Internal Assessment Test 1 – September 2017-SCHEME OF EVALUATION
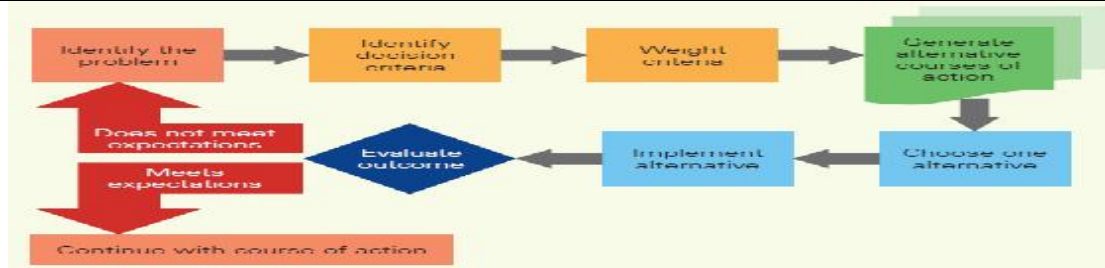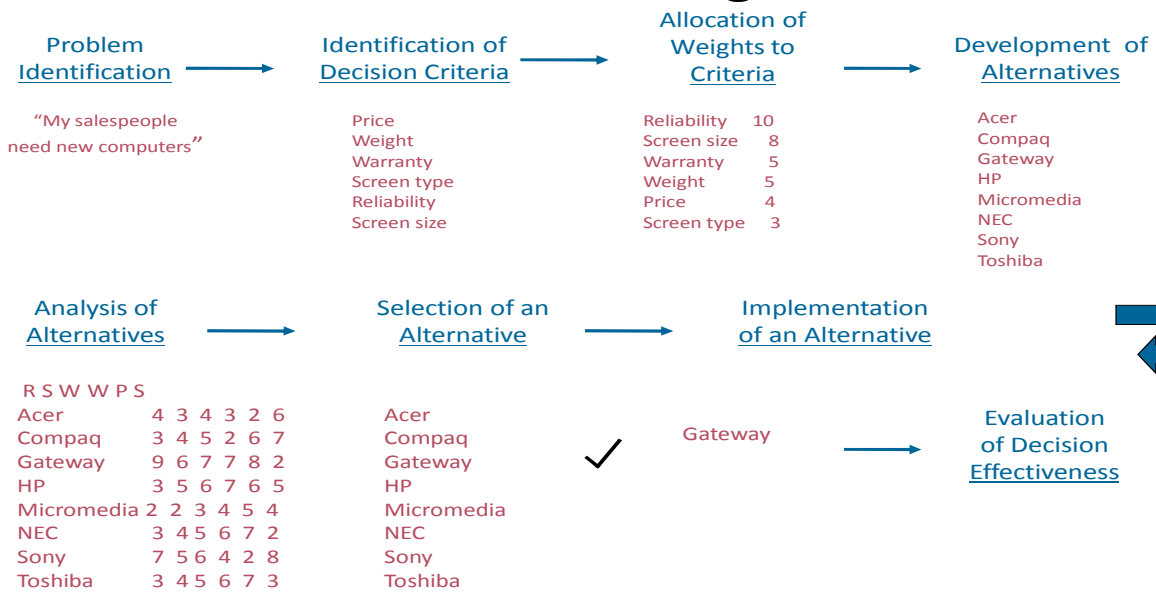
Sub:	Management and Entrepreneurship for IT Industry						**Code:**	15CS51
Date**:**	18/ 09/2017	Duration:	90 mins	Max Marks:	50	**Sem:**	V	**Branch:**	ISE

Note: Answer any five questions:

1	**a. Define Management. (2M)**	**10M**

Management Meaning – (Any 1 definition)

"Every business need the direction this direction is given by Management"

"Management is conduct of affairs of business moving towards its objectives through a continuous process of improvement and optimization of resources"

"Management is the process of designing and maintaining an environment in which individuals working together in groups effectively"

b. Describe the steps in decision making with example.(8M) – (Steps carries 6M and example carries 2M)

A decision is one when there are different things you can do and you pick one of them. You make lots of decisions everyday

Steps in decision making

- *Identify the Problem:*
  When making a decision a person first needs to identify and define the problem or conflict.
- *Identify Decision Criteria:*
  When a problem identified, the decision criteria important to resolving the problem must be identified. That is, managers must determine what is relevant in making decision.
- *Allocation of Weights to criteria:*
  If the relevant criteria are not equally important, the decision maker must weight the items in order to give them the correct priority in the decision.
- *Development of Alternatives:*
  The fourth step in decision making process requires the decision maker to list viable alternative that could resolve. The problem this is the step where a decision maker needs to be creative.
- *Choose One alternative:*
  After making all the alternatives, the next step in planning or in decision making is to evaluate these alternatives. Evaluation is required in order to select the best alternative for implementation.
- *Implementation of the Alternative:*
  After choosing best alternative decision in to action by conveying it to those effected and getting their commitment to it.
- *Evaluation of Decision effectiveness*:
  The last step the decision making Process involve evaluating the outcome or result of the decision to see if the problem is resolve.

