

Internal Assessment Test 1 – September 2018

Sub:	Management & Entrepreneurship for IT Industry	Sub Code:	15CS51	Branch:	CSE
Date:	07-09-2018	Duration:	90 min's	Max Marks:	50
			Sem/Sec:	5 th /A,B, and C	

Answer any FIVE FULL Questions

						MARKS	
						CO	RBT
1	Define management and list its characteristics.						
(a)						[05]	
	Answer:						
	Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals and can co-operate towards attainment of group goals.						
	By <i>Harold Koontz</i> ,						
	<u>Characteristics of management:</u>						
	1. Management as a continuous process: Management can be considered as a process because it consists of planning, organizing, activating and controlling the resources (personnel and capital) of an organization..						
	2. Management as a discipline: Since the boundaries of management are not exact as that of any other physical sciences, it may not fit in very well for being addressed as discipline. However its status as a discipline increases because it continuously discovers many aspects of business enterprises and also passes on the verified knowledge to the practitioners of the managerial process.						
	3. Management as a career: As a career or occupation, management is a broad concept- Management itself can be regarded as a career, but it also presents a variety of interesting and challenging careers focused on specialized occupations in the fields such as marketing, finance and personnel.						
	4. Management as an Applied Science: Even though management is a science so far as it possesses a systematized body of knowledge and uses scientific methods of research, it is not an exact science, like natural sciences which deal with living phenomena such as botany and medicine.						
	5. Universal Application: Management is a universal activity, applied to any form of activity, economic or otherwise.						
	6. Goal Oriented: Management has the task of attaining certain objectives. The success or failure of the management depends on how far it is able to attain the desired goals. It is judged by the extent to which it achieves its targets.						
	7. Guidance: The main task of the management is guidance in the utilization of material and human resources in the best possible way. Through optimum utilization of resources it has to ensure that the objectives are attained.						
	8. An activating factor: Management is the factor which activates other factors of production. A manager's skill lies in motivating his workers through guidance, training, incentives, rewards, status, security, control, etc. So a managers' ability lies in the fact that he is able to motivate others to apply their skill to the best advantage of the enterprise in the accomplishment of its objectives.						
	9. Management is a human activity: Management functions are discharged only by individuals. No corporate body or an artificial being can perform the work of a management. Although it is an activity which may be performed by an individual it cannot be seen. It can only be felt.						
	10. Management signifies authority: Since the essence of management is to direct, guide and control, it has to have authority. Authority is the power to compel others to work and behave in a particular manner. Management cannot discharge its function without authority. It is the foundation of management. Since management has authority it stands						

at a higher pedestal.

11. **Leadership:** The management has to lead a team of workers. It must be capable of inspiring, motivating and winning their confidence.

Differentiate between Administration and Management.

[05]

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(b)

Answer:

Management and Administration

According to *Theo Haimann*, “Administration means overall determination of policies, setting of major objectives, the identification of general purposes and laying down of broad programmes and projects”.

The difference between Management and Administration can be summarized under 2 categories: -

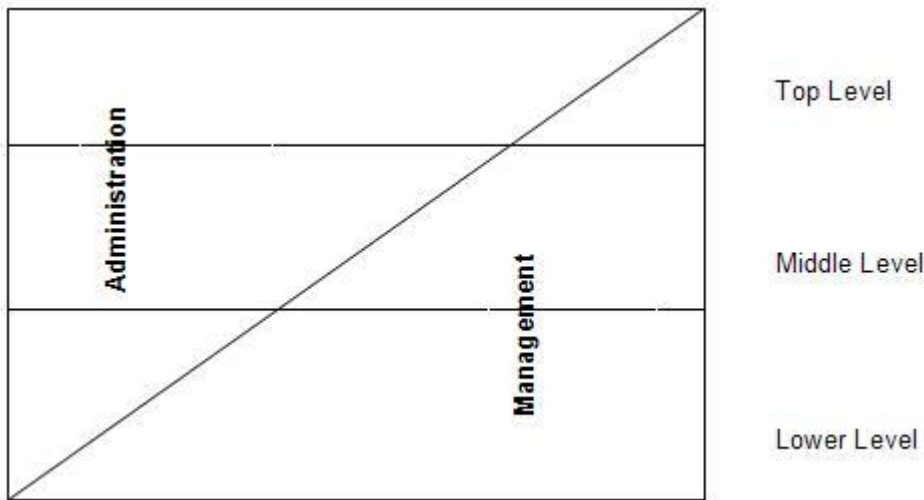
1. **Functions**
2. **Usage / Applicability**

On the Basis of Functions: -

Basis	Management	Administration
Meaning	Management is an art of getting things done through others by directing their efforts towards achievement of pre-determined goals.	It is concerned with formulation of broad objectives, plans & policies.
Nature	Management is an executing function.	Administration is a decision-making function.
Process	Management decides who should do it & how should he do it.	Administration decides what is to be done & when it is to be done.
Function	Management is a doing function because managers get work done under their supervision.	Administration is a thinking function because plans & policies are determined under it.
Skills	Technical and Human skills	Conceptual and Human skills
Level	Middle & lower level function	Top level function

On the Basis of Usage: -

Basis	Management	Administration
Applicability	It is applicable to business concerns i.e. profit-making organization.	It is applicable to non-business concerns i.e. clubs, schools, hospitals etc.
Influence	The management decisions are influenced by the values, opinions, beliefs & decisions of the managers.	The administration is influenced by public opinion, govt. policies, religious organizations, customs etc.
Status	Management constitutes the employees of the organization who are paid remuneration (in the form of salaries & wages).	Administration represents owners of the enterprise who earn return on their capital invested & profits in the form of dividend.



