14. ASSIGNMENT TOPICS WITH MATERIALS

UNIT 1

1. Explain nature and scope of management.

Nature of Management

Universal process: Wherever there is human activity, there is management. Without efficient management, objectives of the company cannot be achieved.

Factor of production: Qualified and efficient managers are essential to utilization of labour and capital.

Goal oriented: The most important goal of all management activity is to accomplish the objectives of an enterprise. The goals should be realistic and attainable.

Supreme in thought and action: Managers set realizable objectives and then mastermind action on all fronts to accomplish them. For this, they require full support from middle and lower levels of management.

Group activity: All human and physical resources should be efficiently coordinated to attain maximum levels of combined productivity. Without coordination, no work would accomplish and there would be chaos and retention.

Dynamic function: Management should be equipped to face the changes in business environment brought about by economic, social, political, technological or human factors. They must be adequate training so that can enable them to perform well even in critical situations.

Social science: All individuals that a manager deals with, have different levels of sensitivity, understanding and dynamism.

Important organ of society: Society influences managerial action and managerial actions influence society. Its managers responsibility that they should also contribute towards the society by organizing charity functions, sports competition, donation to NGO’s etc

System of authority: Well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision-making. This is necessary so that each individual should what is expected from him and to whom he need to report to.

Profession: Managers need to possess managerial knowledge and training, and have to conform to a recognized code of conduct and remain conscious of their social and human obligations.

Process: The management process comprises a series of actions or operations conducted towards an end.

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Scope of Management

Although it is difficult to precisely define the scope of management, yet the following areas are included in it:

**Subject-matter of management:** Planning, organizing, directing, coordinating and controlling are the activities included in the subject matter of management

**Functional areas of management:** These include: Financial management includes accounting, budgetary control, quality control, financial planning and managing the overall finances of an organization.

- **Personnel management** includes recruitment, training, transfer promotion, demotion, retirement, termination, labor-welfare and social security industrial relations.
- **Purchasing management** includes inviting tenders for raw materials, placing orders, entering into contracts and materials control.
- **Production management** includes production planning, production control techniques, quality control and inspection and time and motion studies.
- **Maintenance management** involves proper care and maintenance of the buildings, plant and machinery.
- **Transport management** includes packing, warehousing and transportation by rail, road and air.
- **Distribution management** includes marketing, market research, price-determination, taking market-risk and advertising, publicity and sales promotion.
- **Office Management** includes activities to properly manage the layout, staffing and equipment of the office.
- **Development management** involves experimentation and research of production techniques, markets, etc.

Management is an inter-disciplinary approach: For the correct implementation of the management, it is important to have knowledge of commerce, economics, sociology, psychology and mathematics

Universal application: The principles of management can be applied to all types of organizations irrespective of the nature of tasks that they perform.

Essentials of management: Three essentials of management are:

Scientific method

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Human relations
Quantitative technique

**Modern management is an agent of change:** The management techniques can be modified by proper research and development to improve the performance of an organization.

### 2. Discuss different types of management functions.

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

**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. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

**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.

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- Assignment of duties.
- Delegation of authority and creation of responsibility.
- Coordinating authority and responsibility relationships.

**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 behaviour etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed on the structure”.

Staffing involves:
- 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.

**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

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

Motivation- means inspiring, stimulating or encouraging the subordinates with zeal to work. Positive, negative, monetary, non-monetary incentives may be used for this purpose.

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

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

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 conformity with the standards. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”.

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:

- Establishment of standard performance.
- Measurement of actual performance.
- Comparison of actual performance with the standards and finding out deviation if any.
- Corrective action.

3. Discuss Henri fayol 14 principles

Introduction 14 principles of Management In the last century, organizations already had to deal with management in practice. In the early 1900s, large organizations, such as production factories, had to be managed too. At the time there were only few (external) management tools, models and methods available.

Thanks to scientists like Henri Fayol (1841-1925) the first foundations were laid for modern scientific management. These first concepts, also called principles of management are the underlying factors for successful management. Henri Fayol explored this comprehensively and, as a result, he synthesized the 14 principles of management. Henri Fayol ‘s principles of
Principles of Management of Henri Fayol

14 principles of Management are statements that are based on a fundamental truth. These principles of management serve as a guideline for decision-making and management actions. They are drawn up by means of observations and analyses of events that managers encounter in practice. Henri Fayol was able to synthesize 14 principles of management after years of study, namely:

**Division of Work**

In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist). Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.

**Authority and Responsibility**

In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates. The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.

**Discipline**

This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.

**Unity of Command**

The management principle ‘Unity of command’ means that an individual employee should receive orders from one manager and that the employee is answerable to that manager. If tasks

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and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.

**Unity of Direction**

This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must be carried out by one group that forms a team. These activities must be described in a plan of action. The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.

**Subordination of Individual Interest**

There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics). The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.

**Remuneration**

Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive. There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.

**The Degree of Centralization**

Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy. Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Henri Fayol. Henri Fayol indicated that an organization should strive for a good balance in this
Scalar Chain

Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol’s “hierarchy” management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels). This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy.

Especially, when it concerns reports about calamities to the immediate managers/superiors.

Order

According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.

Equity

The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally. Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.

Stability of Tenure of Personnel

This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization. Management strives to minimize employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well.

Initiative

Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company. Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

Esprit de Corps

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The management principle ‘esprit de corps’ of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication. Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

In conclusion on the 14 Principles of management The 14 principles of management can be used to manage organizations and are useful tools for forecasting, planning, process management, organization management, decision-making, coordination and control. Although they are obvious, many of these matters are still used based on common sense in current management practices in organizations. It remains a practical list with focus areas that are based on Henri Fayol’s research which still applies today due to a number of logical principles.

4. Briefly discuss contingent approach and behavioural approach.

The contingency approach to management holds that management techniques should be dependent upon the circumstances. In this lesson, you will learn what the contingency approach to management is and the key elements of contingency management.

Definition

A contingency approach to management is based on the theory that management effectiveness is contingent, or dependent, upon the interplay between the application of management behaviours and specific situations. In other words, the way you manage should change depending on the circumstances. One size does not fit all.

Theory

The contingency approach to management finds its foundation in the contingency theory of leadership effectiveness developed by management psychologist Fred Fielder. The theory states that leadership effectiveness, as it relates to group effectiveness, is a component of two factors: task motivation, or relation motivation, and circumstances. You measure task motivation, or relation motivation, by the least preferred co-worker (LPC) scale.

The LPC scale asks the manager to think of the person they least like working with and then rate that person on a set of questions, each involving an 8-point scale. For example, a score of one would be uncooperative, and a score of eight would be cooperative. Fielder believed that people
with a higher LPC score try to maintain harmony in their work relationships, while people with a lower LPC score are motivated to focus on task accomplishment.

The theory states that task or relations motivations are contingent upon whether the manager is able to both control and affect the group's situational favourability, or outcome. According to the theory, you can assess situational favourability by three factors:

**Leader-member relations** - This factor addresses the manager's perception of his cooperative relations with his subordinates. In other words, is the cooperation between you and your employees good or bad?

**Task structure** - This factor relates to whether the structure of the work task is highly structured, subject to standard procedures, and subject to adequate measures of assessment. Certain tasks are easy to structure, standardize and assess, such as the operation of an assembly line.

**Position power** - This factor asks if the manager's level of authority is based on punishing or rewarding behaviour. For example, does the manager derive his authority from providing bonuses for meeting sales goals or terminating employees for failure to meet the goals?

The combination of leader-member relations, task structure and position power create different situations that have been coined octants one through eight.

You can divide these eight situations into three broad categories:

- favourable situations,
- intermediate situations and
- Unfavourable situations.

According to the theory, each situation is handled the best by either high or low LPC managers. The theory argues that high LPC managers are most effective at influencing employee group behaviour in intermediate situations, while low LPC managers are most effective in favorable or unfavourable situations. To unlock this lesson you must be a Study.com Member. Create your account.

Contingency approach is based on the assumption that there is no universal solution (best way) to manage or solve problems. It is characterized by a constant search for appropriate methods of solutions and management for different situations and conditions. It is a creative and system approach.

Donnelly, Gibson, Ivancevich defines the contingency approach as follows: “The contingency approach to management is based on the idea that there is no one best way to planning,
organizing and controlling. The managers must search for each new situation the most appropriate way. For example, the planning method that was very effective in one case can be in other cases extremely inappropriate. Contingency approach is characterized by identifying appropriate management methods for different situations.”

**Behavioural Approach**

As management research continued in the 20th century, questions began to come up regarding the interactions and motivations of the individual within organizations. Management principles developed during the classical period were simply not useful in dealing with many management situations and could not explain the behaviour of individual employees. In short, classical theory ignored employee motivation and behaviour. As a result, the behavioural school was a natural outgrowth of this revolutionary management experiment.

The behavioural management theory is often called the human relations movement because it addresses the human dimension of work. Behavioural theorists believed that a better understanding of human behaviour at work, such as motivation, conflict, expectations, and group dynamics, improved productivity. The theorists who contributed to this school viewed employees as individuals, resources, and assets to be developed and worked with — not as machines, as in the past. Several individuals and experiments contributed to this theory.

**Elton Mayo's** contributions came as part of the Hawthorne studies, a series of experiments that rigorously applied classical management theory only to reveal its shortcomings. The Hawthorne experiments consisted of two studies conducted at the Hawthorne Works of the Western Electric Company in Chicago from 1924 to 1932. The first study was conducted by a group of engineers seeking to determine the relationship of lighting levels to worker productivity. Surprisingly enough, they discovered that worker productivity increased as the lighting levels decreased — that is, until the employees were unable to see what they were doing, after which performance naturally declined. A few years later, a second group of experiments began. Harvard researchers Mayo and F. J. Roethlisberger supervised a group of five women in a bank wiring room. They gave the women special privileges, such as the right to leave their workstations without permission, take rest
periods, enjoy free lunches, and have variations in pay levels and workdays. This experiment also resulted in significantly increased rates of productivity.

In this case, Mayo and Roethlisberger concluded that the increase in productivity resulted from the supervisory arrangement rather than the changes in lighting or other associated worker benefits. Because the experimenters became the primary supervisors of the employees, the intense interest they displayed for the workers was the basis for the increased motivation and resulting productivity. Essentially, the experimenters became a part of the study and influenced its outcome. This is the origin of the term Hawthorne effect, which describes the special attention researchers give to a study's subjects and the impact that attention has on the study's findings.

The general conclusion from the Hawthorne studies was that human relations and the social needs of workers are crucial aspects of business management. This principle of human motivation helped revolutionize theories and practices of management. **Abraham Maslow**, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs. His theory of human needs had three assumptions:

Human needs are never completely satisfied. Human behaviour is purposeful and is motivated by the need for satisfaction. Needs can be classified according to a hierarchical structure of importance, from the lowest to highest. Maslow broke down the needs hierarchy into five specific areas:

**Physiological needs.**
Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer is a motivator.

**Safety needs.**
These needs include the need for basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these needs generally satisfied. Otherwise, they become primary motivators.
**Belonging and love needs.** After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others.

**Esteem needs.**
An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.

**Self-actualization needs.**
Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself.

Maslow's hierarchy of needs theory helped managers visualize employee motivation.

**Douglas McGregor** was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of assuming responsibility. On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation.

An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create self-fulfilling prophecies — that through their behaviour, these managers create situations where subordinates act in ways that confirm the manager's original expectations. As a group, these theorists discovered that people worked for inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

5. **Define management. Explain F.W.Taylor principles of scientific management.**

Principles of scientific management propounded by Taylor are:

- Science, Not Rule of Thumb
- Harmony, Not Discord
- Mental Revolution
- Cooperation, Not Individualism
- Development of each and every person to his or her greatest efficiency and prosperity.

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Science, Not Rule of Thumb:

In order to increase organisational efficiency, the ‘Rule of Thumb’ method should be substituted by the methods developed through scientific analysis of work.