The Decision-Making Process

Problem Identification → Identification of Decision Criteria → Allocation of Weights to Criteria → Development of Alternatives

"My salespeople need new computers"

Decision Criteria	Weights	Alternatives
Price	Reliability 10	Acer
Weight	Screen size 8	Compaq
Warranty	Warranty 5	Gateway
Screen type	Weight 5	HP
Reliability	Price 4	Micromedia
Screen size	Screen type 3	NEC
		Sony
		Toshiba

Analysis of Alternatives → Selection of an Alternative → Implementation of an Alternative

	R S W W P S	Selection	Implementation
Acer	4 3 4 3 2 6	Acer	
Compaq	3 4 5 2 6 7	Compaq	Gateway
Gateway	9 6 7 7 8 2	Gateway ✓	
HP	3 5 6 7 6 5	HP	
Micromedia	2 2 3 4 5 4	Micromedia	
NEC	3 4 5 6 7 2	NEC	
Sony	7 5 6 4 2 8	Sony	
Toshiba	3 4 5 6 7 3	Toshiba	

→ Evaluation of Decision Effectiveness

2

a. Explain Selection & Recruitment process.(8M) – Each carries 4M

10M

Recruitment –
Recruitment forms the first stage in the process, which continues with selection of the candidate. Recruitment makes it possible to acquire the number and type of people necessary to ensure the continued operation of the organization.

Meaning and Definition:

In simple terms Recruitment is understood as a process for searching and obtaining applicants for jobs, from among the available resources.

The sources of recruitment may broadly be divided into various categories: internal sources and external sources and third party

1. ***Internal Recruitment***- is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization.

   a)Transfers

   b)Promotions

c)Re-employment of ex-employees

External Recruitment - External sources of recruitment have to be solicited from outside the organization. But it involves lot of time and money.

a)Employment at factory level

b)Advertisement

c)Employment exchanges

d) Employment agencies

e)Educational Institutions

f)Recommendations

g)Labor contractors

Internal sources	External Sources
Transfers	Outsourcing
Promotions	Walk-in Interviews
Employee referrals	Job portals (monster.com, naukri.com)
Lay-off	University or institute campus
Extension of services	Public Employment exchange
Informal Search	Labour contractors
	Internships
	Employment Agencies/ Consultancies
	E-Recruitment
	Outsourcing
	Walk-in Interviews

	Advertisement
	Tele recruiting

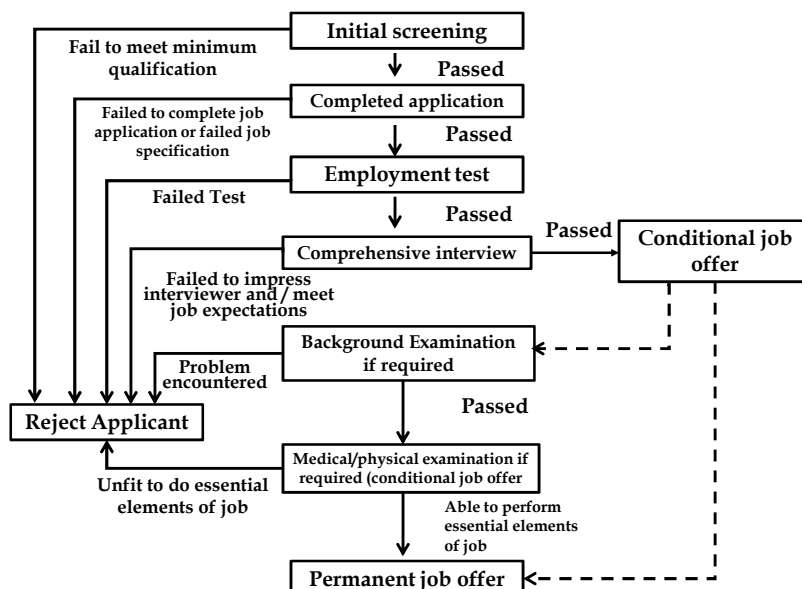## Steps involved in the selection procedure

Selection –

Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization.