2 Briefly Discuss the Roles & Goals of Management.

[05]

(a)

Answer:

Roles of Manager:

A manager's role is very crucial in an organization. The success of organization depends upon manager's ability in utilizing the resources for achieving the pre

CO1 L2

determined goals. Henry Mintzberg suggested three areas where a manager has to work.

- Interpersonal Role
- Informational Role
- Decisional Role

Interpersonal Role:

Interpersonal roles of a manager are concerned with his interacting with people both inside the organization and outsiders. There are three types of interpersonal roles.

1. **Figure Head:** In figure head role manager performs activities which are ceremonial and symbolic nature. These include greeting the visitors attending the social functions involving employees, handing out merit certificates and other awards to outstanding employees.
2. **Leader:** Manager's leader role involves leading his subordinates and motivating them for willing contributions. Manager is responsible for activities of his subordinates. He has to set example of hard work and dedication so that subordinate follow his directions with respect.
3. **Liaison Role:** In liaison role manager serves as a connecting link between his and outsiders or between his unit and other organizational units.

Informational Role: Informational role involves receiving collecting of information and distributing them as required. It is of three types

1. **Monitor:** In monitoring role manager collects the information which can affect the organizational activities by reading magazines and periodicals, reports from the departments, talking with others to learn changes in the public's taste.
2. **Disseminator:** In disseminator role manager distribute the information to his subordinates and superiors by sending circulars, holding meetings and making phone calls.
3. **Spokesperson:** In spokesperson role the manager represents his organization or unit with interacting with outsiders. These may customer, financier, govt. suppliers or other agencies in society. It can be done by attending press conferences, meetings and by issuing notices.

Decisional Role: It is very important role. Manager has to take decisions daily. In decisional role he performs four roles.

1. **Entrepreneur:** As an entrepreneur the manager assumes certain risks which can affect the organization. He has to take decisions like expansion or diversification, initiation of new projects, development of older procedures etc.
2. **As a Conflict Handler:** As a conflict handler he has to take care of certain disturbance in organization such as resolving employee disputes and strikes etc.
3. **Resource Allocator:** As a resource allocator managers fulfill the demand of various units in terms of human physical and financial. He tries to utilize these resources in such way that no department suffers for their inadequacy.
4. **Negotiator:** As negotiator manager has to take decisions regarding prices

with suppliers and customers. He also deals with trade unions and negotiates with them regarding working conditions and wage fixation.

Goals of Management

1. Enhance Communication: Achieving communication goals doesn't just benefit your managers; it helps their entire team. Invest in a management training program that focuses on communication and that teaches your managers how to be clear and concise with their verbal and nonverbal interactions.

2. Hone Coaching Skills: Coaching employees comes easily to some managers, but it's a learned skill for others. You want your employees to succeed and eventually move up through the company. As managers learn to coach employees through their challenges and identify their strengths, this builds an environment that's conducive to growth. Set goals to hone this management skill with measurable results, like improved employee performance and profitability.

3. Become A Better Motivator: If you want your team to run like a well-oiled machine, motivating team members is a key management skill for leaders to master. Identify opportunities for your leaders to engage in management training that addresses motivation, and when they do, look for results. If you enhance motivation skills, you improve your employees' work ethic and maximize their effectiveness.

4. Increase Productivity: Among the many professional development goals, few are more important to highlight than productivity. When your managers' individual job productivity improves, it's beneficial to your entire company. Set productivity goals like finishing projects before due dates or outputting more product than the previous month.

5. Support And Manage Change: Change management is a hot topic. Setting change management goals is a fundamental way to get your managers on board with any transition, as well as motivated to see it through to implementation. Incorporating change management training into your professional development program prepares your leaders for future change. With the right approach, you're going to see increased employee retention, productivity, loyalty and acceptance of change.

6. Improve Retention Rates: Retaining winning talent is a critical professional development goal to set for your managers. Lowering the number of employees that leave your company helps maintain processes and mitigate upheaval. Provide management training to help your leaders create supportive work environments and trajectories for growth that encourage employees to stay with the company.

Explain various functions of management.

[05]

(b)

Answer:

Functions of Management

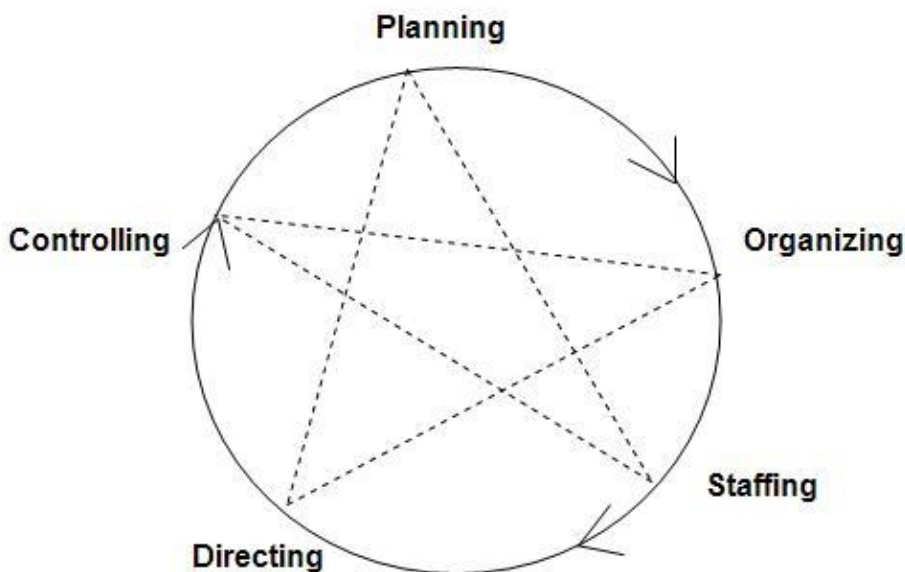
Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfillment of given purposes. It is a dynamic process consisting of various elements

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and activities. These activities are different from operative functions like marketing, finance, purchase etc. Rather these activities are common to each and every manager irrespective of his level or status.

