all the organisational members can carry out their work in the same direction and in uniform manner. Both aligning and mobilizing the individuals are important behaviours of leader which helps in effective leadership.

(ii) Encouraging Principles and Values

One of the role of a leader is to encourage those principles and values in the organisation which will lead to the success of the organisation and its members. These values and principles are mainly related with the emotions and feelings of the individuals. The values and principles should be clearly explained to the group members by their leaders, so that they can carry out their work accordingly.

(iii) Supporting

By having supportive leadership behaviour, leaders can show care and concern towards the needs and emotions of their group members and can build effective interpersonal relationships with them. Supportive leaders, always encourages and praises the group members which in turn increases the efficiency of the organisation.

(iv) Developing

Developing helps in improving the skills of the individuals and also helps them to adjust with the job. A leader having developing behaviour gives motivational feedback to his subordinates for maintaining and improving their performance which in turn builds mutually corporate relationships between the leaders and their subordinates. A leader should serve as a role model and help the group members to identify their strengths and weaknesses.

(v) Recognizing

The leaders having recognizing behaviour praises the group members, give awards to their group members for their effective performance and conducts recognition ceremonies for making their contributions visible to others. In this way, an effective leader can motivate the employees.

C) Change Oriented Behaviours

Change is very essential in any business organisation. A leader should keep in touch with the changing trends in the market and should make changes in their organisations accordingly. Change oriented behaviours are the behaviours, attitudes or skills which concentrates more on implementing changes in the organisation.

The following are the changes oriented behaviours that are important for effective leadership.

(i) Interpreting

Interpreting implies predicting about what will happen in future. A leader should interpret events for identifying the urgent need for change. He should interpret and decide what actions are to be taken in the organisation and guide the group members in implementing the action steps.

(ii) Innovation

Innovation means to bring in new ideas or to make change. Leaders should develop innovative strategies which are connected to the core competencies of their organisations. They should always promote innovation and entrepreneurship in their organisations. Innovation is very important to bring about change in the organisations.

(iii) Monitoring External Environment

It is very important for a leader to monitor the external environment of the organisation for identifying the opportunities and threats. A leader should study the competitor's and outsider's move for getting the ideas of improvement.

(iv) Implementing Change

Most of the organisational members hesitate to implement change in their organisations, so a leader should

encourage and facilitate efforts for implementing change. Leaders should also influence the outsiders for supporting change and negotiating agreements with them.

Thus, the task, relations and change oriented behaviours are very important for leadership effectiveness.

1.2.3 Leadership Styles**Q11. Explain different types of Leadership Styles.**

Ans : (Imp.)

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 leadership 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

group members are encouraged to share their thoughts, democratic leadership can lead 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.

Limitations

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.

Limitations

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.

Q12. Discuss about the concept of Charismatic Leadership.

Ans :

The word 'charisma' has been derived from Greek language which means 'divinely inspired gift'. Charisma is a special or unique quality of a leader which differentiates him from other individuals. A leadership which has a charismatic effect on the individuals is considered as charismatic leadership. Charisma is an important element of transformational leadership. The words charismatic leadership and transformational leadership are used interchangeably.

Characteristics

Apart from charisma, charismatic leaders also have other characteristics which helps them to achieve outstanding results. Some of those characteristics are as follows,

1. Visionary

Charismatic leaders are visionaries who has the ability to create a potential picture of an organisation as to where it would be and how it can reach there. They create a vision by analysing the various issues, values and problems of their organisations.

2. Effective Communication Skills

Charismatic leaders have strong, powerful and effective communication skills. They make use of colorful languages, exciting symbols and figures for inspiring and motivating the followers.

3. Trusting Nature

Charismatic leaders treat all their followers equally and shows continuous commitment towards their follower's needs. Such type of qualities of charismatic leaders help in building support and trust between a leader and his followers.

4. Helping Followers to Become Effective/Competent

Charismatic leaders help their followers to become competent and efficient by identifying their potential and on the basis of it giving them easy projects, so that they can achieve success and demand for more challenging assignments.

5. Energetic and expressive

Charismatic leaders are full of energy and potential. The followers consider them as role models as they aim for completing things in time. These leaders effectively make use of their nonverbal expressions like facial expressions, eye contact, warm gestures and are emotionally expressive.

6. Risk Takers

Charismatic leaders love to take risks. These leaders do not have the fear of failing. Followers inspire and admire the courage of such leaders and gets highly motivated by them.

7. Innovative Strategies

In order to become effective and successful, charismatic leaders formulates innovative strategies. Which helps in inspiring the followers to achieve the organisational goals.

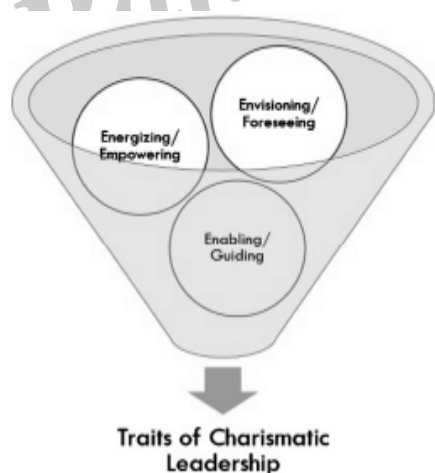
8. Empowers the Followers

It is not possible for a single leader to achieve the vision. So, a charismatic leader gives coaching, role modelling, encouragement and feedback to their followers and helps them to take the authority and achieve their vision.

Thus, the above mentioned were some of the characteristics of charismatic leaders which helps the organisation to become effective and successful.

Charismatic Leadership Theory

This theory believes that a leader must possess some extraordinary and exceptional qualities to become an effective leader. Such leaders lead by their key traits i.e.



- **Envisioning/Foreseeing:** Leaders foresees future possibilities and create a vision accordingly, usually having high expectations and dreams.

- **Energizing/Empowering:** Leaders are highly enthusiastic, proactive, energetic and confidently aiming towards success.
- **Enabling/Guiding:** Leaders provide complete support and guidance and show compassion and trust in followers. Such leaders are highly focussed and committed towards their goal accomplishment.

Charismatic Leadership Vs Transformational Leadership

The following are the differences between charismatic and transformational leadership.

1. Nature

Charisma is a necessary component of transformational leadership, whereas a leader can be charismatic but not transformational.

2. Number of Leaders

An organisation can have many transformational leaders as they can emerge from different leaders of organisation, whereas charismatic leaders are very few in number or they emerge at the time of crisis.

3. Different Levels

Transformational leaders are found at any level of the organisation whereas charismatic leaders are found very rare in the organisation.

4. Importance

Transformational leader gives some power to the followers and make them less dependent on the leader. Charismatic leader deals mainly with sorting an image of extraordinary and effective leader.

5. Functions

Transformational leader performs functions like delegating authority to followers, developing the skills and self confidence of the follower, creating self managed teams, eliminating unnecessary controls and building a strong culture to support empowerment. Charismatic leaders perform functions like impression management, information restriction, unconventional behaviour and personal risk taking.

6. Meaning

Transformational leader is the one who changes and transforms the people whereas charismatic leaders are the leaders who have a special quality of leaders whose purposes, powers and extraordinary determination differentiate them from others.

7. Changes

A transformational leader brings about major changes in an organisation whereas charismatic leaders inspire people but they may not bring about organisational change.

8. Skills

A charismatic leader has strong communication skills. They inspire people by using colorful languages to obtain higher performance from them. Whereas, transformational leaders has less communication skills when compared to charismatic leaders.

9. Performance

Behaviours associated with the transformational leadership results in more positive performance to business when compared to charismatic leadership. Performance of transformational leadership is higher in business units and the performance of charismatic leadership is higher in modifying units.

1.2.4 Perspectives of Different Leaders**Q13. Explain various Perspectives of Leaders.**

Ans : (Imp.)

There are many varying perspectives on what great leadership is, the traits necessary for being an effective leader and how to build winning teams.

1. Recognize Talent

"Great leaders recognize individual talents of team members and understand how each member is motivated. Once that is understood a leader can build customized measurable goals for each employee's contributions. This creates a proficient workflow and helps employees find a deeper level of job satisfaction."

2. Win the Hearts of People

"A great leader is a person that shares a common goal with the people he or she is leading. Win the hearts of the people you are leading and the possibilities are endless. You inspire people; not train them to achieve success."

3. Push the Limits

"Push the limits and see what happens. I am a firm believer that you should push yourself and others to do more than just the standard. One way I do this is by always looking for new ways to impact, revolutionize and come up with creative ways to solve problems in order to deliver an engaging experience for clients. Ultimately this is how we exceed expectations where most companies fall short."

4. Lead by Example

"It's important to demonstrate the same level of personal commitment in your own actions as you expect from the rest of your team. It's not enough to simply delegate tasks; leaders have to show that they're committed to working as hard and as long as everyone else. In addition to providing an easy-to-follow model of just what's expected from the team, leading by example inspires great respect, trust, and confidence in the leader.

5. Have a Compassionate Heart

"A mind full of wisdom, united with a compassionate heart are the foremost qualities of not only a great leader, but an exceptional human being who can truly guide others towards the realization of the ultimate aim of human life. When these two higher states of consciousness awaken inside each one of us the organic outcome is a deep and profound kindness towards all living beings and a penetrating insight into the natural laws that govern life. In this way, when an enlightened leader inspires and influences others all their thoughts, words and actions are charged, not with self-interest, but with a power that envisions the highest welfare of each individual and humanity as a whole."

6. Build Teams of Trusted Advisors

"If you are talking to a CEO and he turns out to be the dumbest person in the boardroom, then you know you are talking to a great leader."

7. Have a Clear Vision

"A great leader leads by example. They set the tone by their work rate and dependability."

They have a clear vision and the ability to enact change to meet their goals. Finally, they need to persevere and remain calm during times of stress."

8. Show Enthusiasm and Charisma

"A great leader is someone that is visionary, disciplined, intelligent and decisive. A great leader is effective because he or she influences and motivates others to work together on a common goal and purpose, despite differences of opinion. Great leaders are intuitive, charismatic, and passionate about their objectives and able to articulate why their work matters. Through their enthusiasm, they are able to inspire others to deliver the results they want."

9. Educate, Motivate, and Delegate

"There are five characteristics that make a good leader and those are the ability to: educate, motivate, delegate, empower, and provide a vision. A good leader should be able to educate his subordinates so that they have the ability to work independently and step into situations that may develop."

10. Embody Passion for the Mission

"A great leader is passionate, collaborative, and authentic. Without passion, a leader will struggle to enlist the aid of others in pursuit of a mission"

1.3 BASIC LEADERSHIP SKILLS

Q14. Explain the various Skills of Leadership.

Ans : (Imp.)

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

1.3.1 Motivation

Q15. What is motivation? Explain the nature and Importance of motivation.

Ans :

(Imp.)

Meaning

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

- (i) **According to Koontz and 'O' Donnell**, "Motivation is a general term applied to the entire class of drives, needs, wishes and similar forces".
- (ii) **According to Stephen. P. Robbins**, "Motivation is a process that starts with physiological or psychological deficiency or need that activities behaviour or a drive that is aimed at a goal or incentive".
- (iii) **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".
- (iv) **According to Dale Breachus**, "Motivation is the willingness to expend energy to achieve goals and rewards."
- (v) **According to Dubin**, "Motivation is the complex of forces staring and keeping a person at work in an organization".

Nature

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

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.

Q16. Discuss the various theories of motivation briefly ?

Ans :

(Imp.)

1. 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:

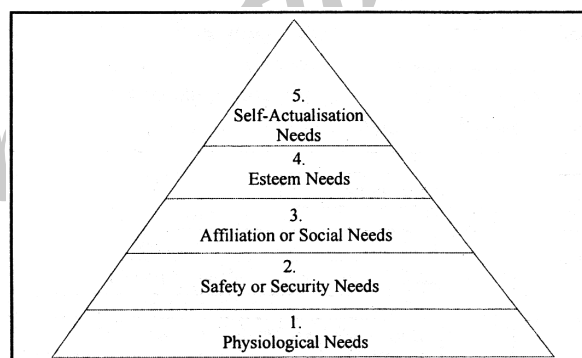


Fig.: Pyramid Representing Maslow's Hierarchy of Need

(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.

2. Herzberg's two factor theory of motivation.

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 were classified by him into two categories:

(i) 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.

(ii) Hygiene Factors/Maintenance Factors

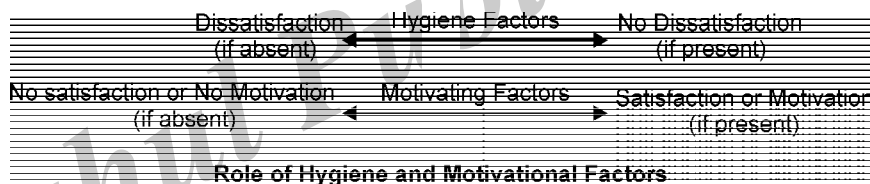
Hygiene factors do not motivate people. They produce no growth but prevent loss. The absence of these factors leads to job dissatisfaction. The elimination of dissatisfaction does not mean satisfaction and these factors simply maintain a "zero level of motivation".

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 Dissatisfies Motivational Factors or Hygiene Factors or Satisfies

- | | |
|--------------------------------------|--------------------------|
| 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 | |



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

- (i) Job satisfiers and dissatisfiers where recognize at two different qualitative factors where as these two are opposite factors.
- (ii) The procedure used by Herzberg is limited by its methodology.
- (iii) The model does not give sufficient emphasis to the motivating qualities of pay, status, etc. which are important motivators.
- (iv) The difference between motivational and maintenance factors is no clear. They can be used interchangeably in different situation.
- (v) The theory is based on small sample.

3. MC Gregor's theory

Theory X and theory Y.

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). McGregor'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 employees. 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 opportunity 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 maximum 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 dislike 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.

Theory-X and theory-Y differ from one another

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 towards	Such individuals don't like to work and always try to work avoid it.	Such individuals are self-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 get 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.

1.3.2 Team work

Q17. Discuss about the Team Leadership.

Ans :

Team Leader

A team leader is held accountable for performance of team or to achieve targets but he may or may not possess formal designation or authority on other members. Team leader is a person who is accountable for team coordination and to present the team to higher management and external stakeholders. Team leadership deals with leading and management of people towards specific common goal.

Stages

- 1. Creating a team** – a new team tends to want clarity and direction. Questions about what the team is trying to do, and how individuals fit in to the team mean that leaders need to provide clear direction. Teams tend to form more quickly when there is a clear purpose and goal to achieve. In this context a leader will often need to provide a directive approach.
- 2. Developing a team** – moving a team from start-up to where it is developing into a team is one of the most important and most difficult of the stages. It is all too easy for a group of people to remain as a loose group and never really begin to function as an effective team.
- 3. Performing and achieving results** – When teams are clear on their purpose and work well together they begin to perform.

4. **Sustaining team performance** – it is hard enough to reach the point where a team is really performing, but performance in the short term whilst valuable is not sufficient. Team need to be able to sustain their performance.

Styles

1. **Steering** – starting a team tends to require a steering style, one where the leader provides direction without being overly directive.
2. **Supporting** – helping a team come together needs a supporting style of leadership. A leader supports individuals to recognise each others strengths and how they can complement each other. Where differences begin to surface a leader supports the team in resolving any tensions.
3. **Stimulating** – the leader can now help individuals to develop their strengths for the benefit of the team. The leader prompts, encourages and challenges individuals to excel and stimulates the team to improve what they do.
4. **Synergising** – for a team to achieve sustained performance leaders need to be synergistic. They need to bring together ideas, individuals, opportunities and situations so that they combine in ways that mean they deliver more than if they were apart.

Q18. Discuss in detail Hill's model of team leadership.

Ans :

The team leadership model was introduced by Hill. It states that the leader's role is to analyze the team members performance and take action when required. Leadership decisions are taken into account by monitoring the action of the team members, task related issues and internal and external environment. Leadership decisions are directly related to the performance and development of team leadership.

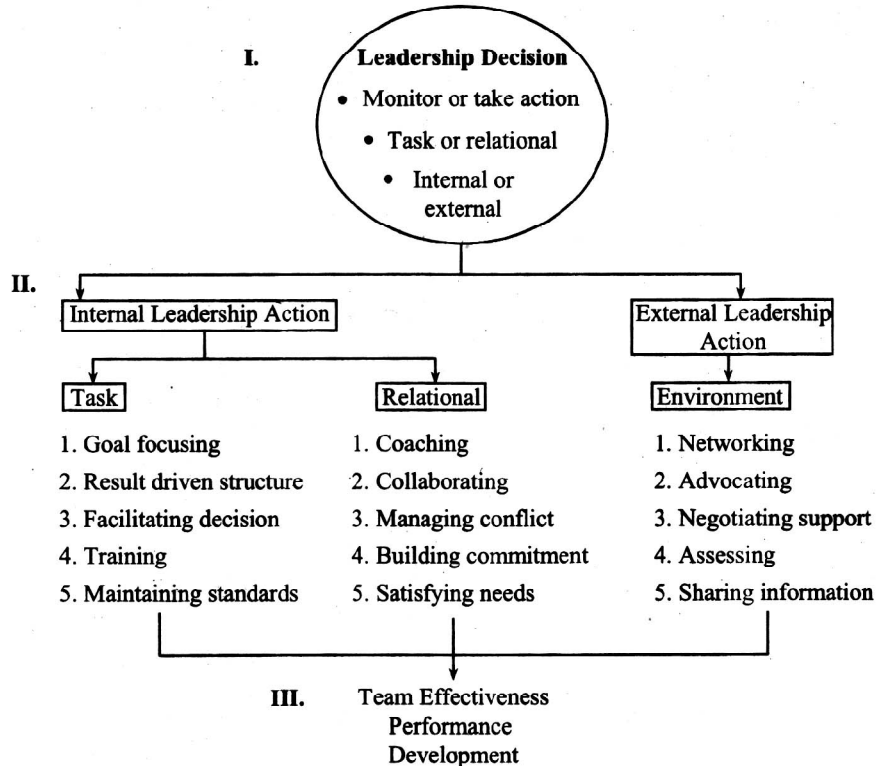


Fig. : Team Leadership Model

I. Leadership Decision

The leadership decision involves observing the team and interfering in the activities of the team for assessing the decisions of the leader. After observing and monitoring, the next step is of interfering in the task of the team. The last step comprises of internal and external environment.

(i) Monitoring or Taking Action : The leader decides whether to monitor the work of the team or take action as per the situation.

(ii) Interfering to Meet Task : The leader requires to decide whether to meet the task related issues or any relational issues. How to handle the task and maintain good relations with the team members is one of the necessary leadership decisions.

(iii) Internal or External Environment : Action should be taken according to the situation. Team leaders analyze the internal and external environment and determine the actions accordingly. Internal environment emphasizes on goals and external environment emphasizes on external support.

II. Leadership Actions

Leadership actions are implemented internally and externally based on the type of action in the organization. Teams which can manage the quarrels well can maintain good relationship among the team members.

(a) Internal Task Leadership Actions : Kill's model for team leadership illustrates the set of skills and actions. Its internal task actions are:

- (i) Focuses on goal
- (ii) Result oriented structure
- (iii) Decision making
- (iv) Providing trainings team members in the Required skills
- (v) Maintaining standards.

(b) Internal Relational Leadership

Action : A leader should perform leadership actions for improving team relationships,

- (i) Providing coaching to team members in interpersonal skills
- (ii) Working together
- (iii) Managing quarrels and issues
- (iv) Building commitment, loyalty and pride which unites the members of group
- (v) Satisfaction of individual needs.

(c) External Environmental Leadership

Actions: The team leader should observe the environment constantly and determine actions to be taken for an effective team,

- (i) Networking and increasing influence of team members according to the environment.
- (ii) Supporting and representing team
- (iii) Negotiating for available resources, support and appreciation
- (iv) Stopping team members from environmental disturbances.

III. Team Effectiveness

Team leaders should understand the performance standards and should assess the level of achievement by determining the areas in which the team is lacking.

(a) Clear, Elevating Goal: Teams goals should be clear and not deviating from the path. Goal should be easily understood and it should reach the specified target.

(b) Result Driven Structure: Teams should find the best structure for accomplishing the goals. Proper structures help groups to meet their needs and also accomplish team goals and targets.

- (c) **Competent Team Members:** Right number of members should be involved in a group for accomplishing the task of the group. Members should be provided with information, education and training so that they can beat the competition of the team members.
- (d) **United Commitment:** Teams are designed and developed carefully. Excellent teams help in creating unity and uniqueness in the organization.
- (e) **Standards of Excellence:** Group standards are the important criteria for the functioning of the group. Performance of the team members should be regulated so that actions can be controlled accordingly. With standards of excellence, members are encouraged to perform at their highest levels.
- (f) **External Support and Recognition:** A supportive organizational system includes resources needed, rewards and incentives for performance and a proper educational system to develop team skills.
- (g) **Principled Leadership:** Teams leaders are committed to the team goals and showcase their talents whenever necessary. Continuously assessing the standards of team can provide proper feedback and helps in determining whether the past actions and improvements had met the desired results.
2. Team leader decides on the necessary action to be taken for the organization.
 3. Team leader observes all the functions carried out and checks if there is performance level increase.
 4. Observation helps in deciding about internal and external level action. Leader would then choose the most accurate action to satisfy the team needs.
 5. Many skills are required for team leadership.
 6. Leader should decide about the situation in order to improve or control the action.
 7. Team leadership model helps in inspecting and improving the overall development of the organization.
 8. Organizational team leaders can learn from sports coaches for improving the performance of the team.
 9. The team leadership model requires observation and action whenever needed.
 10. Teams should be measured to meet the standards and achieve greater heights.

Hence, measuring the performance can help in analyzing the lacking areas which may need further improvement.

Strengths of Team Leadership Model

Following are the strengths of team leadership model,

1. Importance to Work Group

The most important strength of team leadership model is that it gives importance on the work group of the organization. Performance of the team is evaluated towards resolving the problems. Based on the problems and team performance, leaders learn to handle teams to achieve excellence in work.

2. Acts as Knowledge Guide

The team leadership model helps towards gaining knowledge which in turn helps in maintaining the performance level of the

Working of Team Leadership Model

Team leader has multiple responsibilities towards handling their team. Team's leader can use leadership model for making various decisions. Team leadership model facilitates team leader in following ways,

1. Leadership model provides feedback to the leader based on the research of leadership. It is considered as a practical guide.

team members. The team leadership model is not as simple as it looks. Difficult factors help leader in gaining knowledge and applying that knowledge wherever required.

3. Highlights the Changing Role of Leader

A major strength of this model is that it highlights the changing role of leaders and followers in current day business organizations. Unlike traditional approach, the functions of goal setting, rewarding, coaching etc., are now distributed among team members.

4. Helps in Selecting Team Leaders

This approach of team leadership helps towards selecting a good leader. A Leader should be selected based on his skills, behaviour and objectives. A leader should be one who has the ability to resolve problems, goal oriented, motivating and inspiring. Leaders with such skills can work wonders for the organization by taking necessary actions whenever required.

Criticism

The team leadership model suffers from the following limitations,

1. Team leadership model displays only few skills when decisions are taken.
2. Team leadership model is considered difficult and team leaders keep changing the model according to the situation and the decision taken.
3. This model does not provide concrete answers as to when it is needed but only provides specific suggestion based on the problem.
4. Teams distribute leadership skills for providing effective feedback.
5. The performance of the team should be evaluated based on the skills and improvement should be made. when required.

6. Different methods should be offered for improvement and development of the leadership model as fewer methods may not help in solving the problems.

Application of a Team Leadership Model

This approach of team leadership can be used by organizations to increase the effectiveness of the organization. This model has the following applicability:

(a) Helps in Decision Making

The leadership model helps the leader in deciding whether to act or not? How should I act? etc. For example: If the team productivity is low, this model should help the leader to make a choice between monitoring the situation or to initiate interventions to boost productivity.

(b) Provides Diagnostic Tools

Another application of this model is that the team leader can use various questionnaires provided under this model to conduct team diagnosis and take corrective steps accordingly.

1.3.3 Negotiation

Q19. Define Negotiation. Explain stages of Negotiation.

Ans :

Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute.

In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

Stages of Negotiation

In order to achieve a desirable outcome, it may be useful to follow a structured approach to

negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

1. Preparation
2. Discussion
3. Clarification of goals
4. Negotiate towards a Win-Win outcome
5. Agreement

1. Preparation

This stage involves ensuring all the pertinent facts of the situation are known in order to clarify your own position. In the work example above, this would include knowing the 'rules' of your organisation, to whom help is given, when help is not felt appropriate and the grounds for such refusals. Your organisation may well have policies to which you can refer in preparation for the negotiation.

Undertaking preparation before discussing the disagreement will help to avoid further conflict and unnecessarily wasting time during the meeting.

2. Discussion

Sometimes it is helpful to take notes during the discussion stage to record all points put forward in case there is need for further clarification. It is extremely important to listen, as when disagreement takes place it is easy to make the mistake of saying too much and listening too little. Each side should have an equal opportunity to present their case

3. Clarifying Goals

It is helpful to list these factors in order of priority. Through this clarification it is often possible to identify or establish some common ground. Clarification is an essential part of the negotiation process, without it misunderstandings are likely to occur which may cause problems and barriers to reaching a beneficial outcome.

4. Negotiate Towards a Win-Win Outcome

This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.

A win-win outcome is usually the best result. Although this may not always be possible, through negotiation, it should be the ultimate goal.

Suggestions of alternative strategies and compromises need to be considered at this point. Compromises are often positive alternatives which can often achieve greater benefit for all concerned compared to holding to the original positions.

5. Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered.

It is essential for everybody involved to keep an open mind in order to achieve an acceptable solution. Any agreement needs to be made perfectly clear so that both sides know what has been decided.

1.3.4 Networking

Q20. Define Networking and leadership networking?

Ans :

A network is a set of connected relationships with people inside and outside your organisation upon whom you depend to do your work. Within your network you share information, collaborate and solve problems.

Networking is the process of gathering, collecting and distributing information for the mutual benefit of you and the people in your network. You are not selling, you are telling. You are not asking for favours, you are giving valuable information, help or support.

Networking - creating a fabric of personal contacts who will provide support, feedback, insight, resources and information.

Nature	Operational	Personal	Strategic
Purpose	Get work done efficiently. Ensure cooperation and coordination among people who have to know and trust one another to accomplish their immediate tasks	Enhance personal & professional development; provide referrals to useful information and contacts, and often developmental support such as coaching and mentoring - and can provide a basis for strategic networking	Figuring out future priorities and challenges and how their contribution fits into the big picture; enabling the aspiring leader to marshal information, support and resources from one sector of the network to achieve results in another.
Location and temporal orientation	Contacts are mostly internal and oriented towards current demands	Contacts are mostly external and oriented towards current interests and future potential interests	Contacts are internal and external and oriented towards the future
Players and recruitment	Key contacts are relatively non-discretionary; they are prescribed mostly by the task and organisational structure, so it is very clear who is relevant	Key contacts are mostly discretionary; it is not always clear who is relevant	Key contacts follow from the strategic context and the organisational environment, but specific membership is discretionary; it is not always clear who is relevant
Network attributes and key behaviours	Depth: building strong working relationships	Breadth: reaching out to contacts who can make referrals	Leverage: creating inside-outside links

Leadership networking is about building relationships and making alliances in service of others - customers, clients, constituents, peers, bosses, and employees - and in service of the organisation's work and goals. A robust leadership network helps provide access to people, information and resources.

Q21. What are the critical requirements of leadership networking?

Ans :

1. Leadership networking demands authenticity: have a genuine objective of building relationships providing support, and accomplishing the work for the benefit of the organisation. Authenticity generates trust. People will see through networking that is self-serving or manipulative.
2. Leadership Networking trades in resources: your resources include information, services, access and power. Know your assets and share/barter them

3. Leadership Networking calls for thoughtful and deliberate use of power: power is defined as the ability to get things done. In the context of Leadership Networking, there are 3 types of power:
 - Positive Reputation gives you power
 - Connections to key influencers and decision makers gives you power
 - Your involvement with the organisation's more important priorities/problems gives you power
4. Leadership Networking requires skilful communication: you need to make others aware of what you can offer.
5. Leadership Networking calls for savvy negotiating skills.
6. Leadership Networking means managing conflict.

Q22. Explain in detail how Leadership Networking is built?

Ans. :

- Learn from those who network well Invite others: lunch them, find time for conversations, invite them to your meetings, to events Invite yourself
- Ask for feedback about you and your group
- Work with others: volunteer for projects than give you the chance to work across functions
- Be direct: tell people what you're doing and why it matters to help others connect to you
- Be an information hub
- Get mentored by successful leadership networkers
- Find a networking ally for mutual support
- Recognise that networking is one of the most important requirements of your job
- Take every opportunity to give to and receive from the network
- Potent networks are not forged through casual interactions but through shared activities including cross-functional teams, inter-

departmental initiatives, sports teams community service ventures, voluntary associations, for-profit boards and charitable foundations

- Find a context powerful enough to make you feel great about networking - this is the only thing you need (pretty much) to become a great networker.
- What difference do you want to make in your organisation / the world? Networking is one of the key elements in achieving that.
- Get very clear about your priorities - and in particular the priorities you will need to focus as you develop further as a leader - and you will have a natural motivation that draws you to network.
- Don't just have priorities that focus on you - have priorities that focus on the organisations and systems you are in - priorities that others can be enrolled in achieving
- Convey friendship, support and relationship through your interactions
- Make networking contacts where the only outcome you seek is the opportunity to see if you can add value to the other
- Don't keep score.
- Don't need people to respond in a particular way
- Be committed to the success of the people in your network
- Determine how you could be a resource for each of the people in your network - and then tell them what you can offer them.

Short Question and Answers

1. Define Leadership.

Ans :

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

Definitions

- (i) **According to Keith Davis**, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals."
- (ii) **According to Koontz and O'Donnell**, Leadership is the ability of a manager to induce subordinates to work with confidence and zeal.
- (iii) **According to Dubin, R.** Leadership is the exercise of authority and making of decisions.
- (iv) **According to Allford and Beaty**, Leadership is the ability to secure desirable actions from a group of followers voluntarily, without the use of coercion.
- (v) **According to George R. Terry**, Leadership is the activity of influencing people to strive willingly for group objectives.
- (vi) **According to Hemphill, J.K.**, Leadership is the initiation of acts which result in a consistent pattern of group interaction directed towards the solution of a mutual problem.

- (vii) **According to Jame J. Cribbin**, Leadership is a process of influence on a group in a particular situation at a given point of time, and in a specific set of circumstances that stimulates people to strive willingly to attain organisational objectives and satisfaction with the type of leadership provided.

2. What are the various functions of Leader?

Ans :

(i) Policy Maker

An important function of the leader of any social group is to plan out the group goals objectives and policies. He has to lay down specific policies and objectives and inspire subordinates to work towards the attainment of the goal.

(ii) Planner

The leader also functions as a planner. He decides the ways and means that are to be adopted to achieve the objective of the group. He draws up both long-term and short-term plans. Based on it, he prepares a step-by-step plan to achieve the group's objectives. He also plans for contingencies or unexpected events.

(iii) Executive

Setting goals and drawing plans is of no use until and unless they are implemented. In his executive function, the leader has to ensure that the plans are executed. The leader has to coordinate the activities of the group. As an executive, the leader does not carry out work or activities himself but assigns it to other group members and ensures that they implemented.

(iv) External Group Representative

The leader has to assume the role of representative of the group in its external

relations. All incoming and outgoing communications are channeled through the leader. Members of other groups deal with the leader as a representative of the particular group. He is the official spokesperson of the group.