Rule of Thumb means decisions taken by manager as per their personal judgments. According to Taylor, even a small production activity like loading iron sheets into box cars can be scientifically planned. This will help in saving time as well as human energy. Decisions should be based on scientific enquiry with cause and effect relationships.

This principle is concerned with selecting the best way of performing a job through the application of scientific analysis and not by intuition or hit and trial methods. The work assigned to any employee should be observed and analyzed with respect to each element or part thereof and the time involved therein so as to decide the best way of performing that work and to determine the standard output for same.

Harmony, Not Discord:

Taylor emphasized that there should be complete harmony between the workers and the management since if there is any conflict between the two, it will not be beneficial either for the workers or the management. Both the management and the workers should realize the importance of each other. In order to achieve this state, Taylor suggested complete mental revolution on the part of both management and workers. It means that there should be complete change in the attitude and outlook of workers and management towards each other. It should always be kept in mind that prosperity for an employer cannot exist for a long time unless it is accompanied by the prosperity of the employees of that organisation and vice versa. It becomes possible by (a) sharing a part of surplus with workers (b) training of employees, (c) division of work (d) team spirit (e) positive attitude (f) sense of discipline (g) sincerity etc.

Management should always be ready to share the gains of the company with the workers and the latter should provide their full cooperation and hard work for achieving organizational goals. Group action with mutual-trust and understanding should be perfect understanding the focus of working. This principle requires that there should be perfect understanding between the management and workers and both should feel that they are part of same family. It helps to produce synergy effect since both management and workers work in unison.

For example, in most of the Japanese companies, paternalistic style of management is in practice and there is complete openness between workers and the management. Usually, workers don’t go on the strike but, if at all they do so, they just wear a black badge and work even more than the normal hours just to impress upon the management that their focus is on their demands as well as organisational objectives.

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3. Mental Revolution:

The technique of Mental Revolution involves a change in the attitude of workers and management towards each other. Both should realize the importance of each other and should work with full cooperation. Management as well as the workers should aim to increase the profits of the organisation.

For this the workers should put in their best efforts so that the company makes profit and on the other hand management should share part of profits with the workers. Thus, mental revolution requires a complete change in the outlook of both management and workers. There should be a spirit of togetherness between workers and management.

4. Cooperation, Not Individualism:

This principle is an extension of principle of ‘Harmony, not discord’ and lays stress on mutual cooperation between workers and the management. Cooperation, mutual confidence, sense of goodwill should prevail among both, managers as well as workers. The intention is to replace internal competition with cooperation.

Both ‘Management’ and ‘Workers’ should realize the importance of each other. Workers should be considered as part of management and should be allowed to take part in decision making process of the management. Management should always welcome their suggestions and should also reward them if their suggestions prove to be beneficial for the organisation viz. reduction of costs or increase in production etc.

At the same time, workers should also resist from going on strike or making unnecessary demands from management. Workers should be treated as integral part of organisation and all important decisions should be taken after due consultation with workers. Both of them should visualize themselves as two pillars whose soundness alone can ensure achievement of common goals of the organisation.

Taylor also suggested that there should be proper division of work and responsibility between the two. Management should always guide, encourage and help the workers.

Development of each and every person to his or her greatest efficiency and prosperity:

Efficiency of any organisation also depends on the skills and capabilities of its employees to a great extent. Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach. To attain the efficiency, steps should be taken right from the process of selection of employees. Employees should be scientifically selected.

The work assigned to each employee should suit his/her physical, mental and intellectual capabilities. Efficient employees produce more to earn more. This ultimately helps to attain efficiency and prosperity for both organisation and the employees.

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UNIT 2

1. **Discuss about advantages and disadvantages of management by objectives.**

   **Definition**
   Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members. The technique was first championed by management expert Peter Drucker and became commonly used in the 1960s.

   **Key Concepts**
   The core concept of MBO is planning, which means that an organization and its members are not merely reacting to events and problems but are instead being proactive. MBO requires that employees set measurable personal goals based upon the organizational goals. For example, a goal for a civil engineer may be to complete the infrastructure of a housing division within the next twelve months. The personal goal aligns with the organizational goal of completing the subdivision. MBO is a supervised and managed activity so that all of the individual goals can be coordinated to work towards the overall organizational goal. You can think of an individual personal goal as one piece of a puzzle that must fit together with all of the other pieces to form the complete puzzle: the organizational goal. Goals are set down in writing annually and are continually monitored by managers to check progress. Rewards are based upon goal achievement.

   **Advantages**
   MBO has some distinct advantages. It provides a means to identify and plan for the achievement of goals. If you don't know what your goals are, you will not be able to achieve them. Planning permits proactive behaviour and a disciplined approach to goal achievement. It also allows you to prepare for contingencies and roadblocks that may hinder the plan. Goals are measurable so that they can be assessed and adjusted easily. Organizations can also gain more efficiency, save resources, and increase organizational morale if goals are properly set, managed, and achieved.

   **Disadvantages**

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However, MBO is not without disadvantages. Application of MBO takes concerted effort. You cannot rely upon a thoughtless, mechanical approach, and you should note that some tasks are so simple that setting goals makes little sense and becomes more of a silly, annual ritual. For example, if your job is snapping two pieces of a product together on an assembly line, setting individual goals for your work isn't really necessary.

2. Briefly explain about steps in problem solving and decision making

**Problem-solving and decision-making.**

Ask anyone in the workplace if these activities are part of their day and they answer 'Yes!' But how many of us have had training in problem-solving? We know it's a critical element of our work, but do we know how to do it effectively?

People tend to do three things when faced with a problem: they get afraid or uncomfortable and wish it would go away; they feel that they have to come up with an answer and it has to be the right answer; and they look for someone to blame. Being faced with a problem becomes a problem. And that's a problem because, in fact, there are always going to be problems!

There are two reasons why we tend to see a problem as a problem: it has to be solved and we're not sure how to find the best solution, and there will probably be conflicts about what the best solution is. Most of us tend to be "conflict-averse". We don't feel comfortable dealing with conflict and we tend to have the feeling that something bad is going to happen. The goal of a good problem-solving process is to make us and our organization more "conflict-friendly" and "conflict-competent".

There are two important things to remember about problems and conflicts: they happen all the time and they are opportunities to improve the system and the relationships. They are actually providing us with information that we can use to fix what needs fixing and do a better job. Looked at in this way, we can almost begin to welcome problems! (Well, almost.)

Because people are born problem solvers, the biggest challenge is to overcome the tendency to immediately come up with a solution. Let me say that again. The most common mistake in problem solving is trying to find a solution right away. That's a mistake because it tries to put the solution at the beginning of the process, when what we need is a solution at the end of the process.

Here are seven-steps for an effective problem-solving process.

**Identify the issues.**
Be clear about what the problem is. Remember that different people might have different views of what the issues are. Separate the listing of issues from the identification of interests (that's the next step!).

**Understand everyone's interests.**

This is a critical step that is usually missing. Interests are the needs that you want satisfied by any given solution. We often ignore our true interests as we become attached to one particular solution. The best solution is the one that satisfies everyone's interests.

This is the time for active listening. Put down your differences for awhile and listen to each other with the intention to understand. Separate the naming of interests from the listing of solutions.

**List the possible solutions (options)**

This is the time to do some brainstorming. There may be lots of room for creativity. Separate the listing of options from the evaluation of the options.

**Evaluate the options.**

What are the pluses and minuses? Honestly! Separate the evaluation of options from the selection of options.

**Select an option or options.**

What's the best option, in the balance? Is there a way to "bundle" a number of options together for a more satisfactory solution?

**Document the agreement(s)**

Don't rely on memory. Writing it down will help you think through all the details and implications

**Agree on contingencies, monitoring, and evaluation. Conditions may change.**

Make contingency agreements about foreseeable future circumstances (If-then!). How will you monitor compliance and follow-through?

Create opportunities to evaluate the agreements and their implementation. ("Let's try it this way for three months and then look at it.") Effective problem solving does take some time and attention more of the latter than the former. But less time and attention than is required by a problem not well solved. What it really takes is a willingness to slow down. A problem is like a curve in the road. Take it right and you'll find yourself in good shape for the straightaway that follows. Take it too fast and you may not be in as good shape.

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Working through this process is not always a strictly linear exercise. You may have to cycle back to an earlier step. For example, if you're having trouble selecting an option, you may have to go back to thinking about the interests.

This process can be used in a large group, between two people, or by one person who is faced with a difficult decision. The more difficult and important the problem, the more helpful and necessary it is to use a disciplined process. If you're just trying to decide where to go out for lunch, you probably don't need to go through these seven steps! Don’t worry if it feels a bit unfamiliar and uncomfortable at first. You'll have lots of opportunities to practice!

Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.

Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives.

This approach increases the chances that you will choose the most satisfying alternative possible

**Step 1: Identify the decision**

You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

**Step 2: Gather relevant information**

Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.” Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and from other sources.

**Step 3: Identify the alternatives**

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

**Step 4: Weigh the evidence**

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

**K.RAGHU RAM REDDY, ASST PROFESSOR**
**Step 5: Choose among alternatives**
Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.

**Step 6: Take action**
You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

**Step 7: Review your decision & its consequences**
In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has not met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

**3. Discuss about group problem solving and decision making**
Organizational challenges are many times disruptive to productivity. Group problem solving is the process of bringing together stakeholders who through their analytical decision making abilities can influence the outcome of the problem. The use of groups in problem solving is encouraged as groups tend to evaluate diverse solutions and action plans. The core objectives of the group are identifying the problem and developing solutions. This five-step systematic group problem solving process provides a defined strategy for a teamwork approach to generating creative and workable resolutions.

**Process Description**
Have you ever tried to get a group of people to agree on one answer to a problem? It's nearly impossible. However, there are positive approaches to this issue that anyone can employ with some minimal training and review. This project outlines a one-hour group problem solving technique that you can use with your organization. It helps clarify issues and provides an outline of actionable solutions.

**Group Problem Solving Process Outline**
**Define the Problem**
Provide history relevant to the problem. Make a comparison: how are things now versus the way you would like them to be? How long has the problem existed? How frequently does it occur? Who is affected by the problem?

**Determine Causes**

Look for the cause of the gap between the present (what's now) and the desired (future) state or resolution.

**Develop Alternative Approaches**

Brainstorm. (Write exactly what is said. Capturing specific words can be powerful.) Make a list of as many possible solutions as you can. Do NOT judge correctness or feasibility here. Just list everything.

**Assess the Consequences**

Ask what possible results may come from each alternative. Who is affected? Who pays? Are there uncontrollable challenges?

**Develop Action Plans**

Identify what you want success to look like. Use the Action Planning Worksheet to choose feasible alternatives that are acceptable to the group. Note: This is where most of the work is done!

**Questioning Approach**

Below are some additional, specific questions that you may use to help guide the process. As you move through each section, allow your group to take sufficient time to think critically before moving on.

**Define the Problem**

Begin this portion of the exercise by asking people to write individually on an index card what they think the problem is. This may seem redundant or simplistic for some seemingly obvious problems (e.g., budget shortfall). However, individual responses may point to confounding issues, related problems, or causative items.
After writing individually, ask everyone to share. (If it's a very sensitive issue, collect the cards, shuffle the cards, and then ask one person to read them.) How are things now versus the way you would like them to be?

How long has the problem existed?

How frequently does it occur?

Who is affected by the problem?

Determine Causes

Why does this problem exist?

What needs to be changed in both the immediate future and for the long term?

Develop Alternative Approaches:

What is feasible?

Based on the outlined causes, what first step could we take to address the issue?

What else could we do?

Can the problem be handled by internal resources? Do we need outside/expert assistance?

Are personnel and funds available?

Does sufficient data exist to make a plan?

Can the needed data be gathered within the time available?

Does the issue involve large costs or major consequences for the organization?

Assess the Consequences

➤ Who or what will be affected by this solution?

➤ What are the possible side effects . . . immediate and long-run?

➤ What would be the likely consequences of this solution?

➤ What would be the reaction of [citizens in the community/employees/patrons/customers]? Who would complain?