Different experts have classified functions of management. According to *George & Jerry*, “There are four fundamental functions of management i.e. planning, organizing, actuating and controlling”.

According to Henry Fayol, “To manage is to forecast and plan, to organize, to command, & to control”. Whereas Luther Gullick has given a keyword ‘**POSDCORB**’ where P stands for Planning, O for Organizing, S for Staffing, D for Directing, Co for Co-ordination, R for reporting & B for Budgeting. But the most widely accepted are functions of management given by KOONTZ and O’DONNELL i.e. **Planning, Organizing, Staffing, Directing and Controlling**.



1. **Planning:** It is the basic function of management. It deals with chalking out a future course of action & deciding in advance the most appropriate course of actions for achievement of pre-determined goals. According to KOONTZ, “Planning is deciding in advance - what to do, when to do & how to do. It bridges the gap from where we are & where we want to be”. A plan is a future course of actions. It is an exercise in problem solving & decision making. Planning is determination of courses of action to achieve desired goals.
2. **Organizing:** It is the process of bringing together physical, financial and human resources and developing productive relationship amongst them for achievement of organizational goals. According to Henry Fayol, “To organize a business is to provide it with everything useful or its functioning i.e. raw material, tools, capital and personnel’s”. To organize a business involves determining & providing human and non-human resources to the organizational structure. Organizing as a process involves:
 - Identification of activities.
 - Classification of grouping of activities.
 - Assignment of duties.
 - Delegation of authority and creation of responsibility.

- Coordinating authority and responsibility relationships.
3. **Staffing:** It is the function of manning the organization structure and keeping it manned. Staffing has assumed greater importance in the recent years due to advancement of technology, increase in size of business, complexity of human behavior etc. The main purpose of staffing is to put right man on right job
- Manpower Planning (estimating man power in terms of searching, choose the person and giving the right place).
 - Recruitment, Selection & Placement.
 - Training & Development.
 - Remuneration.
 - Performance Appraisal.
 - Promotions & Transfer.
4. **Directing:** It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals. Direction has following elements:
- Supervision
 - Motivation
 - Leadership
 - Communication
- 5 **Controlling:** It implies measurement of accomplishment against the standards and correction of deviation if any to ensure achievement of organizational goals. The purpose of controlling is to ensure that everything occurs in conformities with the standards. According to Koontz & O'Donell "Controlling is the measurement & correction of performance activities of subordinates in order to make sure that the enterprise objectives and plans desired to obtain them as being accomplished". Therefore controlling has following steps:
- a) Establishment of standard performance.
 - b) Measurement of actual performance.
 - c) Comparison of actual performance with the standards and finding out deviation if any.
 - d) Corrective action.

3 Briefly Discuss the nature & importance of Planning.

[05]

(a)

Answer:

Planning can be defined as "thinking in advance what is to be done, when it is to be done, how it is to be done and by whom it should be done". In simple words we can say, planning bridges the gap between where we are standing today and where we

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want to reach.

Nature of Planning:

1. Planning contributes to Objectives
2. Planning is Primary function of management
3. Pervasive
4. Planning is futuristic/Forward looking
5. Planning is continuous
6. Planning involves decision making
7. Planning is a mental exercise

Importance of Planning

1. Planning provides Direction
2. Planning Reduces the risk of uncertainties
3. Planning reduces over lapping and wasteful activities
4. Planning Promotes innovative ideas
5. Planning Facilitates Decision Making
6. Planning establishes standard for controlling
7. Focuses attention on objectives of the company

(b) Summarize the various steps of Planning.

[05]

CO1 L2

Answer:

Steps Involved in Planning Process



FIGURE 3.1 PLANNING PROCESS

Step 1. Perception of Opportunities: Perception of opportunities is not strictly a part of the planning process. But this awareness of opportunities in the external environment as well as within the organization is the real starting point for planning. It is important to take a preliminary look at possible future opportunities and see them clearly and completely.

All managers should know where they stand in the light of their strengths and

weaknesses, understand the problems they wish to solve and know what they gain. Setting objectives depends on the awareness. Planning requires realistic diagnosis of the opportunity situation.

Step 2. Establishing Objectives: This is the second step in the planning process. The major organizational and unit objectives are set in this stage. This is to be done for the long term as well as for the short range. Objectives specify the expected results and indicate the end points of what is to be done, where the primary emphasis is to be placed and what is to be accomplished by the various types of plans.

Organizational objectives give direction to the major plans, which by reflecting these objectives define the objective of every major department. Major objectives, in turn, control the objectives of subordinate departments and so on down the line. In other words, objectives form a hierarchy.

Step 3. Planning Premises: After determination of organizational objectives, the next step is establishing planning premises that is the conditions under which planning activities will be undertaken. Planning premises are planning assumptions the expected environmental and internal conditions.

Thus planning premises are external and internal. External premises include total factors in task environment like political, social, technological, competitors, plans and actions, government policies. Internal factors include organization's policies, resources of various types, and the ability of the organization to withstand the environmental pressure. The plans are formulated in the light of both external and internal factors.

Step 4. Identification of Alternatives: The fourth step in planning is to identify the alternatives. Various alternatives can be identified based on the organizational objectives and planning premises. The concept of various alternatives suggests that a particular objective can be achieved through various actions.