(v) Controller of Internal Group Relationship

The leader controls the internal relations among the members of the group. All communication in the group is channeled through him. He tries to establish good relations among the group members. He encourages team spirit and tries to develop the group into a cohesive unit.

3. Trait Approach Works.

Ans :

The trait approach of leadership aims to explain how traits influence leadership. Traits are the innate personal characteristics of any person. The great leaders like Mahatma Gandhi, Abraham Lincoln etc., possessed these traits (such as integrity, high energy, self confidence and internal locus of control etc).

The trait approach is quite different from other leadership approaches, as it emphasizes solely on the leader and not on other elements like followers and situation. In theoretical terms, trait approach is a much straight forward approach when compared to the other approaches. The trait approach deals with what traits are required by a leader and shows who possess these traits. The trait approach does not specify or gives out principles or hypotheses regarding what a leader needs to do in different set of situations or what kind of leader needs to be placed in certain situation and so on. However, it focuses on a leader who possesses few set of traits that makes the leadership effective. In a leadership process, the emphasis is laid on leader and his personality.

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 innate qualities, of potential candidates. It is common for organizations to specify

the preferable characteristics for managerial positions. It is based on the assumption that such talented people would enhance the organizational effectiveness.

4. What are the Characteristics of an Effective Leader ?

Ans :

(i) Drive

This includes desire for achievement, ambition, high energy, tenacity and initiative. Most leaders have a clear sense of purpose (or mission), clear goals, focus and commitment.

(ii) Intelligence

Leaders are generally more intelligent than the followers. It was found that leaders have higher intelligence than the average intelligence of the followers. It was also found that the leader should not be far more intelligent than the followers.

(iii) Energy Levels and Stress Tolerance

Leaders are very energetic and have the ability to tolerate high levels of stress. These qualities enable the leader to deal with role conflicts and handle the pressure of making important decisions with inadequate information.

(iv) Optimistic: Most Leaders are Highly Optimistic

They always look at the brighter side of life. For them the glass is always half-full rather than half-empty. Even in the worst situations, they see something to smile about.

(v) Emotional Maturity

Leaders are emotionally mature and stable. They are not self-centered and have greater self-control. They do not get easily upset or excited. Emotional maturity helps the leaders to maintain cooperative and good relation with their subordinates, peers and superiors.

5. 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.

6. Democratic leadership

Ans :

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.

7. 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.

8. What is motivation?

Ans :

Meaning

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

- (i) **According to Koontz and 'O' Donnell**, "Motivation is a general term applied to the entire class of drives, needs, wishes and similar forces".
- (ii) **According to Stephen. P. Robbins**, "Motivation is a process that starts with physiological or psychological deficiency or need that activities behaviour or a drive that is aimed at a goal or incentive".
- (iii) **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".
- (iv) **According to Dale Breachus**, "Motivation is the willingness to expend energy to achieve goals and rewards."
- (v) **According to Dubin**, "Motivation is the complex of forces staring and keeping a person at work in an organization".

9. Assumptions of Maslow's Theory

Ans :

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.

10. Criticism of Herzberg Theory

Ans :

- (i) Job satisfiers and dissatisfiers where recognize at two different qualitative factors where as these two are opposite factors.
- (ii) The procedure used by Herzberg is limited by its methodology.
- (iii) The model does not give sufficient emphasis to the motivating qualities of pay, status, etc. which are important motivators.
- (iv) The difference between motivational and maintenance factors is no clear. They can be used interchangeably in different situation.
- (v) The theory is based on small sample.

11. Define Negotiation.

Ans :

Negotiation is a method by which people settle differences. It is a process by which compro-mise or agreement is reached while avoiding argument and dispute.

In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.

12. What are the critical requirements of leadership networking?

Ans :

- (i) Leadership networking demands authenticity: have a genuine objective of building relationships providing support, and accomplishing the work for the benefit of the organisation. Authenticity generates trust. People will see through networking that is self-serving or manipulative.
 - (ii) Leadership Networking trades in resources: your resources include information, services, access and power. Know your assets and share/barter them
 - (iii) Leadership Networking calls for thoughtful and deliberate use of power: power is defined as the ability to get things done. In the context of Leadership Networking, there are 3 types of power:
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 - (v) Leadership Networking calls for savvy negotiating skills.
 - (vi) Leadership Networking means managing conflict.
-

Choose the Correct Answer

1. One of the following is the characteristics of the followers [a]
(a) Confidence and Optimism (b) Integrity
(c) Behave in oneself (d) Cultural values
2. The _____ approach emphasizes the importance of contextual factors that influence leadership processes. [b]
(a) Power-influence approach (b) Situational approach
(c) Integrative approach (d) Trait approach
3. The _____ style is representative of a leader who is concerned with both the task and with interpersonal relationships. [c]
(a) Middle of the road management (5, 5) (b) Team management (9, 9)
(c) Impoverished management (1, 1) (d) Authority compliance (9, 1)
4. Big five personality consists of one of the following traits [d]
(a) Behaviour (b) Experience
(c) Trust (d) Surgency
5. _____ is on a continuum between external and internal belief in control over one's destiny. [a]
(a) Locus of control (b) Self-confidence
(c) Dominance (d) High energy
6. _____ leadership occurs when one person takes the initiative in making contract with others for the purpose of an exchange of valued things. [b]
(a) Transformational leadership (b) Transactional leadership
(c) Charismatic leadership (d) Free-rein leadership
7. _____ power is the ability of leader to reward his followers. [c]
(a) Coercive power (b) Expert power
(c) Reward power (d) Legitimate power
8. Leadership is an _____ process. [d]
(a) Influencing (b) Interactive
(c) Communication (d) Influence-interactions
9. Free - rein leadership style is also called as. [a]
(a) Management grid (b) LaissezFaire
(c) Servant leadership (d) Participative leadership
10. _____ are the qualities of an ethical leader. [b]
(a) Communication (b) Honesty, justice
(c) Decision-making (d) None of the above

Fill in the blanks

1. _____ is "the ability of influencing people to strive willingly for mutual objectives".
2. The first requirement of leadership is the presence of _____ .
3. Leadership is a function which is important at all levels of _____ .
4. Leaders should establish a steady flow of _____ between themselves and their staff or team members,
5. _____ need to be able to feel comfortable coming to their manager or leader with questions and concerns.
6. _____ is the process by which a cooperative group directs action towards a common goal.
7. In the _____ leaders concentrate mainly on the performance of task.
8. Relationship oriented behaviours deal with the relationship between the _____ and their _____ .
9. _____ helps in improving the skills of the individuals and also helps them to adjust with the job.
10. _____ is very essential in any business organisation.

ANSWERS

1. Leadership
2. Followers
3. Management.
4. Communication
5. Employees
6. Management
7. task oriented behaviours
8. Leaders followers
9. Developing
10. Change

Module 2

MANAGERIAL SKILLS

(a) Basic Managerial Skills

- Planning for effective management - How to organise teams? - Recruiting and retaining talent - Delegation of tasks - Learn to coordinate - Conflict management

(b) Self Management Skills

- Understanding self concept - Developing self-awareness - Self-examination - Self-regulation

2.1 BASIC MANAGERIAL SKILLS

Q1. Write briefly about the basic managerial skills (or) functions.

Ans : (Imp.)

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

- (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 corres-

pondence 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.

2.1.1 Planning for Effective Management

Q2. What is Planning? Explain the nature of planning.

Ans : (Imp.)

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

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

- (i) **According to James Lundy**, "Planning means the determination of what is to be done, how and where it is to be done, who is to do it and how results are to be evaluated."
- (ii) **According to Koontz & O'Donnel**, "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."
- (iii) **According to Henry Fayol**, "Planning is deciding the best alternatives among others to perform different managerial operations in order to achieve the predetermined goals."
- (iv) **According to George R. Terry**, "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".

Nature

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. Infact, 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 correct and react to the environmental changes. Liberalization, privatization and globalization make the external environment more dynamic. This in turn 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.

Q3. Explain the importance of planning.

Ans :

(Imp.)

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. Describe the process of Organizational Planning.

Ans :

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,

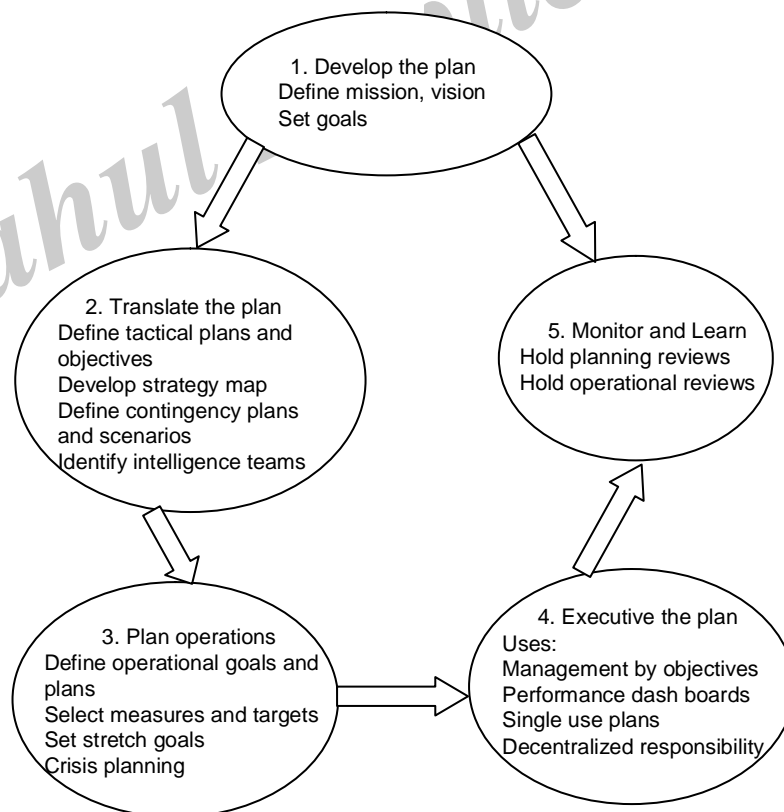


Figure : The Organizational Planning Process

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

- Third, managers lay out the operational 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.

2.1.2 How to Organise Teams?

Q5. Define organization? Explain the features of organization.

Ans :

(Imp.)

Definitions

- (i) **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".
- (ii) **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.

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.

Q6. What are the Principles of Organization?

Ans :

In order to create a systematic approach for organizing, the following principles need 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 handle 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 invest 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 up to 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.

Q7. Discuss briefly various ways of organizing teams.

Ans :

Each of these different types of work teams has a specific purpose that justifies their creation according to each model.

1. Functional work team

In this work team, all the members belong to the same functional area and respond to a single manager, responsible for the management of the whole group.

It's very common in companies with rigid hierarchies and you'll recognize them for the examples we are going to give: such as Accounting and HR departments or the Maintenance team and other specialized groups like these.

2. Inter-working team

In this case, the work team is made up of members from different areas of activity, and its members usually have the same hierarchical level.

This type of work team is usually formed to develop work with a multidisciplinary view, in which each area represented by team members complements the knowledge of others, bringing more creative and comprehensive results.

Examples of these types of work teams would be committees and councils, where members from different areas work together to solve specific problems, such as a Sustainability Committee, for example; or strategic, as is the case with the Boards of Directors of companies.

3. Troubleshooting Team

Organizations employ these teams usually to improve processes to find out how to solve the problems that are harming them.

When determining the options for solving the causes of problems, they are sent to the departments responsible, as this kind of work team does not implement the solutions it suggests.

4. Self-managed Teams

Groups of employees who work in an extremely integrated and collaborative way because they don't have a formal leader.

Members define the division of labor, responsibilities and the distribution of tasks, as well as make decisions and even control and supervise themselves.

5. Project Team

These are work groups an organization creates to implement a specific project until completion. Afterward, the group dissolves as it achieved its objectives.

Typically, members come from different areas of the company and perform other tasks related to their home department.

But, as far as the project is concerned, they answer to the project leader.

6. Task Force team

This is one of the most interesting types of work teams. They form only when emergency situations emerge which the organization needs to solve.

Its members are usually the best of the company in the area. During the resolution of the emergency, they will dedicate themselves exclusively to this task. Their goal is to do this in the best way and in the shortest possible time.

Now that you've seen what the different types of work teams are, understand how they form their dynamics.

2.1.3 Recruiting and Retaining Talent**Q8. Define the term recruitment .**

Ans :

Introduction

Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. In simple terms, recruitment is understood as the process of searching for and obtaining applications for jobs, from among whom the right people can be selected. Theoretically recruitment

process is said to end with the receipt of applications. HRP helps determine the number and type of people a firm needs. Job analysis and job design specify the tasks and duties of jobs and the qualification expected from prospective job holders. The next logical step is to hire the right number of people of the right type to fill the jobs.

Human Resource Planning	→	Determine Recruitment and selection needs	←	Job analysis
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Definition**According to Edwin B. Flippo**

"Recruitment is the process of searching prospective employees and stimulating them to apply for jobs in the organisation".

Q9. State the purpose of recruitment.

Ans :

The purpose of recruitment is to provide a pool of potentially qualified job candidates.

- (i) Determine the present and future requirements of the firm in conjunction with HR planning and job analysis.
- (ii) Increase the pool of candidates at minimum cost.
- (iii) To reduce the probability that job applicants once recruited and selected leave the organization at a very short time.
- (iv) To meet the organization's legal and social obligations regarding the composition of its work force.
- (v) Evaluate the effectiveness of various recruitment techniques and sources.

Q10. What are the factors affecting recruitment?

Ans :

(Imp.)

The recruitment process, is influenced by various internal and external factors. The human resource management should take all these factors into consideration before initiating the recruitment process.

(a) Internal Factors

Internal factors are those factors, which are internal to the organization and the organization can change them if it desires. The important internal factors, affecting the recruitment process, are as follows,

- (i) Company's Size :** An important internal factor of recruitment is the company's size. In big organizations, we find continuous recruitment. For example, we find the advertisement of big MNC's every week in newspapers as they exercise recruitment process throughout the year.
- (ii) Company's Goodwill, Reputation and Culture :** An organization's name and its reputation also have an impact on recruitment. This is because, good companies, set higher standards. Even a large number of job aspirants apply for such companies, who are having good name/fame in the markets.
- (iii) Cost of Recruitment :** Recruitment is also influenced by the availability of financial resources of a company. A big organization would like to spend a lot of money on recruitment to get the best possible candidate whereas, a small company may go for "knockout" rounds and concentrate more on getting the cheapest possible employees.
- (iv) Quality of Work Life (QWL) and Career Growth :** Quality of work life and career opportunities provided by a company have a very good impact on the recruitment process. For instance, Self explanation Google incorporation provides gym facilities, Free food, Guest house, Sports and other recreational benefits to its employees, along with excellent career opportunities. In such organizations, even the attraction rate would be very low. Employees, keep looking for better prospects, if they are not satisfied with the career growth.

(b) External Factors

External factors includes all those factors that are unconquerable. It has to change itself as per the changing external factors. A few important external factors, impacting the recruitment process are as follows,

- (i) Labour Market Conditions :** The demand and supply of labour has a direct impact on the recruitment process. For instance, if there is more availability of employees in the market at the time of recruitment, a single informal method such as advertisement may attract many prospective applicants.

However, if there is full employment in the market, the recruitment process becomes lengthy as, there are comparatively less number of candidates available in the employment market. Even the number of applicants that has to be recruited also depends upon the nature of economy. An employer can know the employment status, by studying the reports, published by the national stock exchange, trade journals, employment news and so on.

- (ii) Legal and Political Factors :** This is another important factor impacting recruitment. Example, In US, some states, have enacted laws making it a must for companies to hire nationals instead of outsourcing them from the developing countries like India, China and so on. The government has also regulated recruitments, by passing laws, which prohibits discrimination hiring if it is based on religion, race, sex, caste and so on.
- (iii) Other Factors :** Other factors, include the socio-economic conditions, employment rate, literacy rate, Demographic factors etc.

Q11. Explain the process of recruitment.

Ans : (Imp.)

The process of recruitment consists of five steps. Let us discuss about each step in detail.

1. Recruitment Planning

The first step of the recruitment process is, Planning. The H.R department must collect the data about the number and type of vacancies available. Planning involves the setting of specific targets for a specific job, depending upon the number and types of applications to be collected and recruited. For example, a company may call 100 candidates, to fill two vacant posts by fixing the yield ratio as 50% which states that out of 50 candidates only a single competent and potential employee can be selected.

They must also decide the type of candidate to whom jobs need to be allotted. For example, fresher would be called for entry level jobs whereas, experienced workers would be called for managerial posts.

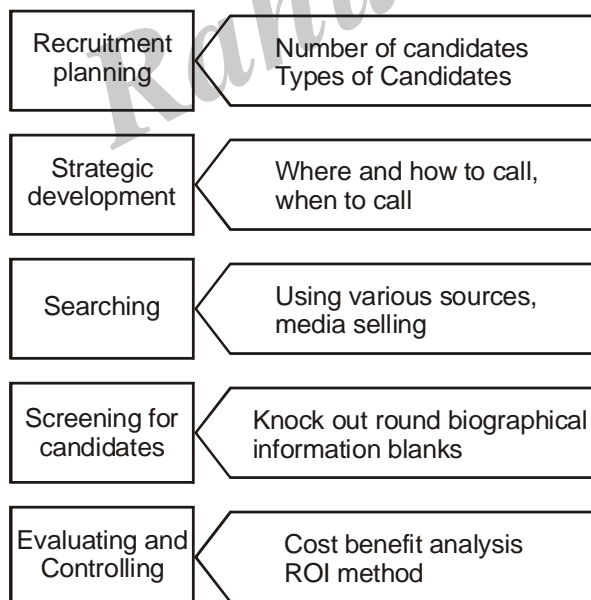


Fig. : Five Step Process of Recruitment

2. Strategic Development

The second step of the recruitment process is, Strategic development. This step provides answer to the following questions,

- Where to look for (campus job fairs etc.)
- How to look for (Internal and external sources)
- When to look for (perfect timing).

The company studies, whether to “make or buy” (i.e.,) is it better to hire and train (make) fresh graduates at a lower pay grade jobs or to select the experienced and trained candidates. Technical advancement have provided many alternatives for the selection of potential candidates.

For example, many companies in the U.S and Europe recruit Indian labours as they are good at English, highly’ skilled, motivated and are willing to perform their jobs at less salary than the nationals of the country who seek high salary for performing the same job. Lastly, an efficient recruitment strategy suggests the best time for recruitment.

3. Searching

This is the third step of recruitment process. The search for a candidate begins only after the line manager communicates that there is a vacancy or there would be a vacancy in the future.

Searching involves selecting and screening of potential candidates. It is also important to select the right medium of advertisement as it reflects the company’s image. Example, a company advertising in a reputed business magazine may be able to build a strong image in the minds of the customers than those advertising in local magazines.

4. Screening for Potential Candidates

Screening is the fourth step in the recruitment process. Some researches considered screening as the first step of selection.

Whereas, others argue that the selection process begins only after the candidates are short listed through recruitment.

For screening, recruiters mostly use "multiple hurdle process". For this they use tools like "Biographical information blank" and "Knockout round". In knockout round applicants have to fill on application form consisting of 2-3 key questions if they are found to be capable of performing a task.

5. Evaluating and Controlling

This is the last step in the recruitment process. It involves cutting and controlling costs of recruitment and evaluating the effectiveness of the company's recruitment policy. Recruitment mostly involves, costs like,

- (a) Cost of advertising in newspapers, magazines, on-line agencies. Example: naukri.com, monster.com etc.
- (b) Salaries paid to the recruiters.
- (c) Cost of outsourcing the job till the post is filled.
- (d) Administrative and overhead expenses.

Evaluating is done to modify and make recruitment more effective. Mostly companies use the cost benefit and ROI method of evaluation. Another method is to evaluate time taken to perform a job. If it takes more time, it implies that the method adopted for recruitment was not effective which ultimately leads to loss of productivity.

Q12. Elaborate in detail about various sources of recruitment.

(OR)

Summarise the different sources of Recruitment. State its merits and demerits.

Ans : (Imp.)

The various sources of recruitment are classified in to 2 broad categories, namely

- A. Internal sources
- B. External sources

A. Internal Sources

(a) Present Employees

Promotions and transfers form among the present employees can be a good source of recruitment. Promotion implies upgrading of an employee to a higher position carrying higher status, pay responsibilities. Promotion from among the present employees is advantageous because the employee promoted is well acquainted with the organizational culture they get motivated, and it is cheaper also.

However, the disadvantages is limiting the choice to a fewer people. This may also create dissatisfaction among the employees who are not promoted.

Transfers are shifting an employee from one job to another job with out any change in the present post, status, and responsibilities. This also facilitates job rotation and prepares the employee to under his base and gets ready for higher responsibilities.

(b) Former Employees

Retired, Resigned or retrenched employees may be interested to come back to the company for work. The advantages in this method are recruiting a person whose performance is already known.

(c) Previous Applications

This is considered as internal source in the sense that applications form the potential candidates are already lying with the organizations. These candidates are contacted this telephone or e-mail. This method is useful for recruitment of unskilled/semiskilled labor.

Advantages

- Familiarity with own employees
- Better use of the talent
- Economic Recruitment
- Improves Morale
- A motivator

From the above it can be understood that

- (i) The organization will have more understanding with strength and weakness of its own employees than a strange outsiders
- (ii) It provides an opportunity for better utilization of internal talent.
- (iii) The time, energy, cost in recruitment is negligible and hence more economical.
- (iv) It gives a confidence to the employees that they would be preferred if vacancy arises.
- (v) This serves as a motivator to the employees to improve their career. This also helps in encouraging and retaining the competent employees of the organization.

Disadvantages

- (a) **Limited Choice:** Due to this we can not tap the talent available in the labor market.
- (b) **Discourages Competition:** Internal candidates are protected from competition. It develops a tendency to take promotion without showing any achievement.
- (c) **Stagnation of Skills:** with the feeling that internal candidates will surely be promoted, their skill gets stagnant in the long run.
- (d) **Creates Conflicts:** Conflicts and controversies surface among the internal candidates.
- (e) **Biasedness:** The likes and dislikes and the personal biases of the management also play an important role in the selection.
- (f) **Inbreeding:** Leads to inbreeding and discourages fresh blood to enter into the organization. Hence no fresh innovation is possible.

B. External Sources

External sources of recruitment lie outside the organization. The main ones are:

1. Advertisement

It is the best method of recruiting persons for higher and experienced jobs. The advertisements are generally in local/national news papers, radio, television, professional journals. The requirements are given in the advertisement the prospective candidates evaluate themselves against the requirement before submitting the applications.

2. Employment Exchanges

This is also a good source of recruitment. Unemployed persons get themselves registered with these exchanges which are run by Government. Whenever there are vacancies they have to be notified with these exchanges. The exchange supplies a list of suitable candidates. Exchanges are generally a suitable source of recruitment for filling unskilled, semi skilled posts. The employees and candidates are brought into contact by the employment exchanges.

3. Employment Agencies

In addition to Government Agencies there are a number of private employment agencies who register candidates for employment and finish a list of suitable candidates from their data bank as and where sought by employers. E.g. ABC consultants, SB Bill moriel, etc are some of the examples. These agencies select personnel for supervisory and high levels. They invite applications and short list the candidates for the organizations. This method is cheaper than the organization recruiting by itself. There is also considerable time saving. Attempts to influence selection can be avoided as the organizational identity remains unknown to the job seekers.

4. Campus Recruitment

This is another source of recruitment. The employers visit the educational institutions of engineering and Management for recruitment

purposes. HAL, L&T Reliance, ICICI, Tata etc go to IIT'S IIMS; and premier institutes to pick up fresh candidates. For this purpose the institutions maintain placement cells. The advantage with this is that the candidates are available at one place and their respective professors will always help in providing the required information about the candidate. However this is an expensive process and quite likely the organization when they get better opportunity.

5. Data Banks

The recruiting firms can prepare a data bank about various persons in different fields. The information is normally collected from educational institutions, professional organizations, etc. the details are readily available as and when the firm goes for recruitment.

6. Labor Contractors

It is quite common to engage contractors for the supply of labor. When workers are required for short periods, contractors are best source of getting them. The persons hired are generally unskilled labor.

7. Deputation

Employees of an organization are sent to another organization for a short duration of 2 to 3 years; in the Government Departments and public sector organizations. Deputation provides ready expertise for fulfilling a particular task. In this the initial cost of recruitment, induction and training are eliminated, generally 2 to 3 years is not enough to prove their mettle, and also they may not be loyal to the organization where they have gone on deputation.

8. Competitors

This is also a source of recruitment. Popularly called as poaching or raiding this method involves identifying the right people to rival companies, offering them better terms and luring them away. However there are legal and ethical issues involved. This practice is posing a big challenge to HR Managers.

9. Walk in Interviews

This has become very popular method in the recent times. The applicants just walk in with their resumes for interviews. Here it becomes difficult to know how many candidates would turn up. However from the candidates point of view walk in interview are preferable as they are free from the hassles associated with other methods of recruitment.

Advantages

- Suitable candidates with skills, talent & knowledge are available.
- Fresh blood can be inducted in the organization.
- Being an open process it attracts more no of candidates.
- The management will be able to fulfill reservation requirements in favour of the disadvantaged sections of the society.
- Scope for resentment, heartburns and jealousy can be avoided by recruiting from outside.
- Possibly of fresh ideas, innovations increase.
- Existing employees broaden their personality.

Disadvantages

- More expensive and time consuming.
- Orientation and training cost increases.
- Of higher level jobs are filled from external sources, motivation and loyalties of existing staff are affected.
- Of the recruitment and selection process is not carried out, the chances of right candidates may be rejected or wrong candidates may be recruited.

Q13. What do you understand by retaining of talent and strategies for retaining talent to organization ?

Ans :

While the job market in some industries and regions favors employers, candidates with in-

demand skills likely won't have to wait long to find a new opportunity. Many companies never stopped hiring during the pandemic, and a lot that did are starting to expand staff levels again.

If you sense your business is at risk of losing top talent, you need to move fast to shore up your employee retention strategies. Here are 14 areas where deliberate action can help boost employees' job satisfaction and increase your ability to hold onto valued workers:

1. Onboarding and Orientation

Every new hire should be set up for success from the start. Your onboarding process should teach new employees not only about the job but also about the company culture and how they can contribute to and thrive in it. Don't skimp on this critical first step. The training and support you provide from day one, whether in person or virtually, can set the tone for the employee's entire tenure at your firm.

2. Mentorship Programs

Pairing a new employee with a mentor is a great component to add to your extended onboarding process, especially in a remote work environment. Mentors can welcome newcomers into the company, offer guidance and be a sounding board. And it's a win-win: New team members learn the ropes from experienced employees and, in return, they offer a fresh viewpoint to their mentors.

But don't limit mentorship opportunities to new employees. Your existing staff — and your overall employee retention outlook and team's job satisfaction — can greatly benefit from mentor-mentee relationships.

3. Employee Compensation

It's essential for companies to pay their employees competitive compensation, which means employers need to evaluate and adjust salaries regularly. Even if your business can't increase pay right now, consider whether you could provide other forms of compensation, such as bonuses. Don't forget about improving health care benefits and retirement plans, which can help raise employees' job satisfaction, too.

4. Perks

Perks can make your workplace stand out to potential new hires and re-engage current staff, all while boosting employee morale. According to research for our Salary Guide, flexible schedules and remote work options (separate from pandemic-related stay-at-home orders) are the perks many professionals value most. In addition, about a third of the employees we surveyed said paid parental leave is a big plus.

5. Wellness Offerings

Keeping employees fit mentally, physically and financially is just good business. The pandemic prompted many leading employers to expand and improve their wellness offerings to help employees feel supported and prioritize their well-being. Stress management programs, retirement planning services and reimbursement for fitness classes are just some examples of what your business might consider providing to employees.

6. Communication

The pandemic helped underscore the importance of good workplace communication. Your direct reports should feel they can come to you with ideas, questions and concerns at any time. And as a leader, you need to make sure you're doing your part to help promote timely, constructive and positive communication across the entire team, including on-site and remote employees. Make sure you proactively connect with each team member on a regular basis, too, to get a sense of their workload and job satisfaction.

7. Continuous feedback on performance

Many employers are abandoning the annual performance review in favor of more frequent meetings with team members. In these one-on-one meetings, talk with your employees about their short- and long-term professional goals and help them visualize their future with the company. While you

should never make promises you can't keep, talk through potential career advancement scenarios together and lay out a realistic plan for reaching those goals.

8. Training and Development

As part of providing continuous feedback on performance, you can help employees identify areas for professional growth, such as the need to learn new skills. Upskilling is especially important today as technology continues to change how we work. When people upskill, they're gaining new abilities and competencies as business requirements continue to evolve.

9. Recognition and Rewards Systems

Every person wants to feel appreciated for the work they do. And in today's "anywhere workforce," an employer's gratitude can make an especially big impact. So be sure to thank your direct reports who go the extra mile and explain how their hard work helps the organization. Some companies set up formal rewards systems to incentivize great ideas and innovation, but you can institute compelling recognition programs even if you have a small team or limited budget.

10. Work-life Balance

What message is your time management sending to employees? Do you expect staff to be available around the clock? A healthy work-life balance is essential to job satisfaction. People need to know their managers understand they have lives outside of work — and recognize that maintaining balance can be even more challenging when working from home. Encourage employees to set boundaries and take their vacation time. And if late nights are necessary to wrap up a project, consider giving them extra time off to compensate.

11. Flexible Work Arrangements

As business offices reopen after the pandemic forced their closures, many companies are preparing for the fact that some of their employees will still want to work remotely, at

least part time. It is found that 1 in 3 professionals working from home would look for a new job if they were required to return to the office full time.

12. Effective Change Management

Beyond the disruption due to the pandemic, every workplace has to deal with change, good and bad. And employees look to leadership for insight and reassurance during these times. If your organization is going through a big shift, keeping your team as informed as possible helps ease anxieties and manage the rumor mill. Make big announcements either individually or in a group call or meeting, and allow time for questions.

13. An Emphasis on Teamwork

You should encourage all your employees, not just star players, to contribute ideas and solutions. Promote teamwork by creating opportunities for collaboration, accommodating individuals' work styles and giving everyone the latitude to make decisions and course-corrections, if needed.

14. Acknowledgment of Milestones, Big and Small

A final tip for promoting employee retention is to shine a light on notable achievements. Whether your team finishes ahead of the deadline on a major project, or a worker reaches a five-year work anniversary, seize the opportunity to mark the milestone together. Even if you need to celebrate virtually, it can be a meaningful and memorable moment for everyone.

Q14. Define Talent Management. Explain the importance of Talent Management.

Ans :

(Imp.)

Definitions

(i) According to Jason Ayerbook, Mary Ruiz and Suzanne Rumsey 'Talent management is the process of managing the supply and demand of talent to achieve optimal business performance and in direct alignment with organizational goals'.

(ii) According to Rhea Duttagupta "Talent management is the strategic management of the flow of talent through an organization"

In general, a talent management is defined as a strategic approach which is engaged in recruiting, integrating, developing, rewarding and retaining the highly calibrated, multi-skilled, talented and competent personnel in an organization to accomplish the strategic objectives of the firm.

Talent management can be a discipline as big as the HR function itself or a small bunch of initiatives aimed at people and organization development. Different organizations utilize talent management for their benefits. This is as per the size of the organization and their belief in the practice.