Selection is much more than just choosing the best candidate. It is an attempt to strike a happy balance between what the applicant can and wants to do and what the organization requires.
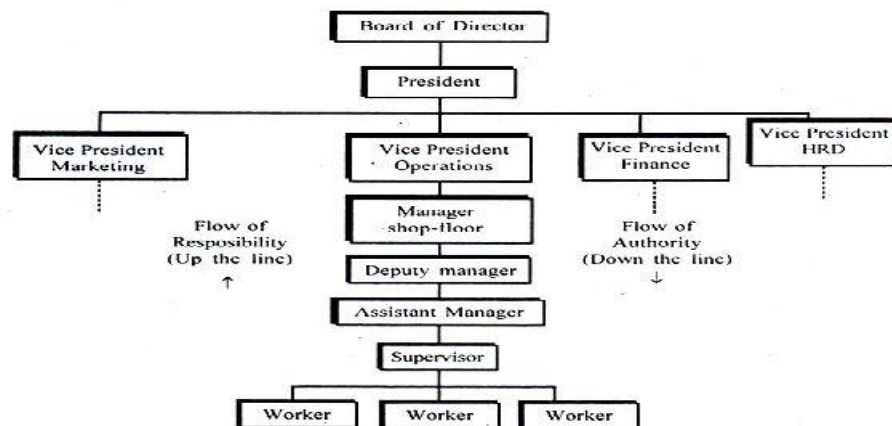

STEPS IN SELECTION
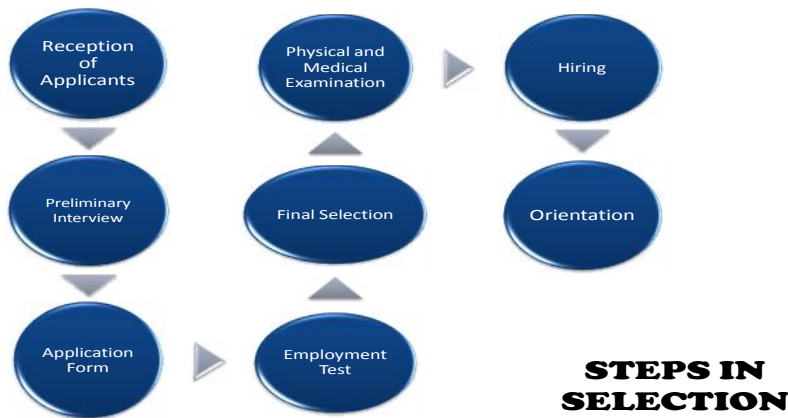
SELECTION PROCESS

Basis	Recruitment	Selection
Meaning	Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization	selection involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.
Purpose	to create a talent pool of candidates to enable the selection of best candidates for the organization, by attracting more and more employees to apply in the organization	to choose the right candidate to fill the various positions in the organization.
Process	Recruitment is a positive process i.e. encouraging more and more employees to apply	selection is a negative process as it involves rejection of the unsuitable candidates.
Contract	There is no contract of recruitment established in recruitment	selection results in a contract of service between the employer and the selected employee.
Cost Factor	Recruitment is not expensive. It mostly involves only advertisement cost.	Selection is very costly. This is because a lot of money is spent on conducting different types of tests, interviews, medical examinations, etc. Similarly, the experts who conduct selection procedure are paid very high fees. This makes selection a very costly process

b. Define Directing. (2M)

Directing the efforts of your people and resources will help your company accomplish its planned objectives. Directing is the process of guiding and supervising employees, often one-on-one, while they work.

3

a. Discuss any two types of organization structures with a chart highlighting their merits & demerits.(8M) – Answer any 2 types, Each carries 4M

- **Different Types Of Organization Are:-**

1. Line Organization
2. Line & Staff Organization
3. Functional Organization
4. Matrix Organization

1. **Line Organization –**
   The Line organization is delegated directly from top to bottom. There is vertical line of authority running from top to the bottom of the organization. The man at the top has the highest authority and it is reduced at each successive level down the hierarchy. Suitability: This kind of structure is suitable for smaller organizations.

   Advantages
- Clear Authority & Responsibility
- Easy to Understand
- One Supervisor Per Employee

   Disadvantages
- Inflexible
- Long Line of Communication

10M

- Difficult to Handle Complex Decisions

2. **Line & Staff Organization**

Staff authority is used to support the line authority. Line and staff organizations have both line and staff executives. Line executives are assisted by staff specialists in planning, distribution, quality, legal, audit, public relations, etc. For example, a production manager (a line authority) does not have enough time and experience to handle labour relation problems. Staffs help them in doing so.
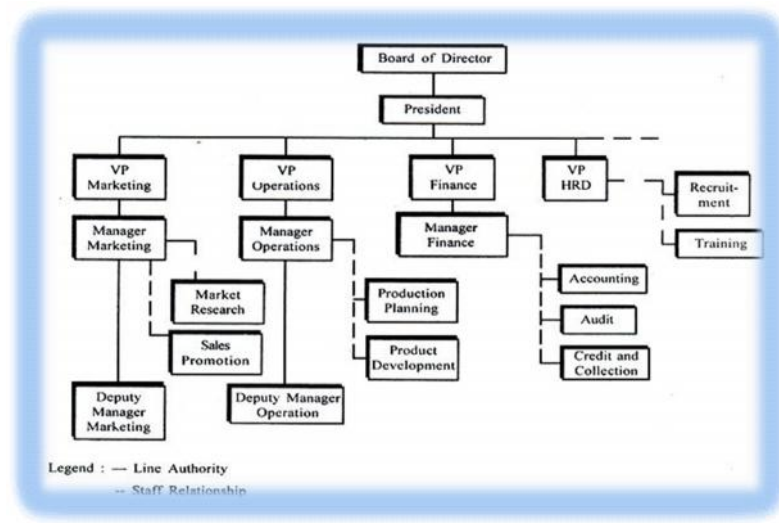
Advantages
- ◉ Planned Specialization
- ◉ Quality Decisions
- ◉ Expert Advice

- ◉ Disadvantages
- ◉ Confusion
- ◉ Ineffective staff
- ◉ Line and Staff Conflicts

Suitability: This structure can be followed in large organizations.