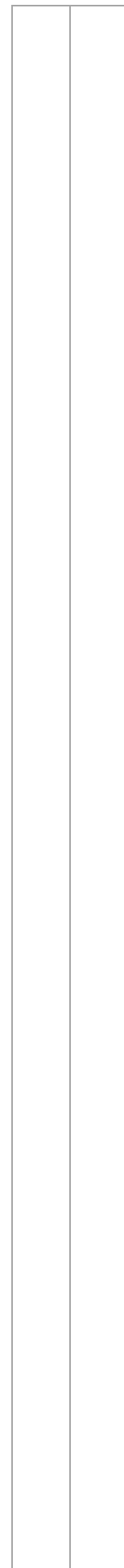
For example, if an organization has set its objectives to grow further, it can be achieved in several ways like expanding in the same Field of business or product line diversifying in other areas, joining hands with other organizations, or taking over another organization and so on. Within each category, there may be several alternatives.

The most common problem is not finding alternatives but reducing the number of alternatives so that the most promising may be analyzed.

Step 5. Evaluation of Alternatives: The various alternative course of action should be analyzed in the light of premises and goals. There are various techniques available to evaluate alternatives. The evaluation is to be done in the light of various factors. Example, cash inflow and outflow, risks, limited resources, expected pay back etc., the alternatives should give us the best chance of meeting our goals at the lowest cost and highest profit.

Step 6. Choice of Alternative Plans: This is the real point of decision-making. An analysis and evaluation of alternative courses will disclose that two or more are advisable and beneficial. The fit one is selected.

Step 7. Formulation of Supporting Plan: After formulating the basic plan, various plan are derived so as to support the main plan. In an organization there can be



various derivative plans like planning for buying equipment, buying raw materials, recruiting and training personal, developing new product etc. These derivative plans are formulated out of the basic or main plan and almost invariably required to support the basic plan.

Step 8. Establishing Sequence of Activities: After formulating basic and derivative plans, the sequence of activities is determined so those plans are put into action. After decisions are made and plans are set, budgets for various periods and divisions can be prepared to give plans more concrete meaning for implementation.

- 4 Define Leadership and briefly discuss different types of Leadership Styles.
(a)

[05]

CO1 L2

Answer:

Leadership is defined as “a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more coherent and cohesive.” A good **leader** is one who is always three steps ahead of the others. He looks out for the people before himself.

Types of Leadership Styles:

• **Autocratic Leadership**

A more extreme version of transactional leadership, autocratic leaders have significant control over staff and rarely consider worker suggestions or share power.

Ruling with an iron fist is rarely appreciated by staff, which can lead to high turnover and absenteeism. There can also be a lack of creativity due to strategic direction coming from a single individual.

• **Participative Leadership:**

Participative leadership is a managerial style that invites input from employees on all company decisions. The staff is given pertinent information regarding company issues, and a majority vote determines the course of action the company will take. Participative leadership can sometimes be a slower form of decision-making, but it has several advantages that may make it the right managerial method for your business.

• **Supportive Leadership**

Supportive leadership is one of the leadership styles found in path-goal theory. A supportive leader attempts to reduce employee stress and frustration in the workplace. This method is effective when your work tasks are dangerous, tedious, and stressful but is not really effective if your work tasks are intrinsically motivating because you don't need to be motivated to do the work.

• **Laissez-Faire Leadership**

More commonly used to describe economic environments, laissez-faire literally means “let them do” in French. This is typically translated to “let it be”. As such, laissez-faire leaders are characterised by their hands-off approach, allowing employees to get on with tasks as they see fit.

This can be effective in creative jobs or workplaces where employees are very experienced. However, it is important that leaders monitor performance and effectively communicate expectations to prevent work standards slipping

• **Strategic Leadership**

Strategic leaders sit at the intersection between a company's main operations and its growth opportunities. He or she accepts the burden of executive interests while

ensuring that current working conditions remain stable for everyone else.

This is a desirable leadership style in many companies because strategic thinking supports multiple types of employees at once. However, leaders who operate this way can set a dangerous precedent with respect to how many people they can support at once, and what the best direction for the company really is if everyone is getting their way at all times.

- **Transformational Leadership**

Often considered among the most desirable employees, people who show transformational leadership typically inspire staff through effective communication and by creating an environment of intellectual stimulation.

However, these individuals are often blue-sky thinkers and may require more detail-oriented managers to successfully implement their strategic visions. For more information on transformational leadership traits, please click here.

- **Transactional Leadership**

Transactional leadership is focused on group organisation, establishing a clear chain of command and implementing a carrot-and-stick approach to management activities.

It is considered transactional because leaders offer an exchange; they reward good performances, while punishing bad practice. While this can be an effective way of completing short-term tasks, employees are unlikely to reach their full creative potential in such conditions.

- **Bureaucratic Leadership**

Bureaucratic leadership models are most often implemented in highly regulated or administrative environments, where adherence to the rules and a defined hierarchy are important.

These leaders ensure people follow the rules and carry out tasks by the book. Naturally, this works well in certain roles – such as health and safety – but can stifle innovation and creativity in more agile, fast-paced companies.

Define Controlling and discuss the essentials of a sound control system.

[05]

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(b)

Answer:

Control consists of verifying whether everything occurs in conformity with the plans adopted, the instructions issued and principles established. It has for its object to point out weaknesses and errors in order to rectify them and prevent recurrences”-Henri Fayol.

“Controlling is determining what is being accomplished, that is, evaluating the performance and if necessary, applying corrective measures so that the performance takes place according to the plans”-George R. Terry.