Who would be glad? Why?

Develop Action Plans

Use the Action Planning Worksheet to choose feasible alternatives that are acceptable to the group.

What would be accepted as evidence of its success?

Conclusions and Recommendations

The step-by-step process outlined in this fact sheet can help lead you to a successful outcome for even the most complicated group problems. Results are especially effective when using a neutral, skilled
facilitator. A facilitator can come from within the group but runs the risk of inserting influence and suggestion. The best-case scenario is a facilitator who understands the group, understands the problem, and has no direct stake in the solution. The role of the facilitator is to assist the group in performing more effectively (Keltner, 1989).

Drawing out group members to generate potential solutions is central to problem solving, just as long as it's managed and facilitated well. There should be no criticism of ideas, and novel or seemingly unusual ideas should be encouraged. Involving all group members in the process is critical if everyone is to buy into the final solution. The best approach to making this work smoothly is to establish formal rules for positive participation.

When a large group is involved in the decision making, the Nominal Group Technique (NGT) may be used in conjunction with this outlined process. The NGT is a weighted ranking method that allows a group to generate and prioritize issues. The procedure encourages balanced participation and creates a quantitative output.

With any problem solving process, defining the problem may be the most important, but likely the most difficult step. This forces the group to collectively recognize the scope of the problem and need to devise a solution. And yet, if the group is facilitated through the process of solving a problem and is successful in developing an action plan, but does not implement the plan, all efforts are for naught.

4. **What are programmed and non-programmed decisions? Explain**

<table>
<thead>
<tr>
<th>Programmed Decisions</th>
<th>Non-programmed Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Nature of Problem</td>
<td>Structured/Routine/Well-defined</td>
</tr>
<tr>
<td>2. Recurrence of Problem</td>
<td>Repetitive</td>
</tr>
<tr>
<td>4. Judgment</td>
<td>Objective</td>
</tr>
<tr>
<td>5. Probability of outcome</td>
<td>Some degree of certainty is involved</td>
</tr>
<tr>
<td>6. Level of management</td>
<td>Middle/Lower-level</td>
</tr>
<tr>
<td>7. Types</td>
<td>Organisational/Operational/Research/Opportunity</td>
</tr>
</tbody>
</table>

5. **Discuss the importance of decision making and problem solving.**

Why is it important to learn problem-solving and decision skills? Because we all have to make decisions. Whether you’re a student, a parent, a businessperson, or the president of the United States, you face problems.
every day that need solving. Maybe you’re trying to save your company, keep your job, or end the world financial crisis. Maybe you simply need to eat better or find more time to spend with your family.

Whether the issue is big or small, we all set goals for ourselves, face challenges, and strive to overcome them. But what you might not know is there’s an easy way to consistently arrive at effective and satisfying solutions. There’s a universal and fundamental approach to solving problems, but chances are no one has ever bothered to show you how.

I saw the importance of problem solving first hand when I was working as a consultant for the global management consulting firm McKinsey & Company. For six years, I worked with major companies all over the world to help solve their business challenges using a straightforward yet powerful set of problem-solving tools. And these were tools that anyone could use. They didn’t require complicated computer software or an MBA. These simple approaches are basic enough for a child to understand.

So in 2007, when Japan’s prime minister made education his nation’s top agenda, I felt compelled to do my part as the nation turned its focus to the educational system. Although Japanese business leaders, educators, and politicians have long talked about the need for Japan to shift from “memorization-focused education” to “problem-solving-focused education,” no one had figured out a concrete and effective way to make this happen.

So I left McKinsey to write a book and to teach kids. My aim was to teach Japanese children how to think like problem solvers, to take a proactive role in their own education and in shaping their lives. I tried to frame the tools we used at McKinsey in a fun and approachable way, one that would show kids what a practical approach to problem solving could help them accomplish. Although I don’t claim to be any kind of expert on education, I hoped that the book would at least provide a starting point, one that would help shift the debate from whether we should teach problem solving to how we should go about teaching it.

The book, Problem Solving 101 (originally publishing in Japan as Problem Solving Kids), spread through the education community and to a wider general audience. It turned out that adult readers in Japan, from parents and teachers to CEOs of major corporations, had been craving a simple and useful guide to problem-solving techniques.

You can check out some of the problem-solving tool boxes and challenge yourself at It’s important to realize that being a problem solver isn’t just an ability; it’s a whole mind-set, one that drives people to bring out the best in themselves and to shape the world in a positive way. Rather than accepting the status quo, true problem solvers are constantly trying to proactively shape their environment. Imagine how different our world would be if leaders like Mahatma Gandhi, Martin Luther King Jr., Eleanor Roosevelt, JFK, and Steve Jobs lacked this attitude. Now I’m focusing on helping kids put that attitude into practice.

The experience kids get from having an idea, taking initiative, and learning from both their successes and their failures is invaluable. So I’m creating more opportunities for them to learn from real-life situations rather than just in the classroom. When I work with kids, I let them learn the same way Warren Buffett did. Buffett got his first business experience when he was only six years old, buying Coke bottles from his grandfather’s store and selling them for a profit.

K.RAGHU RAM REDDY, ASST PROFESSOR
The kids I work with get to run a food and drink business using a 1965 VW van I’ve renovated for use as a transportable shop. The kids decide what food and drinks to sell, where to sell, and how to compete against other teams by actually selling what they have cooked or prepared. They learn the importance of not just problem solving skills, but also leadership, teamwork, creativity, persistence, charm, and kaizen (continuous improvement) to make their vision come true. Only after this experience do I help them ask the important questions and provide them with the problem-solving tools that could help them with future projects. As many people have already learned, problem solving is easy when you know how to approach it effectively. My aim is to help people make problem solving into a habit, one that empowers them to solve not only their own problems, but the challenges of their schools, businesses, communities — and maybe even the world.
UNIT 3

1. **Explain different principles of organisation.**

**Principle of Objective:**
The enterprise should set up certain aims for the achievement of which various departments should work. A common goal so devised for the business as a whole and the organization is set up to achieve that goal. In the absence of a common aim, various departments will set up their own goals and there is a possibility of conflicting objectives for different departments. So there must be an objective for the organization.

**Principle of Specialisation:**
The organization should be set up in such a way that every individual should be assigned a duty according to his skill and qualification. The person should continue the same work so that he specialises in his work. This helps in increasing production in the concern

**Principles of Co-ordination:**
The co-ordination of different activities is an important principle of the organization. There should be some agency to co-ordinate the activities of various departments. In the absence of co-ordination there is a possibility of setting up different goals by different departments. The ultimate aim of the concern can be achieved only if proper co-ordination is done for different activities

**Principle of Authority and Responsibility:**
The authority flows downward in the line. Every individual is given authority to get the work done. Though authority can be delegated but responsibility lies with the man who has been given the work. If a superior delegates his authority to his subordinate, the superior is not absolved of his responsibility, though the subordinate becomes liable to his superior. The responsibility cannot be delegated under any circumstances.

**Principle of Definition:**
The scope of authority and responsibility should be clearly defined. Every person should know his work with definiteness. If the duties are not clearly assigned, then it will not be possible to fix responsibility also. Everybody’s responsibility will become nobody’s responsibility. The relationship between different departments should also be clearly defined to make the work efficient and smooth.
Span of Control:
Span of control means how many subordinates can be supervised by a supervisor. The number of subordinates should be such that the supervisor should be able to control their work effectively. Moreover, the work to be supervised should be of the same nature. If the span of control is disproportionate, it is bound to affect the efficiency of the workers because of slow communication with the supervisors.

Principle of Balance:
The principle means that assignment of work should be such that every person should be given only that much work which he can perform well. Some person is over worked and the other is under-worked, then the work will suffer in both the situations. The work should be divided in such a way that everybody should be able to give his maximum

Principle of Continuity:
The organization should be amendable according to the changing situations. Everyday there are changes in methods of production and marketing systems. The organization should be dynamic and not static. There should always be a possibility of making necessary adjustments.

Principle of Uniformity:
The organization should provide for the distribution of work in such a manner that the uniformity is maintained. Each officer should be in-charge of his respective area so as to avoid dual subordination and conflicts.

Principle of Unity of Command:
There should be a unity of command in the organization. A person should be answerable to one boss only. If a person is under the control of more than one person then there is a like-hood of confusion and conflict. He gets contradictory orders from different superiors. This principle creates a sense of responsibility to one person. The command should be from top to bottom for making the organization sound and clear. It also leads to consistency in directing, coordinating and controlling.

Principle of Exception:
This principle states that top management should interfere only when something goes wrong. If the things are done as per plans then there is no need for the interference of top management.

K.RAGHURAM REDDY, ASST PROFESSOR
management should leave routine things to be supervised by lower cadres. It is only the exceptional situations when attention of top management is drawn. This principle relieves top management of many botheration and routine things. Principle of exception allows top management to concentrate on planning and policy formulation. Important time of management is not wasted on avoidable supervision.

**Principle of Simplicity:**
The organizational structure should be simple so that it is easily understood by each and every person. The authority, responsibility and position of every person should be made clear so that there is no confusion about these things. A complex organizational structure will create doubts and conflicts among persons. There may also be over-lapping and duplication of efforts which may otherwise be avoided. It helps in smooth running of the organization.

**Principle of Efficiency:**
The organization should be able to achieve enterprise objectives at a minimum cost. The standards of costs and revenue are pre-determined and performance should be according to these goals. The organization should also enable the attainment of job satisfaction to various employees.

**Scalar Principle:**
This principle refers to the vertical placement of supervisors starting from top and going to the lower level. The scalar chain is a pre-requisite for effective and efficient organization.

2. **What are talent management models and strategies?**
Talent management is an organization's ability to recruit, retain, and produce the most talented employees available in the job market. Talent consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization. Having good talent management is when one has good skills, knowledge, cognitive abilities, and the potential to do well. Talent management is also an important and necessary skill for people in the workforce to acquire. Finding good and talented people is not a hard thing to do, but making sure that they want to stay working for the same business is the challenge. If someone has so much talent and they are good at what they do, businesses will want them to stay and work there forever. However, most of those people are either satisfied with the job they have, or they go out and look for better opportunities.
The AARRR model shows how customers first get in touch with an organization and eventually end up buying something from that organization. This happens in five phases.

**Acquisition:** This is all about driving visitors to the organization.

**Activation:** The first value experience that is exchanged between the organization and the customer. This can be a customer that leaves their email address in exchange for a monthly newsletter for example.

**Revenue:** The first and most important of the R’s. Revenue is about getting customers to make a purchasing decision. Needless to say, this is the lifeblood of the company.

**Referral:** How do you get customers to tell others about you so you get even more customers?

**Retention:** How do you retain those buying customers so they come back and buy again?
3. Explain various methods of Recruitment and selection.

To recruit talented managers and staff requires more time and effort than merely scanning through resumes. Understanding how a potential recruit can help you achieve your business goals means considering that recruit's tangible and intangible qualities. Use all methods available when you recruit, interview and select your next winning team member.

The recruitment cycle represents the entire recruitment process. This cycle usually starts with job posting and ends with extending job offers or on boarding new hires. Here’s an image of a basic recruitment cycle:
Methods of recruitment

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Promotion</td>
<td>1) Management Consultant</td>
</tr>
<tr>
<td>2) Departmental Exam</td>
<td>2) Employment Agency</td>
</tr>
<tr>
<td>3) Transfer</td>
<td>3) Campus Recruitment</td>
</tr>
<tr>
<td>4) Retirement</td>
<td>4) Newspaper Advertisement</td>
</tr>
<tr>
<td>5) Internal Advertisement</td>
<td>5) Internet Advertisement</td>
</tr>
<tr>
<td>6) Employee Recommendation</td>
<td>6) Walk in interview</td>
</tr>
</tbody>
</table>

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Selection Methods

This section looks at the process of selecting candidates. A variety of methods are available and consideration needs to be given as to which are suitable for a particular role. These include: Application forms and CVs, Online screening and shortlisting, Interviews, Psychometric testing, Ability and aptitude tests, Personality profiling, Presentations, Group exercises, Assessment centres and References.