3. **Functional Organization –**

A functional organizational structure is one on which the tasks, people, and technologies necessary to do the work of the business are divided into

separate "functional" groups (such as marketing, operations, and finance) with increasingly formal procedures for coordinating and integrating their activities to provide the business's products and services
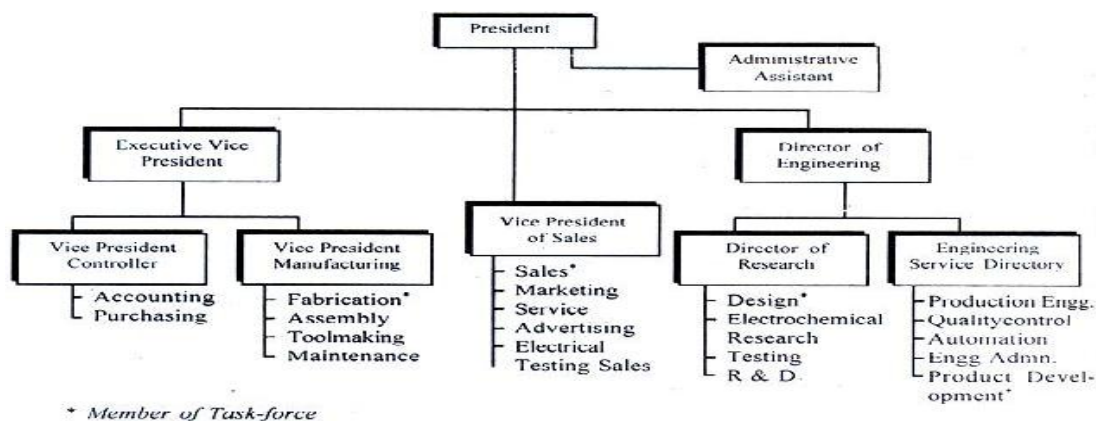
Advantages
❑ Specialization
❑ Executive Development
❑ Scope for Expansion
❑ Better Control

Disadvantages
❑ Violates the principle of unity of command
❑ Complexity
❑ Lack of coordination
❑

Suitability: It has been criticized by many authors due to violation in unity of command.

* Member of Task-force

4. **Matrix Organization**
   - Matrix organization has been developed to meet the need of large organizations for a structure which is flexible and technically sound. An individual has 2 bosses- his permanent and the project manager.Suitability- it can be successful only when there is an agreement among the key executive.

Advantages
- Flexibility
- Cooperation & Teamwork
- Creativity
- More Efficient Use of Resources

Disadvantages
- Costly/Complex
- Confusion
- Requires Good Interpersonal Skills & Cooperation
- Not Permanent
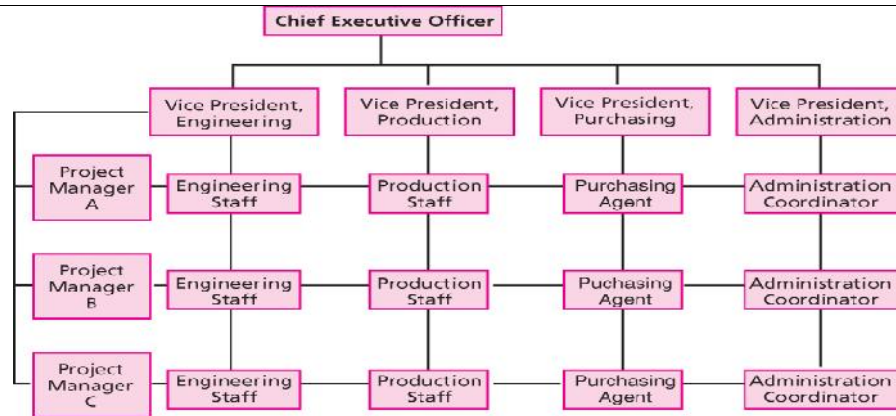
b. List the importance of organizing.(2M)

Answer any 2 importance, each carries 2M

Facilitates Administration:

➢ It provides a system of authority and network for effective communication.

➢ A properly balanced organization facilitated both management and operation of the enterprise.

Encourages Growth :

➢ Systematic division of work and consistent delegation of authority facilitate taking up of new activities and meeting new demands.

➢ It provides flexibility for growth without losing control over various activities.