Essentials of A Sound Control System

The essentials of a sound control

system are as follows:

- (i) **Feedback:** Feedback is the process of adjusting future actions based upon the information regarding past performance. Feedback makes the control system very effective.
- (ii) **Objective:** Control system should be objective and understandable. Objective controls specify the expected results in clear and definite terms and leave little scope for argument by the employees. They avoid aristocracy.
- (iii) **Suitability:** The control system should be appropriate to the nature and needs of the activity. The controls used in production are different than the one used in finance and personnel. Hence every organization should evolve suitable control system that serves specific needs.
- (iv) **Prompt reporting:** the control system should provide for prompt and timely reporting without any delay. Delayed reporting may lead to ineffective control actions. Prompt reporting will help the managers to take immediate corrective action before the problem occurs.
- (v) **Forward looking:** Effective control system must focus on how the future actions will conform to plans.
- (vi) **Flexible:** The standards will be altered from time to time. Hence the control system should be flexible in accordance with the modified standards.
- (vii) **Economical:** The benefits derived from the control system should be more than the cost involved in implementing it.
- (viii) **Simple:** the control system should be simple to understand and implement.
- (ix) **Effective and operational:** A control system should not only detect deviations but should also provide solutions to the problems that cause deviations. It must disclose where and how the failures are occurring, who is causing them and how they should be dealt with
- (x) **Motivation:** A good control system should motivate people to achieve higher performance. The control is to be so designed that it induces positive reactions from employees. The purpose of control is to prevent and not to punish.

5 Define communication and discuss the barriers to successful communication.
(a)

[05]

Answer :

Communication is the process of transmitting ideas or thoughts from one person to

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another, for the purpose of creating understanding in the thinking of the person receiving the ideas or information. It can also be said that communication is an exchange of facts, ideas, opinions or emotions by two or more persons. The effectiveness of communication largely depends upon the proper understanding of what is being communicated and what is being received at the other end. The correct interpretation and understanding of the messages is important from the point of view of organizational efficiency.

Barriers to successful communication

1. More levels in organization structure through which an information has to pass.
2. Long and unstructured channels of communication.
3. Heavy workloads at certain level of organization.
4. Prestige and superiority complex.
5. Sender unable to symbolize the information correctly.
6. Prejudicial and biased attitude of the receiver.
7. Receiver ignoring conflicting information
8. Receiver tending to evaluate information from his own angle.

Summarize the various steps of Selection process.

[05]

CO1 L2

(b) **Answer**

Steps Involved in Selection Procedure:

A scientific and logical selection procedure leads to scientific selection of candidates. The criterion finalized for selecting a candidate for a particular job varies from company to company.

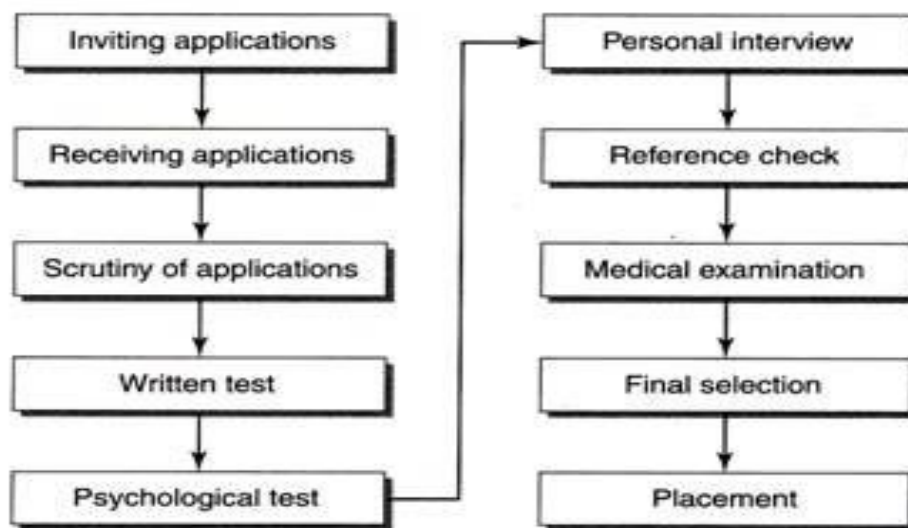


Fig. 5.6 Steps Involved in Selection Procedure

Brief details of the various steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are

provided in the advertisement for the job. It attracts a large number of candidates from various areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, attitude and interest of the candidates. This process is useful when the number of applicants is large.

5. Psychological tests:

These tests are conducted individually and they help for finding out the individual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test

6. Personal interview:

Candidates proving themselves successful through tests are interviewed personally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the candidate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:



This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

6(a) Differentiate between Leader & Manager

[05]

CO1 L2

Answer:

Leader and manager have a great role to play in any organization, in the sense that a leader is the one who inspires, encourages and influence his men, to work willingly, in the attainment of the organization's objectives. On the other hand, a manager is an important link between the firm and its stakeholders, i.e. employees, customers, suppliers, shareholders, government, society, and so forth. He is the one who performs basic managerial functions.

Basis For Comparison	Leader	Manager
Meaning	A leader is a person who influences his subordinates to achieve a specified goal.	A manager is a person manages the organisat responsible for planni direction, coordinati control
Approach	Sets Direction	Plans details
Attribute	Foresightedness	Mind
Subordinate	Followers	Employees
Style	Transformational	Transactional
Decision	Facilitates decision	Makes decision
Aim	Growth and development.	Attainment of the requ result.
Focus	People	Process and Procedure
Risk	Leader minimizes risks.	Manager takes risks.