It could just include a simple interview of all employees conducted yearly, discussing their strengths and developmental needs. This could be utilized for mapping people against the future initiatives of the company and for succession planning. The benefits are:

➤ **Right Person in the right Job**

Through a proper ascertainment of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows you to take stock of skill inventories lying with the organization. This is especially important both from the perspective of the organization as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also since there is a better alignment between an individual's interests and his job profile the job satisfaction is increased.

➤ **Retaining the top talent**

Despite changes in the global economy, attrition remains a major concern of organizations. Retaining top talent is important to leadership and growth in the market place. Organisations that fail to retain their top talent are at the risk of losing out to.

➤ **Competitors**

The focus is now on charting employee retention programs and strategies to recruit,

develop, retain and engage quality people. Employee growth in a career has to be taken care of, while succession planning is being performed those who are on the radar need to be kept in loop so that they know their performance is being rewarded.

➤ **Better Hiring**

The quality of an organization is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. No wonder then talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.

➤ **Understanding Employees Better**

Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier therefore to determine what motivates whom and this helps a lot Job enrichment process.

➤ **Better professional development decisions**

When an organization gets to know who its high potential is, it becomes easier to invest in their professional development. Since development calls for investment decisions towards learning, training and development of the individual either for growth, succession planning, performance management etc., an organization remains bothered where to make this investment and talent management just make this easier for them.

Apart from this having a strong talent management culture also determines how organization rate their organizations as work places. In addition if employees are positive about the talent management practices of the organization, they are more likely to have confidence in the future of their organization. The resultant is a workforce that is more committed and engaged determined to outperform their competitors and ensure a leadership position in the market for their organization.

2.1.4 Delegation of Tasks

Q15. Define Authority ? What are the sources of Authority?

Ans : (Imp.)

Meaning

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."

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.

Definitions

- (i) **According to Henri Fayol**, "Authority is the right to give orders and the power to exact obedience."
- (ii) **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."
- (iii) **According to Terry**, "Authority is the power to exact others to take actions considered appropriate for the achievement of a predetermined objective."
- (iv) **According to Daris** defines authority as the "right of decision and command."
- (v) **According to Louis Allen**, "The sum of the powers and rights entrusted to make possible the performance of the work delegated."

(vi) **According to Dr. Paterson** defines, "The right to command and expect and enforce obedience."

(vii) **According to Strong** says, "Authority is the right to command."

(viii) **According to Massie** defines, "The formal right to exercise control."

Sources

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 Tanenbaum, "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.

Q16. 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.

2.1.5 Learn to Coordination

Q17. Define coordination. Explain the need of coordination.

Ans :

(Imp.)

Definition

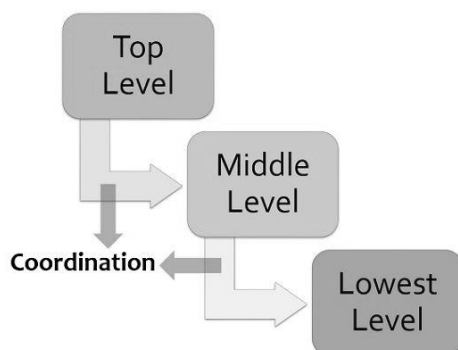
Coordination can be described as that invisible cord, which runs through all the activities of the organization and binds them together. It is not a function of the management, rather it is the essence of management, which is needed at all levels and at each step of the firm, to achieve the objectives of the organization.

In basic terms, coordination means the integration and synchronization of the activities, resources and efforts of the people working in the organization, which leads to unity of action, in the pursuit of the organization's objectives.

Need

We all are aware of the fact that there are several departments in an organization, such as Finance, Purchase, Production, Sales, Human Resource, Marketing, Research and Development etc. and the work of all the departments are interlinked and interdependent. Further, there are three levels in organizational hierarchy, wherein:

1. **Top-level:** Comprises of the Board of Directors, Chief Executives, Managing Directors, etc.
2. **Middle-Level:** Comprises of departmental heads and managers.
3. **Lowest-Level:** Comprises of supervisors, first-line managers and foreman.



Coordination is a process, which ensures that various departments, units and levels of the organization work smoothly and continuously in tandem, i.e. in the same direction, towards the accomplishment of organizational goals, while effectively utilizing the resources.

It aims at involving all the elements of the company, in the plan, strategy or task, to get input from everyone and attain best results.

Coordination tends to lineup the resources, people and efforts in such a way that there is no chaos, hustle, disorder and conflict, regarding any issue in an organization. Hence it is not wrong to say "With coordination comes harmony in the performance of organizational tasks".

Q18. Explain different types of coordination.

Ans :

Broadly, coordination in management can be divided into two types- internal and external coordination.

1. Internal Coordination

Internal Coordination is aimed at building a strong bond between the executives, the managers, the departments, the divisions, all the branches and the workers or the employees. This establishes an integration of organizational activities. Coordination examples or types for internal coordination are as follows:

- (i) **Vertical Coordination:** Vertical coordination includes the coordination of tasks from superiors to the subordinates and vice versa. A coordination example can be stated as the coordination of a particular task from a sales manager to his supervisors. This will also facilitate ensured work synchrony from the supervisors with the manager.
- (ii) **Horizontal Coordination:** Horizontal coordination builds strong relationships among same rank holding employees. This ensures better performance with increased productivity. Coordination examples can include those among the managers, the supervisors or the co-employees.

2. External Coordination

External coordination is aimed at establishing connections between the employees in a business organization with people outside of the organization. Such relationships provide a better comprehension of the outside world, in the process providing an analysis of the marketing agencies, the public, the customers at various levels, the competing organizations, the agencies of the government and the financial institutions. Public Relations Officers (PROs) play the most significant role in such cases building relationships between the organizations and the people outside of it.

It can thus be noted that as a part of internal coordination, employees report vertically to the supervisors as well as the subordinates, and horizontally with the coworkers or colleagues. As a part of external coordination, relationships are established between the organization and the outsiders. Both internal and external coordination is equally important for the successful running of an organization.

Coordination in Various Managerial Operations

Coordination in various managerial operations can be achieved through the following strategic actions:

- **Planning:** Coordination in planning makes managers frame plans in the most effective order, analyzing what to include and what not to. Planning with coordination eases the procedure with the help of mutual discussion and constant exchange of ideas building productivity.
- **Organizing:** Immense coordination is required as a part of organizing for the performance of business operations, directed towards a synchronized approach towards the fulfillments of organizational objectives.
- **Staffing:** Coordination in staffing ensures the placement of the right people in the right jobs. It specifies the staff requirements helping the management to recruit skilled employees with the required qualifications.

- **Directing:** Subordinates on receiving orders and instructions work accordingly, only with proper coordination and integration. As a part of coordination in directing, managers are focused on building a coordinating environment in the organization.
- **Controlling:** Coordination ensures a controlled working structure in an organization. It makes the management ensure that the established standards are recognized and met with the actual performance.

Therefore, these are the types of coordination, explained with the help of appropriate coordination examples. Coordination is an important tool for establishing a healthy work environment in an organization. The management should aim for it and train its officials accordingly.

2.1.6 Conflict Management

Q19. Define conflict and explain its nature ?

Ans : (Imp.)
Meaning

The concept of conflict, being an outcome of behaviors, is an integral part of human life. Wherever there is interaction, there is conflict. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding.

It is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. It can be defined as a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

Definition

According to Follett, "Conflict is the appearance of difference, difference of opinions, of interests."

Nature

Nature of conflict is as follows :

1. Conflicts are Natural

Conflicts are a natural and inevitable result when individuals work together, sharing

diverse thoughts, concerns, perspectives, and goals. A manager has to deal with conflict situations both as a mediator (to help resolve conflicts between others) and as a participant.

2. **Conflicts are not Big:** Conflicts are not big, emotional blow-outs or scenes of physical violence, although these can and do occur, especially in workplaces in which conflict is not managed well. Conflicts usually involve small matters that continuously grind-down working relationships.
3. **Conflict is Multidimensional:** The concept of conflict is multidimensional; it envelops a family of forms. It is a clash of powers. However, conflict is not a balance, equilibrium, of powers. It is not a stable resultant.
4. **Conflict is Finding the Balance:** Conflict is the pushing and pulling, the giving and taking, the process of finding the balance between powers. Therefore, conflict is correlative to power. Power, simply, is the capability to produce effects; conflict is the process of powers meeting and balancing. In order to understand which powers succeed requires comprehending their conflicts; to understand conflict involves untangling the powers involved.
5. **Conflict is Universal:** Conflict is universal. Knowledge about self, others, and reality, growth and development, and the increasing ability to create individual's own heaven or hell, comes through conflict.
6. **Conflict is Disruptive:** In a business organisation, conflict may be described as a breakdown or disruption in normal activities in such a way that the individuals or group concerned experience difficulty in working together. If employees fail to work together but openly feud, the work of the business organisation will be severely disrupted.
7. **Conflict Involves Disagreement:** Generally, there is awareness that there is some level of disagreement in between the two (or more) parties involved in the conflict. Disagreement can be related to the following issues:

- (i) **Facts:** Sometimes, the disagreement occurs because individuals have different definitions of a problem are not fully aware of the relevant information, accept or reject different information as factual or have different impressions of their respective power authority.
- (ii) **Goals:** Sometimes, the disagreement may be about what should be accomplished - the desirable objectives of a department, division, section or of a specific position within the organisation.
- (iii) **Methods:** Sometimes, individuals differ about the procedures, strategies or tactics which would most likely achieve a mutually desired goal.
- (iv) **Values:** Sometimes, the disagreement is over ethics, the way power should be exercised or moral considerations or assumptions about justice, fairness and so on. Such differences may affect the choice of either goals or methods.

Q20. Explain different types of Conflict.

Ans :

1. Inter-group Conflict

Conflicts between groups, departments or section may result in inter-group conflicts, that can also be called as organizational conflicts.

The reasons for inter-group conflicts can be,

- (a) Task interdependence among various departments for assistance etc.
- (b) Ambiguity of the task among the groups.
- (c) Goal incompatibility for different organizational units.
- (d) Competition among the groups for the limited re-sources that are available.
- (e) Competitive reward systems based on the performance levels.
- (f) Line and staff relationships.
- (g) Intra-personal and inter-personal conflicts.

2. Intra-group Conflict

The disputes among some or all the group members that affect the group's performance result in intra-group conflicts. Severe intra-group conflicts can be noticed in family run business.

3. Inter-personal Conflicts

The conflict that arises between two individuals in an organization is known as inter-personal or inter-individual conflicts.

- Differences in perceptions, temperaments, personalities, value systems, sociocultural factors and role ambiguities.
- Inter-personal conflicts can be obtained by Transactional Analysis (TA), Johari window, Stroking and Life Positions seek to explain the phenomenon of inter-personal conflict.

(a) Transactional Analysis (TA)

TA was introduced by Eric Berne and popularized by Thomas Harris in 1960s. TA can be defined as "The study of moves people make in their dealings with each other and is based on the idea that people's interactions resemble moves in games".

(b) Johari Window

This model developed by Joseph Luft and Harry Ingham (hence the name Johari window) is highly useful in analyzing the causes for inter-personal conflicts.

The two basic assumptions of this model are,

- Degree to which the person knows about himself or herself.
- Degree to which the person is known to others.

(c) Stroking

Recognition of one's presence by others can be referred to as stroking. Strokes can be positive or negative. Negative strokes cause inter-personal conflict.

(d) Life Positions

Our behaviour can be influenced by the life positions when we interact with others. These positions are acquired by us very early in our childhood and stay with us throughout, hence the term "life positions".

The two viewpoints of life positions can be,

- (i) How people view themselves.
- (ii) How do they view other people in general. The four life positions can be,
 - I am not ok - You are ok
 - I am not ok - You are not ok
 - I am ok - You are not ok
 - I am ok - You are ok.

4. Intra-individual Conflict

The conflicts that take place within an individual result in an intra-individual conflict.

Intra-personal conflicts can be due to frustration, large number of roles that require equal attention which can not be possible all the time, goals that possess both positive and negative aspects, cognitive dissonances and neurotic tendencies.

(a) Conflicts as a Result of Frustration

Conflicts from frustration are observed in a person, when a driving force behind motivation is blocked before he attains his aspired goal.

An individual gets frustrated when he or she is unable to reach the specified goal.

Mainly, there are four defence mechanisms that are followed by a frustrated individual. They can be,

- (i) **Aggression** : It refers to physical or symbolical attack of barriers of motivation.

(ii) **Withdrawal** : It refers to backing away from the barrier.

(iii) **Fixation** : It refers to efforts taken by an individual to overcome the barrier.

(iv) **Compromise** : It refers to the selection of an alternative goal instead of the one for which he was striving for.

(b) Goal Conflict

Goal conflicts arises when attainment of one goal prevents the other goal to get accomplished. Goal conflicts can be distinguished into four major forms like,

(i) Approach-Approach Conflict

A situation in which an individual is has to select between the two or more positive and mutually exclusive goals then it is said to be "approach-approach conflict".

This type of conflict can be resolved by satisfying one goal first and then the next one.

This can also be resolved by giving up one of the goals.

Whenever a choice has to be made between the two tasks out of which one has to be withdrawn. This situation leads to "decision regret". According to which its a human nature.

(ii) Approach-Avoidance Conflict

This type of conflict arises when an individual is simultaneously attracted to and referred by a single goal object.

In this situation, if the motive to avoid a goal is stronger than the motive to approach it then the person will be held where the strengths of the motives are roughly equal. As the person tries to move towards or away from the goal, the relatively stronger motive takes over and brings the person back to vacillation.

(iii) Avoidance-Avoidance Conflict

This type of a conflict arises when an individual is forced to make a choice among two mutually exclusive goals, each one of which possesses unattractive qualities.

The two main features of this type of conflict are,

- **Vacillation** : The closer a person is to his goal, the higher is the growth of a goal.
- Attempt to leave the conflict situation.

In avoidance-avoidance conflict situation, the person may resort to other means to get relief from anxiety aroused by the conflict.

(iv) Multiple Approach-Avoidance Conflict

This type of a conflict in which there are two alternatives both involving positive and negative features is referred to a double approach-avoidance conflict.

(c) Role Conflict

It becomes difficult for an individual to play numerous roles simultaneously as time and resources would be the constraints. This can be the final reason for intra-personal conflict.

(d) Cognitive Dissonance

When individuals recognize inconsistencies in their own thoughts or behaviours that can be stressful and uncomfortable, it may lead to intra-personal conflict. Until cognitive dissonance is removed, it remains as a source of conflict.

(e) Neurotic Tendencies

Inner conflicts arise due to the irrational personality mechanisms that are used by an individual. These inner conflicts lead to conflicts with other people.

2.2 SELF MANAGEMENT SKILLS

2.2.1 Understanding self concept

Q21. Define the following terms :

(a) **Self Management Skills**

(b) **Self Concept**

Ans :

(a) **Self Management Skills**

The skills or abilities of an individual which helps him to manage and control his feelings, thoughts, actions and behaviour are called as Self Management Skills. In other words, it is the act of being responsible for one's own action. These skills helps the individual in developing and determining his goals and take an action to achieve them. An individual can improve his performance through his self management skills. These skills guides an individual to deal with his career and take the advantage of an opportunity in a best manner which brings him closer to his goals and become successful.

(b) **Self Concept**

(i) **According to William James** "Self concept is the sum total of what a man can call his not only his body and psychic power, but his clothes and his house, his wife and children, his land and bank account".

(ii) In simple words, self concept refers to how a person perceived himself in the society.

Self concept is also known as self image or self perception. This term was coined by William James, in the year 1890. Many research studies have been carried out to understand the relationship between self concept and consumer behaviour in the market place.

2.2.2 Develop Self Awareness

Q22. What do you mean by self awareness. How to develop self awareness .

Ans :

Self-awareness involves being aware of different aspects of the self including traits,

behaviors, and feelings. Essentially, it is a psychological state in which oneself becomes the focus of attention. Self-awareness is one of the first components of the self-concept to emerge.

1. **Keep an Open Mind**

The individual has to keep mind open and manage his emotions. When an individual has the ability to balance his emotions so he can adjust such emotions anytime. A successful leader should be interested in meeting new people and has to accept the suggestions and flaws provided by them because the individual becomes more creative when think more and try to innovate new ideas.

2. **Aware of the Strengths and Weaknesses**

The individual should be aware of his strengths and weaknesses because when the task is given he must know whether to take some body's help or he can do it on his own.

3. **Stay Focused**

Stay focused means to concentrate on the particular task or activity with out any distractions. The leader needs to be focused for a long time until he completes the tasks. He may get distractions from activities on social media, E-mails and by friends but it is the responsibly of a leader to stay focussed. If he gets any disturbances he should move to silent place and switch off his mobile in order to get focus.

4. **Follow the Instincts**

Many people get instincts or gut feeling towards anything but successful people trust their gut feelings, follow them and take the risks related to them. The instincts guides the individual or leader about what to do next. The instincts may arise due to the various situations. However, the leaders should follow and trust his instincts as it may provide good results.

5. **Practice Self Discipline**

Self discipline is defined as "the ability to control yourself and to make yourself work hard to achieve goals and behave in an particular way without the requirement of

anyone else to tell you what to do". Leaders maintain self-discipline in every manner. It is very important and is needed for the development of self awareness. Self discipline helps the individual to continuously observe and supervise their own behaviour. It is an important feature that lasts necessary for strong leadership.

6. Known about the Emotional Triggers

The people who have self awareness can easily identify and recognize their emotions when they cause to happen. The individuals should accept and fix his emotions rather than holding or denying them. The individuals may get negative emotions such as anger, fear, frustrations shame and sadness which ruin their mood. Therefore, they need to deal with their emotions before communicating with others.

7. Reflect

The individual needs to think about, how he is reacting to the people. This thinking or reflecting can be performed in various ways such as journaling the thoughts, thinking about the day etc. The individual should take a little time to think about himself when he is alone. The important thing is to examine whether the thoughts, feelings, emotions and behaviour of him are normal or he has to work on them to improve himself.

2.2.3 Self Examination

Q23. Define self-examination or self-Assessment?

Ans :

Leaders are responsible for creating and realizing the vision by encouraging the followers to work towards the fulfilment of a common goal. Effective leaders should be able to have a perfect assessment of their strengths/weaknesses and deal with it efficiently. By adopting remedial measures, they should reinforce their areas of strengths and overcome their deficiencies.

Leaders who are self-aware are able to monitor their progress and areas of improvement both professionally and personally. They can chart

a futuristic plan of action and identify the areas of development which will determine their future growth prospects and help them in achieving success in their professional endeavours.

Successful leaders should have exceptional emotional as well as personal qualities like diplomacy, leading by examples and maintain an empathetic approach. Inspirational leaders stress a lot on honing their interpersonal and emotional competencies for gaining.

Q24. Explain the Techniques of Self Examination for Leadership Skills

Ans : (Imp.)

(a) Reflective Journaling Technique

- It starts with identification and recording of the learning experiences at work in a journal.
- Reflecting on the lessons by questioning yourself on various issues revolving around the leadership experience like why and do you think certain things happened and the challenges you had to encounter as a leader.
- Drawing out conclusions from the learning experience and identifying the possible areas of development or changes for the future.

Benefits of Reflective Journaling

- This technique is useful in reflecting on the key challenges which they encountered, what the favourable factors were and how things could have been handled differently for getting the desired outcomes.
- Reflective journaling can be useful in chalking out a futuristic plan of action for the leaders based on the identification of the areas of development.
- By using this technique, the leaders can maintain a record of their experiences in a journal which can serve as a basis for the preparation of a leadership development plan.

(b) Checklists and Survey Method for Leadership Assessment

This is another critical technique by way of which leaders can assess their areas of strengths and improvements. It can be used periodically to determine how you have evolved and honed your leadership qualities over a period. Checklists & surveys help in improving self-awareness related with emotional competencies, relationship skills and a lot of other areas like your level of enthusiasm, involvement and clarity of direction.

Steps involved in using checklists & surveys given below:

- Survey stage during which the checklists of the leadership competencies are compiled.
- Assessing the personal strengths and areas which require improvement by analysing the personally filled up survey against various parameters.
- Working in the areas of development and monitoring progress or growth in those areas by conducting a study once again after few months.

Benefits of Survey Checklist Technique

- Checklists are useful in the identification, sorting and recording of the primary competencies required for handling certain kinds of jobs.
- Survey checklist technique provides valuable information regarding how a professional has evolved as a leader and in planning the future developmental plans for the leaders.
- This method provides an accurate assessment of the existing levels of knowledge and competency of a leader.

(c) 360 Degree Feedback as a Technique of Leadership Assessment

This technique offers a comprehensive view regarding how you are perceived as a leader by others and improves understanding about

one's strengths and weaknesses as a leader. For conducting 360-degree feedback, the following steps should be followed:

- **Completion of a Confidential Survey:** A confidential survey comprises of various questions is completed by the peers, superiors and also the reporting authorities for gathering feedback about a leader on multiple leadership competencies.
- **Rating & Feedback:** The members involved in the survey are requested to rate the skills and provide feedback in the written format.
- Results are analysed and compared with the subject then finally.

Q25. Explain the Advantages of Self Examination of Leadership Competencies.

Ans :

1. Self-assessments can serve as a source of motivation because by way of self-assessments the leaders can track their progress and be motivated by their achievements as leaders.
2. Leaders get feedback on how they have been able to strengthen their competencies in the areas in which they wanted to develop.
3. Self-assessments promote self-awareness by giving an account of the personal & professional strengths as well as weaknesses.
4. By improving self-awareness, the leaders can hone their inspirational and leadership qualities.
5. Leaders can develop their leadership development plans by way of self-assessment and drive leadership strategies accordingly for accomplishing superior performance benchmarks.

2.2.4 Self Regulation**Q26. Define self-regulation ? Explain the importance of Self Regulation.**

Ans :

An individual who has the ability to manage his emotions, thoughts, behaviors and to control

himself which results in a positive aspect is called as Self-Regulation. In simple words, it is about thinking before acting on a particular situation and always express himself properly. It is one of the important element of emotional intelligence which is a concept developed by a psychologist Daniel Goleman. It is an important skill as it provides an awareness about his emotions to the individual and also the feeling and needs of the others.

Goleman, Boyatzis and McKee stated that, people who are self-regulated seen the good in the other people and they can find the opportunities in various situations. They are frank and communicates openly. They motivate themselves and have good intentions. They always give their level best when it comes to work and can easily deal with tough times.

According to Goleman and his colleagues, the people who are self-regulated can calm down themselves, when they are angry, frustrated or upset and encourage themselves to be positive in every situation.

They are flexible and can adjust in every work with their colleagues and involves in the situation whenever it is necessary.

Importance

The importance of self-regulation are as follows,

1. It helps the individual to behave in a certain way which benefits the team and organization in a long and short period of time.
2. It helps the individual to control his actions, emotions, thoughts, behaviour and allows him to think about the positive and negative results.
3. It helps the individual to give best performance for accomplishing organizational goals.
4. It helps the individual to overcome from negative response and get on track as soon as possible because it allows the individual to be less productive at work when he realizes that he received a negative feedback.

Q27. Explain the Ways to Improve Self-Regulation.

Ans :

1. Leading and living with integrity being a good role model, practicing what you preach, creating trusting environments, and living in alignment with your values
2. Being open to change challenging yourself to deal with change in a straightforward and positive manner and working to improve your ability to adapt to different situations while staying positive
3. Identifying your triggers cultivating a sense of self-awareness that will help you learn what your strengths and weaknesses are and what can trigger you into a difficult state of mind.
4. Practicing self-discipline: committing to taking initiative and staying persistent in working toward your goals, even when it's the last thing you feel like doing
5. Reframing negative thoughts working on your ability to take a step back from your own thoughts and feelings, analyze them, and come up with positive alternative thoughts
6. Keeping calm under pressure keeping your cool by removing yourself from the situation for the short-term—whether mentally or physically—and using relaxation techniques like deep breathing
7. Considering the consequences stopping and thinking about the consequences of giving in to “bad” behavior (e.g., what happened in the past, what is likely to happen now, what this behavior could trigger in terms of longer-term consequences)
8. Believing in yourself boosting your self-efficacy by working on your self-confidence, focusing on the experiences in your life when you succeeded and keeping your mistakes in perspective. Choose to believe in your own abilities and surround yourself with positive, supportive people.

Short Question and Answers

1. Function of management.

Ans :

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

2. Planning.

Ans :

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

- (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.

3. Organizing.

Ans :

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.

4. Coordinating.

Ans :

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 res-ponsibility.
- (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.

5. Decision-making.

Ans :

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.

6. Explain the features of organization.

Ans :

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.

7. Coordination

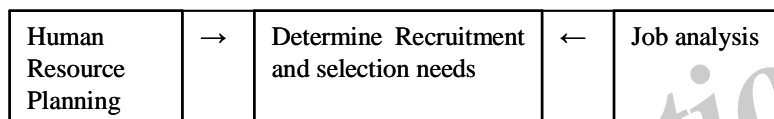
The divisional head coordinates the work of different divisions depending upon the requirements of the organization. Only through coordination, harmonious functioning of an organization becomes possible.

7. Define the term recruitment .

Ans :

Introduction

Recruitment involves attracting and obtaining as many applications as possible from eligible job seekers. In simple terms, recruitment is understood as the process of searching for and obtaining applications for jobs, from among whom the right people can be selected. Theoretically recruitment process is said to end with the receipt of applications. HRP helps determine the number and type of people a firm needs. Job analysis and job design specify the tasks and duties of jobs and the qualification expected from prospective job holders. The next logical step is to hire the right number of people of the right type to fill the jobs.

**Definition**

According to Edwin B. Flippo "Recruitment is the process of searching prospective employees and stimulating them to apply for jobs in the organisation".

8. State the purpose of recruitment.

Ans :

The purpose of recruitment is to provide a pool of potentially qualified job candidates.

- (i) Determine the present and future requirements of the firm in conjunction with HR planning and job analysis.
- (ii) Increase the pool of candidates at minimum cost.
- (iii) To reduce the probability that job applicants once recruited and selected leave the organization at a very short time.
- (iv) To meet the organization's legal and social obligations regarding the composition of its work force.
- (v) Evaluate the effectiveness of various recruitment techniques and sources.

9. Define Talent Management.

Ans :

Definitions

- (i) **According to Jason Ayerbook, Mary Ruiz and Suzanne Rumsey** 'Talent management is the process of managing the supply and demand of talent to achieve optimal business performance and in direct alignment with organizational goals'.
- (ii) **According to Rhea Duttagupta** "Talent management is the strategic management of the flow of talent through an organization"

In general, a talent management is defined as a strategic approach which is engaged in recruiting, integrating, developing, rewarding and retaining the highly calibrated, multi-skilled, talented and competent personnel in an organization to accomplish the strategic objectives of the firm.

Talent management can be a discipline as big as the HR function itself or a small bunch of initiatives aimed at people and organization development. Different organizations utilize talent management for their benefits. This is as per the size of the organization and their belief in the practice.

10. Define Authority ? What are the sources of Authority?

Ans :

Meaning

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."

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.

Definitions

- (i) **According to Henri Fayol**, "Authority is the right to give orders and the power to exact obedience."
- (ii) **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."
- (iii) **According to Terry**, "Authority is the power to exact others to take actions considered appropriate for the achievement of a predetermined objective."

11. Define coordination.

Ans :

Definition

Coordination can be described as that invisible cord, which runs through all the activities of the organization and binds them together. It is not a function of the management, rather it is the essence of management, which is needed at all levels and at each step of the firm, to achieve the objectives of the organization.

In basic terms, coordination means the integration and synchronization of the activities, resources and efforts of the people working in the organization, which leads to unity of action, in the pursuit of the organization's objectives.

12. Define conflict.

Ans :

Meaning

The concept of conflict, being an outcome of behaviors, is an integral part of human life. Wherever there is interaction, there is conflict. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunder-standing.

It is also associated with situations that involve contradictory or irreconcilable interests between two opposing groups. It can be defined as a dis-agreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

Definition

According to Follett, "Conflict is the appearance of difference, difference of opinions, of interests."

13. Self Management Skills

Ans :

The skills or abilities of an individual which helps him to manage and control his feelings, thoughts, actions and behaviour are called as Self Management Skills. In other words, it is the act of being responsible for one's own action. These skills helps the individual in developing and determining his goals and take an action to achieve them. An individual can improve his performance through his self management skills. These skills guides an individual to deal with his career and take the advantage of an opportunity in a best manner which brings him closer to his goals and become successful.

14. Self Concept

Ans :

(i) **According to William James** "Self concept is the sum total of what a man can call his not only his body and psychic power, but his clothes and his house, his wife and children, his land and bank account".

(ii) In simple words, self concept refers to how a person perceived himself in the society.

Self concept is also known as self image or self perception. This term was coined by William James, in the year 1890. Many research studies have been carried out to understand the relationship between self concept and consumer behaviour in the market place.

15. Define self-examination or self-Assessment?

Ans :

Leaders are responsible for creating and realizing the vision by encouraging the followers to work towards the fulfilment of a common goal. Effective leaders should be able to have a perfect assessment of their strengths/weaknesses and deal with it efficiently. By adopting remedial measures, they should reinforce their areas of strengths and overcome their deficiencies.

Leaders who are self-aware are able to monitor their progress and areas of improvement both professionally and personally. They can chart a futuristic plan of action and identify the areas of development which will determine their future growth prospects and help them in achieving success in their professional endeavours.

Successful leaders should have exceptional emotional as well as personal qualities like diplomacy, leading by examples and maintain an empathetic approach. Inspirational leaders stress a lot on honing their interpersonal and emotional competencies for gaining.

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Choose the Correct Answers

1. Which of the following are functions of management. [d]
(a) Planning (b) Organising
(c) Staffing (d) All the above.
2. Human objectives of management involves [c]
(a) Welfare of employees (b) Customer satisfaction
(c) Both (a) and (b) (d) Profit earning.
3. Some of the following principles of management was suggested by Henry Fayol, [d]
(a) Unity of command (b) Unity of direction
(c) Scalar chain (d) All the above.
4. The function which helps in recruiting the suitable personnel is [c]
(a) Organizing (b) Planning
(c) Staffing (d) Decision-making.
5. Which principle of management implies that members in an organisation must receive instruction from only one person. [d]
(a) Division of labour (b) Authority
(c) Centralization (d) Unity of command
6. Some of the managerial roles played by managers are [d]
(a) Interpersonal roles (b) Information roles
(c) Decisional roles (d) All the above
7. Management is defined as; [d]
(a) getting things done so that demand is fulfilled
(b) getting things done through other people
(c) to know what actually has been produced and which should have been
(d) to work for others.
8. In comparison to top level managers, a first -line supervisor will spend more time in : [d]
(a) direction of subordinates (b) policy making
(c) public relations (d) long range planning
9. The founder of scientific management movement was: [b]

- (a) Henri Fayol (b) F.W.Taylor
(c) Elton Mayo (d) M.P.Follett
10. The difference between administration and management is that : [a]
(a) administration is largely while management is essentially executive
(b) management is largely determinative while administration is essentially executive
(c) management is performed at higher level of management while administration is performed at lower levels
(d) none of these.
11. Management is : [c]
(a) an art (b) a science
(c) both an art and a science (d) neither an art nor a science
12. The first person to suggest the of functions of management was: [a]
(a) Henri Fayol (b) F. W. Taylor
(c) Elton Mayo (d) P. F. Drucker.
13. To the extent that an executive is carrying out the functions of planning, organizing, staffing, directing and controlling, he is involved in : [a]
(a) managerial activities (b) technical activities
(c) financial activities (c) non-managerial activities
14. According to "Scalar Principle of Organization" [b]
(a) a manager can directly supervise a limited number of people
(b) the line of authority must be clearly defined
(c) exceptionally complex problems are referred to higher levels of management
(d) each subordinate should have one superior
15. Management is a _____ process. [b]
(a) Structural (b) Organisational
(c) Operational (d) Motivation
16. Management is a _____ process. [a]
(a) Social (b) Economic
(c) Environmental (d) Psychic

Fill in the blanks

1. _____ is the process in which a cooperative group directs action towards a common goal.
2. _____ is one of the management function in which all the necessary resources required for achieving objectives are arranged.
3. A person who has high orientation towards organisational rules and regulations and who does not take initiatives is a _____.
4. Managers whose responsibility is to "support" line managers are _____.
5. Management is the art of _____ through formally organised groups.
6. Management is both _____ and _____.
7. The functions of management, as given by Henri Fayol include to forecast and plan, to organise, _____ to coordinate and to control.
8. One reason why management is important could be that _____.
9. Organisation involves a structure of _____ among people working for the desired results.
10. It needs organisations to provide maximum _____ to enable them to be creative.