Optimum Use of New Technology:

➢ Optimum use of technology permits optimum utilisation of human resources.

➢ Sound organization ensures that every individual is placed on the job for which one is best suited.

Stimulates Innovation & Creativity:

➢ It provides for effective management of change and responds favourably to changes in environment.

➢ It provides recognition for the professional and the specialist in terms of their achievement.

Encourages Good Human Relations:

➢ Well-defined jobs and clear lines of authority and responsibility ensure good human relations.

Ensures Continuity of Enterprise:

➢ It provides scope for the training and development of future management.

Coordination:

➢ Division of labour, better utility of technology and human talent helps to improve the

efficiency and quality of work.

Clear channels of communication among the members of the organization lea
coordination.

| 4 | **a. Discuss any 4 different types Motivation theories.(8M)** | 10M |

Answer any 4 types each carries 2 marks.

Fear and Punishment Theory

Managers developed a strategy of forcing people to work by threatening to punish or
dismiss them or cut their rewards if they did not work well. This philosophy is characterized
by thinking of aggressiveness and authorities managers. Their was a tight control and rigid
supervision over workers.

Reward Theory

This theory tried to establish a direct relationship between efforts and rewards. Bases of
Piece rate system of wages. Based on the standard manager should decide on degree of
rewards and penalties

Carrot and Stick Theory

This theory suggest a combination of both rewards and penalties for motivation This is
based on the strategy of putting carrot in the front of the donkey and hitting it with the stick
so it has to run

Carrot refers to the incentives . Stick refer to the penalties

Maslow's Theory of Motivation

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943.
Maslow was of the view that needs have priority, i.e., needs are satisfied in an order. As
soon as the lower level needs are satisfied. Those on the next higher level emerge. Thus, he
considered an individual's motivation behavior as a predetermined order of needs.

McGregor's Theory X and Y
Theory X
Assume that workers have little ambition, dislike work, avoid responsibility, and require
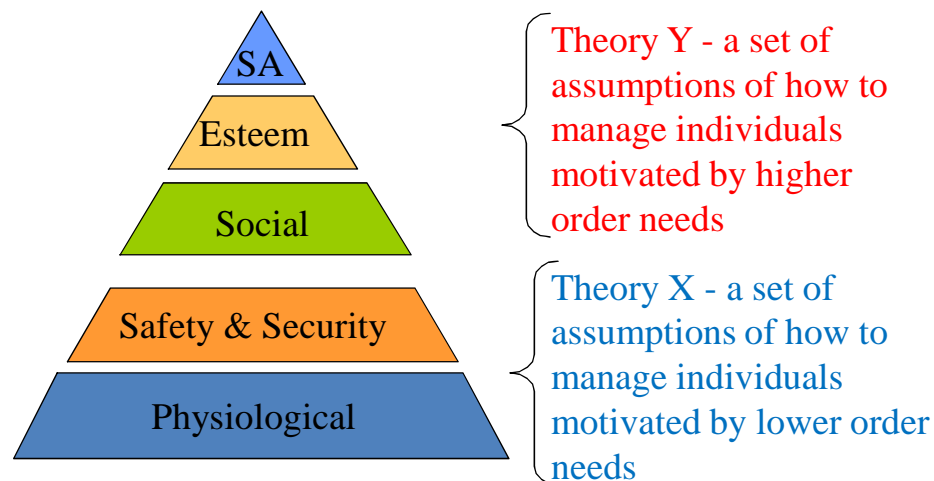close supervision.

Theory Y
Assumes that workers can exercise self-direction, desire, responsibility, and like to work.
Assumption
Motivation is maximized by participative decision making, interesting jobs, and good group relation.

Motivational Theories X & Y

SA
Esteem
Social
Safety & Security
Physiological

Theory Y - a set of assumptions of how to manage individuals motivated by higher order needs

Theory X - a set of assumptions of how to manage individuals motivated by lower order needs

McClelland's Need Theory
- **Need for Achievement**

  The desire to excel and succeed
- **Need for Power –**

  The need to influence the behavior of others.
- **Need for Affiliation –**

  The desire for interpersonal relationship
- **Herzberg's Motivation-Hygiene Theory**