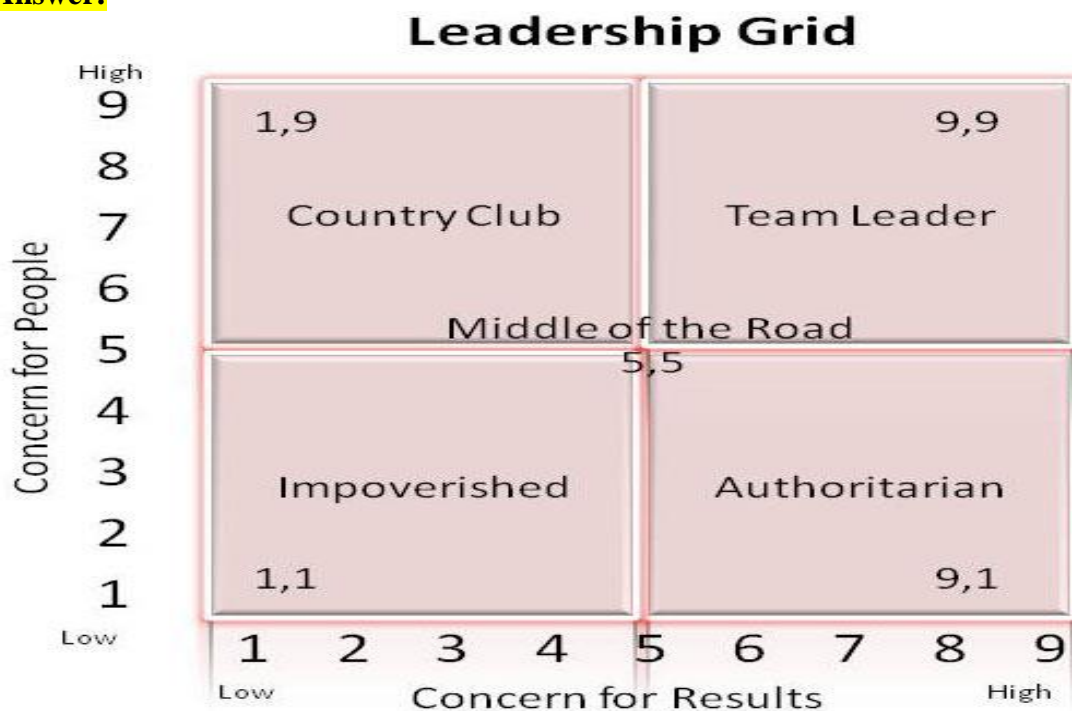
Change	Leaders promotes change.	Mangers react to change
Conflict	Uses conflict as an asset	Avoid conflict
People	Aligns people	Organizes people
Strives	For effectiveness	For efficiency

(b) Briefly Discuss the Blake Mouton Managerial Grid

[05]

CO1 L2

Answer:



The five resulting leadership styles are as follows:

1. **Impoverished Management (1, 1):** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.
2. **Task management (9, 1):** Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run but due to the strict policies

and procedures, high labour turnover is inevitable.

3. **Middle-of-the-Road (5, 5):** This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.
4. **Country Club (1, 9):** This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.
5. **Team Management (9, 9):** Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

Advantages of Blake and Mouton's Managerial Grid

The Managerial or Leadership Grid is used to help managers analyze their own leadership styles through a technique known as grid training. This is done by administering a questionnaire that helps managers identify how they stand with respect to their concern for production and people. The training is aimed at basically helping leaders reach to the ideal state of 9, 9.

7(a) Define Organizing and discuss the importance of Organizing

[05]

CO1 L1

Answer:

The organizing process, thus, establishes working relationship among employees by assigning those tasks and giving them enough rights (i.e. authority) to perform those tasks.

It is because when employees accept assigned work, they become responsible for performing it, and for discharging responsibility they are given requisite authority. The person who gives authority is called 'superior' and the person to whom authority is given are known as 'subordinate'.

Thus, the process of organizing gives rise to a network of authority-responsibility relationships among members of the organization. This network of authority-responsibility relationships is called 'organization structure'. These various aspects of the organizing function of management are discussed here under the following two broad heads:

I. Organizing as a process; and

II. Organizing as a structure.

Importance of Organising:

1. Provides framework to perform management functions:

Organisational structure provides a framework within which various management functions can be performed by the managers more efficiently. It is only through relationship of superior and subordinate, which is created by organising process that the manager plans, directs and controls activities of his subordinates.

2. Facilitates coordination:

Organising process may also be used as a device of maintaining and achieving coordination. In organising, the activities performed by an individual employee are related to the functioning of his department, and then functioning of various departments is harmonised for seeking common goals.

3. Leads to specialization:

Organising is based on the concept of division of work that ultimately leads to specialization. Through it, activities are divided, grouped-up and assigned to the concerned department having requisite competence, and resources, and the department develops as a specialised centre for those activities.

4. Helps in achieving efficiency:

Organising process aims at achieving higher efficiency because it helps in making efficient utilization of both human as well as physical resources.

5. Promotes Employee development:

In a highly decentralized organizational structure, each position is strengthened by delegating required authority. As a result of it, each manager makes decisions, solves problems and tackles the situation that ultimately leads to overall development in his personality.

6. Increases clarity of authority and responsibility:

Division of work and delegation of authority among employees, through the process of organising, gives them a precise idea of what they are expected to perform and within what limits of authority they have to perform. It helps in boosting an employee's morale and he feels comfortable in the work- setting.

7. Facilitates adaptation:

Organisational structure also provides a useful means to cope with changing environment. In the event of change, necessary modification may be made in the organising process, organisational structure and organizational goals, so as to bring them in conformity with the change. It may be done by maintaining flexibility in the

structure and making it adaptive to changes.

(b) Summarize the various types of organization.