Application forms and CVs

The traditional approach to applying for jobs is to complete a fairly lengthy application form (online or hard copy). This may be off-putting for some candidates. Therefore, application forms, if used, should only address the really important areas to allow shortlisting to take place. The benefit of using an application form from the organisation's perspective is that it ensures that the same information is gained from all candidates, which helps to achieve a level of consistency in the short-listing process.

The use of CVs is becoming less common. The benefit to the applicant is clear - an existing CV can be updated and tailored in a fraction of the time that it takes to fill out a traditional application form. The problem for the employer, however, is that information will be presented how the applicant sees fit, and may make short-listing less consistent. CVs are certainly more difficult to sift through if information is presented in a variety of ways through different CV formats. There are also equal opportunities considerations as the consistency produced by the use of application forms is more likely to engender fairness in the recruitment process. However, if certain jobs are hard to recruit to and competitors generally ask for CVs rather than application forms, organisations may consider acceptiing CVs. If this is the case, other safeguards may be used, for example, deleting indications of sex and race before the CVs are passed to short-listers, and more careful evaluation of decisions made in the recruitment process.

Organisations should ensure that short-listers understand the need to not directly discriminate and that awareness training is put in place to help short-listers recognise and challenge their own prejudices and beliefs. Recruitment processes must ensure that decisions about shortlisting are made on the basis of the applicant's ability to undertake the job. For example, short-listers may be asked to provide
information on the reasons why certain decisions were made, in order to demonstrate that the decision was not related to irrelevant personal characteristics.

**Online screening and shortlisting**

Online applications to jobs can generally be split into two types; an application form that is sent to an email address within the prospective company, or an ATS (Applicant Tracking System). The latter places the application into a database that can be used to filter the candidates and handle the various processes of application stages. This section explains the usage of an ATS within the recruitment process.

Initial screening of applications is usually based on an assessment of a candidate's experience and qualifications against the job's requirements. Online systems, like an ATS, can filter applications automatically against set criteria, such as keyword searches. It may also provide a scoring mechanism.

The use of online screening may be a useful way of filtering quickly through a huge volume of applications, or sorting applications. If there are a number of jobs that have been advertised at the same time, you could, for example, search for applications with the same job reference number. This approach, however, does require that all applications are received online.

It may be difficult to ensure that the keywords or criteria used in the search do not overlook any applications which could potentially match the person specification. Some organisations that use this approach have had to develop long application forms in order to ensure that the candidate includes all appropriate information in sufficient detail for their application to be selected through the word search. Other organisations only use the keyword approach as a first step in attempting to select candidates and then go through the applications again manually to double check that all appropriate applications have been selected.

If such a method is the only one used, organisations should be aware of the implications of the Data Protection Act. The Employment Practices Data Protection Code recommends that, if an automated short-listing system is used as the sole basis for making a decision, applicants should be informed. An employer should make provisions to consider representations from applicants about this and to take these into account before making the final decision.
There is an initial cost in implementing online screening and shortlisting, such as the cost of software and training. These costs need to be balanced against potential benefits, such as improving the speed of the recruitment and selection process.

**Interviews**

Structured interviews are the most effective type of interview. The interview process is formed through identification of the key requirements of the job and a list of questions is drawn up. A panel of interviewers works through each set of questions with each candidate and scores them on their answers. At the end of the interview process the overall scores are considered and the best candidate chosen. If additional selection methods are chosen, this is fed into the overall process at the end, and again, the best-fit candidate is offered the job.

Even where the interview is structured, this does not mean that follow up questions cannot be asked to probe more deeply into a candidate's skills and experience. An interview which does not do this, but instead sticks to a rigid list of questions, will not allow the interviewer to obtain the information required to make a proper decision.

Members involved in the interview process should be trained in interviewing skills and the sorts of questions they should or should not ask.

**Psychometric testing**

A range of attributes are best tested through psychometric testing. This term is often confusing, but in essence, means that a 'mental measure' is used. Therefore, psychometric testing covers ability testing, aptitude testing and personality profiling.

**Ability and aptitude tests**

The term 'ability tests' is used broadly and in this context will encompass aptitude tests too. Ability tests may cover a range of areas including:

- General intelligence
- Verbal ability
- Numerical ability
- Spatial ability
- Clerical ability
- Diagrammatical ability
- Mechanical ability
- Sensory and motor abilities.

**Personality profiling**
An individual's personality may affect their suitability for some posts. However, personality profiling does not have a 'right' or 'wrong' answer and individuals may be sifted through identifying particular behaviours that are better suited to the job than others. It is therefore important for those undertaking the selection process to be clear on the characteristics required to perform well in the job.

**Presentations**

Presentations are frequently used as a selection tool, particularly in senior jobs. The applicant is provided with a topic and given a time-frame to deliver a presentation on that topic. In some organisations the presentation topic is sent with the interview confirmation. It is now often given to applicants on the day of the interview and the applicant has a set period to prepare the presentation before the interview.

**Group exercises**

Candidates are given a topic or a role-play exercise and are invited to discuss the topic or role-play in a group. During the discussion/role play, observers who are looking for specific attributes award marks to each candidate. This of course means that you may need four or more candidates to make this a meaningful exercise and enough people to mark the candidates properly.

**Assessment centre**

Assessment centre techniques date back to the Second World War where they were used to select officers. Assessment methods are based on the principle of multiple testing processes. This may include ability and aptitude testing, group exercises, in-tray exercises, presentations as well as personality profiling. The important issue for all testing is to ensure that there is clarity about what is to be tested and that the test is appropriate. An assessment centre should be devised to specifically examine important aspects of the job and measure how well individuals are likely to perform in the job. An assessment centre should be fair and unbiased. It should also give individuals without a 'traditional' academic background the opportunity to demonstrate their skills and abilities. Good practice indicates that individuals attending assessment centres should have practical equalities support. For example, assessors should be of mixed gender and where possible of mixed ethnic origins if this is appropriate.
4. **Discuss methods of training and development**

**TRAINING AND DEVELOPMENT (T&D) METHODS**

There are several T&D methods available. The use of a particular method depends which method accomplishes the training needs and objectives. Training methods can be classified into two categories:

**On-the-Job Methods**

This refers to the methods of training in which a person learns a job by actually doing/performing it. A person works on a job and learns and develops expertise at the same time.

- **Understudy**
  
  In this the employee is trained by his or her supervisor. The trainee is attached with his or her senior and called understudy or assistant. For example, a future manager might spend few months as assistant to the present manager.

- **Job rotation**
  
  This refers to shifting/movement of an employee from one job to another on regular intervals.

- **Special projects**
  
  The trainees' may ask to work on special projects related with departmental objectives. By this, the trainees will acquire the knowledge of the assigned work and also learn how to work with others.

- **Experience**
  
  It refers to learning by doing. This is one of the oldest methods of on-the-job training. Although this is very effective method but it also very time-consuming and wasteful. Thus it should be followed by other training methods.

- **Committee assignment**
  
  In this, the trainees become members of a committee. The committee is assigned a problem to discuss and make recommendations.

- **Coaching**
  
  In this, the supervisor or the superior acts as a guide and instructor of the trainee. This involves extensive demonstration and continuous critical evaluation and correction.

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Off-the-Job Methods

These methods require trainees to leave their workplace and concentrate their entire time towards the training objectives. These days off-the-job training methods have become popular due to limitations of the on-the-job training methods such as facilities and environment, lack of group discussion and full participation among the trainees from different disciplines, etc. In the off-the-job methods, the development of trainees is the primary task rest everything is secondary. Following are the main off-the-job training methods:

- **Special courses and lectures**
  These are the most traditional and even famous today, method of developing personnel. Special courses and lectures are either designed by the company itself or by the management/professional schools. Companies then sponsor their trainees to attend these courses or lectures. These are the quick and most simple ways to provide knowledge to a large group of trainees.

- **Conferences and seminars**
  In this, the participants are required to pool their thoughts, ideas, viewpoints, suggestions and recommendations. By attending conferences and seminars, trainees try to look at a problem from different angles as the participants are normally from different fields and sectors.

- **Selected reading**
  This is the self-improvement training technique. The persons acquire knowledge and awareness by reading various trade journals and magazines. Most of the companies have their own libraries. The employees become the members of the professional associations to keep abreast of latest developments in their respective fields.

- **Case study method**
  This technique was developed by Harvard Business School, U.S.A. It is used as a supplement to lecture method. A case is a written record of a real business situation/problem faced by a company. The case is provided to the trainees for discussion and analysis. Identification and diagnose of the problem is the aim in case study method. Alternate courses of action are suggested from participants.

- **Programmed instruction/learning**
  This is step-by-step self-learning method where the medium may be a textbook, computer or the internet. This is a systematic method for teaching job skills involving presenting questions
or facts, allowing the person to respond and giving the learner immediate feedback on the accuracy of his or her answers.

- **Brainstorming**
  This is creativity-training technique; it helps people to solve problems in a new and different way. In this technique, the trainees are given the opportunity to generate ideas openly and without any fear of judgement. Criticism of any idea is not allowed so as to reduce inhibiting forces. Once a lot of ideas are generated then they are evaluated for their cost and feasibility.

- **Role-playing**
  In this method, the trainees are assigned a role, which they have to play in an artificially created situation. For example, a trainee is asked to play the role of a trade union leader and another trainee is required to perform the role of a HR manager. This technique results in better understanding of each other’s situation by putting foot in other's shoes.

- **Vestibule schools**
  Large organisations frequently provide what are described as vestibule schools a preliminary to actual shop experience. As far as possible, shop conditions are duplicated, but instruction, not output is major objective." A vestibule school is operated as a specialised endeavor by the personnel department. This training is required when the amount of training that has to be done exceeds the capacity of the line supervisor; a portion of training is evolved from the line and assigned to staff through a vestibule school." The advantage of a vestibule school is specialisation.

- **Apprenticeship training**
  This training approach began in the Middle Ages when those who wanted to learn trade skill bound themselves to a master craftsman and worked under his guidance. Apprenticeship training is a structured process by which people become skilled workers through a combination of classroom instruction and on-the-job training.

- **In-basket exercise**
  In this technique, the trainees are provided background information on a simulated firm and its products, and key personnel. After this, the trainees are provided with in-basket of memos, letters, reports, requests and other documents related with the firm. The trainee must make sense out of this mass of paperwork and prepare memos, make notes and delegate tasks within a limited time period.

- **Business games**

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Business games involve teams of trainees. The teams discuss and analyse the problem and arrive at decisions. Generally, issues related with inventories, sales, R&D, production process, etc. are taken up for consideration.

- **Behaviour modelling**
  This is structured approach to teach specific supervisory skill. This is based on the social learning theory in which the trainee is provided with a specific model of behaviour and is informed in advance of the consequences of engaging in that type of behaviour.

- **Sensitivity (T-group) training**
  In this type of training, a small group of trainees consisting of 10 to 12 a person is formed which meets in an unstructured situation. There is no set agenda or schedule or plan. The main objectives are more openness with each other, increased listening skills, trust, support, tolerance and concern for others. The trainers serve a catalytic role. The group meets in isolation without any formal agenda. There is great focus on inter-personal behaviour. And, the trainer provides honest but supportive feedback to members on how they interacted with one another.

- **Multiple Management**
  This technique of training was first introduced by McCormick, President of McCormick & co. of Baltimore in 1932. He gave the idea of establishing a junior board of directors. Authority is given to the junior board members to discuss any problem that could be discuss in senior board and give recommendations to the senior board. Innovative and productive ideas became available for senior board.
5. Briefly explain different types of performance appraisal methods.

Each method of performance appraisal has its strengths and weaknesses may be suitable for one organization and non-suitable for another one. As such, there is no single appraisal method accepted and used by all organizations to measure their employees’ performance. All the methods of appraisal devised so far have been classified differently by different authors. While DeCenzo and Robbins have classified appraisal methods into three categories: absolute methods, relative methods and objective methods; Aswathappa has classified these into two categories past-oriented and future-oriented.