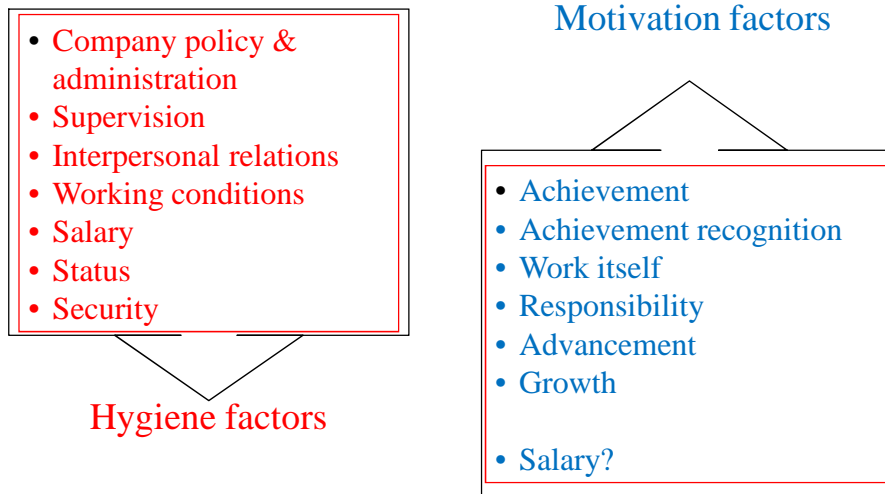 Job satisfaction and job dissatisfaction are created by different factors.
  Hygiene factors- Extrinsic (Environmental) factors that create job dissatisfaction.
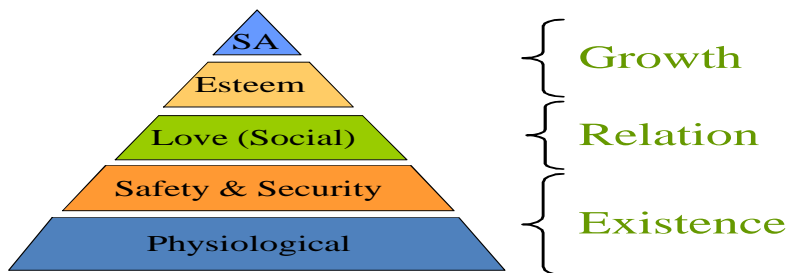 **Motivation Factors-** Intrinsic (Psychological) factors that create job satisfaction.
  Attempted to explain why job satisfaction does not result in increased performance
  The opposite of satisfaction is not dissatisfaction but rather no satisfaction.

Motivation–Hygiene Theory of Motivation

- Company policy & administration
- Supervision
- Interpersonal relations
- Working conditions
- Salary
- Status
- Security

Hygiene factors

Motivation factors

- Achievement
- Achievement recognition
- Work itself
- Responsibility
- Advancement
- Growth

- Salary?

Alderfer's ERG Theory

SA
Esteem — Growth

Love (Social) — Relation

Safety & Security

Physiological — Existence

b. Define Planning(2M)

Planning is the process of analyzing the situation, determining the objectives that will be influence in the future and deciding in advance, the actions that will be taken to achieve. Planning is deciding in advance what to do, how to do it, when to do it and who to do it. It involves anticipating the future and consciously choosing the future course of action.

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5 Discuss about history of management. 10M

Evolution of management has 2 different approaches as below -

- **Early management approaches (6M)**

  1. *Psychological development (Before 17th century)*

▶ People having universal belief that managers are born and cannot be made

▶ In olden days when there was no experience and knowledge of business, they had to depend upon their in born abilities

  2. *Scientific Management (18th – 19th century)*

F.W.Taylor
- The "father" of scientific management
- Published *Principles of Scientific Management* (1911)
  - The theory of scientific management
    - Using scientific methods to define the "one best way" for a job to be done:
      - Putting the right person on the job with the correct tools and equipment.
      - Having a standardized method of doing the job.
      - Providing an economic incentive to the worker.
      Time and motion study

a) *Work Study –*
▶ Work study includes time and motion study
▶ He observed that workers were not producing their full capacity of work.
▶ Start recording the time required for each motion of job with the help of stop watch
▶ The time required to complete one job was is standard time.

b) *Differential Payment –(Payment Plan)*
▶ Taylor linked the incentives with production
▶ Workers get minimum wage if he produces a standard number of pieces, if he produces more he is paid incentives.
▶ This would motivate the workers to produce more.

c) *Reorganization of Supervision –*
▶ Taylor observed that the workers himself had to plan his work and do the job
▶ He advocated that the planning of work and selection of tools are to be done by foreman and the workers has to carry out the work
▶

d) Scientific Req and Training –
▶ Taylor has suggested the need for scientific training and development of a worker to carry out a specific task.

Taylor's Five Principles of Management
▶ Develop standard methods for performing each job
▶ Select workers with appropriate abilities for each job
▶ Train workers in standard methods
▶ Support workers & eliminate interruptions
▶ Provide wage incentives

3. *Administrative Management(1841-1925)*

Henri Fayol (1841-1925) is consider as father of Administrative Management.He focused on the development of administrative principles, applicable to middle and top level managers It focused on principles that could be used by managers to coordinate the internal activities of organizations

- *Division of Work*
▶ Work of all kinds must be divided and allotted to various persons
▶ Simpler and results in efficiency
▶ Helps the individual in acquiring speed, accuracy in his performance
▶ Specialization leads to efficiency & economy in spheres of business

- *Authority & Responsibility*
▶ Authority is given to a person, he should also be   made responsible.
▶ He should also have concerned authority, if anyone is made responsible.
▶ Authority refers to the right of superiors. responsibility means obligation for the performance of the job assigned.