ANSWERS

1. Management
2. Organising
3. Bureaucrat
4. Staff managers
5. Getting things done
6. Art and science
7. To command
8. Enables organisations to achieve their goals
9. Relationships
10. Freedom

Module 3

ENTREPRENEURIAL SKILLS

(a) Basics of Entrepreneurship:

- Meaning of entrepreneurship - Classification and types of entrepreneurship - Traits and competencies of entrepreneur

(b) Creating Business Plan:

- Problem identification and idea generation - Idea validation - Pitch making

3.1 BASICS OF ENTREPRENEURSHIP

3.1.1 Meaning

Q1. Define the term Entrepreneurship.

Ans :

(Imp.)

Entrepreneurship is the act of being an entrepreneur, which is French word meaning "to undertake". Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity.

The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization, it is referred to as intrapreneurship and may include corporate venturing, when large entities start spin-off organizations.

In a Conference on Entrepreneurship held in United States, the term 'entrepreneurship' was defined as, Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition".

Definitions

- According to A. H. Cole**, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services".
- According to Schumpeter**, "Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions".

Entrepreneur is one who provides the fourth factor of production, namely 'enterprise'. As the fourth factor, it assembles, coordinates and manages the other factors namely land, labor and capital. Enterprise may be defined as an undertaking or adventure involving uncertainty and risk and requiring innovation. It also refers to the ability to think out and start new business.

Just as family is the basic unit for social organization, enterprise is the basic unit for economic organizations, and others. It obtains factors of production from the society and supplies the finished product to the society. Enterprise serves' as the framework within which decisions concerning what to produce, how much to produce, when to produce and how to produce are taken by the owner and/or manager. Development is the aggregate result of the efforts made in individual enterprises.

In all above definitions, entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. Just as management is regarded as what managers do, entrepreneurship may be regarded as what entrepreneurs do. In other words, entrepreneurship is the act of being an entrepreneur. Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. It is, thus, process of giving birth to a new enterprise.

Entrepreneurship = Entrepreneur + Enterprise		
↓	↓	↓
(Process)	(Person)	(Object)

Q2. Explain the characteristics of Entrepreneurship.

Ans :

1. Economic Activity

Entrepreneurship involves the creation and operation of an enterprise. Therefore, it is essentially an economic activity concerned with of value or wealth.

2. Purposeful Activity

Entrepreneurship is the purposeful activity of an individual or a group of individuals who seek to earn profits through the production and distribution of economic goods and services.

3. Decision Making

A decision is a course of action which is consciously chosen from among a multiple of alternatives to achieve the desired result. As entrepreneurship involves both risk and uncertainty, decision making is crucial on the part of the entrepreneurs to establish and run the enterprise successfully.

4. Accepting Challenges

Entrepreneurship means accepting challenges amidst risk and uncertainty. While accepting entrepreneurship as a career, the entrepreneur

accepts the challenges of all odds and puts his efforts to convert the odds into viable business opportunities by pooling together the resources for building and running the enterprise.

5. Risk Taking

This characteristic feature implies assuming the responsibility for loss that may occur due to unforeseen contingencies of the future. Entrepreneur, by his deep insight and scientific approach, analyses the situation objectively and reduces the risk considerably on one hand and enhances the profit factor on the other.

6. Building Organization

Entrepreneurship presupposes the initiative and skill on building organization. It is by delegation of authorities and proper leadership that organization can be built up. As per the views of Harbison, organization building is the most critical skill needed for entrepreneurship as it facilitates the economic use of other innovations.

7. Dynamic Process

Entrepreneurs thrive on the changing environment which brings new opportunities for business. Flexibility is the hallmark of a successful entrepreneur.

8. Gap Filling Function

It is the job of an entrepreneur to fill the gaps between needs and goods and services. They have to complete the inputs and provide the knowledge about the production process.

9. Skillful Management

For effective management of an enterprise, the role of an entrepreneur to initiate and supervise design of organization-improvement projects in relation to upcoming opportunities is very much important.

10. Innovation

David McClelland identified two important characteristics of entrepreneurship—first doing things in a new and better way, which is synonymous to innovation given by J. A. Schumpeter, and second, decision making under uncertainty. So innovation is one of the most important characteristics of entrepreneurship.

11. Mobilization of Resources

Resources are the help needed to carry out activities resulting in accomplishment of goal. They are found in scattered manner in the environment and required to be perceived, identified and mobilized by entrepreneurs to attain business goal. Thus, entrepreneurs make themselves distinct from the rest of population because of their innate capability to mobilize resources.

Q3. Enumerate the Evolution of entrepreneurship

(or)

Explain in detail the origin and development of Entrepreneurial activities in India during last decade.

Ans : (Imp.)

The word entrepreneur is derived from the French *entreprendre*, meaning “to undertake.” The entrepreneur is one who undertakes to organize, manage, and assume the risks of a business. In recent years, entrepreneurs have been doing so many things that it is now necessary to broaden this definition. Today, an entrepreneur is an innovator or developer who recognizes and seizes opportunities; converts those opportunities into workable/marketable ideas; adds value through time, effort, money, or skills; assumes the risks of the competitive marketplace to implement these ideas; and realizes the rewards from these efforts.

The entrepreneur is the aggressive catalyst for change in the world of business. He or she is an

independent thinker who dares to be different amid a background of common events. The literature of entrepreneurial research reveals some similarities, as well as a great many differences, in the characteristics of entrepreneurs. Chief among these characteristics are personal initiative, the ability to consolidate resources, management skills, a desire for autonomy, a strong desire to achieve, perseverance, hard work combined with high activity level, and an ability to take risks. Other characteristics include aggressiveness, competitiveness, goal-oriented behavior, confidence, opportunistic behavior, intuitiveness, reality-based actions, the ability to learn from mistakes, and the ability to employ human relations skills.

Although no single definition of entrepreneur exists and no one profile can represent today's entrepreneur, research is beginning to provide an increasingly sharper focus on the subject. A brief review of the history of entrepreneurship illustrates this. In India, the liberalization, which was started in 1991, and the information technology boom of the mid-late 90s have been significant factors leading to a wave of entrepreneurship sweeping through the country.

Entrepreneurship during Pre-Independence

The evolution of the Indian entrepreneurship can be traced back to even as early as Rigveda, when metal handicrafts existed in the society. This would bring the point home that handicrafts entrepreneurship in India was as old as the human civilization itself, and was nurtured by the craftsmen as a part of their duty towards the society. Before India came into contact with the West, people were organized in a particular type of economic and social system of the village community. Then, the village community featured the economic scene in India.

The Indian towns were mostly religious and aloof from the general life of the country. The elaborated caste-based diversion of workers consisted of farmers, artisans and religious priests (the Brahmins). The majority of the artisans were treated as village servants. Such compact system of

village community effectively protecting village artisans from the onslaughts of external competition was one of the important contributing factors to the absence of localization of industry in ancient India.

Evidently, organized industrial activity was observable among the Indian artisans in a few recognizable products in the cities of Banaras, Allahabad, Gaya, Puri and Mirzapur which were established on their river basins. Very possibly, this was because the rivers served as a means of transportation facilities. These artisan industries flourished over the period because the Royal Patronage was to them to support them. The workshops called 'Kharkhanas' came into existence. The craftsmen were brought into an association pronounced as 'guild system'. On the whole, perfection in art, durability beyond doubt and appeal to the eye of the individual were the distinguishing qualities inherent in the Indian craftsmanship that brought much ever lasting laurels of name and fame to the illustrious India in the past. To quote, Bengal enjoyed world-wide celebrity for corah, Lucknow for chintzes, Ahmedabad for dupptas and dhotis, Nagpur for silk-bordered cloths, Kashmir for shawls and Banaras for metal wares. Thus, from the immemorial till the earlier years of the eighteenth century, India enjoyed the prestigious status of the queen of the international trade with the help of its handicrafts.

Unfortunately, so much prestigious Indian handicraft industry, which was basically a cottage and small sector, declined at the end of the eighteenth century for various reasons. These may be listed as:

1. Disappearance of the Indian Royal Courts, who patronised the crafts earlier;
2. The lukewarm attitude of the British Colonial Government towards the Indian crafts;
3. Imposition of heavy duties on the imports of the Indian goods in England;
4. Low-priced British-made goods produced on large scale which reduced the competing capacity of the products of the Indian handicrafts;

5. Development of transport in India facilitating the easy access of British products even to far-flung remote parts of the country;
6. Changes in the tastes and habits of the Indian, developing craziness of foreign products, and
7. Unwillingness of the Indian craftsmen to adapt to the changing tastes and needs of the people.

Entrepreneurship during Post-Independence

After taking a long sigh of political relief in 1947, the Government of India tried to spell out the priorities to devise a scheme for achieving balanced growth. For this purpose, the Government came forward with the first Industrial Policy, 1948 which was revised from time to time. The Government in her various industrial policy statements identified the responsibility of the State to promote, assist and develop industries in the national interest. It also explicitly recognized the vital role of the private sector in accelerating industrial development and, for this, enough field was reserved for the private sector. The Government took three important measures in her industrial resolutions:

- (i) to maintain a proper distribution of economic power between private and public sector;
- (ii) to encourage the tempo of industrialization by spreading entrepreneurship from the existing centres to other cities, towns and villages, and
- (iii) to disseminate the entrepreneurship acumen concentrated in a few dominant communities to a large number of industrially potential people of varied social strata.

To achieve these adumbrated objectives, the Government accorded emphasis on the development of small-scale industries in the country. Particularly since the Third Five Year Plan, the Government started to provide various incentives and concessions in the form of capital, technical know-how, markets and land to the potential entrepreneurs to establish industries in the industrially potential areas to remove the regional

imbalances in development. This was, indeed, a major step taken by the Government to initiate interested people of varied social strata to enter the small-scale manufacturing field. Several institutions like Directorate of Industries, Financial Corporations, Small-Scale Industries Corporations and Small Industries Service Institute were also established by the Government to facilitate the new entrepreneurs in setting up their enterprises. Expectedly, the small-scale units emerged very rapidly in India witnessing a tremendous increase in their number from 121,619 in 1966 to 190,727 in 1970 registering an increase of 17,000 units per year during the period under reference.

The recapitulation of review of literature regarding entrepreneurial growth in India, thus, leads us to conclude that prior to 1850, the manufacturing entrepreneurship was negligible lying dormant in artisans. The artisan entrepreneurship could not develop mainly due to inadequate infrastructure and lukewarm attitude of the colonial political structure to the entrepreneurial function. The East India Company, the Managing Agency Houses and various socio-political movements like Swadeshi campaign provided, one way or the other, proper seedbed for the emergence of the manufacturing entrepreneurship from 1850 onwards.

The wave of entrepreneurial growth gained sufficient momentum after the Second World War. Since then the entrepreneurs have increased rapidly in numbers in the country. Particularly, since the Third Five Year Plan, small entrepreneurs have experienced tremendous increase in their numbers. But, they lacked entrepreneurial ability, however. The fact remains that even the small entrepreneurship continued to be dominated by business communities though at some places new groups of entrepreneurs too emerged. Also, there are examples that some entrepreneurs grew from small to medium-scale and from medium to large-scale manufacturing units during the period. The family entrepreneurship units like Tata, Birla, Mahatma, Dalmia, Kirloskar and others grew beyond the normally expected size and also established new

frontiers in business in this period. Notwithstanding, all this happened without the diversification of the entrepreneurial base so far as its socio-economic ramification is concerned.

Q4. The advantages of entrepreneurship outweigh the disadvantages-take a stand, either in favour of the statement or against it.

Ans :

In my opinion the field of entrepreneurship has substantial advantages and thus it is advisable for everyone to try to become an entrepreneur. Apart from enjoying good financial rewards, psychological advantages include the satisfaction of being your own boss and so on. There are also a few limitations of being an entrepreneur.

Advantages of Entrepreneurship

The following are the advantages of entrepreneurship,

1. Under entrepreneurship business, entrepreneurs are the owners of enterprises who can take their own decisions for success of the business.
2. Under this, entrepreneurs can implement their own ideas in the business. For examples, starting new venture, adopting latest technologies etc.
3. Under this, entrepreneur has the complete authority to select that type business in which he is interested.
4. Entrepreneurship business provide high level of profits.
5. Entrepreneurs are creative, they express their creativity by executing their new and creative ideas and creating a successful enterprise.
6. Entrepreneurship is exciting, because entrepreneurs enjoy their work as each day comes up with new opportunities which challenge their determination, skills and abilities.

7. Entrepreneurs can set their own income and invest targets in the business as they own the enterprise.
8. Entrepreneurs can actively involve in social family activities as entrepreneurship gives them flexibility.

Disadvantages of Entrepreneurship

The disadvantages of entrepreneurship are as follows,

1. Entrepreneurship involves high level of risk.
2. Under entrepreneurship entrepreneur's income is uncertain i.e., he may earn income in one month and lose in next month.
3. If entrepreneurship is in partnership form then the authority of making decisions get divided between partners.
4. Entrepreneur have to work hard (day and night) for the success of enterprise. Even he may not take a single leave during heavy work load.

From the above listed advantages and disadvantages of entrepreneurship it is apparent that the advantages of entrepreneurship outweigh the disadvantages of entrepreneurship.

3.1.2 Classification and Types of Entrepreneurship

Q5. Classify and discuss various types of Entrepreneurship

Ans :

1. Small Business Entrepreneurship

Small businesses represent an overwhelming majority of Indian entrepreneurial ventures. People who establish small business entrepreneurship make profits to support their families and live a modest lifestyle. As small businesses are small and lack the innovative factor, they fail to attract venture capital for smooth running. These people usually fund their ventures themselves or take

up loans from friends and family members. The employees are usually local people or family members.

2. Large Company Entrepreneurship

Companies with a finite life cycle display large company entrepreneurship. These companies sustain because of innovation and it is the best choice for advanced professionals who know how to sustain innovation. When you work in a large company, you are likely to be a part of a large C-level executive team. The products these companies offer are different variants around their core product. Small business entrepreneurship witnessing accelerated growth can become large company entrepreneurship in no time. This is also possible when a large company acquires them.

3. Scalable Startup Entrepreneurship

This type of entrepreneurship starts with a unique idea that can bring a change. From creating a business plan to launching it, scalable startup entrepreneurship recognises what is missing in the market and creates a solution. Such business usually receives funding from venture capitalists who provide funding based on the uniqueness of the idea. They hire specialised employees because they seek rapid expansion and high returns.

4. International Entrepreneurship

In international entrepreneurship, entrepreneurs conduct business activities across the Indian national boundaries. This could either be opening a sales office in another country or exporting goods from India to a foreign country. International entrepreneurship is beneficial when the demand for goods and services is declining in the domestic market and the demand arises from the international market. Usually, international entrepreneurs sell products in the Indian market until they reach the maturity stage and then sell them in the foreign market to earn profits.

5. Social Entrepreneurship

Social entrepreneurship is a type of entrepreneurship in which entrepreneurs recognise a social problem and tailor their activities to create social value. Such entrepreneurs develop services, solutions or products to solve critical social issues and bring about social change. This social change could be related to environment conservation, animal rights protection or philanthropic activities for the underserved community. The motivating factor of social entrepreneurship is achieving social benefits. Working in a social enterprise means prioritising transformative social change while ensuring financial sustainability.

These organisations use ethical practices such as conscious consumerism and corporate social responsibility to facilitate success. Instead of making profits and earning wealth for the owners, social entrepreneurship aims to make the world a better place to live.

6. Environmental Entrepreneurship

It is also known as ecopreneurship and green entrepreneurship. Profit generation and a concern for the environment drive the primary goal of such businesses. An ecopreneur adopts highly environmentally responsible business values and practices. They also try to replace the existing product or services with products that are environmentally safe to use. In short, environmental entrepreneurship prioritises the business impact on people and the environment besides profits.

Impact blogging, publishing an audio book and creating SaaS software are a few examples of environmental entrepreneurship as they protect the environment by not cutting trees.

7. Technopreneurship

Technopreneurship is what you get on uniting technology with entrepreneurship. It is also

known as technology entrepreneurship. A technopreneur merges entrepreneurial talent and skills with the technical prowess to develop a business that thrives on the intensive use of technology. Technopreneurs undertake calculated risks that have chances of earning profits. In short, these are entrepreneurs who have the ability to revolutionise the prevailing economic conditions and introduce breakthrough products for the customers. The foundation of the products and services of such a business is technology. Such a business prefers to employ creative and technology-savvy people who are passionate about bringing technological change.

8. Hustler Entrepreneurship

A hustler entrepreneur is a self-starter motivated by their goals and aspirations to succeed in entrepreneurship. Such people start small and work hard to grow their business. Instead of using money or capital to achieve their business goals, they put in their best efforts. They never wait for opportunities to come because they create opportunities. Hustlers do not have a give-up attitude, have a big risk-taking appetite and are always ready to face challenges.

9. Innovative entrepreneurship

The foundation of innovative entrepreneurship is inventions and new ideas. These entrepreneurs can think about novel ways of doing business and have the potential to turn a new idea into a successful venture. They are business leaders and contribute significantly to the economy. Moreover, such companies strive to make life better by providing products, solutions and services which other companies have not. Innovative entrepreneurship is ambitious and requires significant investment to turn a new idea into a breakthrough service or product.

10. Imitative Entrepreneurship

This entrepreneurship mimics or imitates existing business ideas and works hard to

improve them. Such companies imitate already functioning products and services in the market, usually under a franchise agreement. Such entrepreneurs have no interest in innovation, though they are ready to work on and improve the existing processes. Imitative entrepreneurship works by adopting current technologies worldwide and modifying their existing technologies to suit the local conditions. Fast food companies and multinational conglomerate companies are the best examples of enterprises running on imitative entrepreneurship.

11. Researcher Entrepreneurship

Researchers are those who conduct in-depth research on the market and opportunities before launching their business. Such entrepreneurs believe that with the right set of information and preparation, they have a higher chance of achieving success in their entrepreneurial business. Rather than their instinct, they rely on facts, data and logic. Before launching their business, they require a detailed plan and in-depth report of the research findings to minimise the probability of failure.

12. Cyberpreneurship

Cyberpreneurs or cyber entrepreneurs are people who leverage the benefits of information technology to do business. They come up with new ideas to provide products and services to customers via the internet. These people understand the digital age and remove the hassle of going to a physical store. Such entrepreneurship exists only online and is known as a virtual business.

Q6. What are the Characteristics of Entrepreneurship?

Ans. :

1. Creativity and innovation

Entrepreneurship is about coming up with new and creative ideas and implementing

them to achieve substantial profits. For example, service innovation could be coming up with technologies to reduce cost and increase productivity.

2. Risk-taking ability

The willingness to bear risk is the essential characteristic of entrepreneurship. Risk occurs when you implement a new idea and it fails. Entrepreneurs take calculated risks because they enjoy the challenges that come up with implementing a new idea.

3. Profit-making

Except for social entrepreneurship, all other types of entrepreneurship work with the sole aim of making a profit. It is the reward that entrepreneurs get for taking a risk with a new idea.

4. Economic Activity

Entrepreneurship involves creating, managing and running an organization. Moreover, it generates employment and ensures optimum utilization of resources to earn the maximum profit.

Idea generation or ideation is the act of forming ideas. It is a creative process that encompasses the generation, development and communication of new thoughts and concepts, which become the basis of your innovation strategy.

As an individual activity, idea generation techniques are a great way to shake up your routine and spark new thoughts. As a collective or organization, structured ideation can be transformative as a tool for problem solving and collaboration.

The idea generation is not compiled in a single approach; instead, it is continuous innovation and improvement. Companies have recognized the importance of idea generation and are supporting their employees for the same.

This procedure usually begins with a proper understanding of the job that you are going to

execute. The aim is to generate questions that will act as fuel to your motivation. Secondly, propose suitable solutions for them. In the end, choose the most effective alternative, followed by its proper implementation.

Thomas Alva Edison developed a systematic method of idea generation that includes a series of effective steps. This made the idea generation process more convenient to apply and get the desired results out of them. This proved to be a game-changer in the market practices.

3.1.3 Traits and Competencies of Entrepreneur

Q7. Define the term Entrepreneur.

(or)

Who is an Entrepreneur ?

Ans :

Introduction

The term "entrepreneur" is derived from the French word *entrepreneur* which means, "to undertake" i.e. the person who under take the risk of new enterprise.

In the early 16th century, the Frenchmen, who organized and led military expeditions, were referred to as "entrepreneurs".

The term "entrepreneur" was applied to business initially by the Irish economist, Richard Cantillon, in the 18th century, to designate a dealer who purchases the means of production for combining them into marketable products.

Definitions

- (i) **According to Richard Cantillon**, "An entrepreneur is a person who buys factor services at certain prices with a view to selling its product at uncertain price".
- (ii) **According to International Labor Organization (ILO)**, "Entrepreneurs are those people who have the ability to see and evaluate business opportunities, together with

the necessary resources to take advantage of them and to initiate appropriate action to ensure success".

- (iii) **According to Mark Casson**, "An entrepreneur is a person who specializes in taking judgmental decision about the coordination of scarce resources".
- (iv) **According to Adam Smith**, "Entrepreneur as a person are those people who only provides capital without taking active part in the leading role in the enterprise".
- (v) **According to McClelland**, "An entrepreneur is someone who exercises some control over the means of production and produces more than what he can consume in order to sell (or exchange) it for individual (or household) income".
- (vi) **According to Peter F. Drucker**, "An entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service".

An entrepreneur is a person who has possession of a new enterprise, venture or idea, and assumes significant accountability for the inherent risks and the outcome. They are an ambitious leader who combines land, labor, and capital to often create and market new goods or services.

Q8. Enumerate the characteristics of an Entrepreneur.

Ans :

(Imp.)

Entrepreneur is a key player in economic progress. They introduce new things in the economy. They are considered as the business leader and not as simple owner of capital. They have a telescopic faculty, drive and talent who perceive business opportunities and promptly seize them for exploitation. However, to be successful, an entrepreneur should have the following characteristics :

1. Need to Achieve

Entrepreneurs have got strong desire to achieve higher goals. Their inner self motivates their behavior towards high achievement.

2. Independence

Most of the entrepreneurs start on their own because they dislike to work for others. They prefer to be their own boss and want to be responsible for their own decisions.

3. Risk-Rearing

Entrepreneurs are the persons who take decisions under uncertainty and thus they are willing to take risk, but they never gamble with the results.

4. Locus of Control

Entrepreneurs believe in their own ability to control the consequences of their endeavor by influencing their socio-economic environment rather than leave everything to luck. They strongly believe that they can govern and shape their own destiny.

5. Positive Self-Concept

Entrepreneurs are always positive in their action. Being an achiever, they direct their fantasies and dreams towards achievement of worthwhile goals and sets extraordinary standard of excellence in what they are doing. This is based upon their awareness of SWOT analysis.

6. Hope of Success

Hope of success is a significant quality of entrepreneurial personality. Entrepreneurs set their goals with a hope of success rather than fear of failure. This is because they set their goals on the basis of facts and their ability to make a plan.

7. Flexibility

Most of the successful entrepreneurs measure the pros and cons of a decision and tend to change if the situation demands. They never feel reluctant to revise their decisions.

8. Analytical Ability of Mind

Entrepreneurs are unaffected by personal likes and dislikes. At the time of their need they select experts rather than friends and relatives to assist them. They usually avoid emotional and sensitive attitude towards their business or problem.

9. Confronting Uncertainty

Successful entrepreneurs are always optimistic and take every odd as the opportunity. They deal their environment in such a way that the works get accomplished rationally. Thus, they win by the application of their extraordinary insight and skill.

10. Interpersonal Skills

Entrepreneurs are always comfortable while dealing with people at all levels. During the course of their action, they come across a cross section of individuals with whom they have to deal. They interact with raw material suppliers, customers, bankers, etc. for different activities. As successful entrepreneurs, they should be persons who like working with others possessing the much needed quality of interpersonal skill to deal with people.

11. Stress Takers

Entrepreneurs are capable of working for long hours and solving different complexities at the same time. As the captain of an industry or an enterprise, an entrepreneur faces a number of problems and in right moment they takes right decisions which may involve physical as well as mental stress.

12. Innovators

Successful entrepreneurs are innovators. They constantly put their efforts in introducing new products, new method of production, opening new markets, new source of supply and reorganizing the enterprise.

13. Business Communication Skill

In order to motivate others in the business, entrepreneurs must possess good communication skill. Both written and oral communication skills are necessary for the entrepreneurs for running enterprise efficiently.

14. Leadership

Entrepreneurs should possess the quality of leadership. Leadership is the ability to exert interpersonal influence by means of communication towards the achievement of goals. Entrepreneurs as the leaders should provide the necessary spark to motivation by guiding, inspiring, assisting and directing the members of the group for achievement of unity of action, efforts and purpose.

15. Ability to Mobilize Resources

Entrepreneurs must have the ability to mobilize all the inputs to obtain the end product. They have to mobilize 6 Ms, i.e. Man, Money, Material, Machinery, Market and Method effectively to realize the final product as entrepreneurship is a function of gap filling and input completing.

16. Self-Confidence

Entrepreneurs must have self-confidence to accomplish the task effectively and efficiently. They must take decisions on their own in uncertain and risky situation and should stick to it confidently even if an initial setback is occurred.

Q9. Classify the different types of Entrepreneurs.

Ans :

Types of Entrepreneurs

Entrepreneurs are classified as under different heads as given below. This helps the potential entrepreneurs to choose his own nature and style of entrepreneurship.

I) According to the Type of Business

Entrepreneurs are found in various types of business occupations of varying size. We may broadly classify them as follows:

(i) Business Entrepreneur

Business entrepreneurs are individuals who conceive an idea for a new product or service and then create a business to materialize their idea into reality. They tap both production and marketing resources in their search to develop a new business opportunity. They may set up a big establishment or a small business unit. Trading entrepreneur is one who undertakes trading activities and is not concerned with the manufacturing work. He identifies potential markets, stimulates demand for his product line and creates a desire and interest among buyers to go in for his product. He is engaged in both domestic and overseas trade.

(ii) Industrial Entrepreneur

Industrial entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailors product or service to meet the marketing needs. He is a product oriented man who starts in an industrial unit because of the possibility of making some new product.

(iii) Corporate Entrepreneur

Corporate entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailors product or service to meet the marketing needs. He is a product oriented man who starts in an industrial unit because of the possibility of making some new product.

Corporate entrepreneur is a person who demonstrates his innovative

skill in organizing and managing a corporate undertaking. A corporate undertaking is a form of business organization which is registered under some statute or Act which gives it a separate legal entity.

(iv) Agricultural Entrepreneur

Agricultural entrepreneurs are those entrepreneurs who undertake such agricultural activities as raising and marketing of crops, fertilizers and other inputs of agriculture. According to the use of Technology.

(v) Technical Entrepreneur

A technical entrepreneur is essentially an entrepreneur of "Craftsman type". He develops a new and improved quality of goods because of his craftsmanship. He concentrates more on production than marketing. He does not care much to generate sales by applying various sales promotional techniques. He demonstrates his innovative capabilities in matters of production of goods and rendering services.

(vi) Non-technical Entrepreneur

Non-technical entrepreneurs are those who are not concerned with the technical aspects of the product in which they deal. They are concerned only with developing alternative marketing and distribution strategies to promote their business.

(vii) Professional Entrepreneur

Professional entrepreneur is a person who is interested in establishing a business but does not have interest in managing or operating it once it is established.

II) According to Motivation

Motivation is the force that influences the efforts of the entrepreneur to achieve his

objectives. An entrepreneur is motivated to achieve or prove his excellence in job performance. He is also motivated to influence others by demonstrating his power thus satisfying his ego.

(i) Pure Entrepreneur

A pure entrepreneur is an individual who is motivated by psychological and economic rewards. He undertakes an entrepreneurial activity for his personal satisfaction in work, ego or status.

(ii) Induced Entrepreneur

Induced entrepreneur is one who is being induced to take up an entrepreneurial task due to the policy measures of the government that provides assistance, incentives, concessions and necessary overhead facilities to start a venture. Most of the entrepreneurs are induced entrepreneurs who enter business due to financial, technical and several other several other provided to them by the state agencies to promote entrepreneurship.

(iii) Motivated Entrepreneur

New entrepreneurs are motivated by the desire for self-fulfillment. They come into being because of the possibility of making and marketing some new product for the use of consumers. If the product is developed to a saleable stage, the entrepreneur is further motivated by reward in terms of profit and enlarged customer network.

(iv) Spontaneous Entrepreneur

These entrepreneurs start their business out of their natural talents and instinct. They are persons with initiative, boldness and confidence in their ability which motivate them to undertake entrepreneurial activity.

(v) Growth Entrepreneur

Growth entrepreneurs are those who necessarily take up a high growth industry. These entrepreneurs choose an industry which has substantial growth prospects.

(vi) Super-Growth Entrepreneur

Super-growth entrepreneur are those who have shown enormous growth of performance in their venture. The growth performance is identified by the liquidity of funds, profitability and gearing.

III) According to Stages of Development**(i) First-Generation Entrepreneur**

A first generation entrepreneur is one who starts an industrial unit by means of an innovative skill. He is essentially an innovator, combining different technologies to produce a marketable product or service.

(ii) Modern Entrepreneur

A modern entrepreneur is one who undertakes those ventures which go well along with the changing demand in the market. They undertake those ventures which suit the current marketing needs.

(iii) Classical Entrepreneur

A classical entrepreneur is one who is concerned with the customers and marketing needs through the development of a self supporting venture. He is a stereotype entrepreneur whose aim is to maximize his economic returns at a level consistent with the survival of the firm with or without an element of growth.

(iv) Innovating Entrepreneurs

Innovating entrepreneurship is characterized by aggressive assemblage

of information and analysis of results, deriving from a novel combination of factors. Men/women in this group are generally aggressive in experimentation who exhibit cleverness in putting attractive possibilities into practice. One need not invent but convert even old established products or services, by changing their utility, their value, their economic characteristics, into something new, attractive and utilitarian. Therein lies the key to their phenomenal success. Such an entrepreneur is one who sees the opportunity for introducing a new technique of production process or a new commodity or a new market or a new service or even reorganization of an existing enterprise.

(v) Imitative Entrepreneurs

Imitative entrepreneurship is characterized by readiness to adopt successful innovations by innovating entrepreneurs. They first imitate techniques and technology innovated by others.

(vi) Fabian Entrepreneurs

These categories of entrepreneurs are basically running their venture on the basis of conventions and customary practices. They don't want to introduce change and not interested in coping with changes in environment. They have all sorts of inhibitions, shyness and lethargic attitude. They are basically risk aversion and more cautious in their approach.