<table>
<thead>
<tr>
<th>Traditional Methods</th>
<th>Modern Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ranking method</td>
<td>1. Management by Objectives (MBO)</td>
</tr>
<tr>
<td>2. Paired comparison</td>
<td>2. Behaviourally anchored rating scales</td>
</tr>
<tr>
<td>3. Grading</td>
<td>3. Assessment centres</td>
</tr>
<tr>
<td>4. Forced distribution method</td>
<td>4. 360-degree appraisal</td>
</tr>
<tr>
<td>6. Checklist method</td>
<td></td>
</tr>
<tr>
<td>7. Critical incidents method</td>
<td></td>
</tr>
<tr>
<td>8. Graphic scale method</td>
<td></td>
</tr>
<tr>
<td>9. Essay method</td>
<td></td>
</tr>
<tr>
<td>10. Field review method</td>
<td></td>
</tr>
<tr>
<td>11. Confidential report</td>
<td></td>
</tr>
</tbody>
</table>

**Ranking Method:**
It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst.

**Paired Comparison:**
In this method, each employee is compared with other employees on one-on-one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

**Grading Method:**
In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance. Such type of grading is done is Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.
Forced Distribution Method:
This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees’ performance level confirms to a normal statistical distribution i.e., 10, 20, 40, 20 and 10 per cent. This is useful for rating a large number of employees’ job performance and promo ability. It tends to eliminate or reduce bias.

It is also highly simple to understand and easy to apply in appraising the performance of employees in organizations. It suffer from the drawback that improve similarly, no single grade would rise in a ratings

Forced-Choice Method:
The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative.

Check-List Method:
The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in ‘yes’ or ‘no’ are prepared by the HR department. The check-list is, then, presented to the rater to tick appropriate answers relevant to the appraise. Each question carries a weight-age in relationship to their importance.

Critical Incidents Method:
In this method, the rater focuses his or her attention on those key or critical behaviors that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method. First, a list of noteworthy (good or bad) on-the-job behavior of specific incidents is prepared. Second, a group of experts then assigns weight age or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as “good” or “bad” is constructed. Then, the check-list is given to the rater for evaluating the workers.

Graphic Rating Scale Method:
The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee. The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five points scale.
**Essay Method:**
Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee’s strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it. However, essay method, like other methods, is not free from drawbacks. In the absence of any prescribed structure, the essays are likely to vary widely in terms of length and content. And, of course, the quality of appraisal depends more upon rater’s writing skill than the appraiser’s actual level of performance.

**Field Review Method:**
When there is a reason to suspect rater’s biasedness or his or her rating appears to be quite higher than others, these are neutralized with the help of a review process. The review process is usually conducted by the personnel officer in the HR department.

**Confidential Report:**
It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee’s strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.

**Management by Objectives (MBO):**
Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book. The Practice of management. The concept of MBO as was conceived by Drucker, can be described as a “process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members”.

**Behaviourally Anchored Rating Scales (BARS):**
The problem of judgmental performance evaluation inherent in the traditional methods of performance evaluation led to some organisations to go for objective evaluation by developing a technique known as “Behaviourally Anchored Rating Scales (BARS)” around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension.

Developing BARS typically involves five steps:

1. **Generating Critical Incidents:**
   Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively. Persons who are knowledgeable of the job in question (jobholders and/or supervisors) are asked to describe specific critical incidents of effective and ineffective performance. These critical incidents may be described in a few short sentences or phrases using the terminology

2. **Developing Performance Dimensions:** The critical incidents are then clustered into a smaller set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined.
3. **Reallocating Incidents:**
Various critical incidents are reallocated dimensions by another group of people who also know the job in question. Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster as classified in step 2.

**Scaling Incidents:**
The same second group as in step 3 rates the behaviour described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide which incidents will be included in the final anchored scales.

**Developing Final BARS Instrument:**
A subset of the incidents (usually six or seven per cluster) is used as a behavioural anchor for the final performance dimensions. Finally, a BARS instrument with vertical scales is drawn to be used for performance appraisal, as in Figure 27-5.

**Assessment Centres:**
The introduction of the concept of assessment centers as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s. The concept, then, traversed from the army to business arena during 1960s.

The concept of assessment centre is, of course, of a recent origin in India. In India, Crompton Greaves, Eicher, Hindustan Lever and Modi Xerox have adopted this technique of performance evaluation.

**360 – Degree Appraisal:**
Yet another method used to appraise the employee’s performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

**Cost Accounting Method:**
This method evaluates an employee’s performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organisation derives from Him/her.
UNIT 4

1. What are the relations between motivation and engagement?

Keeping employees motivated and engaged is the key to every organisation’s success. Unfortunately, there is no exact science to motivating employees since different people are motivated by different things at different times.

One day you may leave a hard-working and motivated employee in the office only to return the following day to find someone who is despondent and less than enthusiastic about their work. This could be down to a number of factors, such as personal issues, interactions with colleagues, personal or work-related worries or concerns or feeling undervalued.

There are many factors affecting motivation that managers have little or no control over. However, a good manager will do their best to keep their team motivated and engaged – it is better for morale and for productivity!

Motivational needs

Professor of psychology David McClelland described three types of motivational need:

- Achievement
- Authority and power
- Affiliation.

Motivators and hygiene factors

Clinical psychologist Frederick Herzberg developed the concept of motivators and hygiene factors.

Motivators are things that cause us to feel motivated. Hygiene factors do not make us feel motivated or demotivated, they are just there. However, if a hygiene factor is missing an employee will feel demotivated.

K.RAGHURAM REDDY, ASST PROFESSOR
Example of hygiene factors

One example of a hygiene factor is reasonable pay. This doesn't necessarily mean a huge salary, just a reasonable amount for someone to live off. An employee receiving reasonable pay will not feel motivated every time they receive their pay, but if the pay is absent or late they will become demotivated.

Other hygiene factors might include

- adequate space to work in
- break periods
- chairs and desks that conform to health and safety standards
- IT equipment that works properly.

Employee Engagement

An engaged employee is one who shows commitment and willingness to help out beyond their normal job which leads to better business performance.

Employers are interested in those employees who will do their best work, or ‘go the extra mile’. Employees want interesting work that they find absorbing and enjoyable. When these factors combine you have a win-win solution that meets the needs of the business and the employees’ needs at the same time. This is called employee engagement. Both sides have everything to gain by it and will work hard to maintain it.

It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer as it cannot be ‘required’ as part of the employment contract.

There is no list of what creates employee engagement but CIPD research into employee attitudes found that the main drivers of employee engagement were:

- having opportunities to feed your views upwards
- feeling well-informed about what is happening in the organisation
- believing that your manager is committed to your organisation.

Perceived fairness by managers when dealing with problems also has a marked impact on individual performance, although this does not seem to be directly related to employee engagement.
2. **What are different types of motivation?**

**Achievement Motivation:**

It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it. It is similar to ‘Kaizen’ approach of Japanese Management. This motivation is more important for professionals.

**Affiliation Motivation:**

It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favourable attitudes and co-operation. This motivation is of greater use where money cannot be used to motivate, especially minimum-wage employees and contingent professionals.

**Competence Motivation:**

It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience. Specialists, like heart surgeons would feel motivated if they get chances to operate upon unique cases.

**Power Motivation**

It is the drive to influence people and change situations. Power motivated people create an impact on their organization and are willing to take risk to do so. Ms Mayawati, Chief Minister of UP, is power motivated.

**Attitude Motivation:**

Attitude motivation is how people think and feel. It is their self-confidence, their belief in themselves, and their attitude to life. It is how they feel about the future and how they react to the past.
**Incentive Motivation:**

It is where a person or a team reaps a reward from an activity. It is “you do this and you get that”, attitude. It is the type of rewards and prizes that drive people to work a little harder. Most of the unorganized job workers get motivated when they are offered more money.

**Fear Motivation:**

Fear motivation coercions a person to act against will. It is instantaneous and gets the job done quickly. It is helpful in the short run. Managers following Theory x come into this category. In Indian army, this kind of motivation is very popular.

3. **What are different leadership styles? Explain**

According to Research by asaecenter, leadership style is the way a person uses power to lead other people. Research has identified a variety of leadership styles based on the number of followers. The most appropriate leadership style depends on the function of the leader, the followers and the situation.

Some leaders cannot work comfortably with a high degree of followers’ participation in decision making. Some employers lack the ability or the desire to assume responsibility. Furthermore, the specific situation helps determine the most effective style of interactions. Sometimes leaders must handle problems that require immediate solutions without consulting followers.

**What are Different Leadership Styles?**

We have covered 12 different types of ways people tend to lead organizations or other people. Not all of these styles would deem fit for all kind of situations, you can read them through to see which one fits right to your company or situation.

**Autocratic Leadership**

Autocratic leadership style is cantered on the boss. In this leadership the leader holds all authority and responsibility. In this leadership, leaders make decisions on their own without consulting subordinates. They reach decisions, communicate them to subordinates and expect prompt implementation. Autocratic work environment does normally have little or no flexibility.
In this kind of leadership, guidelines, procedures and policies are all natural additions of an autocratic leader. Statistically, there are very few situations that can actually support autocratic leadership.

**Democratic Leadership**

In this leadership style, subordinates are involved in making decisions. Unlike autocratic, this headship is centered on subordinates’ contributions. The democratic leader holds final responsibility, but he or she is known to delegate authority to other people, who determine work projects.

The most unique feature of this leadership is that communication is active upward and downward. With respect to statistics, democratic leadership is one of the most preferred leadership, and it entails the following: fairness, competence, creativity, courage, intelligence and honesty.

**Strategic Leadership Style**

Strategic leadership is one that involves a leader who is essentially the head of an organization. The strategic leader is not limited to those at the top of the organization. It is geared to a wider audience at all levels who want to create a high performance life, team or organization.

The strategic leader fills the gap between the need for new possibility and the need for practicality by providing a prescriptive set of habits. An effective strategic leadership delivers the goods in terms of what an organization naturally expects from its leadership in times of change. 55% of this leadership normally involves strategic thinking.

**Transformational Leadership**

Unlike other leadership styles, transformational leadership is all about initiating change in organizations, groups, oneself and others. Transformational leaders motivate others to do more than they originally intended and often even more than they thought possible. They set more challenging expectations and typically achieve higher performance.

Statistically, transformational leadership tends to have more committed and satisfied followers. This is mainly so because transformational leaders empower followers.

**Team Leadership**

Team leadership involves the creation of a vivid picture of its future, where it is heading and what it will stand for. The vision inspires and provides a strong sense of purpose and direction.
Team leadership is about working with the hearts and minds of all those involved. It also recognizes that teamwork may not always involve trusting cooperative relationships. The most challenging aspect of this leadership is whether or not it will succeed. According to Harvard Business Review, team leadership may fail because of poor leadership qualities.

**Cross-Cultural Leadership**

This form of leadership normally exists where there are various cultures in the society. This leadership has also industrialized as a way to recognize front runners who work in the contemporary globalized market.

Organizations, particularly international ones require leaders who can effectively adjust their leadership to work in different environs. Most of the leaderships observed in the United States are cross-cultural because of the different cultures that live and work there.

**Facilitative Leadership**

Facilitative leadership is too dependent on measurements and outcomes – not a skill, although it takes much skill to master. The effectiveness of a group is directly related to the efficacy of its process. If the group is high functioning, the facilitative leader uses a light hand on the process.

On the other hand, if the group is low functioning, the facilitative leader will be more directives in helping the group run its process. An effective facilitative leadership involves monitoring of group dynamics, offering process suggestions and interventions to help the group stay on track.

**Laissez-faire Leadership**

Laissez-faire leadership gives authority to employees. According to ancestral, departments or subordinates are allowed to work as they choose with minimal or no interference. According to research, this kind of leadership has been consistently found to be the least satisfying and least effective management style.