Answer

Types of Organizational Structures

[05]

CO1

L1

An organizational structure defines how jobs and tasks are formally divided, grouped and coordinated. The type of organizational structure would depend upon the type of organization itself and its philosophy of operations. Basically the structure can be mechanistic or organic in nature or a combination of thereof. However, most organizational structures are still designed along mechanistic or classical lines.

Some of the most common organization structures are:

1. Line Organization

Line organization is the simplest form of organization and is most common among small companies. The authority is embedded in the hierarchical structure and it flows in a direct line from the top of the managerial hierarchy down to different levels of managers and subordinates and further down to the operative levels of workers. It clearly identifies authority, responsibility and accountability at each level

2. Line and Staff Organization

In this type of organization, the functional specialists are added to the line, thus giving the line the advantages of specialists. This type of organization is most common in our business economy and especially among large enterprises. Staff is basically advisory in nature and usually does not possess and command authority over line managers. The staff consists of two types:

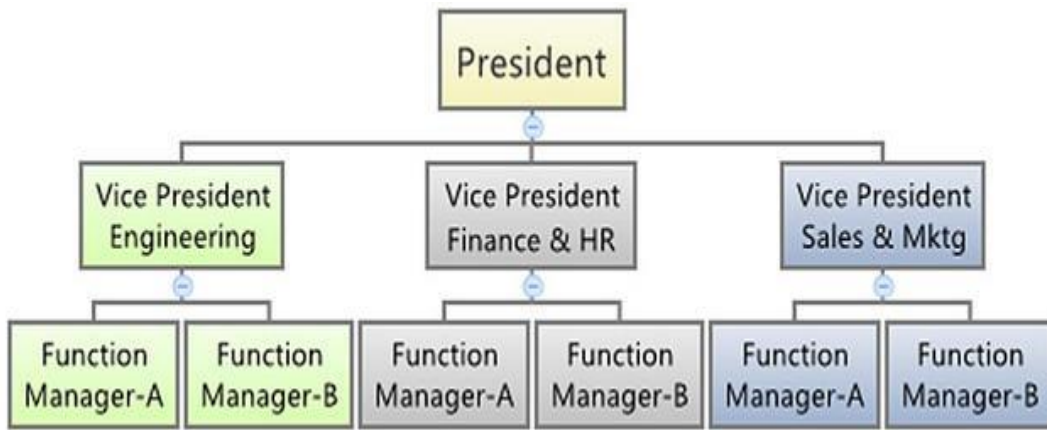
General Staff: This group has a general background that is usually similar to executives and serves as assistants to top management. They are not specialists and generally have no authority or responsibility of their own. They may be known as special assistants, assistant managers or in a college setting as deputy chairpersons.

Specialized Staff: Unlike the general staff who generally assist only one line executive, the specialized staff provides expert staff advice and service to all employees on a company wide basis. This group has a specialized background in some functional area and it could serve in any of the following capacities:

Functional Organization

One of the disadvantages of the line organization is that the line executives lack specialization. Additionally, a line manager cannot be a specialist in all areas. In the line and staff type of organization, the staff specialist does not have the authority to enforce his recommendations. The functional organizational concept, originated with Fredrick W. Taylor and it permits a specialist in a given area to enforce his

directive within the clearly defined scope of his authority.



3. Divisional Organization

The divisional or departmental organization involves grouping of people or activities with similar characteristics into a single department or unit. Also known as self-contained structures, these departments operate as if these were small organizations under a large organizational umbrella, meeting divisional goals as prescribed by organizational policies and plans.

- Departmentalization by Product.
- Departmentalization by Customers.
- Departmentalization by Area

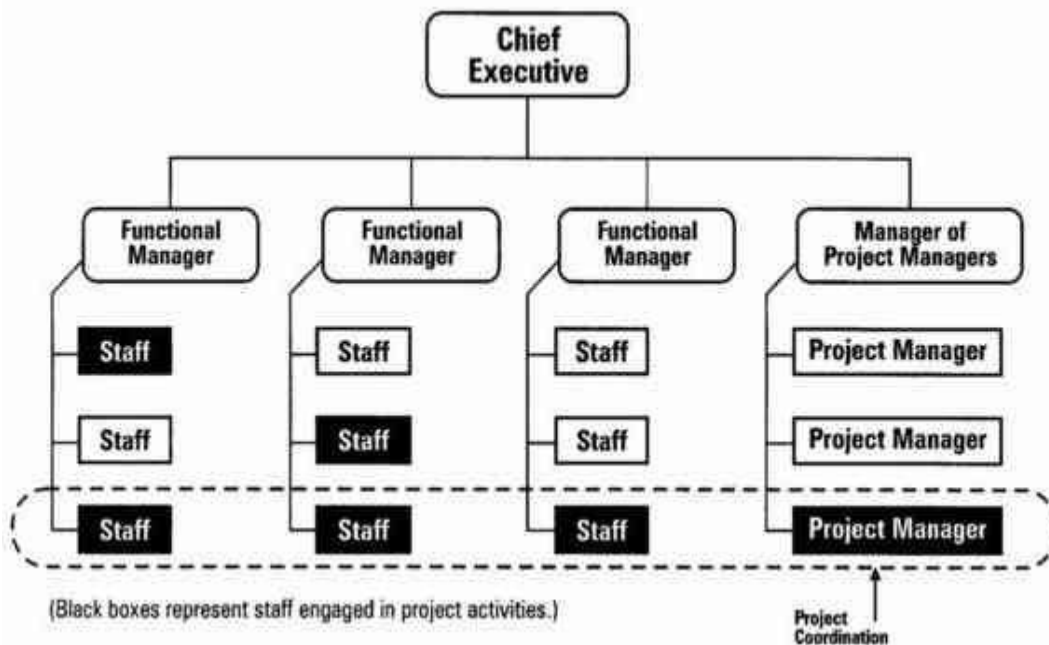
4. Project Organization

These are temporary organizational structures formed for specific projects for a specific period of time and once the goal is achieved, these are dismantled. For example, the goal of an organization may be to develop a new automobile. For this project, the specialists from different functional departments will be drawn to work together.