- Should be a balanced.
- Authority- Responsibility = Irresponsible Behavior
- Responsibility- Authority= Ineffective

- ***Discipline***
- Sincerity, Obedience, Respect of Authority & Observance of Rules and Regulations of the Enterprise.
- Subordinate should respect their superiors and obey their order.
- Smooth running of the enterprise
- Discipline can be enforced if -
  - -Goodsuperiors
  - Clear&fairagreementswithworkers

- ***Unity of Direction (One Boss)***
- One head one plan
- Related activities should be grouped together
- Efforts of all the members of the organization should be directed towards common goal
- Without unity of direction, unity of action cannot be achieved.
  Unity of command is not possible without unity of direction

- ***Remuneration***
- Paid to the workers should be fair of the efforts
- Determined on the basis of cost of living, work assigned etc,
- Provision of other benefits such as free education, medical & residential facilities to workers
- Management creates good relationship and pleasing atmosphere of work.
- ***Centralization & De-centralization***
- Centralization-concentration of authority at the top level
- De-centralization-disposal of decision making authority to all the levels of the organization
- Increases the role of subordinate is decentralization & Decreases the role of subordinate is centralization
- ***Initiative***
- Encouraged to take initiative in the work assigned to them
- Initiate actions without being asked to do
- Management should provide opportunity to its employees
- Suggest improvement in formulation & implementation of place
- ***Order***
-   Concerned with proper & systematic arrangement of things and people.
  - Arrangement of things is called material order
  - Placement of people is called social order.
  - Material order-should be safe, appropriate and specific place for every article
  - Social order-Selection and appointment of most suitable person on the suitable job
- ***Scalar Chain***
- The chain of superiors ranging from the ultimate authority to the lowest
- Every orders, instructions etc. has to pass through Scalar chain.
- For the sake of convenience & urgency, this path can be cut
- Temporary arrangement between two different points to facilitate quick & easy communication
- Modified as per the requirements of situations.

4. ***Human relations movement***

Taylor and Fayol did not consider or focus on human side

Elton Mayo conducted series of experiments regarding human relations Business organization is not only a technical and economical unit where only production & profit are considered but it should have human system. In addition to incentives , it is important to create human relations Workers will expect social respect by his co-workers and supervisors.

- *Modern approaches to management. (4M)*

  1. *Behaviour Approach -* The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. The behavioral approach to management emphasized individual attitudes and behaviors and group processes, and recognized the significance of behavioral process in the workplace. Psychologist ,sociologists and others began studying people at work .The behavioral approach believes that an individual is motivated to work for many reasons in addition to making money and forming interpersonal relationships.

2. *Systems Approach-* A system is defined as a set of independent parts together form a whole that performs a defined task. Organization is a system that consists of people, task structure and Technology. A system that interacts with out side environment is called as open system. A system that works with in close boundary is called as close system

   Systems approach: Provides integrated approach to management problems and the key concepts of systems approach are

   System is a set of independent parts: Which together works as a single unit and performs some function. Similarly an organization can also be considered to be composed of four independent parts namely task, structure, people and technology. Structure subsystem: refers to the formal division of authority and responsibility, communication channels and workflow. People subsystem: refers to the employees with their motives, attitudes and values and the informal organization. Technology subsystem: refers to the tools and equipment as well as techniques which are used by the organization to perform the task. C oncept of considering the system as a whole: Means that no part of the system can be analyzed and understood apart from the whole system and conversely, the whole system cannot be accurately perceived without understanding all its parts. Each part bears a relation of interdependence to every other part which rather than dealing separately with the various parts of the organization as a whole. The above concept facilitates more effective diagnosis of complex situations and increases the likelihood of appropriate managerial functions. A system can be either open or closed: Open system is one which interacts with its environment and closed system is one which is independent of the environment.

The Four Parts of a System

Inputs

The people, money, information, equipment, and materials required to produce and organization's goods or services

Transformational Processes

The organization's capabilities in management and technology that are applied to converting inputs to outputs

Outputs

The products, services, profits, losses, employee satisfaction or discontent, and the like that are produced by the organization

Feedback

Information about the reaction of the environment to the outputs that affect the inputs

Quantitative Approach- It is also known as Management Science Approach This approach is used to find the solution to some complex new problems As a result the quantitative approach called Operation Research(OR) was developed

Contingency Approach - The techniques and methods that are highly effective in one particular situation may be failure in similar situation in other area. This approach suggests that the task of managers is to identify the correct techniques that will suit a particular situation and apply them to solve problem
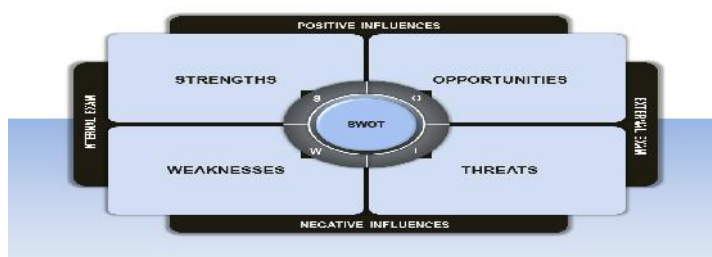