(vii) Drone Entrepreneurs

Entrepreneurs who are reluctant to introduce any changes in their production methods, processes and follow their own traditional style of operations. Though they incur losses and loses their market potential, will not

take any effort to overcome the problem. Their products and the firm will get natural death and knockout.

(viii) Forced Entrepreneurs

Sometimes, circumstances made many persons to become entrepreneurs. They do not have any plan, forward looking and business aptitude. To mitigate the situational problem, they are forced to plunge into entrepreneurial venture. Most of the may not be successful in this category due to lack of training and exposure.

Q10. Explain the importance of an Entrepreneur.

Ans : (Imp.)

1. Develop New Markets

Under the modern concept of marketing, markets are people who are willing and able to satisfy their needs. In Economics, this is called effective demand. Entrepreneurs are resourceful and creative. They can create customers or buyers. This makes entrepreneurs different from ordinary businessmen who only perform traditional functions of management like planning, organization, and coordination.

2. Discover New Sources of Materials

Entrepreneurs are never satisfied with traditional or existing sources of materials. Due to their innovative nature, they persist on discovering new sources of materials to improve their enterprises. In business, those who can develop new sources of materials enjoy a comparative advantage in terms of supply, cost and quality.

3. Mobilize Capital Resources

Entrepreneurs are the organizers and coordinators of the major factors of production, such as land, labor and capital. They properly mix these factors of production

to create goods and services. Capital resources, from a layman's view, refer to money. However, in economics, capital resources represent machines, buildings, and other physical productive resources. Entrepreneurs have initiative and self-confidence in accumulating and mobilizing capital resources for new business or business expansion.

4. Introduce New Technologies

Aside from being innovators and reasonable risk-takers, entrepreneurs take advantage of business opportunities, and transform these into profits. So, they introduce something new or something different. Such entrepreneurial spirit has greatly contributed to the modernization of economies. Every year, there are new technologies and new products. All of these are intended to satisfy human needs in a more convenient and pleasant way.

5. Create Employment

The biggest employer is the private business sector. Millions of jobs are provided to the factories, service industries, agricultural enterprises, and the numerous small-scale businesses.

Q11. What do you understand by the term Entrepreneurial Competency? Can they be acquired?

(or)

Appraise the competencies of Entrepreneurs.

Ans : (Imp.)

Meaning

In simple terms, a competence is an underlying characteristic of a person which leads to his/her effective or superior performance in an job. A job competence is a good combination of one's underlying characteristics such as one's knowledge, skill, motive, etc, which one uses to perform a given

job well. It is important to mention that the existence of these underlying characteristics may or may not be known to the person concerned. This implies that the underlying characteristics may be unconscious aspects of the person. The underlying characteristics possessed by an entrepreneur which result in superior performance are called the 'entrepreneurial competencies' or 'traits'.

In order to understand more and better about entrepreneurial competencies, let us first understand its components, i.e., knowledge, skill and motive. These are explained one by one.

(i) Knowledge

In simple terms, knowledge means collection and retention of information in one's mind. Knowledge is necessary for performing a task but not sufficient. Let us explain this with an example. A person having the knowledge of cricket playing could be in a position to describe how to play. But, mere description will not enable the listener to play cricket unless something more than knowledge is there. We see in real life that people possessing mere knowledge have miserably failed while actually performing the task.

What this implies is that one also needs to have skills to translate the knowledge into action/practice.

(ii) Skill

Skill is the ability to demonstrate a system and sequence of behaviour which results in something observable, something that one can see. A person with planning ability, i.e., skill can properly identify the sequence of action to be performed to win the cricket match. Remember, while knowledge of playing cricket could be acquired by reading, talking or so on, skill to actually play cricket can be acquired by practice i.e., playing on a number of occasions. This means both knowledge and skill are required to perform a task.

(iii) Motive

In simple terms, motive is an urge to achieve one's goal what McClelland terms 'Achievement Motivation'. This continuous concern of goal achievement directs a person to perform better and better. Coming back to the same example of cricket playing, one's urge to become the best player helps him constantly practice playing to look out for ways and means to improving his play.

Thus, in order to perform any task effectively and successfully including establishing and running an industrial unit, a person (entrepreneur) needs to possess a set of knowledge, skill and motive which could be together labelled as 'competencies' or 'traits'.

Q12. Describe the process of developing Entrepreneurial competencies.

Ans :

The procedure involves four steps. These are:

1. Competency Recognition
2. Self-Assessment
3. Competency Application
4. Feed back

1. Competency Recognition

Acquisition of a new behaviour begins with understanding and recognition of what a particular behaviour means. In other words, the first step involved in developing a particular competence is first to understand and recognize a particular competence.

2. Self Assessment

Once the particular competence is understood and recognized, the next step towards acquiring a particular behaviour/competence is to see whether one possesses the particular competence or not. If yes, then to see how frequently one exhibits the same in his practical life.

Where one stands with respect to a particular competence or what is the level of one's competence can be ascertained by posing and answering relevant questions to a competence. Such questions, for example, are given in questionnaire 6.1.

3. Competency Application

Having known where one stands with respect to a particular competency, one needs to practice the same on continuous basis in various activities. In order to make a new behaviour a part of one's personality, the particular behaviour/ competency needs to be applied frequently even in the simplest activities that one performs in one's day-to-day life. This is because "practice makes a man perfect".

4. Feedback

After understanding, internalizing and practising a particular behaviour or competence, one needs to make an introspection of the same in order to sharpen and strengthen one's competency. This is called 'feedback'. In simple terms, feedback means to know the strengths and weaknesses of one's new behaviour. This helps one know how the new behaviour has been rewarding. This enables one to sustain or give up the exhibition of a particular behaviour or competence in his future life.

Q13. Distinguish between entrepreneur and entrepreneurship.

Ans :

The term "entrepreneur" is often used interchangeably with "entrepreneurship". But, conceptually, they are different, yet they are just like the two sides of a coin. Their differences are as follows:

Entrepreneur	Entrepreneurship
1. An entrepreneur one who undertakes and operates a new enterprise and assumes some accountability for the inherent risks.	Entrepreneurship is the practice of starting new organizations, particularly new businesses generally in responses to identified opportunities.
2. Entrepreneur is often synonymous with founder.	Entrepreneurship ranges in scale from solo projects to major undertakings creating many job opportunities.
3. The person who starts and operates a business enterprise is an entrepreneur.	The process in which an entrepreneur starts and operates his business enterprise is entrepreneurship.
4. The entrepreneur is a coordinator as he coordinates all the three elements of production i.e. land, labor and capital.	Entrepreneurship is the coordination maintained by an entrepreneur.
5. The person who innovates something new is an entrepreneur.	The innovation of something new or the process of innovation is entrepreneurship.
6. He who leads an enterprise towards its vision thorough leadership, motivation is an entrepreneur.	The way in which an entrepreneur leads his manpower, motivates them for the achievement of the firms goal is entrepreneurship.

3.2 CREATING BUSINESS PLAN**Q14. Define Business Plan. Explain the importance of Business Plan.**

Ans :

Meaning and Nature of Business Plan

Business Plan is a written document that describes the business idea and all the relevant internal and external elements involved in launching a new venture. It describes the nature and context of the business opportunities and the plans to exploit the opportunity. It is usually an integration of functional plans in finance, marketing, manufacturing, and human resources. It serves as a road map for the entrepreneur. The business plan is prepared by the entrepreneur in consultation with lawyers, accountants, consultants, engineers, etc.

Investors, venture capitalists, bankers, and suppliers read the business plan. Each group reads it for a different purpose. The focus and contents of the business plan will differ from one venture to another depending on its nature and size.

Three main perspectives must be considered in every business plan.

1. The perspective of the entrepreneur who must articulate what the venture is all about.
2. Marketing perspective.
3. Investors perspective.

Business plan is the blue print that provides a clear view of what the entrepreneur wants to do and key variables influencing success. It must describe where you are, where you want to go and how you propose to get there.

A business plan is a blue print or roadmap for building a business. It is a word picture of what the entrepreneurial dream is, why the dream can be economically viable for those involved and how the dream will be realized. A business plan is an operating document. Starting a new enterprise is highly risky. If the venture fails, it can spoil career,

wealth, reputation, family and even life. Therefore, through thinking and planning is needed before starting.

Importance of Business Plan

The business plan is a valuable document for the entrepreneur, potential investors and even for the employees. The business plan is important to these people due to the following reasons:

1. It helps determine the viability of the venture in a target market.
2. It guides the entrepreneur in starting the enterprise.
3. The thinking involved in the preparation of the business plan makes the entrepreneur aware of the issues that could impede the venture's success.
4. It serves as a guide to investors and thereby helps in obtaining finance.
5. Writing the business plan forces the founders to think about all aspects of the venture.
6. A clear business plan articulates the vision and goals of the founders.
7. A business plan communicates to all stakeholders. They can judge the venture's future on the basis of the business plan.
8. The business plan helps identify the important variables that will determine the success or failure of the firm.
9. The business plan is used as a selling document to outsiders.

Q15. Explain the significance of business plans.

Ans :

Business Plan is a formal documentation which contains the set of business goals which are attainable for the business. It can be regarded as significant because of the following reasons:

1. **Helps in Setting Objectives for Managers**

A detailed business plan helps in setting short and long range objectives for the business. Specific objectives can be set and appropriate strategies can be built around within a limited time frame.

2. **Managing Workforce**

With business plans the managers have the luxury to pre-determine the requirements of the organizations in terms of the total manpower required. The rationale for hiring people should be there in the business plan.

3. **Creating a New Business**

A business plan is a must have document when an entrepreneur is planning to have an entirely new business in place. What could be the right steps in starting a business, what are the pre-requisites and what are the resources which need to be arranged should be necessary part of a business plan.

4. **Providing Credibility**

A good business plan converts a good business into a credible, understandable and attractive business.

5. **Makes Prospects Familiar**

The business world is dynamic and diverse at the same time. A good business plan brings in familiarity for people who do not know much about the business.

Q16. State the contents of business plans.

Ans :

The content of business plan depends upon the objectives and goals set for the business undertaking. A business plan should include a market plan, financial plan, human plan, resource plan, etc.

1. **Title Page and Table of Contents**

A business plan is a professional document and should contain a title page with the

company's name, logo, and address as well as the name and contact information of the company's founders. Many entrepreneurs also include the copy number of the plan and the date on which it was issued on the title page.

2. **Executive Summary / Management Summary**

It will usually contain a brief statement of the problem or proposal covered in the major documents, background information, concise analysis and main conclusions. It is intended as an aid to decision making by managers. Executive summary should be concise a maximum of two pages and should summarize all of the relevant points of the business venture.

3. **Business Description, Vision & Mission Statement**

Business description summarizes the key technology, concept, or strategy on which the business is based. The mission statement clearly states the company's long- term mission. In the mission statement the use words should be such that which would help direct the growth of the company. For example McDonald's mission statement reads like this- "To provide the fast food customer food prepared in the same high-quality manner would world-wide that has consistent taste, serving time, and price in a low-key décor and friendly atmosphere.

4. **Business and Industry Profile**

In industry analysis future outlook and trends of the industry needs to be looked into. A proper analysis of the competitors in the market and industry should also be carried out properly and the results should reflect in the business plan drafted.

5. **Description of the Company's Product or Service**

The business plan should include the overall description of what the company is going to

offer to its customers in terms of product/services on offer. Product/service detail should be written in a terminology-free style so that it is easy for others to understand.

6. Market Analysis

The most important section in the business plan, the market analysis section should include conclusive information of how the company will react to changes in the market, generate sales, and explain why the company should be invested in. The market analysis section should include:

- (a) Market opportunity
- (b) Competition analysis
- (c) Marketing strategy
- (d) Market research
- (e) Sales forecasts

7. Management Team

The management team section should share in detail the management team, as investors usually invest in people not their ideas. Included within this section should be:

- (a) Management Talent and Skills
- (b) Organizational chart
- (c) Policy and strategy for employees
- (d) Board of Directors and Advisory Board

8. Managerial and Structural Aspects

In this the entrepreneur needs to decide which kind of organization structure should be adopted. Further, the authority responsibility relationship also needs to be planned out. It is also necessary for the organization to specify the type of business process being followed.

9. Technical Analysis

In technical analysis the results of the technical feasibility carried out earlier is drafted. In this

generally the requirements of the plant and machinery, plant capacity utilization, location of the plant etc. is analyzed and drafted.

10. Production Analysis

In this a comprehensive budgetary proposal with sub-budgets for all necessary elements is drafted. In addition to this the quality control system of the organization and inventory control systems detail should be there in the business plan.

11. Financial Plan

In this the source of capital whether it be fixed or working capital is elaborated. Secondly, the capital structure in a broad based manner should also be a part of the financial plan. Thirdly, schemes and strategies to ensure financial control and financial discipline needs to be drafted firsthand. Other details such as agreements or Memorandum of Undertakings (MOU) with banks, financial institutions, underwriters etc. should also be a part of the financial plan.

12. Human Resource Plan

The manpower planning and the need of human resource for the organization should be analyzed and assessed. Business would do well to draft the procedures for recruitment, selection, placement, career advancement plans, training and development programmes, system of personnel compensation etc. in the business plan to draw in clarity about the priorities of the business.

Q17. State the various errors to be avoided in writing a business plan.

Ans :

1. Submitting a "rough copy", perhaps with coffee stains on the pages and crossed out words in the text, tells the banker that the owner does not take his idea seriously.
2. Outdated historical financial information, or industry comparisons will leave doubts about the entrepreneur's planning abilities.

3. Unsubstantiated assumptions can hurt a business plan, the business owner must be prepared to explain the “whys” of every point in the plan.
4. Too much “blue sky”- a failure to consider prospective pitfalls- will lead the banker to conclude that the idea is not realistic.
5. A lack of understanding of the financial information is a drawback. Even if an outside source is used to prepare the projections, the owner must fully comprehend the information.
6. Absence of any consideration of outside influences is a gap in a business plan. The owner needs to discuss the potential impact of competitive factors as well as the economic environment prevalent at the time of request.
7. No indication that the owner has anything at stake in the venture is a particular problem. The lender will expect the entrepreneur to have some equity capital invested in the business.
8. Unwillingness to personally guarantee any loans raises a question: If the business owner is not willing to stand behind his or her company, then why should the bank?
9. Introducing the plan with a demand for unrealistic loan terms is a mistake. The lender wants to find out about the viability of the business before discussing loan terms.
10. Too much focus on collateral is a problem in a business plan. Even for a cash-secured loan, the banker is looking towards projection profits for repayment of the loan. The emphasis should be on cash flow.

3.2.1 Problem Identification

Q18. Write a short note on Problem Identification.

Ans :

Problem Identification is an essential step for developing business plans and formulating future

improvements. If the business needs to get successful, it must solve the problems. It looks like an easy option but when you deeply analyze the statement it becomes clear. According to recent surveys on startups, the main reason for the failure of startups is not knowing the actual requirements in the market.

In today's competitive world, entrepreneurs are engaged in creating new products, working to satisfy their customer needs and wants and ignoring to describe the solution to the problems.

Problem identification and providing a solution to the existing problem is the base of the business. Business researcher. Marius Ursache has stated. “The real talent in entrepreneurship is finding the right problem, not building the right solution”. It is important to know as an entrepreneur that, entrepreneurship is not only about creating a product, but developing the business with strong and creative ideas.

3.2.2 Idea Generation

Q19. What are the various steps involved in idea generation.

Ans :

Thomas Edison put forward the following steps:

- (i) **Enabling:** The search for the right field of innovation.
- (ii) **Defining:** Develop search queries and specify search paths.
- (iii) **Inspiring:** Search for thoughts and stimuli from other areas.
- (iv) **Selecting:** Generate and evaluate ideas.
- (v) **Optimizing:** From the initial idea to the mature concept.
- (vi) **Nurturing:** Enrich ideas with various implementation strategies.

Q20. Explain the various techniques of Idea Generation.

Ans :

1. The 5W+H Method

An ideal generated idea is the one which must answer, Who, What, Where, Why, When and How., which is the method of 5W and H. These were the parameters, on which, if the ideas are generated, might result in a great solution which on implementation might prove to be the best one.

2. Social Listing

A problem arises when more of the competitors are into the same product line as yours. So, to reduce the communication gap, this social listing is done. It can be done by-polls on social media sites such as Reddit, Twitter, etc.

The customers' reactions are taken, and through this reaction, ideas are being formatted so that the customers feel attracted towards the product and our product turns out to collect huge revenues.

3. Brainstorming

It is prevalent as well as a popular tactic followed by every business. All the suggestions from the overall group of people are considered; may it be right, may it be wrong. All that matters here is the idea.

A very quick session on brainstorming and filtering the final idea is done before the execution step.

4. Role-Playing

Working in the same office or with the same colleges, some people might feel bored. As a result of this, all the business persons need to do is switch places, then trying to ask for ideas will help.

Trying to embrace their view does not guarantee immediate results but would act to be the best one in the long run. Because it acts as a motivation for colleges and sometimes might lead to great results. This might turn out to give incredibly new and unique ideas that can be generated.

5. Mind Mapping

Mind mapping can turn out to be another successful method in generating ideas. It can be done by diagrammatically representing the task of the concept.

A non-linear graphical layout can represent it. Or it can be said that brain-mapping is a screenplay in which one central character that has a leading role is placed between the map, while the elements that link to it must be centered around the movie.

6. Think in Reverse

This being a very popular method or idea-generating step will help in the long run. But how can this one be possible? Sometimes, if we know what is not to be done, we can get to know where the mistake has taken place if we try thinking this way.

If we aim to think about every possible mistake to reach the desired goal, thinking in advance will help. In the end, making the idea an all-rounder hit.

7. Idea Capture

Some people might have the same opinion, and their ideas might clash, about any problem in the same manner at the same time. Hence, to avoid the same situation, Idea Drop software can be used, such as similar ideas strike off.

8. Questioning Assumptions

In the industry, many times, the work is confined to get all the things done. Hence, this might lead to untapped opportunities and questions, leading to a barrier to generating ideas.

Thus to avoid the same situation, a creative challenge must be designed, from this collection of feedback and assumptions might be done. Now looking for that idea or assumption that can be utilized for the present problem must be chosen.

9. Collaboration

As the name suggests, two or more people work together to achieve a particular goal. This method is again the most popular one. Many people join their hands for a particular project or so; this is done because a team always has more ideas and innovations than one business person.

10. The Story Boarding Method

It is a method in which the ideas or the concepts are placed to look like that of a cartoon strip. Then a story is being developed from it. Ideas are being taken from every colleague, and then a sticky note is then being passed on aboard.

This makes a story. In this manner, the ideas interact, and a connection is established in them.

11. Sketching as a Group

As we know, if something is drawn as a picture or sketch, our sensors of the brain start acting, and the sketch which has been visualized by the eyes remains in the memory for a longer time as compared to the discussions being made.

Thus if a rough sketch of ideas is made on the whiteboard or so, it could be easier for others to understand, and if they have innovative ideas, they can come up with them.

12. Forced relationship

In this technique or step, all the ideas are combined, leading to the production or invention of a completely new idea.

13. Visualization and visual prompts

It is the visualization of the issues that are being first overlooked, and in the subconscious mind, the ideas are functioning for the problem that is being occurred.

It is the illumination in which the person thinks of the problems related to the ideas and pen them down on paper. This visualizes the actual problem, the real solution is then looked upon, and the ideas are crafted in that particular style.

14. Use online Tools

Ideas can too be identified across the multidimensional internet. Ideas are available here in great abundance. One of these platforms can be Evernote, which provides solutions that are well-formatted and helpful. And this allows one to write thoughts instantly.

3.2.3 Idea Validation

Q21. Define Idea Validation. Explain the process of Idea Validation.

Ans :

Idea validation is the process of gathering evidence around ideas through experimentation to make fast, informed and de-risked decisions.

It's a process that starts from an idea and typically ends with a paying customer. The purpose of idea validation is to expose the idea to the practicality of the real world before you build and release the final product or offering.

Step 1: Brainstorm Internally

In this step, the entrepreneur have to present his ideas to his customers. It is used for finding an appropriate solution for the particular ideas. Each and every idea is discussed in brain storming session. This can be individual or group activity that depends on the quantity of ideas. In this step, the main aim is to provide the best versions of the ideas to the audience. It may include multiple ideas individually or one ideas with a combination of multiple ideas.

Step-2: Exclude Family and Friends

In this step, the entrepreneur need to exclude asking his friends and family about his ideas because they may be biased and provide positive feedback to encourage the entrepreneur. They may not even be one of the potential customers. They may also feel that, they are forced to provide positive feedbacks when they are asked about their opinions.

Step-3: Choose Your Interviewers

The entrepreneur should choose his interviewers appropriately. He must maintain the list of 15-20 potential customers reach out to them and discuss with them about the ideas for sufficient amount of time.

The entrepreneur can reach out and conduct the seminars for idea validation in the new, small or local business places such as restaurants, markets etc to promote and socialize with people and explain to them about ideas. After conducting the discussions, the entrepreneur may hear statements such as comments like Yeses, some I'm sorry, I am not interested and few No's but the entrepreneur should not get demotivated.

The entrepreneur should think positively and meet with the people face to face, who are interested to be his client and have a conversation about the product because it is not possible to see the excitement, hesitation or any other feeling over a call. It is best to have a one on one meeting.

Step-4: Conduct the Informal Interview

In this step, the entrepreneur is required to thank the selected group of people, with whom the idea would be discussed, for their time and showing interest in his ideas and ensure that their advice will help him to offer the product that every customer needs and requires.

The entrepreneur should explain to his audience that he is not selling any product or service. He is only going to speak about the potential product he aims to produce. The audience need to be reminded that their feedback is valid, valued and

will affect his business and making of the final product or service. The entrepreneur is required to explain about himself and the nature of his business.

He should explain it in such a way that customers should get more interest in the potential product or service. The entrepreneur should use simple language so that customers understand what he is saying. He needs, to collect everyone's feedback, then compare feedback with each other and work on it. Lastly, he should thank them again for listening and ask them whether they mind if he contacts them again regarding the project.

Step-5: Review and Decide

The last step is to review the feedback and decide what he must do to attract potential customers, when he decides something based on the feedback received he must keep in his mind that what he is doing for customers not for himself. Sometimes, the entrepreneurs have to give up on their ideas about what they thought is best and goes according to the customers choice because the customers are the reason why he is producing the particular product or service.

3.2.4 Pitch Making**Q22. What do you understand by Pitch Making from the perspective of entrepreneur.**

Ans :

A pitch is essentially a business plan that one presents verbally to potential investors of a business. A shorter summary of the complete pitch is an elevator pitch. The startup owner has to clearly explain the business opportunity to the investors, so that they can make the most appropriate decision.

Here are 10 necessary steps to create a winning pitch for your business.

1. Time Span

The pitch should be clearly explained to the investors in a short time. You should know that you only have a few minutes to sell your business idea. This is a do-or-die situation, which requires the utmost composure.

2. Make your Presentation Realistic

Presenting a realistic picture of the future prospects of the business is preferred. You have been running the business with your own funds up until now, so you have had your share of successes and failures. Your projections must be based on those experiences and must sound absolutely realistic.

3. Savings Attitude

One of the most important qualities of a startup founder is financial control. Having an understanding of where each and every penny is being spent in the business will add to your brownie points. You have to make the investors know that you have a grip on the business and its operations. They should feel that you are a dependable leader and are passionate about your vision.

4. The Business Opportunity

The most important aspect of pitching for your business is to highlight the business opportunity and how are you going to tap it. Your business is out there to fill gaps, but it is the size of the market and its affinity to the product that will fetch you the investor's trust. Highlighting the opportunities and challenges would help you put forth your arguments more assertively.

5. Understanding of the Competition

Understanding the competition is important for every business owner, which must be showcased while presenting the business pitch. An in-depth competition analysis must be presented and you must highlight how your product stands out and has better future prospects, as compared to others.

6. Marketing Strategy

Knowing your marketing plan is another very important aspect of pitching your business. Your goal is to build a market for your

products and services. The strategy has to be clearly explained to the investors, so they know how are you going to position the product in the market.

7. Target Audience

Being focused about your business and knowing who exactly you wish to sell to is important for the business. This lets you earn the investors' confidence so they know that you are going to reach out to a tangible audience and achieve the desired profitability.

8. Focus

The more focused your approach, the higher your chances will be of getting the desired amount of funding. In your pitch, you need to communicate the precise plan of action, and how you will use it to achieve the desired results. You also need to be specific about the amount of funding you require.

9. Create a Multi-level Pitch

A multi-level pitch helps you divide the pitch into shorter and longer versions. The shorter versions help in explaining the basics. The longer version helps to explain the details and how the plan is going to be executed.

10. Get Your Team to Participate

A business leader must always take his or her team along with them. This adds to the confidence of the audience. You should encourage team members to participate in the pitch process by planning out the speaking slots for them. A strong team showcases the ability of the business to grow and provide the desired return to the investors.

Short Question and Answers

1. Define the term Entrepreneurship.

Ans :

Entrepreneurship is the act of being an entrepreneur, which is French word meaning "to undertake". Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity.

The most obvious form of entrepreneurship is that of starting new businesses; however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization, it is referred to as intrapreneurship and may include corporate venturing, when large entities start spin-off organizations.

In a Conference on Entrepreneurship held in United States, the term 'entrepreneurship' was defined as, Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition".

Definitions

- (i) **According to A. H. Cole**, "Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services".
- (ii) **According to Schumpeter**, "Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who actually carry out innovative functions".

2. Explain the characteristics of Entrepreneurship.

Ans :

(i) Economic Activity

Entrepreneurship involves the creation and operation of an enterprise. Therefore, it is essentially an economic activity concerned with of value or wealth.

(ii) Purposeful Activity

Entrepreneurship is the purposeful activity of an individual or a group of individuals who seek to earn profits through the production and distribution of economic goods and services.

(iii) Decision Making

A decision is a course of action which is consciously chosen from among a multiple of alternatives to achieve the desired result. As entrepreneurship involves both risk and uncertainty, decision making is crucial on the part of the entrepreneurs to establish and run the enterprise successfully.

(iv) Accepting Challenges

Entrepreneurship means accepting challenges amidst risk and uncertainty. While accepting entrepreneurship as a career, the entrepreneur accepts the challenges of all odds and puts his efforts to convert the odds into viable business opportunities by pooling together the resources for building and running the enterprise.

(v) Risk Taking

This characteristic feature implies assuming the responsibility for loss that may occur due to unforeseen contingencies of the future. Entrepreneur, by his deep insight and scientific approach, analyses the situation objectively and reduces the risk considerably on one hand and enhances the profit factor on the other.

3. Advantages of Entrepreneurship*Ans :*

The following are the advantages of entrepreneurship

- (i) Under entrepreneurship business, entrepreneurs are the owners of enterprises who can take their own decisions for success of the business.
- (ii) Under this, entrepreneurs can implement their own ideas in the business. For examples, starting new venture, adopting latest technologies etc.
- (iii) Under this, entrepreneur has the complete authority to select that type business in which he is interested.
- (iv) Entrepreneurship business provide high level of profits.
- (v) Entrepreneurs are creative, they express their creativity by executing their new and creative ideas and creating a successful enterprise.
- (vi) Entrepreneurship is exciting, because entrepreneurs enjoy their work as each day comes up with new opportunities which challenge their determination, skills and abilities.
- (vii) Entrepreneurs can set their own income and invest targets in the business as they own the enterprise.
- (viii) Entrepreneurs can actively involve in social family activities as entrepreneurship gives them flexibility.

4. Disadvantages of Entrepreneurship*Ans :*

The disadvantages of entrepreneurship are as follows,

- (i) Entrepreneurship involves high level of risk.
- (ii) Under entrepreneurship entrepreneur's income is uncertain i.e., he may earn income in one month and lose in next month.
- (iii) If entrepreneurship is in partnership form then the authority of making decisions get divided between partners.

- (iv) Entrepreneur have to work hard (day and night) for the success of enterprise. Even he may not take a single leave during heavy work load.

From the above listed advantages and disadvantages of entrepreneurship it is apparent that the advantages of entrepreneurship outweigh the disadvantages of entrepreneurship.

5. Define the term Entrepreneur.*Ans :***Introduction**

The term "entrepreneur" is derived from the French word *entrepreneur* which means, "to undertake" i.e. the person who undertake the risk of new enterprise.

In the early 16th century, the Frenchmen, who organized and led military expeditions, were referred to as "entrepreneurs".

The term "entrepreneur" was applied to business initially by the Irish economist, Richard Cantillon, in the 18th century, to designate a dealer who purchases the means of production for combining them into marketable products.

Definitions

- (i) **According to Richard Cantillon**, "An entrepreneur is a person who buys factor services at certain prices with a view to selling its product at uncertain price".
- (ii) **According to International Labor Organization (ILO)**, "Entrepreneurs are those people who have the ability to see and evaluate business opportunities, together with the necessary resources to take advantage of them and to initiate appropriate action to ensure success".
- (iii) **According to Mark Casson**, "An entrepreneur is a person who specializes in taking judgmental decision about the coordination of scarce resources".
- (iv) **According to Adam Smith**, "Entrepreneur as a person are those people who only provides capital without taking active part in the leading role in the enterprise".

(v) **According to McClelland,** "An entrepreneur is someone who exercises some control over the means of production and produces more than what he can consume in order to sell (or exchange) it for individual (or household) income".

(vi) **According to Peter F. Drucker,** "An entrepreneur is one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service".

An entrepreneur is a person who has possession of a new enterprise, venture or idea, and assumes significant accountability for the inherent risks and the outcome. They are an ambitious leader who combines land, labor, and capital to often create and market new goods or services.

6. What do you understand by the term Entrepreneurial Competency?

Ans :

Meaning

In simple terms, a competence is an underlying characteristic of a person which leads to his/her effective or superior performance in an job. A job competence is a good combination of one's underlying characteristics such as one's knowledge, skill, motive, etc, which one uses to perform a given job well. It is important to mention that the existence of these underlying characteristics may or may not be known to the person concern. This implies that the underlying characteristics may be unconscious aspects of the person. The underlying characteristics possessed by an entrepreneur which result in superior performance are called the 'entrepreneurial competencies' or 'traits'.

In order to understand more and better about entrepreneurial competencies, let us first understand its components, i.e., knowledge, skill and motive. These are explained one by one.

(i) Knowledge

In simple terms, knowledge means collection and retention of information in one's mind.

Knowledge is necessary for performing a task but not sufficient. Let us explain this with an example. A person having the knowledge of cricket playing could be in a position to describe how to play. But, mere description will not enable the listener to play cricket unless something more than knowledge is there. We see in real life that people possessing mere knowledge have miserably failed while actually performing the task.

What this implies is that one also needs to have skills to translate the knowledge into action/practice.

(ii) Skill

Skill is the ability to demonstrate a system and sequence of behaviour which results in something observable, something that one can see. A person with planning ability, i.e., skill can properly identify the sequence of action to be performed to win the cricket match. Remember, while knowledge of playing cricket could be acquired by reading, talking or so on, skill to actually play cricket can be acquired by practice i.e., playing on a number of occasions. This means both knowledge and skill are required to perform a task.

(iii) Motive

In simple terms, motive is an urge to achieve one's goal what McClelland terms 'Achievement Motivation'. This continuous concern of goal achievement directs a person to perform better and better. Coming back to the same example of cricket playing, one's urge to become the best player helps him constantly practice playing to look out for ways and means to improving his play.

Thus, in order to perform any task effectively and successfully including establishing and running an industrial unit, a person (entrepreneur) needs to possess a set of knowledge, skill and motive which could be together labelled as 'competencies' or 'traits'.