**Transactional Leadership**

This is a leadership that maintains or continues the status quo. It is also the leadership that involves an exchange process, whereby followers get immediate, tangible rewards for carrying out the leader’s orders. Transactional leadership can sound rather basic, with its focus on exchange.
Being clear, focusing on expectations, giving feedback are all important leadership skills. According to Boundless.com, transactional leadership behaviors can include: clarifying what is expected of followers’ performance; explaining how to meet such expectations; and allocating rewards that are contingent on meeting objectives.

**Coaching Leadership**

Coaching leadership involves teaching and supervising followers. A coaching leader is highly operational in setting where results/ performance require improvement. Basically, in this kind of leadership, followers are helped to improve their skills. Coaching leadership does the following: motivates followers, inspires followers and encourages followers.

**Charismatic Leadership**

In this leadership, the charismatic leader manifests his or her revolutionary power. Charisma does not mean sheer behavioural change. It actually involves a transformation of followers’ values and beliefs. Therefore, this distinguishes a charismatic leader from a simply populist leader who may affect attitudes towards specific objects, but who is not prepared as the charismatic leader is, to transform the underlying normative orientation that structures specific attitudes.

**Visionary Leadership**

This form of leadership involves leaders who recognize that the methods, steps and processes of leadership are all obtained with and through people. Most great and successful leaders have the aspects of vision in them.

However, those who are highly visionary are the ones considered to be exhibiting visionary leadership. Outstanding leaders will always transform their visions into realities.

4. **Briefly explain the following terminologies**

K.RAGHURAM REDDY, ASST PROFESSOR
a. Leader as mentor and coach

<table>
<thead>
<tr>
<th>COACHING - PRESENT</th>
<th>MENTORING - FUTURE</th>
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<tbody>
<tr>
<td>Relationship generally has a set duration</td>
<td>Ongoing relationship that can last for a long time</td>
</tr>
<tr>
<td>Generally more structured in nature and meetings are scheduled on a regular basis</td>
<td>Generally more informal and meetings take place as and when the mentee needs some advice, guidance, or support</td>
</tr>
<tr>
<td>Focus is typically on development/issues for work</td>
<td>Focus is on career and personal development</td>
</tr>
<tr>
<td>Revolves more around specific development areas/issues</td>
<td>Revolves more around developing the mentee</td>
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MENTOR

Mentors are volunteer for the role because they acknowledge the importance of dedicates the time to guide a someone new to the task. A Mentor will openly share personal experiences that contributed to their growth and development, invest the time to listen to the plans of the Mentee, and develop a plan to work together during a set period of time. Mentors are rarely the Mentee’s direct manager, although the Mentee’s manager should be a critical part of a successful Mentor program. Mentees benefit most from working with the Mentor’s network to gain a broader understanding of the job and the company.

A Mentor often assumes the role of Advocate for the Mentee as Mentoring can help improve career development, simplify increased responsibility, build confidence and help individuals learn and grow within an organization.

Chip Bell states in his book MANAGER AS MENTOR: To grow is fundamentally the act of expanding, an unfolding into greatness. And so expansiveness is the most important attribute of a great mentoring relationship. Mentoring effectiveness is all about clearing an emotional path to make the learning journal as free of boundaries as possible. Change is a door opened from the inside. But it is the mentoring relationship that delivers the key to that door. Mentoring typically falls into two categories: non-directive mentoring, where the mentor acts as a sounding board, catalyst and role model, and sponsor mentoring, where a senior executive will promote, oversee and control a protege’s career. Often, a mixture of both models can provide the most effective support for organizational talent.

COACH
In an Harvard Business Review article, Monique Valcour recommends every leader to practice the basics of coaching. If you have room in your head for only one nugget of leadership wisdom, make it this one: the most powerfully motivating condition people experience at work is making progress at something that is personally meaningful. If your job involves leading others, the implications are clear: the most important thing you can do each day is to help your team members experience progress at meaningful work. To do so, you must understand what drives each person, help build connections between each person’s work and the organization’s mission and strategic objectives, provide timely feedback, and help each person learn and grow on an ongoing basis. Regular communication around development — having coaching conversations — is essential.

In fact, according to recent research, the single most important managerial competency that separates highly effective managers from average ones is coaching.” It is common today for a leader to have a professional Executive Coach for personal development. It is just as important to recognize when a member of your team or a new employee would benefit from a professional coach. Leadership Coaches can be internal, often members of the company Human Relations team, or external, independent contractors with the qualifications and experience most suited to the individual to be coached. Coaching helps employees make the most of their potential and performance capabilities by developing skills competence and addressing identified issues. Coaching initiatives tend to have shorter timelines than mentoring programs, with more finite and tangible learning objectives. A typical Leadership Coaching program with an external coach is six months or 20-hours of coaching. Clear goals are identified typically following a 360 Review and professional personality assessment.

The Coachee’s manager is engaged in the process by reviewing goals and providing feedback to the Coachee and Coach at critical points during the Coaching event. Forbes magazine published an article William Arruda discussing Why You Need to Hire a Coach... stating that if you don’t have a coach, “you could be limiting your career success. That’s because coaches help you identify and focus on what’s important, which accelerates your success.” According to coaches.com, the work of a good coach is to:

• Create a safe environment in which people see themselves more clearly;

• Identify gaps between where the client is and where the client needs or wants to be

• Ask for more intentional thought, action and behaviour changes than the client would have asked of him or herself

K.RAGHURAM REDDY, ASST PROFESSOR
• Guide the building of the structure, accountability, and support necessary to ensure sustained commitment.

b. Leadership during adversity and crisis

Discover and define the real problem

As Max De Pree noted, “the first responsibility of a leader is to define reality.” Leaders must wade into the mire in order to learn precisely what has happened and to make sense of current conditions.

Act quickly

Provide reassurance

The place to handle a crisis is not from behind a desk but in front of the people. A leader’s visible presence during times of crisis inspires confidence and gives others a sense of security. Certainly, the ability of leaders to control their own emotions is paramount during crisis. In addition, preparation is key. Obviously, some crises are completely unforeseeable. Still, organizations can draw up strategy plans in anticipation of an emergency. Companies with an emergency plan in place are far better positioned to handle a sudden crisis than those in which the leaders must operate on the fly.

Simplify the situation

In times of crisis emotions run high and circumstances appear overwhelming. To make clear-headed decisions, a leader has to step back from events to determine the aspects of a situation that are beyond repair and to identify the main issues at stake moving forward. During a crisis, I make a point to withdraw from everything momentarily to list out my top concerns. I then assemble my core leadership team, gather their input, and amend the list accordingly. Putting the main issues on paper helps me to wrap my mind around the crisis and to stay focused amid chaos.

Enlist support of influencers

In every organization, a small group of people holds the majority of influence. During a crisis, devote extra attention to making sure key influencers are on board with your plan to handle the crisis.

K.RAGHURAM REDDY, ASST PROFESSOR
Decide to take action one step at a time

In crisis, conditions are in a state of flux. For this reason, plans extending too far into the future are doomed to failure. When confronting a rapidly changing situation, it’s wise to concentrate on the near-term. Focus on making the next step, let the dust settle, and then re-evaluate the situation.

Do what is right and not what is easiest

Difficult problems seldom have simple solutions. Refuse to cut corners or to lower your ethical standards to make the situation easier. Instead, hold to your convictions and put the needs of your people ahead of your personal comfort and convenience.

c. Handling employee and customer complaints

Here, then, are nine things that excellent managers do when confronted with a difficult employee – things that keep them from getting sucked into an endless vortex of ineffectiveness and frustration:

Listen.

Often, when an employee is difficult we stop paying attention to what’s actually going on. We're irritated, it seems hopeless, and we’ve already decided what we think about the employee - so we just turn our attention to other things, out of a combination of avoidance and self-protection. But the best managers get very attentive when someone’s not doing well. They know their best shot at improving the situation lies in having the clearest possible understanding of the situation – including knowing the tough employee’s point of view. An added bonus: in some cases, simply listening can save the day. You may hear about a real problem that’s not the employee’s fault that you can solve; the tough employee may start acting very differently once he or she feels heard; you may discover legitimate issues he or she has that need to be addressed.

Give clear, behavioural feedback.

Most managers will spend months, even years, complaining about poor employees... and not ever giving them actual feedback about what they need to be doing differently. Yes, giving tough feedback is one of the most uncomfortable things a manager has to do. But great managers learn to do it reasonably well, and then they do it. Here’s a post where I outline the approach we teach. This approach does two key things:
lowers the other person’s defensiveness, and gives them the specific information they need in order to improve. Whatever approach you use, make sure it does these two things.

**Document.**

Whenever you’re having significant problems with an employee, I can’t stress this strongly enough. Dozens of times I’ve had managers tell me that they couldn’t let a difficult employee go because they had no record of his or her bad behavior. And all too often this lack of documentation arises out of misplaced hopefulness; that they didn’t want to be ‘too negative’ about the employee (As if it would all magically go away if they didn't write it down). Good managers know that documentation isn’t negative – it’s prudent. Remember, if you're able to solve the problem, you can just breathe a sigh of relief and put your documentation in the back of the drawer.

**Be consistent.**

If you say you’re not OK with a behavior, don’t sometimes be OK with it. Employees look to see what you do more than what you say. If, for instance, you tell employees that it’s critical they submit a certain report by a certain time, and then you’re sometimes upset and sometimes not upset when they don’t do it...the less-good employees generally won’t do it. Pick your shots - only set standards you’re actually willing to hold to – and then hold to them.

**Set consequences if things don’t change.**

If things still aren’t improving at this point, good managers get specific. They say some version of, “I still believe you can turn this around. Here’s what turning it around would look like. If I don’t see that behaviour by x date, here’s what will happen” (e.g., “you’ll be let go,” or “you’ll be put on warning,” or “you won’t be eligible for a promotion” – some substantive negative consequence.) If problem employees don’t believe their behaviour will have any real negative impact on them – why would they change?

**Work through the company’s processes.**

Good managers hold out hope for improvement until the point when they actually decide to let the person go. AND they make sure they’ve dotted all the I’s and crossed all the T’s that will allow them to fire the person if it comes to that. If you’re at this point in your efforts to address the situation, you ought to be having very
clear conversations with HR so that you know (and are doing) exactly what you need to do to clear the path to termination, if that turns out to be necessary.

Don’t poison the well.

All too often, poor managers substitute bad-mouthing the problem employee to all and sundry rather than taking the steps I’ve outlined above. No matter how difficult an employee may be, good managers don’t trash-talk to other employees. It creates an environment of distrust and back-stabbing, it pollutes others’ perception of the person, and it makes you look weak and unprofessional. Just don’t do it.

Manage your self-talk.

Throughout this process, make sure your self-talk is neither unhelpfully positive nor unhelpfully negative. Thinking to yourself, “This guy’s an idiot and will never change,” isn’t useful, nor is thinking, “Everything will turn out fine, he’s great, there’s no problem.” Good managers take a fair witness stance, making sure that what they say to themselves about the situation is as accurate as possible. For example, “His behavior is creating real problems for the team. I’m doing what I can to support him to change. If he does, great, and if he doesn’t, I’ll do what I’ve said I’ll do.”

Be courageous.

Firing someone is the hardest thing a manager has to do. If it gets to that point, do it right. Don’t make excuses, don’t put it off, don’t make someone else do it. The best managers do the tough things impeccably. And if – hallelujah - things turn around, be courageous enough to accept that; sometimes being proved wrong when we think someone’s not salvageable is almost as hard as being proved right.

Taking the Complaint When a customer first makes a complaint, take a step back.

It can be difficult to remain impassive in the face of criticism, but an emotional response will only serve to irritate the customer further.

Give the customer your full attention and listen to the whole problem before responding.

Put yourself in their shoes - if you had a problem, you would want someone to listen to you. Appearing disinterested, or attempting to argue back, will only exacerbate the situation.