6	**Explain the planning process.**	10M

Steps in planning process
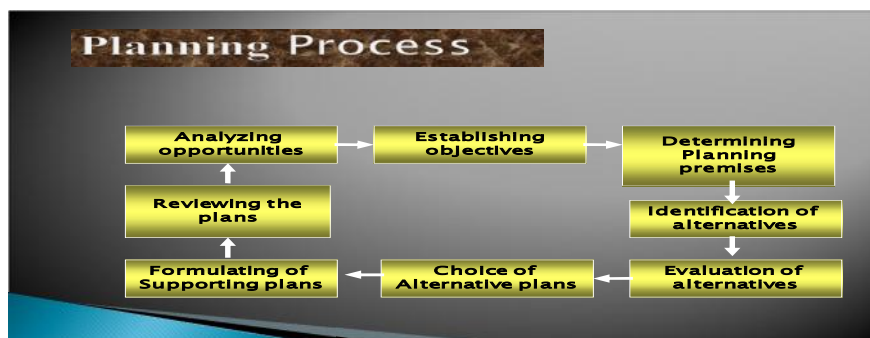
1. Analyzing opportunities

- Not a step of Planning, It is pre-step of planning.

- Essential to make a successful plan.

- SWOT analysis
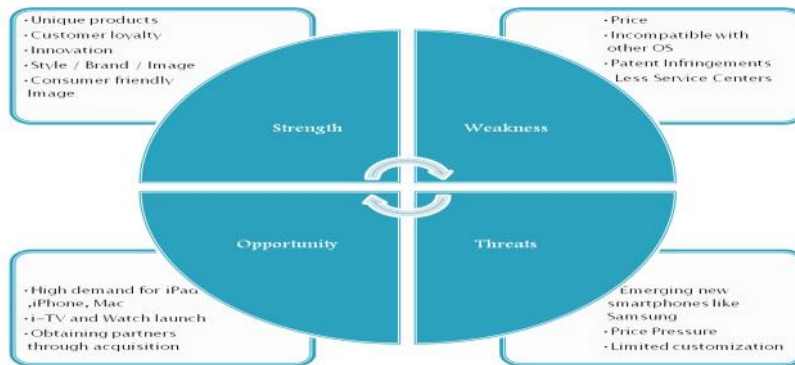
- Strengths - the positive internal attributes of the organisation

- Weaknesses - the negative internal attributes of the organisation

- Opportunities - external factors which could improve the organisation's prospects

- Threats - external factors which could undermine the organisation's prospects

2. **Establishing objectives**

- First and real starting point of planning.

- Management has to define objectives in clear manner by considering organizational resources and opportunities because a minor mistake in setting objectives might affect in implementation of plan.

- Objectives must be specific, clear and practical.

- Objectives should be time bound

3. **Determining Planning premises**

▶ Premises are the assumptions about the future in which the planning is implemented.

▶ They provide environment and boundaries for the implementation of plan in practical operation.

There are 3 types of planning premises

▶ Internal and external premises

▶ Tangible and intangible

▶ Controllable and uncontrollable

▶ *Internal premises* with in the organization   (Policies, investment, availability of equipments, funds etc)

▶ *External premises* means out side the organization   (Govt policies, Economic conditions, population , demand)

▶ *Tangible premises* are the measurable premises like population, investment, demand etc.

▶ *Intangible premises* are those which cannot be measured like business environment, economic conditions etc

▶ *Controllable premises* like technical man power , input technology, financial investment etc

- *Uncontrollable premises* like strikes, change of govt policies, wars etc.

4. <u>Identification of alternatives</u>

- It is essential to identify all the possible hidden alternatives.

- There must be search for the best alternative. The management must develop alternatives through the support of experienced and intellectual experts in management sectors.

5. <u>Evaluate the alternatives</u>

- Evaluate the alternatives from their expected cost and benefits. This is the logical step to evaluate each alternative from its plus and minus points.

- Each alternative is studied and evaluated in terms of some common factors such as risk, responsibility, planning premises, resources, technology etc.

6. <u>Formulating of Supporting plans</u>

- It is essential to formulate action of supportive plan for each step of work and to all departments of the organization.

- These action plans involve formulation of policies, rules, schedule and budget to complete defined objectives. Thus, formulation of supportive plans is an essential step in planning process.

- It is difficult to implement main plan without formulation of derivative plan.

7. <u>Implementation of Plan</u>

- Without this step, other this procedure of plan will remain as paper work.

- This step brings all the procedure of plan into action.

- For implementation plan, management has to take some steps such as to communicate with subordinates who initiate to plan into action; provide necessary instruction and guidance; make arrangement of all resources like materials, machines, money, equipments etc; make timely supervision and control over subordinates.