7. Define Business Plan.

Ans :

Business Plan is a written document that describes the business idea and all the relevant internal and external elements involved in launching a new venture. It describes the nature and context of the business opportunities and the plans to exploit the opportunity. It is usually an integration of functional plans in finance, marketing, manufacturing, and human resources. It serves as a road map for the entrepreneur. The business plan is prepared by the entrepreneur in consultation with lawyers, accountants, consultants, engineers, etc.

Investors, venture capitalists, bankers, and suppliers read the business plan. Each group reads it for a different purpose. The focus and contents of the business plan will differ from one venture to another depending on its nature and size.

8. Importance of Business Plan

Ans :

The business plan is a valuable document for the entrepreneur, potential investors and even for the employees. The business plan is important to these people due to the following reasons:

1. It helps determine the viability of the venture in a target market.
2. It guides the entrepreneur in starting the enterprise.
3. The thinking involved in the preparation of the business plan makes the entrepreneur aware of the issues that could impede the venture's success.
4. It serves as a guide to investors and thereby helps in obtaining finance.
5. Writing the business plan forces the founders to think about all aspects of the venture.
6. A clear business plan articulates the vision and goals of the founders.
7. A business plan communicates to all stakeholders. They can judge the venture's future on the basis of the business plan.

8. The business plan helps identify the important variables that will determine the success or failure of the firm.

9. The business plan is used as a selling document to outsiders.

9. Problem Identification.

Ans :

Problem Identification is an essential step for developing business plans and formulating future improvements. If the business needs to get successful, it must solve the problems. It looks like an easy option but when you deeply analyze the statement it becomes clear. According to recent surveys on startups, the main reason for the failure of startups is not knowing the actual requirements in the market.

In today's competitive world, entrepreneurs are engaged in creating new products, working to satisfy their customer needs and wants and ignoring to describe the solution to the problems.

Problem identification and providing a solution to the existing problem is the base of the business. Business researcher. Marius Ursache has stated. "The real talent in entrepreneurship is finding the right problem, not building the right solution". It is important to know as an entrepreneur that, entrepreneurship is not only about creating a product, but developing the business with strong and creative ideas.

10. Define Idea Validation.

Ans :

Idea validation is the process of gathering evidence around ideas through experimentation to make fast, informed and de-risked decisions.

It's a process that starts from an idea and typically ends with a paying customer. The purpose of idea validation is to expose the idea to the practicality of the real world before you build and release the final product or offering.

Choose the Correct Answer

1. An entrepreneur acts as the _____ in the economic development of a country. [a]
(a) Catalyst (b) Role model
(c) Inspiration (d) All
2. Evolution of entrepreneurs is divided into _____ periods. [c]
(a) 6 (b) 4
(c) 5 (d) 2
3. Cognitive ability, business secrecy, hard working nature and innovative ness are the _____ of entrepreneurs. [b]
(a) Functions (b) Characteristics
(c) Responsibilities (d) All
4. A manager can be an entrepreneur _____. [b]
(a) True (b) False
(c) Sometimes (d) Always.
5. Induced entrepreneur is a _____ type of entrepreneur. [d]
(a) Pure (b) Technical
(c) Professional (d) Motivational
6. Imitative entrepreneur is a division of _____. [d]
(a) Intrapreneurship (b) Corporate entrepreneurship
(c) Intra-corporate entrepreneurs (d) All
7. Highest number of women entrepreneurs are found in _____. [d]
(a) Sweden (b) England
(c) France (d) USA
8. KVIC has given definition of _____. [b]
(a) Women entrepreneurship (b) Rural industries
(c) Small scale industries (d) All
9. RUDSETIs is a _____. [a]
(a) NGO (b) Rural industry
(c) Public industry (d) Profit organization.
10. Village industries are classified into _____ types. [c]
(a) Ten (b) Twelve
(c) Seven (d) Three

Fill in the blanks

1. Entrepreneur means _____.
2. Robert D. Hisrich contributed _____ characteristic features of an entrepreneur.
3. In _____ ten women entrepreneurs received special recognition Award.
4. The number of entrepreneurs according to the business type are _____ .
5. Intrapreneurship is also called as _____.
6. Innovation and _____ are the two basic elements of entrepreneurship.
7. _____ contributed greatly in the entrepreneurship growth in the pre-independence period.
8. Women has _____ when compared to men.
9. NAYE stands for _____.
10. _____ is a promotional programme of rural industries.

ANSWERS

1. To undertake
2. Eight
3. 1983
4. Seven
5. Corporate entrepreneurship
6. Risk bearing
7. Parsis
8. Less mobility
9. National Alliance of Young Entrepreneurs
10. RISC - Rural Industry Service Center

Module 4

INNOVATIVE LEADERSHIP AND DESIGN THINKING

- (a) **Innovative Leadership:** Concept of emotional and social intelligence - Synthesis of human and artificial intelligence - Why does culture matter for today's global leaders
- (b) **Design Thinking:** What is design thinking? Key elements of design thinking: - Discovery - Interpretation - Ideation - Experimentation - Evolution. How to transform challenges into opportunities? How to develop human - centric solutions for creating social good?

4.1 INNOVATIVE LEADERSHIP

4.1.1 Concept of Emotional Intelligence

Q1. Define Emotional Intelligence. What are the factors of Emotional Intelligence?

Ans :

(Imp.)

Emotional intelligence (otherwise known as emotional quotient or EQ) is the ability to understand, use, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. Emotional intelligence helps you build stronger relationships, succeed at school and work, and achieve your career and personal goals. It can also help you to connect with your feelings, turn intention into action, and make informed decisions about what matters most to you.

Emotional intelligence is commonly defined by four attributes:

- i) **Self-management:** You're able to control impulsive feelings and behaviors, manage your emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.
- ii) **Self-awareness:** You recognize your own emotions and how they affect your thoughts and behavior. You know your strengths and weaknesses, and have self-confidence.
- iii) **Social Awareness:** You have empathy. You can understand the emotions, needs, and concerns of other people, pick up on emotional cues, feel comfortable socially, and recognize the power dynamics in a group or organization.

- iv) **Relationship Management:** You know how to develop and maintain good relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict.

Factors

Though emotions affect our psychological health, the diet we take also affects our emotional intelligence. The following are some of the factors that affect the emotional intelligence.

- i) The high-dose fish in our food intake helps in reducing pro-inflammatory cytokines and eicosanoids
- ii) The control which is related whenever there is a decrease in blood sugar levels, can be reduced, if the insulin levels have to be stabilized.
- iii) With the help of high-dose fish oil, the serotonin production can be increased, which is responsible for 'feel' good hormones in brain and it further helps to deal with stress and duress.
- iv) Apart from the food make, the conquest of anger also affects the emotional intelligence. It plays a pivotal role in a life which lead to success.

Q2. What are the characteristics of Emotional Intelligence?

Ans :

- i) **Self-Awareness:** People with high emotional intelligence are usually very self-aware. They understand their emotions, and because of this, they don't let their feelings

rule them. They're confident - because they trust their intuition and don't let their emotions get out of control.

They're also willing to take an honest look at themselves. They know their strengths and weaknesses, and they work on these areas so they can perform better. Many people believe that this self-awareness is the most important part of emotional intelligence.

- ii) **Self-Regulation:** This is the ability to control emotions and impulses. People who self-regulate typically don't allow themselves to become too angry or jealous, and they don't make impulsive, careless decisions. They think before they act. Characteristics of self-regulation are thoughtfulness, comfort with change, integrity, and the ability to say no.
- iii) **Motivation:** People with a high degree of emotional intelligence are usually motivated. They're willing to defer immediate results for long-term success. They're highly productive, love a challenge, and are very effective in whatever they do.
- iv) **Empathy:** This is perhaps the second-most important element of emotional intelligence. Empathy is the ability to identify with and understand the wants, needs, and viewpoints of those around you. People with empathy are good at recognizing the feelings of others, even when those feelings may not be obvious. As a result, empathetic people are usually excellent at managing relationships, listening, and relating to others. They avoid stereotyping and judging too quickly, and they live their lives in a very open, honest way.
- v) **Social Skills:** It's usually easy to talk to and like people with good social skills, another sign of high emotional intelligence. Those with strong social skills are typically team players. Rather than focus on their own success first, they help others develop and shine. They can manage disputes, are excellent communicators, and are masters at building and maintaining relationships.

Q3. How emotional intelligence is it relevant for an effective leadership?

Ans :

Emotional intelligence (EI) is an important feature which is required for an effective leadership. Emotions refers to strong feelings that need attention and mostly affect the cognitive processes and behaviour. Emotional Intelligence (EI) refers to a process of understanding one's feelings and feeling of others and the ability to combine emotions and reason in such a way that emotions are being used to help the cognitive processes and emotions are being cognitively carried out. It was considered as a skill, but it was found out that it is usually related with personality traits with respect to emotional stability and maturity.

Emotional intelligence consists of various interrelated component skills. Self-awareness is one of the aspects of Emotional Intelligence. Self-awareness is an understanding of our own moods and emotions, how they emerge and change with the passage of time and their implications for task performance and interpersonal relationships. Empathy is the capability to identify moods and emotions in others, distinguish between real and fake expression of emotions and to comprehend as to how someone reacts to your emotions and behaviour. It is important for effective leadership in several ways. It facilitates the leaders to solve complicated problems, to take good decisions, optimum use of time, adopt behaviour as per situation and to manage the crises prevailing in a particular situation. Moreover, emotional intelligence in a leader helps him to understand the emotional appeal that would be most effective in a specific situation.

But very few researches support the proposed relationship between emotional intelligence and leadership effectiveness. Many psychologists have different perspectives with respect to emotional intelligence. Some of them are as follows,

- (i) Division managers with high emotional intelligence give better and good performance when compared to division manager with low emotional-intelligence.
- (ii) Emotional intelligence can be associated/ linked with the followers job satisfaction and performance.
- (iii) Increase in Emotional Intelligence needs individual coaching, appropriate feedback and strong wish for effective personal development.

4.1.2 Concept of Social Intelligence

Q4. What is a Social Intelligence? How to develop Social Intelligence.

Ans : (Imp.)

Social intelligence refers to a person's ability to understand and manage interpersonal relationships. It is distinct from a person's IQ or "book smarts." It includes an individual's ability to understand, and act on, the feelings, thoughts, and behaviors of other people. This type of intelligence can take place "in the moment" of face-to-face conversations but also appears during times of deliberate thinking. It involves emotional intelligence and self-awareness.

Examples of social intelligence include knowing when to talk or listen, what to say, and what to do. Timing is a big part of social intelligence. For example, someone who is imperceptive, may tell a funny joke – but at the wrong time, or not show enough interest when meeting someone new.

Development

- **Pay close attention to what (and who) is around you:** Socially intelligent people are observant and pay attention to subtle social cues from those around them. If you think that someone in your life has strong people skills, watch how they interact with others.
- **Work on increasing your emotional intelligence:** Although similar to social intelligence, emotional intelligence is more about how you control your own emotions and how you empathize with others. It requires recognizing when you're experiencing an emotion which will help you recognize that emotion in others—and regulating them appropriately. An emotionally intelligent person can recognize and control negative feelings, such as frustration or anger, when in a social setting.
- **Respect cultural differences:** More than that, seek out cultural differences so you can understand them. Although most people learn people skills from their family, friends and the community surrounding them, a socially intelligent person understands that others might have different responses and customs based on their upbringing.

- **Practice active listening:** Develop your social intelligence by working on your communication skills—which requires active listening. Don't interrupt. Take time to think about what someone else is saying before you respond. Listen to the inflections in what others say, which can give you clues to what they really mean.

- **Appreciate the important people in your life:** Socially intelligent people have deep relationships with people who are meaningful to them. Pay attention to the emotions of your spouse and children, friends, co-workers, and other peers. If you ignore the closest people in your life, you're missing the cues on how to connect with them.

Q5. What are the characteristics of Social Intelligence leader

Ans :

- i) **They don't interpret their opinion of someone as a fact about them**

Social intelligence relies largely on the ability to see other people objectively, and to understand that personal experiences can largely influence biases toward or against someone and that a subjective opinion about someone is not necessarily an objective fact about them.

- ii) **They don't immediately deny criticism**

If a customer leaves a negative business review or an employee is unhappy with how something in management is going, rather than responding with a rationale as to why their experience wasn't the norm or why their feelings are incorrect, socially intelligent leaders accept the feedback and then do what they can to make the next experience better.

- iii) **They don't try to rationalize other people's feelings for them**

They validate, rather than dismiss feelings. Instead of trying to explain to someone why their feelings are uninformed or illogical, they accept them and work on solutions to make the individual see things with more clarity without inferring that their emotions are making them seem "weak."

iv) They identify trends but aren't personally influenced by them

Socially intelligent leaders possess a sort of intuitiveness that informs them of what people need and how they want to get it. This makes them very conscious of trends and innovations, but at the same time aware that most will pass with time. Though they pay attention and gather insight from trends, they focus on longevity.

v) They communicate with precision

Socially intelligent leaders understand that there is nothing that will complicate a business more than poor or ineffective communication. Rather than try to say what they feel and hope that others will interpret it correctly, they make it a point to speak with precision so that their message is as clear as possible.

vi) They are intrinsically motivated

Intrinsically motivated people strive to achieve something for their own personal satisfaction or belief. Though on the surface this would seem as though it would make them less attuned to other people's needs and ideas, it actually makes them *more* inclined to act with principles, ethics and in regard to others. People who are extrinsically motivated are more likely to disregard other people's feelings for the sake of their own advancement. Their objective is to appear good, not to *be* good.

vii) They value principles over passion

Socially intelligent leaders are not the type of people who have big ideas but no strategy to achieve them. They do not make promises they cannot keep; they do not propose solutions that they know aren't realistic or feasible. They value principle more than they do passion and understand that the latter is actually more hindering than it is helpful.

4.1.3 Synthesis of Human and Artificial Intelligence

Q6. What is Human Intelligence? Explain the different types of Human Intelligence.

Ans :

(Imp.)

Human intelligence is the intellectual capability of humans, which is marked by complex cognitive feats and high levels of motivation and self-awareness.

Through intelligence, humans possess the cognitive abilities to learn, form concepts, understand, apply logic, and reason, including the capacities to recognize patterns, plan, innovate, solve problems, make decisions, retain information, and use language to communicate. There are conflicting ideas about how intelligence is measured, ranging from the idea that intelligence is fixed upon birth, or that it is malleable and can change depending on an individual's mindset and efforts. Several subcategories of intelligence, such as emotional intelligence or social intelligence, are heavily debated as to whether they are traditional forms of intelligence. They are generally thought to be distinct processes that occur, though there is speculation that they tie into traditional intelligence more than previously suspected.

Types of Human Intelligence

Howard Gardener stated that humans are not born with same set of qualities. Every human has his own qualities and skills. Some human's find out their potential and intelligence and choose their field or profession according to their habits, hobbies, qualification etc., while the others fail to recognize their potential and passion which results in choosing wrong profession, due to which they doesn't enjoy their work and ruin their carrier. There are eight different types of human intelligences which is named as "the theory of multiple intelligences". They are as follows,

i) Logical-Mathematical Intelligence

The people who are good at maths and in logical thinking generally comes under this category. These type of people can easily solve mysteries or brain teasers, puzzles, logical exercises and calculations. They know how to do reasoning and analyze a problem. They possess excellent working skills with numbers, problem solving skills, can perform scientific experiments and can solve complicated computation because they know the patterns easily and work out in a logical manner.

People with logical-mathematical intelligence can pursue carrier in computer programming, Mathematician, Economist, Accountant, scientist and Engineer.

ii) Linguistic-Verbal Intelligence

The people who have the ability to utilize and express the words and sentences in an appropriate manner either in writing or reading is called as linguistic-verbal intelligence. These type of people are excellent in putting their feelings and thoughts in words to make others understand them. People with linguistic -verbal intelligence can pursue their carrier as poet, lawyer, teacher, novelist, journalist, editor and public speaker.

iii) Bodily-Kinesthetic Intelligence

The people who have physical skills are good at making body movements and actions quickly are called as individuals with bodily-kinesthetic intelligence. They have an excellent sense of timing and great mind-body co-ordination which helps to manage physical control, hand-eye coordination and balance their body movements. People with body kinesthetic intelligence can possess their carrier as dancer, physical therapist, athelete, sculptor, mechanic, builder and actor.

iv) Visual or Spatial Intelligence

The people who have abilities to visualize things in different dimensions are called as humans with visual or spatial intelligence. These people are very creative and have a powerful imagination. They have the natural skills in map readings, chart reading, solving puzzles, recognizing patterns, drawing, sketching and visual, arts.

v) Intrapersonal Intelligence

The people with intrapersonal intelligence can understand their thoughts, feelings and emotions and apply them in their daily life. They have a clear goal in their mind and always work hard to accomplish their goals. They are very emotional, joyful, self-reflection and determine with their strengths. People with intrapersonal intelligence can pursue their profession as entrepreneur, therapist, counsellor, psychologist, philosopher and theorist.

vi) Musical Intelligence

The people who are delicate to rhythm, tone and have a melodious voice are called as humans with musical intelligence. They have the ability to play and learn various instruments and are truly dedicated to the music. People with musical intelligence can pursue their carrier as singer, music conductor, composer, DJ, Music teacher and songs, writer.

vii) Interpersonal Intelligence

The people who have ability to understand and interact effectively with people are called as human with internal personal intelligence. These type of humans can easily understand other people moods, feelings and emotions. These people are good at communicating with others. They always tries to motivate, resolve issue and establish a positive relationship with others. People with interpersonal intelligence can pursue their carrier as team manager, negotiator, politician, publicist, sales person and psychologist.

Q7. What is Artificial Intelligence? Explain the characteristics of Artificial Intelligence.

Ans :

Artificial intelligence (AI) refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions. The term may also be applied to any machine that exhibits traits associated with a human mind such as learning and problem-solving.

The ideal characteristic of artificial intelligence is its ability to rationalize and take actions that have the best chance of achieving a specific goal. A subset of artificial intelligence is machine learning, which refers to the concept that computer programs can automatically learn from and adapt to new data without being assisted by humans. Deep learning techniques enable this automatic learning through the absorption of huge amounts of unstructured data such as text, images, or video.

Characteristics**i) Deep Learning**

Deep learning is a machine learning technique that teaches computers to do what comes naturally to humans, to learn by example. Innumerable developers are leveraging the latest deep learning innovative technologies to take their business to the new high.

There are large numbers of fields of Artificial Intelligence technology like autonomous vehicles, computer vision, automatic text generation, and the like, where the scope and use of deep learning are increasing.

ii) Facial Recognition

Artificial Intelligence has made it possible to recognize individual faces using biometric mapping. This has led to path breaking advancements in surveillance technologies. It compares the knowledge with a database of known faces to seek out a match.

However, this has also faced a lot of criticism for breach of privacy.

iii) Automate Simple and Repetitive Tasks

AI has the ability to execute the same kind of work over and over again without breaking a sweat. To understand this feature better, let's take the example of Siri, a voice-enabled assistant created by Apple Inc. It can handle so many commands in a single day!

From asking to take up notes for a brief, to rescheduling the calendar for a meeting, to guiding us through the streets with navigation, the assistant has it all covered.

iv) Data Ingestion

With every passing day, the data that we are all producing is growing exponentially, which is where AI steps in. Instead of manually feeding this data, AI-enabled not just gathers this data but also analyzes it with the help of its previous experiences.

Data ingestion is that the transportation of knowledge from assorted sources to a data-storage medium where it is often accessed, used, and analyzed by a corporation.

AI, with the help of neural networks, analyzes a large amount of such data and helps in providing a logical inference out of it.

Q8. Explain the various approaches of Artificial Intelligence.

Ans : (Imp.)

i) Turing Test Method (Acting Humanly)

In 1950, Alan Turing proposed a Turing test method. The intent of this test is to provide operational definition of intelligence. It is a simple test which avoids proposing a long and likely controversial list of qualifications that are necessary for intelligence.

In this method, a test is applied to a machine to determine whether the machine can think like humans. Human beings present some questions to the machine and get certain written responses. If a human being fails to determine whether the written responses come from a person or not, then the computer is said to pass the test and is considered to be intelligent.

A computer must have the following capabilities in order to pass the Turing test.

ii) Cognitive Modelling Method (Thinking Humanly)

In cognitive modelling method for a given program must think like human, by understanding the way in which humans think, which is a very difficult problem. This requires conducting psychological experiments and developing a theory which describes the working of the human minds. Once, a sufficient theory of human mind is developed, then it can be used to design a computer program that matches with the human behaviour.

For example, General Problem Solver (GPS), developed by Allen Newell and Herbert Simon. They were more interested in comparing the reasoning steps followed by the system in solving a problem to those followed by the humans but they were not satisfied. Hence, a field of cognitive science, in which the psychologists, linguists and computer scientists all work together has originated with the goal of building a theory about the working of a human mind.

During the early days of AI, authors were confused between AI techniques and human cognition. They argue that the program that solves problems correctly are considered to be good models of human performance or vice versa.

Q9. Explain the differences between human intelligence and artificial intelligence.

Ans :

(Imp.)

Nature	Human Intelligence	Machine Intelligence
i) Cost	Low initial cost and high running cost.	High initial cost (in case of robots) and low running cost (work 24/7).
ii) Creativity	Creative	Uninspired
iii) Permanency of Intelligence	Human intelligence is perishable. We could not preserve Einstein's intelligence after his death.	Machine intelligence is permanent. It is easy to preserve intelligent tools like Siri and Watson.
iv) Ease of duplication and dissemination of knowledge	Slow language-based communication process, some expertise can never be duplicated.	Knowledge can be copied from a machine and easily moved to another one.
v) Better in	<ul style="list-style-type: none"> fusing data from multiple sources and interpreting the outside world distinguish faces identifying objects recognizing language sounds learning from new examples. A kind can differentiate between a man and a tree just by showing him/her one example develop new concepts / imagination and creating reasoning. 	<ul style="list-style-type: none"> faster at performing arithmetic and logical operations dealing with multi-dimensional data discovering complex patterns such as that exist in financial, scientific, or product data. operations that require fast, precise, highly repeatable actions. working in harsh environments (in case of robots).

4.1.4 Why does culture matter for today's global leaders

Q10. Define the following terms :

- Culture
- Global Leaders

Ans :

(a) Culture

According to E.A. Hoebel, "Culture is the sum total of integrated learned behaviour patterns which are characteristics of the members of a society and which are therefore not the result of biological inheritance."

"Culture is the complex whole that consists of everything we think and do and have as members of society", says Bierstedt. "Culture is the total content of the physio-social, bio-social and psycho-social universe man has produced and the socially created mechanisms through which these social product operate"

Culture therefore, is moral, intellectual and spiritual discipline for advancement, in accordance with the norms and values based on accumulated heritage. It is imbibing and making ours own, the life style and social pattern of the group one belongs to. Culture is a system of learned behaviour shared by and transmitted among the members of the group.

Culture is a collective heritage learned by individuals and passed from one generation to another. The individual receives culture as part of social heritage and in turn, may reshape the culture and introduce changes which then become part of the heritage of succeeding generations.

(b) Global Leaders

Global leader are the person or entities who leads the people at global level or based on multiple regions of the globe. They can lead the people depending upon the five additional barriers like a distance, cultures, time zones, communicating through technology and navigating complex organization structure. Leading people globally is quite a difficult task to perform by a global leader because he need to manage the people of different cultures with good mindset and set of skills. A leader can become a global leader by improving his skills and intelligence like cultural, emotional and social intelligence. Therefore, a successful global leader will be the person who is able to operate business transactions efficiently across the national boundaries.

Q11. Why does culture matters for today's global leaders.

Ans :

Culture plays very important role for today's global leaders because of the following reasons,

- i) Knowledge of different cultures enable the national leaders to plan expansion of business operations globally.
- ii) Cultural factors like values, beliefs, morals etc, plays crucial role for an global leader. If he has a good knowledge and information about

the cultural factors of different regions or countries then he will be able to manage the people feelings efficiently.

- iii) Culture is considered as an intensive part for the global market and for global leaders. Handling cultural differences in an appropriate manner is more important at global level however it is very difficult for a global leader to identify and manage all the cultural differences. If he is succeeded in identifying few of them then he must plan and undertakers certain strategies for resolving them when problem arises. Global leader must be aware and experienced about underlying attitudes and values of buyers in different countries worldwide.

Q12. Define cultural intelligence. Explain the importance cultural intelligence.

Ans :

Definition

Cultural Intelligence refers to the skill to relate and work effectively in culturally diverse situations. It's the capability to cross boundaries and prosper in multiple cultures. It goes beyond our existing knowledge of cultural sensitivity and awareness by highlighting certain skill sets and capabilities needed to successfully realize your objectives in culturally diverse situations.

An individual possessing cultural intelligence is not just aware of different cultures – they are able to effectively work and relate with people across a variety of cultural contexts. Cultural intelligence links to emotional intelligence but goes a bit further. People with high emotional intelligence can pick up on the emotions, wants and needs of others. People with high cultural intelligence are attuned to the values, beliefs, attitudes and body language of people from different cultures. They use this knowledge to help them relate to others with empathy and understanding.

Cultural Intelligence: an outsider's seemingly natural ability to interpret someone's unfamiliar and ambiguous gestures the way that person's compatriots would".

Importance

- i) It helps an individual, leader or manager to build good relationship with the people of different cultures in an organization.
- ii) It plays important role in communicating the information based on the cultural factors like caste, religion, language etc of particular nation.
- iii) It allow the leader or manager to establish a common ground in organization i.e., maintaining equality among the employees.
- iv) It provide the tools and techniques for improving the performance of employees, sales and brand image of the organization.
- v) It act as a best strategy of creating links and good relationship between the employees of different cultures. This increases the teamwork in an organization.
- vi) It helps the leader in increasing co-operation between employees who comes from different disciplines, cultures, traditions, religion etc.
- vii) It helps to understand the languages of employees who belongs to different cultures. As such leader or manager can handle grievances or issues between employees easily.
- viii) It helps in maximizing corporate brand investment and work on business expansion programmes.

4.2 DESIGN THINKING**4.2.1 What is design thinking?**

Q13. What is Design Thinking? Explain the process of Design Thinking.

Ans :

(Imp.)

Design Thinking is a design methodology that provides a solution-based approach to solving problems. It's extremely useful in tackling complex problems that are ill-defined or unknown, by understanding the human needs involved, by re-framing the problem in human-centric ways, by creating many ideas in brainstorming sessions, and by adopting a hands-on approach in proto-

typing and testing. Understanding these five stages of Design Thinking will empower anyone to apply the Design Thinking methods in order to solve complex problems that occur around us – in our companies, in our countries, and even on the scale of our planet.

Process**i) Empathise**

The first stage of the Design Thinking process is to gain an empathic understanding of the problem you are trying to solve. This involves consulting experts to find out more about the area of concern through observing, engaging and empathizing with people to understand their experiences and motivations, as well as immersing yourself in the physical environment so you can gain a deeper personal understanding of the issues involved. Empathy is crucial to a human-centered design process such as Design Thinking, and empathy allows design thinkers to set aside their own assumptions about the world in order to gain insight into users and their needs.

Depending on time constraints, a substantial amount of information is gathered at this stage to use during the next stage and to develop the best possible understanding of the users, their needs, and the problems that underlie the development of that particular product.

ii) Define (the Problem)

During the Define stage, you put together the information you have created and gathered during the Empathise stage. This is where you will analyse your observations and synthesise them in order to define the core problems that you and your team have identified up to this point. You should seek to define the problem as a problem statement in a human-centred manner.

To illustrate, instead of defining the problem as your own wish or a need of the company such as, "We need to increase our food-product market share among young teenage girls by 5%," a much better way to define the problem would be, "Teenage girls need to eat nutritious food in order to thrive, be healthy and grow."

The Define stage will help the designers in your team gather great ideas to establish features, functions, and any other elements that will allow them to solve the problems or, at the very least, allow users to resolve issues themselves with the minimum of difficulty. In the Define stage you will start to progress to the third stage, Ideate, by asking questions which can help you look for ideas for solutions by asking: "How might we... encourage teenage girls to perform an action that benefits them and also involves your company's food-product or service?"

iii) Ideate

During the third stage of the Design Thinking process, designers are ready to start generating ideas. You've grown to understand your users and their needs in the Empathise stage, and you've analysed and synthesised your observations in the Define stage, and ended up with a human-centered problem statement. With this solid background, you and your team members can start to "think outside the box" to identify new solutions to the problem statement you've created, and you can start to look for alternative ways of viewing the problem.

iv) Prototype

The design team will now produce a number of inexpensive, scaled down versions of the product or specific features found within the product, so they can investigate the problem solutions generated in the previous stage. Prototypes may be shared and tested within the team itself, in other departments, or on a small group of people outside the design team. This is an experimental phase, and the aim is to identify the best possible solution for each of the problems identified during the first three stages. The solutions are implemented within the prototypes, and, one by one, they are investigated and either accepted, improved and re-examined, or rejected on the basis of the users' experiences. By the end of this stage, the design team will have a better idea of the constraints inherent to the product and the problems that are present, and have a clearer view of how real users would behave, think, and feel when interacting with the end product.

v) Test

Designers or evaluators rigorously test the complete product using the best solutions identified during the prototyping phase. This is the final stage of the 5 stage-model, but in an iterative process, the results generated during the testing phase are often used to *redefine* one or more problems and inform the *understanding* of the users, the conditions of use, how people think, behave, and feel, and to empathise. Even during this phase, alterations and refinements are made in order to rule out problem solutions and derive as deep an understanding of the product and its users as possible.

Q14. What are the benefits of Design Thinking?

Ans :

- **Reduced Risk of Launching New Ideas:** Design Thinking focuses on showing prototypes to sponsor users early and often. This ensures that new ideas stay on a course that will actually meet user needs, while eliminating the churn and cost of bad ideas. The end result is product launches backed by more data and imbued with more confidence.
- **Innovative Solutions and Offerings:** Too often, businesses fall into the trap of internally creating ideas that are just incremental improvements on existing products and services. Incremental improvements are fine, but they can leave a business at risk of being disrupted from the outside. Design Thinking engages creativity through a process designed to surface truly innovative ideas and then test them quickly. The results can provide far greater upside.
- **Faster Pace of Learning:** The Design Thinking process is designed to get multiple people from multiple departments (plus sponsor users) in a room at once to generate a high quantity of ideas. Then, because everything is a prototype, you can stage and test ideas quickly, allowing you to pursue further where you have traction and move on when you don't. The result is a faster pace

of learning and solutioning.

- **More Revenue and Returns:** A recent McKinsey study identified significant financial benefits of a human-centered design approach: 32% more revenue and 56% higher total returns. This extensive study goes to show that there can be a significant financial, measurable outcomes and ROI that result from a consistent Design Thinking approach to business.

4.2.2 Key elements of design thinking - Discovery, Interpretation, Ideation, Experimentation, Evolution

Q15. Explain the various key elements of design thinking.