Don't jump the gun.
You might deal with complaints on a regular basis, and may well have handled a similar situation before. However, for the customer, their complaint is unique to them. Treat them as an important individual by listening to their problem in full.

Try to understand.

In the face of a complaint, it's easy to be defensive - particularly if you don't believe you're at fault. However, you have to put yourself in the customer's shoes. If you were on the receiving end of their experience, would you personally be satisfied?

Always use your initiative when dealing with complaints. If the blame lies with one particular member of staff, it is often best to remove the customer from their presence. This can defuse tension and emotion, and help the customer to re-evaluate their anger.

However, never pass the customer around from person to person. Each complaint should ideally be handled by one staff member. Therefore, you should always ensure that the person assigned to the case has the authority to deal with the situation. Read more at: https://www.skillsyouneed.com/rhubarb/dealing-with-complaints.

5. What are motivational theories? Explain

Definition: There are several Theories of Motivation that are developed to explain the concept of “Motivation”. The motivation is a drive that forces an individual to work in a certain way. It is the energy that pushes us to work hard to accomplish the goals, even if the conditions are not going our way
Maslow’s Need Hierarchy Definition:

The Maslow’s Need Hierarchy is given by Abraham Maslow, who has explained the strength of certain needs at the different point of time.
Hygiene Theory

Definition: The Herzberg’s Motivation-Hygiene Theory is given by Fredrick Herzberg and his associates, who studied the variables that are perceived to be desirable to achieve goals and the undesirable conditions to avoid.

Hygiene Factors:
Herzberg identified ten maintenance or hygiene factors, that are not intrinsic parts of a job, but are related to the conditions in which the job has to be performed. These are company policy and administration, technical supervision, job security, working conditions, interpersonal relationship with peers, subordinates and supervisors, salary, job security, personal life, etc.

Motivational factors:
These factors have a positive effect on the functioning of the employees in the organization. There are six factors that motivate employees: Achievement, Recognition, Advancement, Work- itself, Possibility of growth and Responsibility. An increase in these factors satisfies the employees and the decrease in these will not affect the level of satisfaction. Thus, Herzberg’s Motivation-Hygiene Theory studied the variables which were responsible for the level of satisfaction and had been applied in the industry that has given several new insights.

McClelland’s Needs Theory

Definition: McClelland’s Needs Theory was proposed by a psychologist David McClelland, who believed that the specific needs of the individual are acquired over a period of time and gets molded with one’s experience of the life. McClelland’s Needs Theory is sometimes referred to as Three Need theory or Learned Needs Theory.

Need for Power (n-pow): What is Power? Power is the ability to induce or influence the behavior of others. The people with high power needs seek high-level positions in the organization, so as to exercise influence and control over others. Generally, they are outspoken, forceful, demanding, practical/realistic-not sentimental, and like to get involved in the conversations.

Need for Affiliation (n-affil): People with high need for affiliation derives pleasure from being loved by all and tend to avoid the pain of being rejected. Since, the human beings are social animals, they like to interact and be with others where they feel, people accept them. Thus, people with these needs like to maintain the
pleasant social relationships, enjoy the sense of intimacy and like to help and console others at the time of trouble.

**Need for Achievement (n-ach):** McClelland found that some people have an intense desire to achieve. He has identified the following characteristics of high achievers:

**Alderfer’s ERG Theory**

**Definition:**
Alderfer’s ERG Theory is the extension of Maslow’s Needs Hierarchy, wherein the Maslow’s five needs are categorized into three categories, Viz. Existence Needs, Relatedness Needs, and Growth Needs.

![ERG Theory Diagram](image)

**Vroom’s Expectancy Theory**

**Definition:** Vroom’s Expectancy Theory was proposed by Victor. H. Vroom, who believed that people are motivated to perform activities to achieve some goal to the extent they expect that certain actions on their part would help them to achieve the goal.

Vroom’s Expectancy Theory is based on the assumption that an individual’s behaviour results from the choices made by him with respect to the alternative course of action, which is related to the psychological...
events occurring simultaneously with the behaviour. This means an individual selects a certain behaviour over the other behaviours with an expectation of getting results, the one desired for

Adam’s Equity Theory

Definition: The Adam’s Equity Theory posits that people maintain a fair relationship between the performance and rewards in comparison to others. In other words, an employee gets de-motivated by the job and his employer in case his inputs are more than the outputs.

Reinforcement Theory of Motivation

Definition: The Reinforcement Theory of Motivation was proposed by B.F. Skinner and his associates. This theory posits that behaviour is the function of its consequences, which means an individual develops behaviour after performing certain actions.

Carrot and Stick Approach of Motivation

Definition: The Carrot and Stick Approach of Motivation is a traditional motivation theory that asserts, in motivating people to elicit desired behaviours, sometimes the rewards are given in the form of money, promotion, and any other financial or non-financial benefits and sometimes the punishments are exerted to push an individual towards the desired behaviour.
UNIT 5

1. **Discuss types of controlling.**

**Direct Supervision and Observation** 'Direct Supervision and Observation' is the oldest technique of controlling. The supervisor himself observes the employees and their work. This brings him in direct contact with the workers. So, many problems are solved during supervision. The supervisor gets first hand information, and he has better understanding with the workers. This technique is most suitable for a small-sized business.

2. **Financial Statements** All business organisations prepare Profit and Loss Account. It gives a summary of the income and expenses for a specified period. They also prepare Balance Sheet, which shows the financial position of the organisation at the end of the specified period. Financial statements are used to control the organisation. The figures of the current year can be compared with the previous year's figures. They can also be compared with the figures of other similar organisations. Ratio analysis can be used to find out and analyse the financial statements. Ratio analysis helps to understand the profitability, liquidity and solvency position of the business.

3. **Budgetary Control** A budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. It is the essence of financial control. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue. Budgetary control is done by the budget committee.

4. **Break Even Analysis** Break Even Analysis or Break Even Point is the point of no profit, no loss. For e.g. When an organisation sells 50K cars it will break even. It means that, any sale below this point will cause losses and any sale above this point will earn profits. The Break-even analysis acts as a control device. It helps to find out the company's performance. So the company can take collective action to improve its performance in the future. Break-even analysis is a simple control tool.

5. **Return on Investment (ROI)** Investment consists of fixed assets and working capital used in business. Profit on the investment is a reward for risk taking. If the ROI is high then the financial performance of a business is good and vice-versa. ROI is a tool to improve financial performance. It helps the business to compare its present performance with that of previous years' performance. It helps to conduct inter-firm comparisons. It also shows the areas where corrective actions are needed.

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6. **Management by Objectives (MBO)** MBO facilitates planning and control. It must fulfill following requirements:
- Objectives for individuals are jointly fixed by the superior and the subordinate.
- Periodic evaluation and regular feedback to evaluate individual performance.
- Achievement of objectives brings rewards to individuals.

7. **Management Audit** Management Audit is an evaluation of the management as a whole. It critically examines the full management process, i.e. planning, organising, directing, and controlling. It finds out the efficiency of the management. To check the efficiency of the management, the company's plans, objectives, policies, procedures, personnel relations and systems of control are examined very carefully. Management auditing is conducted by a team of experts. They collect data from past records, members of management, clients and employees. The data is analysed and conclusions are drawn about managerial performance and efficiency.

8. **Management Information System (MIS)** In order to control the organisation properly the management needs accurate information. They need information about the internal working of the organisation and also about the external environment. Information is collected continuously to identify problems and find out solutions. MIS collects data, processes it and provides it to the managers. MIS may be manual or computerised. With MIS, managers can delegate authority to subordinates without losing control.

9. **PERT and CPM Techniques** Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) techniques were developed in USA in the late 50's. Any programme consists of various activities and sub-activities. Successful completion of any activity depends upon doing the work in a given sequence and in a given time.

10. **Self-Control** Self-Control means self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for top level managers because they do not like external control. The subordinates must be encouraged to use self-control because it is not good for the superior to control each and everything. However, self-control does not mean no control by the superiors. The superiors must control the important activities of the subordinates.
2. **What are the steps of controlling?**

   **Establishing Standards and Methods for Measuring Performance**

   Standards are, by definition, simply the criteria of performance. They are the selected points in an entire planning program at which performance is measured so that managers can receive signals about how things are going and thus do not have to watch every step in the execution of plans. Standard elements form precisely worded, measurable objectives and are especially important for control. In an industrial enterprise, standards could include sales and production targets, work attendance goals, safety records etc. In service industries, on the other hand, standards might include a number of time customers have to wait in the queue at a bank or the number of new clients attracted by a revamped advertising campaign.

   **Measuring the Performance**

   The measurement of performance against standards should be done on a forward-looking basis so that deviations may be detected in advance of their occurrence and avoided by appropriate actions. If standards are appropriately drawn and if means are available for determining exactly what subordinates are doing, appraisal of actual or expected performance is fairly easy.

   **Determining whether Performance Matches the Standard**

   It is an easy but important step in the control process.

   It involves comparing measured results with the standards already set. If performance matches the standard, managers may assume that “everything is under control”. In such a case the managers do not have to intervene in the organization’s operations.

   **Taking Corrective Action**

   This step becomes essential if performance falls short of standards and the analysis indicates that corrective action is required. The corrective action could involve a change in one or more activities of the organization’s operations.

3. **Explain about budgetary and non budgetary control.**

   **Definition and Concept of Budgetary Control:**

   Budgetary control makes use of budgets for planning and controlling all aspects of producing and/ or selling products or services. Budgetary control attempts to show the plans in financial terms. Budgetary control is the planning in advance of the various functions of a business so that the business can be controlled. Budgetary control relates expenditure to a section or department who

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incurs the expenditure, so that the actual expenses can be compared with the budgeted ones, thus providing a convenient method of control.

The Objectives (Functions) of Budgets, Budgeting and Budgetary Control:
1. Budget should specify units to be produced, broken down into sizes and styles, as well as cost of production
2. Budget should analyze all the factors affecting the sections/departments and the business as a whole.
3. Budget should facilitate planning within the company. It should help planning future income and expenses.
4. Budget should harmonise departmental programmes.
5. Budget should serve as a medium of propagating policies throughout the business enterprise.
6. Budget should hold back or control unwise expenditure.
7. Budget should help stabilizing production and harmonise production and sale programmes.
8. Budgeting should decide basis for expenditure of funds.
9. Besides planning, budgetary control should provide a basis for, measuring performance and exercising control-control means noting when expenditures fall outside the budget estimates, tracing down the cause of such variation and taking necessary corrective action.
10. Budgetary control should watch the progress of achievements of the business enterprise and evaluate policies of the management.

The Non-Budgeting Control Device are as follows:
They are statistical data, special reports and analysis, breakeven analysis, internal audit, standard costs, ratio-analysis etc.

1. Statistical Data:
All needed and available data are collected and presented in tables, charts and graphs. Through them performances are assessed.

2. Special Reports and Analysis:
To analyse particular problem areas, special staff are appointed to collect information's.

3. Break-even Analysis:
This analysis shows the relationship of sales and expenses and the stage at what volumes of revenues cover expenses. If the ratio falls there would be loss.

4. Internal Audit:
This is one of the traditional non-budgetary control devices in vogue. Through internal audit various operations are appraised and deviations are detected.

5. Time-event, Network Analysis:

This is otherwise called as Programme Evaluation and Review Technique (PERT). Under this technique a project is divided into various units in a time sequence. For each event the ‘critical path’ is found, which is a sequence of events which takes the longest time and which involves the least slack time. Summarised events are given for top-management’s perusal.

6. Standard Costs:

Standard costs are prepared working out the cost of materials and labour for each unit of the product adding a standard overhead rate. Variations in costs could be found comparing the standard costs.

7. Ratio Analysis:

Ratio analysis shows the relationship or proper mix up of one factor to the other. There are various relations used in financial analysis. They are net sales to working capital, net sales to inventory, quick ratio, current ratio, administrative expenses to sales, breakeven point etc

4. What are effective characteristics of control?

Integration with Planning:

First, to be effective, control systems should be integrated with planning. Fig. 17.10 shows one way in which this can be done.
Flexibility: Another characteristic of an effective control system is flexibility. This means that the control system itself must be flexible enough to accommodate change.