These functional departments are production, engineering, quality control marketing research, etc. When the project is completed, these specialists go back to their respective duties. These specialists are basically selected on the basis of task related skills and technical expertise rather than decision-making experience or planning ability.

6. Matrix Organization

A matrix structure is, in a sense, a combination and interaction of project and functional structures and is suggested to overcome the problems associated with project and functional structures individually. The key features of a matrix structure are that the functional and project lines of authority are super-imposed with each other and are shared by both functional and project managers.



8(a) Define directing and discuss the elements of directing.

Answer :

Directing means giving instructions, guiding, counselling, motivating and leading the staff in an organisation in doing work to achieve Organisational goals. Directing is a key managerial function to be performed by the manager along with planning, organising, staffing and controlling. From top executive to supervisor performs the function of directing and it takes place accordingly wherever superior – subordinate relations exist. Directing is a continuous process initiated at top level and flows to the bottom through organisational hierarchy.

It is that part of managerial function which actuates the organizational methods to work efficiently for achievement of organizational purposes. It is considered life-spark of the enterprise which sets it in motion the action of people because planning, organizing and staffing are the mere preparations for doing the work. Direction is that inert-personnel aspect of management which deals directly with influencing, guiding, supervising, motivating sub-ordinate for the achievement of organizational goals.

Direction has following elements:

- **Supervision**
- **Motivation**
- **Leadership**
- **Communication**

(i) **Supervision**- implies overseeing the work of subordinates by their superiors. It is the act of watching & directing work & workers.

(ii) **Motivation**- means inspiring, stimulating or encouraging the sub-ordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

(iii) **Leadership**- may be defined as a process by which manager guides and influences the work of subordinates in desired direction.

(iv) **Communications**- is the process of passing information, experience, opinion etc from one person to another. It is a bridge of understanding.

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(b) Briefly Discuss the transactional and transformational theories of leadership [05]

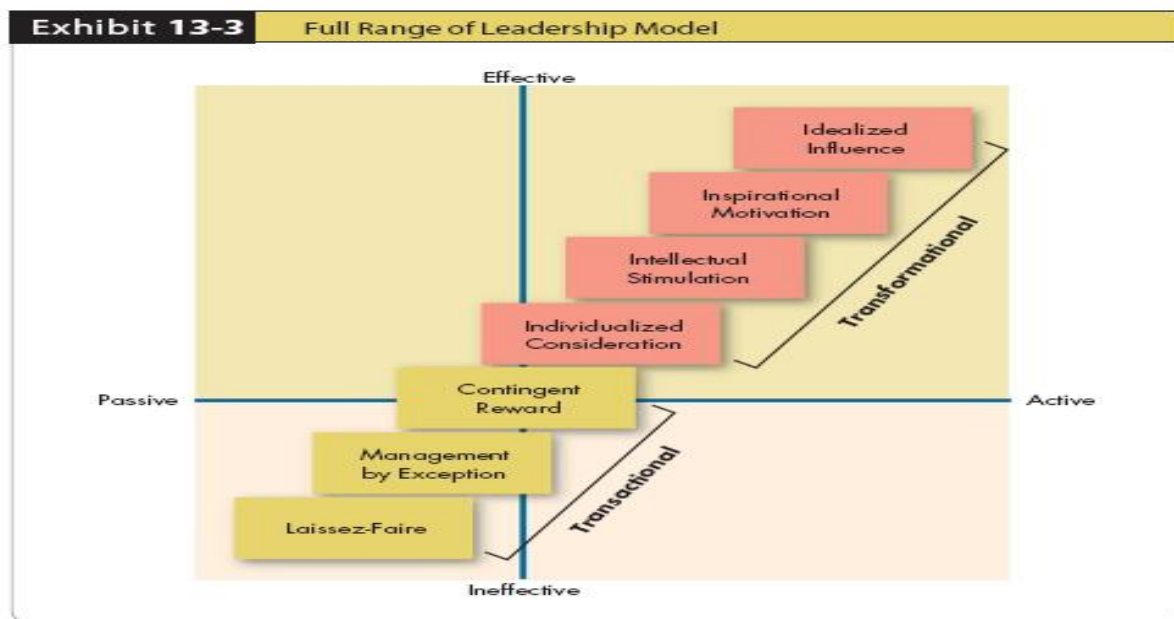
Answer:

- **Transactional Leaders**

Leaders who guide or motivate their followers in the direction of established goals by clarifying role and task requirements

- **Transformational Leaders**

Leaders who provide the four “I’s” (individualized consideration, inspirational motivation, idealized influence, and intellectual stimulation)



Characteristics Of Transactional Leaders:

- **Contingent Reward:** Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments
- **Management by Exception (active):** Watches and searches for deviations from rules and standards, takes corrective action
- **Management by Exception (passive):** Intervenes only if standards are not met
- **Laissez-Faire:** Abdicates responsibilities, avoids making decisions

Characteristics Of Transformational Leaders

- **Idealized Influence:** Provides vision and sense of mission, instills pride, gains respect and trust
- **Inspiration:** Communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways
- **Intellectual Stimulation:** Promotes intelligence, rationality, and careful problem solving
- **Individualized Consideration:** Gives personal attention, treats each employee individually, coaches, advises