Ans :

i) Discovery

In discovery phase, the business leader or manager gathers the data and want to gain inspiration for new business model. The inspiration can be gained from the customers i.e., by understanding the needs and wants of the customers. He works hard to satisfy the customer and bring new innovate ideas. Satisfying customers and solving their issues is the ultimate goal of business and a key to achieve success.

ii) Interpretation

After gathering the data, the business leader or manager needs to understand the real problem and defining the clear opportunity. The gathered data is helpful in various design thinking frameworks. Customer journey mapping is one of the frame work which helps in understanding the customer's experience. In simple words it refers to the process of communicating with customers about the products and brands of a company.

iii) Ideation

In this elements, the individual needs to develop the ideas for grabbing the opportunity which he identified with the help of interpretation. He should provide all the

possible answers to the questions which are challenging and inspiring.

iv) Experimentation

Experimentation is the action phase element where producer will be trying and testing new ideas, methods or activities. There is a well-known fact or belief that the individual should experiment his idea through various products. However, a successful innovator experiment his product idea in different ways because there would not be sufficient resources to experiment each and every idea or sometime it may not be essential to experiment every idea. Experimentation should not be costly and does not require much efforts because this may put burden on the producers.

v) Evolution

Evolution phase reveals the result of experimentation phase. Basically, evolution is the beginning of the next phase or cycle which again starts with discovery, interpretation, ideation and experimentation. Before evolution phase the individual analyses and discovers the things which may or may not work. This will gives him the vision which needs to be interpreted and explained. Moreover, it is obvious that after interpreting only the idea will be fine-tuned or business model would be re-designed.

4.2.3 How to Transform Challenges into Opportunities?

Q16. Explain How to Transform Challenges into Opportunities for growth in an organization.

Ans :

i) Honesty

Honesty is the best policy that an individual must follow in his life. He must be honest and true to himself and other. This is the important thing to manage if an individual wants to transform his challenges into opportunities. An individual needs to asks himself, about what he truly wants, what are his feelings and what he actually want to be. He needs to find out his feeling and should

not behave like fool by pretending that he is happy even if he is sad. He should deal with his sadness smartly and try to overcome from it. This makes him stronger and smarter to transform the challenges into opportunities as something which is beneficial.

ii) Perspective

If the individual is working upon some issue regularly and the result are not that much effective, then he is required to change his perspective or view. He should try something different because in many cases people think that this is the only way to work and get restricted to a specific way which does not provide beneficial results. Therefore, individual should look for an alternative idea which provides good results.

iii) Openness

The individual should be frank and always be in a position to look forward. It is the best way to transform the challenges into opportunity because when an individual opens up with others, the other may also open up with him. This can be quite uncomfortable in starting but later provides lessons and results in success.

iv) Curiosity

The individual needs to be interested in introducing new ideas, and should implement those ideas practically. He needs to accept the challenges, learn the experiences from those challenges and try to overcome from them. Such challenges results in opportunities and provides growth in life.

v) Determination

The individual should have will power and should be dedicated to achieve the success in life. If the individual is truly dedicated then nothing can bring him down.

vi) Alter the Attitude

The individual needs to alter his attitude and should stay positive in every situation. He needs to control his quick negative responses and should not take any action immediately. He is required to have confidence, clear mind-set and creative solutions that helps him

to transform his challenges into bigger opportunities.

7. Stay Ambitious yet Calm

The people who stay ambitious yet calm are the best people who deal with challenges. These people are usually leaders or managers because they have the ability to change. The individual should keep in mind that leaders are not born, they are made. He should work hard and stay ambitious as these strategies build the abilities to be a leader.

4.2.4 How to develop human-centric solutions for creating social good?

Q17. Define Human-centric design. State the various phases of human-centric design.

Ans : (Imp.)

Human-centered design (HCD) [also Human-centred design, as used in ISO standards] is an approach to problem solving, commonly used in design and management frameworks that develops solutions to problems by involving the human perspective in all steps of the problem-solving process. Human involvement typically takes place in observing the problem within context, brainstorming, conceptualizing, developing, and implementing the solution.

Human-centred design is an approach to interactive systems development that aims to make systems usable and useful by focusing on the users, their needs and requirements, and by applying human factors/ergonomics, and usability knowledge and techniques. This approach enhances effectiveness and efficiency, improves human well-being, user satisfaction, accessibility and sustainability; and counteracts possible adverse effects of use on human health, safety and performance

Human-centered design builds upon participatory action research by moving beyond participants' involvement and producing solutions to problems rather than solely documenting them. Initial stages usually revolve around immersion, observing, and contextual framing in which innovators immerse themselves with the problem and community. Consequent stages may then focus on community brainstorming, modeling and

prototyping, and implementation in community spaces. Further, human-centered design typically focuses on integrating technology or other useful tools in order to alleviate problems, especially around issues of health. Once the solution is integrated, human-centered design usually employ system usability scales and community feedback in order to determine the success of the solution.

The following are the three phases of the human-centric design process which are also called as 3Is of this process,

- i) Inspiration
- ii) Ideation
- iii) Implementation.

i) Inspiration

In this phase, the designer or individual will learn from the people for whom he is designing the product or service. Thus, he may get involved with them and understand their needs and wants for designing the product. Before starting to design the product he need to understand the problem clearly then only he can figure out the problem's scope and organize best product as solution. Thus, this phase indicates learning, opening up to creative possibilities and developing the ideas that provide right solutions.

ii) Ideation

In the ideation phase, the designer or individual find out the opportunities to design product or service and provide possible models or product ideas. This phase starts when an individual starts producing something. In this phase, the individual visualize, brainstorm and discuss all the possible solutions. The individual needs to encourage goods ideas which are innovative and creative. He should listens the idea of others and stay focussed on a particular idea.

iii) Implementation

This is the phase in which the individual finally creates a product and provide solutions to the real life problems. However, before producing it, the individual needs to test the product and make sure that it will fulfill the needs of the people and will have a good impact. He also needs to create a platform to communicate about the product to his financiers, partners and consumers then the product will be delivered to the market and can achieve success.

Short Question and Answers

1. Define Emotional Intelligence.

Ans :

Emotional intelligence (otherwise known as emotional quotient or EQ) is the ability to understand, use, and manage your own emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges and defuse conflict. Emotional intelligence helps you build stronger relationships, succeed at school and work, and achieve your career and personal goals. It can also help you to connect with your feelings, turn intention into action, and make informed decisions about what matters most to you.

Emotional intelligence is commonly defined by four attributes:

- i) **Self-management:** You're able to control impulsive feelings and behaviors, manage your emotions in healthy ways, take initiative, follow through on commitments, and adapt to changing circumstances.
- ii) **Self-awareness:** You recognize your own emotions and how they affect your thoughts and behavior. You know your strengths and weaknesses, and have self-confidence.
- iii) **Social Awareness:** You have empathy. You can understand the emotions, needs, and concerns of other people, pick up on emotional cues, feel comfortable socially, and recognize the power dynamics in a group or organization.
- iv) **Relationship Management:** You know how to develop and maintain good relationships, communicate clearly, inspire and influence others, work well in a team, and manage conflict.

2. What is a Social Intelligence?

Ans :

Social intelligence refers to a person's ability to understand and manage interpersonal relationships. It is distinct from a person's IQ or "book smarts." It includes an individual's ability to understand, and act on, the feelings, thoughts, and behaviors of other people. This type of intelligence can take place "in the moment" of face-to-face conversations but also appears during times of deliberate thinking. It involves emotional intelligence and self-awareness.

Examples of social intelligence include knowing when to talk or listen, what to say, and what to do. Timing is a big part of social intelligence. For example, someone who is imperceptive, may tell a funny joke – but at the wrong time, or not show enough interest when meeting someone new.

3. What is Human Intelligence?

Ans :

Human intelligence is the intellectual capability of humans, which is marked by complex cognitive feats and high levels of motivation and self-awareness.

Through intelligence, humans possess the cognitive abilities to learn, form concepts, understand, apply logic, and reason, including the capacities to recognize patterns, plan, innovate, solve problems, make decisions, retain information, and use language to communicate. There are conflicting ideas about how intelligence is measured, ranging from the idea that intelligence is fixed upon birth, or that it is malleable and can change depending on an individual's mindset and efforts. Several subcategories of intelligence, such as emotional intelligence or social intelligence, are heavily debated as to whether they are traditional forms of intelligence. They are generally thought to be distinct processes that occur, though there is speculation that they tie into traditional intelligence more than previously suspected.

4. Types of Human Intelligence

Ans :

i) Logical-Mathematical Intelligence

The people who are good at maths and in logical thinking generally comes under this category. These type of people can easily solve mysteries or brain teasers, puzzles, logical exercises and calculations. They know how to do reasoning and analyze a problem. They possess excellent working skills with numbers, problem solving skills, can perform scientific experiments and can solve complicated computation because they know the patterns easily and work out in a logical manner. People with logical-mathematical intelligence can pursue carrier in computer programming, Mathematician, Economist, Accountant, scientist and Engineer.

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iii) Bodily-Kinesthetic Intelligence

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These people are very creative and have a powerful imagination. They have the natural skills in map readings, chart reading, solving puzzles, recognizing patterns, drawing, sketching and visual, arts.

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The people who are delicate to rhythm, tone and have a melodious voice are called as humans with musical intelligence. They have the ability to play and learn various instruments and are truly dedicated to the music. People with musical intelligence can pursue their carrier as singer, music conductor, composer, DJ, Music teacher and songs, writer.

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6. Characteristics of Artificial Intelligence.

Ans :

i) Deep Learning

Deep learning is a machine learning technique that teaches computers to do what comes naturally to humans, to learn by example. Innumerable developers are leveraging the latest deep learning innovative technologies to take their business to the new high.

There are large numbers of fields of Artificial Intelligence technology like autonomous vehicles, computer vision, automatic text generation, and the like, where the scope and use of deep learning are increasing.

ii) Facial Recognition

Artificial Intelligence has made it possible to recognize individual faces using biometric mapping. This has led to path breaking advancements in surveillance technologies. It compares the knowledge with a database of known faces to seek out a match.

However, this has also faced a lot of criticism for breach of privacy.

iii) Automate Simple and Repetitive Tasks

AI has the ability to execute the same kind of work over and over again without breaking a sweat. To understand this feature better, let's take the example of Siri, a voice-enabled assistant created by Apple Inc. It can handle so many commands in a single day!

From asking to take up notes for a brief, to rescheduling the calendar for a meeting, to guiding us through the streets with navigation, the assistant has it all covered.

iv) Data Ingestion

With every passing day, the data that we are all producing is growing exponentially, which is where AI steps in. Instead of manually feeding this data, AI-enabled not just gathers this data but also analyzes it with the help of its previous experiences.

Data ingestion is that the transportation of knowledge from assorted sources to a data-storage medium where it are often accessed, used, and analyzed by a corporation.

7. Culture

Ans :

According to E.A. Hoebel, "Culture is the sum total of integrated learned behaviour patterns which are characteristics of the members of a society and which are therefore not the result of biological inheritance."

"Culture is the complex whole that consists of everything we think and do and have as members of society", says Bierstedt. "Culture is the total content of the physio-social, bio-social and psycho-social universe man has produced and the socially created mechanisms through which these social product operate"

Culture therefore, is moral, intellectual and spiritual discipline for advancement, in accordance with the norms and values based on accumulated heritage. It is imbibing and making ours own, the life style and social pattern of the group one belongs to. Culture is a system of learned behaviour shared by and transmitted among the members of the group.

Culture is a collective heritage learned by individuals and passed from one generation to another. The individual receives culture as part of social heritage and in turn, may reshape the culture and introduce changes which then become part of the heritage of succeeding generations.

8. Global Leaders

Ans :

Global leader are the person or entities who leads the people at global level or based on multiple regions of the globe. They can lead the people depending upon the five additional barriers like a distance, cultures, time zones, communicating through technology and navigating complex organization structure. Leading people globally is quite a difficult task to perform by a global leader because he need to manage the people of different cultures with good mindset and set of skills. A leader can become a global leader by improving his skills

and intelligence like cultural, emotional and social intelligence. Therefore, a successful global leader will be the person who is able to operate business transactions efficiently across the national boundaries.

9. Define cultural intelligence.

Ans :

Cultural Intelligence refers to the skill to relate and work effectively in culturally diverse situations. It's the capability to cross boundaries and prosper in multiple cultures. It goes beyond our existing knowledge of cultural sensitivity and awareness by highlighting certain skill sets and capabilities needed to successfully realize your objectives in culturally diverse situations.

An individual possessing cultural intelligence is not just aware of different cultures – they are able to effectively work and relate with people across a variety of cultural contexts. Cultural intelligence links to emotional intelligence but goes a bit further. People with high emotional intelligence can pick up on the emotions, wants and needs of others. People with high cultural intelligence are attuned to the values, beliefs, attitudes and body language of people from different cultures. They use this knowledge to help them relate to others with empathy and understanding.

10. What is Design Thinking?

Ans :

Design Thinking is a design methodology that provides a solution-based approach to solving problems. It's extremely useful in tackling complex problems that are ill-defined or unknown, by understanding the human needs involved, by re-framing the problem in human-centric ways, by creating many ideas in brainstorming sessions, and by adopting a hands-on approach in prototyping and testing. Understanding these five stages of Design Thinking will empower anyone to apply the Design Thinking methods in order to solve complex problems that occur around us – in our companies, in our countries, and even on the scale of our planet.

11. Define Human-centric design.

Ans :

Human-centered design (HCD) [also Human-centred design, as used in ISO standards] is an approach to problem solving, commonly used in design and management frameworks that develops solutions to problems by involving the human perspective in all steps of the problem-solving process. Human involvement typically takes place in observing the problem within context, brainstorming, conceptualizing, developing, and implementing the solution.

Human-centred design is an approach to interactive systems development that aims to make systems usable and useful by focusing on the users, their needs and requirements, and by applying human factors/ergonomics, and usability knowledge and techniques. This approach enhances effectiveness and efficiency, improves human well-being, user satisfaction, accessibility and sustainability; and counteracts possible adverse effects of use on human health, safety and performance

Human-centered design builds upon participatory action research by moving beyond participants' involvement and producing solutions to problems rather than solely documenting them. Initial stages usually revolve around immersion, observing, and contextual framing in which innovators immerse themselves with the problem and community. Consequent stages may then focus on community brainstorming, modeling and prototyping, and implementation in community spaces. Further, human-centered design typically focuses on integrating technology or other useful tools in order to alleviate problems, especially around issues of health. Once the solution is integrated, human-centered design usually employ system usability scales and community feedback in order to determine the success of the solution.

Choose the Correct Answer

1. _____ is concerned with good and bad aspects of human behaviour. [a]
 - a) Values
 - b) Religion
 - c) Ethics
 - d) Emotions
2. _____ theory of Leadership emphasizes cooperation, ethic and higher human values. [a]
 - a) Transformational
 - b) Transactional
 - c) Great Man
 - d) Trait
3. In Leader-Member exchange theory, which one of the following objectives is not the focus ? [d]
 - a) Subordinates' responsibilities
 - b) Enhancing decision-making ability of subordinates
 - c) Increasing follower's access to resources
 - d) Training of followers to become future leaders
4. Managerial Grid model of leadership has concern for: [b]
 - a) Process and project
 - b) People and product
 - c) Pre-requisites and plans
 - d) Planning and process
5. Which leadership approach a training institution should follow in order to produce good teachers ? [b]
 - a) Trait oriented
 - b) Transformational
 - c) Charismatic
 - d) Culture oriented
6. Emotional intelligence is different from other intelligences in that [c]
 - a) It is a set of skills
 - b) It can be measured using tests easily
 - c) The focus is on emotional reasoning, ability and knowledge
 - d) It is a new type of intelligence
7. Emotional intelligence can be studied through [d]
 - a) The abilities-focussed approach
 - b) The integrative model approach
 - c) The mixed model approach
 - d) All of the above

8. Which of the following describes how Ability Emotional Intelligence and Trait Emotional Intelligence are different? [d]
- a) The way they are measured
 - b) The way they are conceptualized
 - c) The way they correlate with other constructs
 - d) All of the above
9. Incremental validity refers to ... [a]
- a) The additional contribution a new psychological idea makes to existing knowledge
 - b) The additional evidence provided by new research
 - c) The way research findings are reinterpreted
 - d) The way statements are written in new tests
10. When predicting intellectual academic performance in medical students, EI showed [c]
- a) It is essentially social skills
 - b) Large incremental validity
 - c) No incremental validity
 - d) A deterioration in its display

Fill in the blanks

1. Emotional intelligence otherwise known as _____.
2. People with high emotional intelligence are usually very _____.
3. _____ is an important feature which is required for an effective.
4. _____ refers to a person's ability to understand and manage interpersonal relationships.
5. _____ refers to the simulation of human intelligence in machines that are programmed to think like humans and mimic their actions.
6. _____ is a machine learning technique that teaches computers to do what comes naturally to humans, to learn by example.
7. _____ is the sum total of integrated learned behaviour patterns which are characteristics of the members of a society and which are therefore not the result of biological inheritance.
8. _____ leader are the person or entities who leads the people at global level or based on multiple regions of the globe.
9. _____ like values, beliefs, morals etc, plays crucial role for an global leader.
10. _____ of different cultures enable the national leaders to plan expansion of business operations globally.

ANSWERS

1. Emotional quotient
2. Self-aware
3. Emotional intelligence
4. Social intelligence
5. Artificial intelligence
6. Deep learning
7. Culture
8. Global
9. Cultural factors
10. Knowledge

Module V

ETHICS AND INTEGRITY

- (a) **Learning through Biographies:** What makes an individual great? - Understanding the person of a leader for deriving holistic inspiration - Drawing insights for leadership - How leaders sail through difficult situations?
- (b) **Ethics and Conduct:** Importance of ethics - Ethical decision making - Personal and professional moral codes of conduct - Creating a harmonious life.

5.1 LEARNING THROUGH BIOGRAPHIES

Q1. What do you mean by Learning through Biographies? How a leader can learn through Learning through Biographies.

Ans : (Imp.)

A biography, or simply bio, is a detailed description of a person's life. It involves more than just the basic facts like education, work, relationships, and death; it portrays a person's experience of these life events. Unlike a profile or curriculum vitae (resume), a biography presents a subject's life story, highlighting various aspects of their life, including intimate details of experience, and may include an analysis of the subject's personality.

Biographical works are usually nonfiction, but fiction can also be used to portray a person's life. One in-depth form of biographical coverage is called legacy writing. Works in diverse media, from literature to film, form the genre known as biography.

The leader can learn through biographies following things,

- i) Biographies enable leaders to learn about the good and bad experiences of a great person. Eventhough, the biography of a despicable and not worthy person teaches so many things to the leaders. So, it is not mandatory to read the biographies of only great people, leader can read the biography of uncommon or not-worthy people also.
- ii) Leaders can learn the historical figures and cases through biographies. As it is possible

that historical situations may repeats in leader's life, so if a leader knows about the good decisions takes at that time would be helpful for him to take same decisions for managing current situation.

- iii) Biographies enable leaders to extract different ideas and perspective. Usually, biographies would not be direct experiences or methods for leaders. Leaders need to discover, understand and learn from such experiences.
- iv) Biographies of great persons like Gandhi and Abraham Lincoln can guide a leader to handle difficult situations with positive mind. The knowledge of the character and behaviour of such great person teaches good lesson.
- v) Biographies allow leader to think in broader sense. They change the perspective of leaders about the world. After reading and following a great person enable the leaders to innovate better ideas for accomplishing various tasks on time.

5.1.1 What Makes an Individual Great?

Q2. Discuss the factors which makes an Individual great?

Ans :

i) **Honestly in Relationship**

An individual would become great if he is able to maintain honesty in every kind of relationship. A great individual will be able to stay in relationship with family and other for

longer period because his honest nature. Therefore, to be called as a great individual one need to be honest in relationship.

ii) Respect of Elders

An individual becomes great when he gives respect to the elders especially to his parents. Because, a good individual will be always available for his parents. He will be grateful and respectful and gives times to them from his busy life schedule.

iii) Polite Behaviour

An individual becomes great when he communicate and react politely. This is the good quality of a great individual that he answers to the questions of any other individual politely even that individual is misbehaving with him. He always try to behave politely in any kind of situation.

iv) Complementing Others

A great individual gives positive as well as negative complements to others whenever required. He would praise the people for good things and criticize on wrong things. Therefore, to become a great individual one need to give compliments or advices whenever required.

v) Kind and Manners

A great individual will be kind to everyone and always try to see positives in other persons. Addition to the kind nature the manners of a great individual will be high class compare to other. Therefore, to become a great individual one need to be kind and full of manners.

vi) On-Time Work

A great individual always accomplish his task on-time. He gives his best efforts to complete the work on-time which he started. He never give-up by seeing difficulties and hurdles while performing the task.

vii) Smile on Face

Great individual smiles in all kinds of situation i.e., whether good or bad things happens with them they always smile and accept the things with positive attitude. They thanks god in every situation.

viii) Friend Circle

The friend circle of a great individual will be bigger than a normal person's friends circle. This would happens because, the people likes him, try to be with him, want to listen him, finding extraordinary things in him, and so on.

ix) Loyalty

A great individual will be a person who always shows loyalty to his family, friends, organization etc. He will be faithful with them, fulfill his commitments, and obligations even if he is not comfortable to do so. Therefore, to become a great individual one need to be loyal.

5.1.2 Understanding the person of a leader for deriving holistic inspiration

Q3. Define holistic leadership. What are the characteristics of holistic leadership.

Ans : (Imp.)

The definitions of holistic leadership are as follows,

i) According to Orlov, holistic leadership is a methodology focusing on systematic development that impact" on self as leader, other as followers, and the environment" all resulting in "a journey that leads towards transformation at the individual, team, and organizational/community levels".

ii) According to Taggart, holistic leadership is defined as an" integrated approach to leadership". It includes components like organizational teaching, personal mastery, reflection, enquiry, visionary thought leadership, results orientation, collaboration and nurturing

- iii) **According to Tice**, “holistic leadership is a people-centered approach that is both process and outcome oriented”.

Holistic leaders know how to integrate their character and values into their leadership, and they understand that they bring their whole selves to their leadership role – body, mind and spirit. In observing these leaders,

Virtuous

Virtue is defined in Webster's Dictionary as, “Conformity to a standard of right; a particular moral excellence.” It is not only the holistic leader's behavior that is virtuous, but his or her disposition and attitude toward the good; toward what is right. When virtues become part of who a person is, the person is in turn more disposed toward virtuous actions. These show up as behaviors and decisions, which are guided by moral excellence. One particular virtue that is critical to holistic leadership is that of humility. The humble leader is able to admit faults, to ask forgiveness, and to be vulnerable and authentic.

Characteristics

i) Ethical

Leaders are frequently faced with making decisions when circumstances aren't black and white. Critical thinking skills and an acute sense of right and wrong are paramount to being able to consistently and reliably evaluate possibilities and make ethical choices before moving forward. When it comes to the ethical treatment of people, it really boils down to treating others the way he or she would like to be treated - known as the golden rule.

ii) Transparent

Holistic leaders are open, honest, direct and forthright in the way they act and communicate. This doesn't mean they are indiscriminate with the timing and information that is shared. Rather, they understand when people are impacted by certain situations and they willingly share the information that matters at the appropriate time. Transparency is also linked to the virtue of humility, because holistic

leaders are willing to be vulnerable and admit when they don't have all the answers or things don't go according to plan.

iii) Trusted

When leaders are truthful and follow through with what they say they will do, they build strong relationships with their colleagues. This becomes the foundation for trust, which at the end of the day also enables getting work done efficiently and effectively. It is also important to recognize that trust comes not only from one's character, but also from competence, or capability. It is one thing to make a promise, but the leader needs to be able to follow through with more than just good intentions.

iv) Capable

This characteristic is about being able to functionally get the job done. Effective leaders must be able to craft a vision, engage others in following that vision, create a plan, execute the plan, and drive results. While character matters to a very great extent, a leader will not be effective without these competencies that deem him or her capable.

v) Balanced

Holistic leaders have a balanced view of others, work, teams, and themselves as a composite of body, mind and spirit. These leaders take good care of themselves while supporting others in self-care as well. This plays out in a positive work-life balance, but also as avoidance of any negative “isms” that can be extreme (e.g., workaholism, absolutism, dualism, egoism, and hedonism).

5.1.3 Drawing insights for leadership

Q4. Define insights for leadership. How to draw insights for leadership.

Ans :

Leadership insights helps the leader to understand and create emotional awareness in relation to his leadership identity. Thus, leadership insights refers to the process designed to measure and identify the patterns, principles and behaviour of any leader. It would help a leader to self evaluate himself for future development.

Tips for Drawing Leadership Insights

The following points help patterns to draw better leadership insights,

- i) The leader is required to demonstrate forward thinking in complex organizational scenarios. The need to display the ability to stretch the understanding of any problem, generate new ideas and motivate his followers to come up with fresh insights.
- ii) Drawing leadership insights requires the leader to be good at self observing himself, as to how he acts in dynamic complex and challenging organizational situations. For example: The Corona Virus Pandemic had taken the whole business world by surprise. The leader of any organization should think, observe and then make objective decisions to protect and take out the organization out of this challenging virus situation.
- iii) A leader need to act like his own normal self-only then he can be insightful, creative and perform good at his job role as a leader.
- iv) A leader should show his followers what is required out of them through his actions and behaviour. This would help him also to earn the respect of his follows.
- v) Drawing leadership insights requires the leader to demonstrate the ability to be innovative, creative and a calculated risk taker.
- vi) A leader is required to encourage his followers to perform better and exceed the set expectations of the organization. He should be ready to recognize the success and hard work put in by his followers.
- vii) A good leader is one who possess ability to flatten out the organizational chart. An insightful leader is one who encourages decentralization of power and authority within the organization.

- vii) A good leader is the one who conducts his daily interactions in a fair and transparent manner. This would demonstrate his maturity and insightfulness.

5.1.4 How leaders sail through difficult situations?**Q5. How does a leader manage and face crisis situation.**

Ans :

1. **Initiate Actions:** Leaders should collect information, assess the situation, discuss with their teams and initiate actions on priority basis. Thus, a good leader would work efficiently and effectively in any challenging situation.
2. **Guides his Followers:** A good leader would encourage his followers to focus upon how to take out the organization out of the crisis situation. He would inspire and instill confidence within his team, rather than putting the blame on any one for the crisis situation.
3. **Take Rationale Steps:** A good leader would take practical and action oriented steps to save and manage the organization in a crisis situation. He would motivate and inspire his followers through his emotional stability, confidence, focus and words.
4. **Objective Behaviour:** A leader can manage and face a crisis situation by demonstrating objective behaviour in the organization. He would not make vague assumptions to arrive at incorrect conclusions. Instead of that, he could discuss and co-ordinate with his followers and take actions after careful analysis.
5. **Information Sharing:** During a difficult or crisis situation an effective and efficient, leader would be ready to share all the required information with their followers. This would make the followers to be more trust worthy

of their from leader, boast their morale and motivate them to work with full passion and dedication to fight and overcome the crisis situation.

5.2 ETHICS AND CONDUCT

Q6. Define the term ethics. Explain the characteristics of ethics.

Ans : (Imp.)

The word "ethics" is extracted from the Greek word "ethos", which refers to the nature, guiding values, principles or ideals that are spread through a group, community or people. Each and every individual is responsible to his community for his behaviour. The community can exist in various forms such as neighbourhood, profession, city, state, etc.

According to Webster, "Ethics is the discipline dealing with that which is good and bad and with moral duty and obligations".

Ethics is a set of standards, or a code, or value system, worked out from human reason and experience, by which free human actions are determined as ultimately right or wrong, good or evil. Ethics may be defined as the science of the Highest Good. It is the science of the supreme ideal of human life. It is the science of the highest end or purpose of human life.

Characteristics of Ethics

Characteristics of ethics are as follows:

1. The concept of ethics is applicable only for the human beings because they have freedom to choose and means of free will. They can decide how they wish to pursue their goals and the means to achieve the ends.
2. There was a debate regarding the fact whether ethics is a science or an art. But the experts viewed ethics more as a science than an art. The reason behind this was that ethics is a systematic knowledge of moral activities and behaviour of human beings.

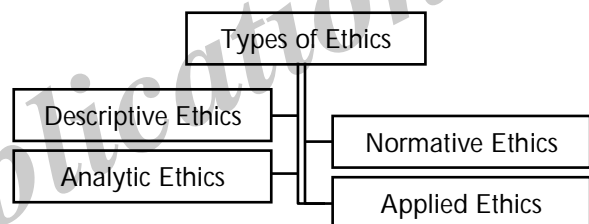
3. Ethics is concerned with voluntary human behaviour which is not forced by situations or by other human beings. It can be concluded, that at the basic level, ethics involves moral judgement about fixed human behaviour.
4. Ethics is considered as a normative science. It seeks perfect and absolute test of right behaviour. Normative science involves deciding of moral standards that govern the conduct of good and evil.

Q7. Explain the different types of ethics.

Ans :

Types of Ethics

Ethics are classified into four broad types:



1. Descriptive Ethics

Descriptive ethics, as the name suggests, observes and records in great detail the ethical behaviours in various cultures and societies, often over a period of time. The basic purpose of descriptive or comparative ethics is to enquire, observe and record. The focus of its study are beliefs, practices, social and cultural institutions, value systems, aberrations, deviations, etc., and how they have evolved over a period of time and/or how are they different from those of other societies or cultures. It has a close cross-functional relationship with the disciplines of History, Sociology, Psychology and Anthropology, with whose help it seeks to conduct its enquiry. It also seeks to answer the following questions:

- i) What are the ethical norms or morals or values of different cultures and societies?

- ii) Why do people accept and validate these?
- iii) How they have evolved over time?
- iv) Why do people follow or abide by them?
- v) How do people resolve ethical dilemmas?

2. Normative or Prescriptive Ethics:

Normative ethics focuses on norms or morals or accepted legitimized practices, as against behaviours. What is right and what is wrong? Why certain actions are deemed to be good and others as bad? What is the regime of morals of a society? It is also judgmental in as much as it evaluates all answers to the above questions. Just as social and religious leaders in a society, the Church in the West, e.g., determine and oversee moral behaviours, similarly, every organization also lays down acceptable behaviours through codes of conduct and rules, and also ensure internal adherence. Such legitimized behaviours in society are further authorized and enforced through laws. Normative ethics also seeks to do the following:

- i) Establish and define what is good and what is bad, what is acceptable and what is not.
- ii) Lays down the moral precepts or principles.
- iii) Legitimizes certain behaviours as moral.
- iv) Establishes the authority structure for enforcement of the accepted or moral behaviour.

It is a well known fact that every individual's decisions and acts can affect morally. If the individual is working in an organization, then his morality can affect the moral agency of the organization. Normative or prescriptive ethics is a way for recognizing all the moral issues and formulate guidelines for solving them. The organizational leaders perform a vital role in creating and maintaining congenial environment to effective moral agency.

3. Analytic Ethics

Analytic or Meta-ethics investigates and explores the status, foundations, and scope of moral values, properties, and words. It is essentially non-normative, and rather focuses on analyzing and understanding various facets of human acts, attitudes, prejudices, biases, judgements, etc. It does not focuses to assess particular choices like worse, better, bad or good instead it enquires into the nature of morality and related issues and concepts. It seeks to answer the following questions:

- i) Is morality absolute or objective?
- ii) What is the relevance and importance of morality?
- iii) The religion-morality mystery.
- iv) The foundations and rationale of moral issues.

4. Applied Ethics

Applied Ethics, as the name suggests, is application of various ethical theories and precepts to day-to-day situations. It draws heavily from discipline of sociology, philosophy, law, anthropology, history, etc., and seeks to provide solutions to real-life problems and dilemmas. It is often used by law makers to determine public policy. It finds wide usage in professions like medicine, law, business, environmental conservation and protection, etc. It also sometimes assumes the nature of social reform, e.g., the movement against sex determination tests.

Thus, applied ethics is a practicable branch of ethics, as distinct from normative ethics which focuses on what is right and wrong, and meta-ethics which confines itself to the intrinsic nature of morality. As an emerging field, it typically works on the following six areas to improve social and professional life:

- i) **Decision-Making** : Decision ethics works on the ethics involved in decision-making processes.
- ii) **Professional Life** : Professional ethics seeks to enhance the quality of professional life, by making it more fair, equitable and transparent.
- iii) **Health Care** : Clinical or medical ethics seeks to improve the delivery and coverage of health care to all.
- iv) **Business Culture**: Business ethics seeks to enhance the competitive space amongst organizations. It focuses on how businesses should deal with each other in a competitive environment.
- v) **Organizational Culture** : Organizational ethics seeks to improve the internal cultures or environment within organizations.
- vi) **Social and Global Life** : Social ethics works on how to make the world a better place to live in. It works on issues and conflicts affecting societies and nations.

Q8. What are the various Principles of Ethics?

Ans : (Imp.)

As technical communicators, we observe the following ethical principles in our professional activities.

1. Legality

We observe the laws and regulations governing our profession. We meet the terms of contracts we undertake. We ensure that all terms are consistent with laws and regulations locally and globally, as applicable, and with STC ethical principles.

2. Honesty

We seek to promote the public good in our activities. To the best of our ability, we provide

truthful and accurate communications. We also dedicate ourselves to conciseness, clarity, coherence, and creativity, striving to meet the needs of those who use our products and services. We alert our clients and employers when we believe that material is ambiguous. Before using another person's work, we obtain permission. We attribute authorship of material and ideas only to those who make an original and substantive contribution. We do not perform work outside our job scope during hours compensated by clients or employers, except with their permission; nor do we use their facilities, equipment, or supplies without their approval. When we advertise our services, we do so truthfully.

3. Confidentiality

We respect the confidentiality of our clients, employers, and professional organizations. We disclose business-sensitive information only with their consent or when legally required to do so. We obtain releases from clients and employers before including any business-sensitive materials in our portfolios or commercial demonstrations or before using such materials for another client or employer.

4. Quality

We endeavor to produce excellence in our communication products. We negotiate realistic agreements with clients and employers on schedules, budgets, and deliverables during project planning. Then we strive to fulfill our obligations in a timely, responsible manner.

5. Fairness

We respect cultural variety and other aspects of diversity in our clients, employers, development teams, and audiences. We serve the business interests of our clients and employers as long as they are consistent with the public good. Whenever possible, we avoid conflicts of interest in fulfilling our professional

responsibilities and activities. If we discern a conflict of interest, we disclose it to those concerned and obtain their approval before proceeding.

6. Professionalism

We evaluate communication products and services constructively and tactfully, and seek definitive assessments of our own professional performance. We advance technical communication through our integrity and excellence in performing each task we undertake. Additionally, we assist other persons in our profession through mentoring, networking, and instruction. We also pursue professional self-improvement, especially through courses and conferences.

Q9. Define business ethics.

Ans :

Ethics is a conception of right and wrong behaviour, defining for us when our actions are moral and when they are immoral. Business ethics, on the other hand, is the application of general ethical ideas to business behaviour.

- Ethical business behaviour is expected by the public, it facilitates and promotes good to society, improves profitability, fosters business relations and employee productivity, reduces criminal penalties from public authorities and regulators, protects business against unscrupulous employees and competitors, protects employees from harmful actions by their employer, and allows people in business to act consistently with their personal ethical beliefs. Ethical problems occur in business for many reasons, including the selfishness of a few, competitive pressures on profits, the clash of personal values and business goals, and cross-cultural contradictions in global business operations.
- Ethical issues, such as bribery and corruption, are evident throughout the world, and many national governments and international

agencies are actively attempting to minimize such actions through economic sanctions and international codes of ethical behaviour. Although laws and ethics are closely related, they are not the same: ethical principles tend to be broader than legal principles. Illegal behaviour by business and its employees imposes great costs on business itself and the society at large.

To be precise, "Business ethics is the art and discipline of applying ethical principles to examine and solve complex moral dilemmas." Business ethics proves that business has been and can be and ethical and still make profits. Until the last decade, business ethics was thought of as being a contradiction in terms. But things have changed; today more and more interest is being shown to the application of ethical practices in business dealings and the ethical implications of business. "Business ethics is that set of principles or reasons which should govern the conduct of business whether at the individual or collective level."

Ethical solutions to business problems may have more than one right answer or sometimes no right answer at all. Thus logical and ethical reasoning are tested in that particular business situation.

- A business or company is considered to be ethical only if it tries to reach a trade-off between its economic objectives and its social obligations, such as obligations to the society where it exists and operates; to its people for whom it pursues economic goals; to the environment, from where it takes its resources; and the like."

Business ethics is based on the principle of integrity and fairness and concentrates on the benefits to the stakeholders, both internal and external.

- Stakeholders include those individuals and groups without which the organization does

not have an existence. It includes shareholders, creditors, employees, customers, dealers, vendors, government and the society.

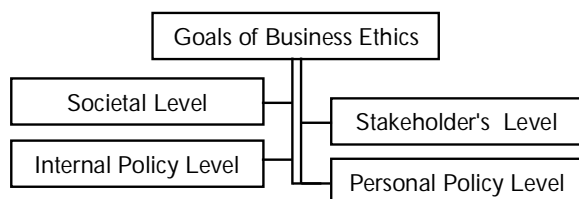
Definitions

- i) **According to Robert Kreitner**, "Business ethics is the study of complex business practices and behaviours that "gives rise to ethical issues in organizations".
- ii) **According to Raymond C. Baumhart**, "The ethics of business is the ethics of responsibility. The businessman must promise that he will not harm knowingly".
- iii) **According to Andrew Crane**, "Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed".
- iv) **According to Manuel Velasquez**, "Business ethics is applied ethics. It is the application of our understanding of right and good to institutions, transactions, activities, and pursuits called business".

Q10. Explain the objectives of business ethics.

Ans : (Imp.)

The goals/objectives of ethics are to evaluate the human behaviors and calling up on the moral standards. The ethical standards also prescribe how to act morally in specified situations. The goals/purpose of business ethics are shown in figure aside:



1. Societal Level

- i) Concern for poor and down-trodden,
- ii) No discrimination against any particular section/group,
- iii) Concern for clean environment,

- iv) Preservation of scarce resources for prosperity,
- v) Contributing to better quality of life.

2. Stakeholder's Level: The term stakeholder is a broad term which includes:

- i) Employees
 - a) Security of job,
 - b) Better working conditions,
 - c) Better recommendations,
 - d) Participative management,
 - e) Welfare facilities.
- ii) Customers
 - a) Better quality of goods,
 - b) Goods and services at reasonable price,
 - c) Not to corner stocks and create securities,
 - d) Not to practice discriminatory pricing,
 - e) Not to make false claims about products in advertisements.
- iii) Shareholders
 - a) Ensure capital appreciation,
 - b) Ensure steady and regular dividends,
 - c) Disclose all relevant information,
 - d) Protect minority shareholder's interests,
 - e) Protect interests in times of mergers, takeovers and amalgamations.
- iv) Banks and Other Lending Institutions
 - a) Guarantee safety of borrowed funds,
 - b) Prompt repayment of loans.

- v) Government
 - a) Complying with rules and regulations,
 - b) Honesty in paying taxes and other dues,
 - c) Activity as partner in the progress of the country.

3. Internal Policy Level

- i) Fair practices relating to recruitment, compensation, lay-offs, perks, promotion, etc.
- ii) Transformational leadership to motivate employees to aim at better and higher things in life.
- iii) Better communication at all level.

4. Personal Policy Level

- i) Not to misuse other for personal ends,
- ii) Not to indulge in politics to gain power,
- iii) Not to spoil promotional chances of others,
- iv) Not to use office car, stationary and other facilities in personal use,
- v) Promise keeping,
- vi) Mutual help,
- vii) Not to adopt shortcuts for easy money making,
- viii) No violence, i.e., preventing or not causing physical,
- ix) Respect for persons and property.

Q11. Explain the Elements and features of Business Ethics.

Ans :

Elements of Business Ethics

1. Values

Values are the moral beliefs held by an individual, an organization and a society. Values represent moral convictions and are

relatively permanent. For example, a company may charge reasonable prices due to its value systems inspite of its monopoly position in the industry.

2. Rights

Rights are the claims of the individual or organization. For example, every citizen of India enjoys certain rights under the country's constitution.

3. Duties

Duties are the obligations of a person or an organization. For example, every citizen has the duty to follow the country's law.

Features of Business Ethics

The characteristics or features of business ethics are :

1. Code of conduct

Business ethics is a code of conduct. It tells what to do and what not to do for the welfare of the society. All businessmen must follow this code of conduct.

2. Based on moral and social values

Business ethics is based on moral and social values. It contains moral and social principles (rules) for doing business. This includes self-control, consumer protection and welfare, service to society, fair treatment to social groups, not to exploit others, etc.

3. Gives protection to social groups

Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.

4. Provides basic framework

Business ethics provide a basic framework for doing business. It gives the social cultural, economic, legal and other limits of business. Business must be conducted within these limits.

5. Voluntary

Business ethics must be voluntary. The businessmen must accept business ethics on their own. Business ethics must be like self-discipline. It must not be enforced by law.

6. Requires education and guidance

Businessmen must be given proper education and guidance before introducing business ethics. The businessmen must be motivated to use business ethics. They must be informed about the advantages of using business ethics. Trade Associations and Chambers of Commerce must also play an active role in this matter.

7. Relative Term

Business ethics is a relative term. That is, it changes from one business to another. It also changes from one country to another. What is considered as good in one country may be taboo in another country.

8. New concept

Business ethics is a newer concept. It is strictly followed only in developed countries. It is not followed properly in poor and developing countries.

Q12. Explain the Importance of Business Ethics.

Ans : (Imp.)

These twelve points below discuss the need, importance of business ethics.

1. Stop business malpractices

Some unscrupulous businessmen do business malpractices by indulging in unfair trade practices like black-marketing, artificial high pricing, adulteration, cheating in weights and measures, selling of duplicate and harmful products, hoarding, etc. These business malpractices are harmful to the consumers. Business ethics help to stop these business malpractices.

2. Improve customers' confidence

Business ethics are needed to improve the customers' confidence about the quality, quantity, price, etc. of the products. The customers have more trust and confidence in the businessmen who follow ethical rules. They feel that such businessmen will not cheat them.

3. Survival of business

Business ethics are mandatory for the survival of business. The businessmen who do not follow it will have short-term success, but they will fail in the long run. This is because they can cheat a consumer only once. After that, the consumer will not buy goods from that businessman. He will also tell others not to buy from that businessman. So this will defame his image and provoke a negative publicity. This will result in failure of the business. Therefore, if the businessmen do not follow ethical rules, he will fail in the market. So, it is always better to follow appropriate code of conduct to survive in the market.

4. Safeguarding consumers' rights

The consumer has many rights such as right to health and safety, right to be informed, right to choose, right to be heard, right to redress, etc. But many businessmen do not respect and protect these rights. Business ethics are must to safeguard these rights of the consumers.

5. Protecting employees and shareholders

Business ethics are required to protect the interest of employees, shareholders, competitors, dealers, suppliers, etc. It protects them from exploitation through unfair trade practices.

6. Develops good relations

Business ethics are important to develop good and friendly relations between business and

society. This will result in a regular supply of good quality goods and services at low prices to the society. It will also result in profits for the businesses thereby resulting in growth of economy.

7. **Creates good image**

Business ethics create a good image for the business and businessmen. If the businessmen follow all ethical rules, then they will be fully accepted and not criticized by the society. The society will always support those businessmen who follow this necessary code of conduct.

8. **Smooth functioning**

If the business follows all the business ethics, then the employees, shareholders, consumers, dealers and suppliers will all be happy. So they will give full cooperation to the business. This will result in smooth functioning of the business. So, the business will grow, expand and diversify easily and quickly. It will have more sales and more profits.

9. **Consumer movement**

Business ethics are gaining importance because of the growth of the consumer movement. Today, the consumers are aware of their rights. Now they are more organized and hence cannot be cheated easily. They take actions against those businessmen who indulge in bad business practices. They boycott poor quality, harmful, high-priced and counterfeit (duplicate) goods. Therefore, the only way to survive in business is to be honest and fair.

10. **Consumer satisfaction**

Today, the consumer is the king of the market. Any business simply cannot survive without the consumers. Therefore, the main aim or objective of business is consumer satisfaction. If the consumer is not satisfied, then there will be no sales and thus no profits too.

Consumer will be satisfied only if the business follows all the business ethics, and hence are highly needed.

11. **Importance of labour**

Labour, i.e. employees or workers play a very crucial role in the success of a business. Therefore, business must use business ethics while dealing with the employees. The business must give them proper wages and salaries and provide them with better working conditions. There must be good relations between employer and employees. The employees must also be given proper welfare facilities.

12. **Healthy competition**

The business must use business ethics while dealing with the competitors. They must have healthy competition with the competitors. They must not do cut-throat competition. Similarly, they must give equal opportunities to small-scale business. They must avoid monopoly. This is because a monopoly is harmful to the consumers.

5.2.1 **Importance of Ethics**

Q13. Explain the Importance of Ethics.

Ans :

(Imp.)

Importance of Ethics in Organization

The following points highlight the importance of ethics in organization,

1. Ethics are the basic human needs. All human beings believe in being ethical not only in their personal lives, but also in their businesses. They prefer working for an organization as they feel that its purpose and activity contributes towards the growth and progress of the society. Every organization considers the ethical needs as their basic concern.
2. Ethics helps in building business credibility among the people. Every business that follows ethics and respect the social values of the people will be honoured and respected by the public. Creating self-respect and

acquiring the self-confidence of the society is very crucial for every business. In a democratic society public plays an important role in the survival and growth of a business. Hence, a business can easily attain high standards by following an ethical behaviour.

3. Ethics helps in creating oneness among the business leadership and its workers. When the workers considers the ethics as true or genuine, then they are able to create common objectives, values and language. The ethics gives the management the credibility over both its employees and the public. It creates a healthy social environment among the employees.
4. Ethics facilitates better decision-making. The shareholders, stakeholders and employees of a company are mainly interested in the ethical decisions taken by the company as the ethics ensures the consideration of all the economic, social and ethical aspects.

Importance of Ethics in HRM

The following points highlights the importance of ethics in HRM,

1. Ethics are generally related with the fundamental requirements of human beings. Every individual is intended to be ethical at both personal and professional levels. The HR managers are actively responding to the employees needs by expressing the gratitude.
2. Ethics usually act as a source of reliability with the public.
3. Ethics act as a significant source for improving the credibility of employees. The credibility of the HR management with the employees is mainly dependent on the credibility with the public and even the moral and social uprightness rather than the generous compensation policy and fringe benefits.
4. Ethics assist the management in making effective decisions for employees as well as for the organization.

5. Any company which has good ethical conduct is found to be profitable. In the long run, value-driven companies are more successful though they may lose money in short run.

Importance of Ethics in Business Research

Ethics refers to norms or standards which direct moral choices with respect to how we behave or how we maintain relationship with other people. The do's and dont's which are followed come under ethical and moral values. The main objective of ethics in business research is to protect everyone involved in the research process from adverse effects arising from research activities. In business research, ethics are moral principles adopted to make sure that no one gets hurt because of the research studies being conducted.

The different stages in the business research process involves ethical issues, so following ethical principles is considered as important in business research. The importance of ethics in business research can be understood from the following points,

1. Ethics in business research protect everyone involved in the research process from adverse effects arising from research activities.
2. The business research conducted ethically protects the rights of participants, researchers and sponsors.
3. Ethics in business research promote the values essential for collaborative work like faith, responsibility and fairness.
4. Ethical considerations in business research helps in building public trust.
5. Ethical business research ensures that research outcomes are shown objectively without any bias.

Importance of Ethics in Marketing

Marketing ethics are the principles and standards which specify the decent, acceptable and satisfactory behaviour of marketers in the area of marketing. Marketing ethics are decided by various

stakeholders comprising government authorities, general public, private groups, industry and company itself. The four elements of marketing mix i.e product, price, place and promotion are linked with marketing ethics. In marketing, ethical decisions are usually taken in coordination with workers, co-workers and committees.

Ethics play a very important role in marketing. The importance of ethics in marketing can be understood from the following points,

1. Ethical practices in marketing helps the marketer in building good relationship with customers and other stakeholders.
2. If a marketer breaks the ethical standards, then such break down may lead to customer dissatisfaction and legal proceedings. So, it is essential to follow ethical standards in marketing.

5.2.2 Ethical Decision Making

Q14. Write about Ethical decision making.

Ans :

Ethical decision making is a cognitive process that considers various ethical principles, rules, and virtues or the maintenance of relationships to guide or judge individual or group decisions or intended actions.

1. Identify the Ethical Problem

The decision maker must be able to determine :

- If there is a possible violation of an important ethical principle, societal law, or organizational standard or policy.
- If there are potential consequences that should be sought or avoided that emanate from an action being considered to resolve the problem.

2. Collect Relevant Information

- The decision maker should seek to gather as much information as possible about which rights are being forsaken and to what degree.

- A consequential focus would prompt the decision maker to attempt to measure the type, degree, and amount of harm being inflicted or that will be inflicted on others.

3. Evaluate the Information

- Once the information has been collected, the decision maker must apply some type of standard or assessment criterion to evaluate the situation.
- The decision maker might use one of the predominant ethics theories - utilitarianism, rights, or justice.

4. Consider Alternatives

The decision maker needs to generate a set of possible action alternatives, such as :

- confronting another person's actions
- seeking a higher authority, or
- stepping in and changing the direction of what is happening.

5. Make a Decision

- The decision maker should seek the action alternative that is supported by the evaluation criteria used in step 3.
- A decision maker selects a course of action that is supported by all the ethics theories or other evaluation criteria used in the decision - making process.

6. Act or Implement

- The decision maker, if truly seeking to resolve the problem being considered, must take action.
- Once the action alternatives have been identified in Step 4 and the optimal response is selected in Step 5, the action is taken in step 6.

7. Review the Action

- Once the action, has been taken and the results are known, the decision maker should review the consequences of the action.

- If the optimal resolution to the problem is not achieved, the decision maker may need to modify the actions being taken or return to the beginning of the decision-making process.

5.2.3 Personal and Professional Moral Codes of Conduct

Q15. Define the following terms :

- (i) **Personal moral code of conduct**
- (ii) **Professional moral code of conduct**

Ans :

(i) Personal Moral Code of Conduct

Personal moral code of conduct or ethics are the ethical principles, morals or code of conduct of a person which he follows in his personal and daily life. These ethics are learned by a person from his childhood through parents, friends and relatives. These ethics plays very important role in the life of every person. Honestly, openness, loyalty, transparency, care, respect, sense of responsibility etc, are few examples of personal ethics. Addition to this, personal ethics can be originated form the religion, secular philosophies or rules of society. The knowledge of these ethics enable the person to decide what is right and what is wrong.

(ii) Professional Moral Code of Conduct

Professional moral code of conduct or ethics are the values, rules and principles of an organization which are imposed on its employees. These rules are compulsory and mandatory for every individual working for such organization. These ethics are related with the commitment of individuals to professionally designed objectives and principles of organization. However, every profession will have its own code of conduct or ethics. For example, doctors are always bound to follow certain code of ethics which they have learned while becoming a doctor. They need to maintain a sense of trust with their patients, and should not break the trust of patients by getting involve in any harmful activity.

5.2.4 Creating a Harmonious Life

Q16. Define harmonious life. How an individual can create a harmonious life.

Ans :

(Imp.)

Harmonious life refers to the ability to handle different life situations calmly and be content in every situation. Some life situations are happy and joyful (such as birth, marriage etc) whereas other life situations can be testing and challenging (such as job loss, rejections, death of a loved one, corona virus etc). A harmonious person is the one who would act and react to all type of life situations in a meaningful and mature manner.

Any individual person can create harmonious life by the use of the following tips,

1. Show Gratitude

In order to lead a happy and harmonious life, one should show gratitude for everything that God has provided us. One should be grateful for being bom and for all the different types of relationships that he maintains.

2. Celebrate Life

In order to be harmonious, an individual person should celebrate life and all the various life events with passion. For example, we can lead harmonious life by getting up early in the morning and take a deep breath and say.

"I am thankful to the almighty for keeping me alive. It is a great day ahead".

3. Effectively Communicate

In order to lead a harmonious life, an individual should be able to communicate effectively and openly with everyone he or she interacts with. Having good, frank and open communication with everyone would help us to lead a happy and harmonious life.

4. Be Compassionate

In order to lead a harmonious life, one should be compassionate towards oneself and others. For example, if your friend is in pain, you should speak to him with compassion and help to reduce his pain. Further, for us to be compassionate we need to be non-judgemental while dealing with others.

Rahul Publications

Short Question and Answers

1. What do you mean by Learning through Biographies?

Ans :

A biography, or simply bio, is a detailed description of a person's life. It involves more than just the basic facts like education, work, relationships, and death; it portrays a person's experience of these life events. Unlike a profile or curriculum vitae (resume), a biography presents a subject's life story, highlighting various aspects of their life, including intimate details of experience, and may include an analysis of the subject's personality.

Biographical works are usually nonfiction, but fiction can also be used to portray a person's life. One in-depth form of biographical coverage is called legacy writing. Works in diverse media, from literature to film, form the genre known as biography.

2. Define holistic leadership.

Ans :

The definitions of holistic leadership are as follows,

- i) **According to Orlov**, holistic leadership is a methodology focusing on systematic development that impact "on self as leader, other as followers, and the environment" all resulting in "a journey that leads towards transformation at the individual, team, and organizational/community levels".
- ii) **According to Taggart**, holistic leadership is defined as an "integrated approach to leadership". It includes components like organizational teaching, personal mastery, reflection, enquiry, visionary thought leadership, results orientation, collaboration and nurturing.
- iii) **According to Tice**, "holistic leadership is a people-centered approach that is both process and outcome oriented".

Holistic leaders know how to integrate their character and values into their leadership, and they understand that they bring their whole selves to their leadership role – body, mind and spirit. In observing these leaders.

3. Define insights of leadership.

Ans :

Leadership insights helps the leader to understand and create emotional awareness in relation to his leadership identity. Thus, leadership insights refers to the process designed to measure and identify the patterns, principles and behaviour of any leader. It would help a leader to self evaluate himself for future development.

4. Define the term ethics. Explain the characteristics of ethics.

Ans :

The word "ethics" is extracted from the Greek word "ethos", which refers to the nature, guiding values, principles or ideals that are spread through a group, community or people. Each and every individual is responsible to his community for his behaviour. The community can exist in various forms such as neighbourhood, profession, city, state, etc.

Definition

According to Webster, "Ethics is the discipline dealing with that which is good and bad and with moral duty and obligations".

Ethics is a set of standards, or a code, or value system, worked out from human reason and experience, by which free human actions are determined as ultimately right or wrong, good or evil. Ethics may be defined as the science of the Highest Good. It is the science of the supreme ideal of human life. It is the science of the highest end or purpose of human life.

5. Characteristics of ethics*Ans :*

- i) The concept of ethics is applicable only for the human beings because they have freedom to choose and means of free will. They can decide how they wish to pursue their goals and the means to achieve the ends.
- ii) There was a debate regarding the fact whether ethics is a science or an art. But the experts viewed ethics more as a science than an art. The reason behind this was that ethics is a systematic knowledge of moral activities and behaviour of human beings.
- iii) Ethics is concerned with voluntary human behaviour which is not forced by situations or by other human beings. It can be concluded, that at the basic level, ethics involves moral judgement about fixed human behaviour.
- iv) Ethics is considered as a normative science. It seeks perfect and absolute test of right behaviour. Normative science involves deciding of moral standards that govern the conduct of good and evil.

6. Applied Ethics*Ans :*

Applied Ethics, as the name suggests, is application of various ethical theories and precepts to day-to-day situations. It draws heavily from discipline of sociology, philosophy, law, anthropology, history, etc., and seeks to provide solutions to real-life problems and dilemmas. It is often used by law makers to determine public policy. It finds wide usage in professions like medicine, law, business, environmental conservation and protection, etc. It also sometimes assumes the nature of social reform, e.g., the movement against sex determination tests.

Thus, applied ethics is a practicable branch of ethics, as distinct from normative ethics which focuses on what is right and wrong, and meta-ethics which confines itself to the intrinsic nature of morality. As an emerging field, it typically works on the following six areas to improve social and professional life:

- i) **Decision-Making** : Decision ethics works on the ethics involved in decision-making processes.
- ii) **Professional Life** : Professional ethics seeks to enhance the quality of professional life, by making it more fair, equitable and transparent.
- iii) **Health Care** : Clinical or medical ethics seeks to improve the delivery and coverage of health care to all.
- iv) **Business Culture** : Business ethics seeks to enhance the competitive space amongst organizations. It focuses on how businesses should deal with each other in a competitive environment.
- v) **Organizational Culture** : Organizational ethics seeks to improve the internal cultures or environment within organizations.

7. Analytic Ethics*Ans :*

Analytic or Meta-ethics investigates and explores the status, foundations, and scope of moral values, properties, and words. It is essentially non-normative, and rather focuses on analyzing and understanding various facets of human acts, attitudes, prejudices, biases, judgements, etc. It does not focus to assess particular choices like worse, better, bad or good instead it enquires into the nature of morality and related issues and concepts. It seeks to answer the following questions:

- i) Is morality absolute or objective?
- ii) What is the relevance and importance of morality?
- iii) The religion-morality mystery.
- iv) The foundations and rationale of moral issues.

8. Descriptive Ethics*Ans :*

Descriptive ethics, as the name suggests, observes and records in great detail the ethical behaviours in various cultures and societies, often over a period of time. The basic purpose of descriptive or comparative ethics is to enquire, observe and record. The focus of its study are beliefs,

practices, social and cultural institutions, value systems, aberrations, deviations, etc., and how they have evolved over a period of time and/or how are they different from those of other societies or cultures. It has a close cross-functional relationship with the disciplines of History, Sociology, Psychology and Anthropology, with whose help it seeks to conduct its enquiry. It also seeks to answer the following questions:

- i) What are the ethical norms or morals or values of different cultures and societies?
- ii) Why do people accept and validate these?
- iii) How they have evolved over time?
- iv) Why do people follow or abide by them?
- v) How do people resolve ethical dilemmas?

9. Define business ethics.

Ans :

- i) **According to Robert Kreitner**, "Business ethics is the study of complex business practices and behaviours that "gives rise to ethical issues in organizations".
- ii) **According to Raymond C. Baumhart**, "The ethics of business is the ethics of responsibility. The businessman must promise that he will not harm knowingly".
- iii) **According to Andrew Crane**, "Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed".
- iv) **According to Manuel Velasquez**, "Business ethics is applied ethics. It is the application of our understanding of right and good to institutions, transactions, activities, and pursuits called business".

10. Features of Business Ethics

Ans :

The characteristics or features of business ethics are :

i) Code of conduct

Business ethics is a code of conduct. It tells what to do and what not to do for the welfare of the society. All businessmen must follow this code of conduct.

ii) Based on moral and social values

Business ethics is based on moral and social values. It contains moral and social principles (rules) for doing business. This includes self-control, consumer protection and welfare, service to society, fair treatment to social groups, not to exploit others, etc.

iii) Gives protection to social groups

Business ethics give protection to different social groups such as consumers, employees, small businessmen, government, shareholders, creditors, etc.

iv) Provides basic framework

Business ethics provide a basic framework for doing business. It gives the social cultural, economic, legal and other limits of business. Business must be conducted within these limits.

v) Voluntary

Business ethics must be voluntary. The businessmen must accept business ethics on their own. Business ethics must be like self-discipline. It must not be enforced by law.

vi) Requires education and guidance

Businessmen must be given proper education and guidance before introducing business ethics. The businessmen must be motivated to use business ethics. They must be informed about the advantages of using business ethics. Trade Associations and Chambers of Commerce must also play an active role in this matter.

11. Personal Moral Code of Conduct

Ans :

Personal moral code of conduct or ethics are the ethical principles, morals or code of conduct of a person which he follows in his personal and daily life. These ethics are learned by a person from his childhood through parents, friends and relatives. These ethics plays very important role in the life of

every person. Honestly, openness, loyalty, transparency, care, respect, sense of responsibility etc, are few examples of personal ethics. Addition to this, personal ethics can be originated from the religion, secular philosophies or rules of society. The knowledge of these ethics enable the person to decide what is right and what is wrong.

12. Professional Moral Code of Conduct

Ans :

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13. Define harmonious life. How an individual can create a harmonious life.

Ans :

Harmonious life refers to the ability to handle different life situations calmly and be content in every situation. Some life situations are happy and joyful (such as birth, marriage etc) whereas other life situations can be testing and challenging (such as job loss, rejections, death of a loved one, corona virus etc). A harmonious person is the one who would act and react to all type of life situations in a meaningful and mature manner.

Choose the Correct Answer

1. Some jobs cannot be done alone and some can be done much better and faster if you possess the quality of _____. [c]
(a) Responsibility (b) Respect
(c) Teamwork (d) Cooperation
2. Strong _____ means you have a high sense of moral and ethical behavior that earns respect of others. [d]
(a) Cooperation (b) Confidence
(c) Attitude (d) Character
3. _____ is essential at work because you must be able to work with others, especially if you don't always agree with them. [b]
(a) Communication (b) Cooperation
(c) Honesty (d) Integrity
4. _____ skills such as writing, speaking and body language are important work ethics so that you can be clear in your messages to others. [a]
(a) Communication (b) Cooperation
(c) Honesty (d) Integrity
5. It is always important to _____ yourself, others and the place where you work. [d]
(a) Appearance (b) Cooperate
(c) Communicate (d) Respect
6. _____ work ethic is important because when you are at work, you are expected to perform your duties without wasting time or getting paid for doing very little. [c]
(a) Loyalty (b) Organizational Skills
(c) Productivity (d) Respect
7. Having _____ means you can be trusted to do what you are expected to do at work [a]
(a) Responsibility (b) Respect
(c) Teamwork (d) Cooperation
8. It is important to dress appropriately for work and have good personal hygiene including brushing teeth, wearing deodorant (but not strong perfume or cologne) and having neat hair. [a]
(a) Appearance (b) Attendance
(c) Attitude (d) Respect
9. What is business ethics? [a]
(a) The study of business situations, activities, and decisions where issues of right and wrong are addressed
(b) Defined as decisions organisations make on issues that could be considered right or wrong
(c) Ethics that can be applied to an organisation's practises
(d) Ethical processes businesses use in order to achieve a good ethical standard
10. Ethics & Law overlap. This is called... [d]
(a) Yellow area (b) White area
(c) Black area (d) Grey area

Fill in the blanks

1. _____ enable leaders to extract different ideas and perspective.
2. _____ can learn the historical figures and cases through biographies.
3. An _____ would become great if he is able to maintain honesty in every kind of relationship.
4. _____ Leadership is a people centered approach that is both process and outcome oriented.
5. _____ is the discipline dealing with that which is good and bad and with moral duty and obligations.
6. _____ ethics, as the name suggests, observes and records in great detail the ethical behaviours in various cultures and societies, often over a period of time.
7. _____ ethics focuses on norms or morals or accepted legitimized practices, as against behaviour.
8. _____ ethics seeks to enhance the competitive space amongst organizations.
9. _____ is a conception of right and wrong behaviour, defining for us when our actions are moral and when they are immoral.
10. _____ life refers to the ability to handle different life situations calmly and be content in every situations.

ANSWERS

1. Biographies
2. Leaders
3. Individual
4. Holistic
5. Ethics
6. Descriptive
7. Normative
8. Business
9. Ethics
10. Harmonious