Acceptance by Members of the Organisation:

Doing the right thing and doing things right both require people; controls are unlikely to work unless people want them. If controls are to be accepted, it is important that people clearly understand the purpose of the system and feel that they have an important stake in it, more so when new systems are established.

Focus on Critical Activities:

The proper activities should be controlled. When people recognise that certain specific areas will be monitored and compared to some standard, their behaviour is likely to be channelled toward the standards set. Critical control areas (points) include all the areas of an organisation’s operations that directly affect the success of its key operations such as sales, revenue, expenses, inventory levels, personnel turnover, safety for people and other assets, etc.

Timeliness: Another characteristic of an effective control system is that it provides performance information in a timely way. Timeliness does not necessarily mean maintaining a time schedule for exercising control. It simply means exercise of control mechanisms (or technique) as and when required.

Economic Feasibility: Control benefits should outweigh costs. In other words, control should be cost-effective. Thus the costs of the control system have to be weighed against the benefits it can return.

5. What are the strategies for controlling?

The type of business strategy you pursue is a key to whether or not your company will have long-term growth and success. The challenge, however, is that it’s difficult to assess if the strategy you’ve chosen is the right one or if you need to make adjustments. That process is made easier if you use the four common types of strategic control to analyze the strategy you’ve put in place to determine its effectiveness, and to find areas of strength and weakness. Without strategic control, your company will fail to adapt to any external changes in your industry that require immediate and corrective action.
**Premise Control:** Premise control is necessary to identify the key assumptions, and keep track of any change in them so as to assess their impact on strategy and its implementation. Premise control serves the purpose of continually testing the assumptions to find out whether they are still valid or not. This enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions. The responsibility for premise control can be assigned to the corporate planning staff who can identify key assumptions and keep a regular check on their validity.

**Implementation Control:** Implementation control may be put into practice through the identification and monitoring of strategic thrusts such as an assessment of the marketing success of a new product after pre-testing, or checking the feasibility of a diversification programme after making initial attempts at seeking technological collaboration.

**Strategic Surveillance:**

Strategic surveillance can be done through a broad-based, general monitoring on the basis of selected information sources to uncover events that are likely to affect the strategy of an organisation.

**Special Alert Control:** Special alert control is based on trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events called crises. Crises are critical situations that occur unexpectedly and threaten the cours
15. Tutorial topics and Questions: NIL
16 UNIT WISE-QUESTION BANK

UNIT – I

TWO MARK QUESTIONS WITH ANSWERS

1. What is management?

Management means many things to many people. To a layman management means an impressive person occupying an air-condition chamber with an overtake table and cushioned chair. Some people suggest management as commanding other. To many others, management is nothing more than clerical work and putting fancy signatures. But truly management is the process of planning, organising, staffing, directing, co-ordinating and controlling the activities of business enterprises. It is also described as the technique of leadership, decision making and a mean of co-ordinating.

There is no universally accepted definition for management, it is difficult to define it. But a simple traditional definition, defines it as the "art of getting things done by others". This definition brings in two elements namely accomplishment of objectives, and direction of group activities towards the goal. The weaknesses of this definition are that firstly it uses the word "art", whereas management is not merely an art, but it is both art and science. Secondly, the definition does not state the various functions of a manager clearly.

A more elaborate definition given by George R. Terry, defines management as a process "consisting of planning, organizing, actuating and controlling, performed to determine and accomplish the objectives by the use of people and resources." Firstly it considers management as a "process" i.e. a systematic way of doing things. Secondly it states four management activities: Planning, organizing, actuating, and controlling. Planning is thinking of actions in advance. Organizing is coordination of the human and material resources of an organization. Actuating is motivation and direction of subordinates. Controlling means the attempt to ensure no deviation from the norm or plan. Thirdly it states that manager uses people and other resources. For example a manager who wants to increase the sales, might try not only to increase the sales force, but also to
increase advertising budget. And fourthly, it states that management involves the act of achieving the organization's objectives.

2. **What are management skills?**

Examples of Management Skills Most management skills are related to five basic, fundamental functions: planning, organizing, coordinating, directing, and oversight.

**Planning**

Individual managers may or may not be personally involved in drafting company policy and strategy, but even those who aren’t still must be able to plan. You might be given certain objectives and then be responsible for developing ways to meet those objectives. You may need to adjust someone else’s plan to new circumstances. In either case, you’ll have to understand what your resources are, develop time tables and budgets, and assign tasks and areas of responsibility.

**Relevant Skills:**


**Organizing**

Organizing generally means creating structures to support or accomplish a plan. This might involve creating a new system of who reports to whom, designing a new layout for the office, or building strategy and planning around how to move through a project, how to move toward deadlines, and how to measure milestones. Aspects of organization could also mean helping leaders under your guidance manage their subordinates well. Organization is about planning and foresight, and requires an ability to comprehend the big picture.

**Relevant Skills:**

**Coordinating**
Managers must know what is happening, what needs to happen, and who and what are available to accomplish assigned tasks. If someone is miscommunication, if someone needs help, if a problem is being overlooked or a resource underutilized, a manager needs to notice and correct the issue. Coordinating is the skill that lets the organization act as a unified whole.

**Relevant Skills:**

**Directing**
Directing is the part where you take charge and tell people what to do, otherwise known as delegating, giving orders, and making decisions. Someone has to do it, and that someone could be you.


**Oversight**
Oversight means keeping track of what’s going on and setting right anything that gets out of place. It might include anything from reviewing business models and checking for inefficiencies to checking to make sure a project is on time and on budget. Oversight is the maintenance phase of management.

**Relevant Skills:**

3. What is top level management?

The Top Level Management consists of the Board of Directors (BOD) and the Chief Executive Officer (CEO). The Chief Executive Officer is also called General Manager (GM) or Managing Director (MD) or President. The Board of Directors are the representatives of the Shareholders, i.e. they are selected by the Shareholders of the company. Similarly, the Chief Executive Officer is selected by the Board of Directors of an organisation.

The main role of the top level management is summarized as follows:-

- The top level management determines the objectives, policies and plans of the organisation.
- They mobilise (assemble and bring together) available resources.
- The top level management does mostly the work of thinking, planning and deciding. Therefore, they are also called as the Administrators and the Brain of the organisation.
- They spend more time in planning and organising. They prepare long-term plans of the organisation which are generally made for 5 to 20 years.
- The top level management has maximum authority and responsibility.
- They are the top or final authority in the organisation.
- They are directly responsible to the Shareholders, Government and the General Public.
- The success or failure of the organisation largely depends on their efficiency and decision making. They require more conceptual skills and less technical Skills.

The Middle Level Management

The Middle Level Management consists of the Departmental Heads (HOD), Branch Managers, and the Junior Executives. The Departmental heads are Finance Managers, Purchase Managers, etc. The Branch Managers are the head of a branch or local unit. The Junior Executives are Assistant Finance Managers, Assistant Purchase Managers, etc. The Middle level Management is selected by the Top Level Management.
The middle level management emphasize more on following tasks:

- Middle level management gives recommendations (advice) to the top level management.
- It executes (implements) the policies and plans which are made by the top level management.
- It co-ordinate the activities of all the departments.
- They also have to communicate with the top level Management and the lower level management. They spend more time in co-ordinating and communicating.
- They prepare short-term plans of their departments which are generally made for 1 to 5 years.
- The middle Level Management has limited authority and responsibility.
- They are intermediary between top and lower management.
- They are directly responsible to the chief executive officer and board of directors.
- Require more managerial and technical skills and less conceptual skills.

The lower level management

The lower level management consists of the Foremen and the Supervisors. They are selected by the middle level management. It is also called Operative / Supervisory level or First Line of Management.

The lower level management performs following activities:

- Lower level management directs the workers / employees.
- They develop morale in the workers.
- It maintains a link between workers and the middle level management.
- The lower level management informs the workers about the decisions which are taken by the management.
- They also inform the management about the performance, difficulties, feelings, demands, etc., of the workers.
- They spend more time in directing and controlling.
- The lower level managers make daily, weekly and monthly plans.
- They have limited authority but important responsibility of getting the work done from the workers.
- They regularly report and are directly responsible to the middle level management.
- Along with the experience and basic management skills, they also require more technical and communication skills

4. **What is discipline?**

   Discipline is action or inaction that is regulated to be in accordance (or to achieve accord) with a system of governance. Discipline is commonly applied to regulating human and animal behavior, and furthermore, it is applied to each activity-branch in all branches of organized activity, knowledge, and other fields of study and observation. Discipline can be a set of expectations that are required by any governing entity including the self, groups, classes, fields, industries, or societies.

5. **What is contingency approach?**

   Contingency approach, also known as situational approach, is a concept in management stating that there is no one universally applicable set of management principles (rules) to manage organizations. Organizations are individually different, face different situations (contingency variables), and require different ways of managing. Contingency approaches remain less common than change management approaches.
THREE MARK QUESTIONS WITH ANSWERS

1. Write about nature of management
   - Management is an activity
   - Management is a purposeful activity.
   - Management is concerned with the efforts of a group
   - Management applies economic principles.
   - Management involves decision making.
   - Management is getting things done through others
   - Management is an integrating process.

2. Write about managerial skills
   **Conceptual Skills:**
   Conceptual skills are the abilities to think about the creative terms understand and visualize the future, to organize and translate observation into ideas & concepts. Conceptual skills are essential to identify and diagnose the problems. This will helpful in determining the goals.

   **Analytical Skills:**
   [Decision making] Analytical skills mean ability to work out a complex problem or situation into component. Analytical skills are required for solving problems and decision making. This is also helpful for evaluation of performance and arriving at judgment.

   **Human relation Skills:**
   Human relation skills represent the ability to understand the behavior of people, their problems, their needs, working conditions and motivation to people. These skills are essential in directing the people and for better coordination.

   **Administrative Skills:**
   It involves the implementation of plan and use of available resources to get the desired output that is profit and to regularize a performance in orderly manner. It is also helpful in co-ordination of activities.

   **Technical Skills:**
   These skills are essential for first line managers. He requires knowledge of a job, ability to apply the methods and techniques of job. He is responsible for providing technical guidance and instructions to subordinates.

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Computer Skills:-

Computer knowledge is essential for today’s manager i.e. knowledge of hardware & software. Hardware is a technical term & software is the ability to adopt the system in an organization to attempt goals. In modern days, computer is widely used in organization. Hence today’s manager should possess the knowledge of computer. This is helpful in decision making. It also helps to increase the productivity in the organization.

Communication Skills:-

Communication is systematic process of telling, listing and understanding. This skill requires the ability of listening and speaking in an effective manner. The manager is responsible for getting the things done by others. He should be expert in oral and written communication. Communication skill is essential for getting success. It is depend upon the manager who achieves the results with efforts of others. Co-ordination can be attained with the help of upon proper communication

3. Briefly explain level of management

The Top Level Management consists of the Board of Directors (BOD) and the Chief Executive Officer (CEO). The Chief Executive Officer is also called General Manager (GM) or Managing Director (MD) or President. The Board of Directors are the representatives of the Shareholders, i.e. they are selected by the Shareholders of the company. Similarly, the Chief Executive Officer is selected by the Board of Directors of an organisation.

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- They spend more time in directing and controlling.
- The lower level managers make daily, weekly and monthly plans.
- They have limited authority but important responsibility of getting the work done from the workers.

They regularly report and are directly responsible to the middle level management.

4. Write about challenges of management

Management Challenges And Tips On How To Overcome Them

- **Shifting Your Mindset Along With Your Role**
  
  In your old role as an employee, your main focus was on accomplishing your tasks. Now, your main focus is on helping others accomplish their tasks. The key more than anything in this transition is to shift your mindset and take on a new approach. Before you were in charge of yourself but now you’re a leader. It’s your responsibility to oversee and guide your team, and this will involve developing your soft skills. Listen and pay attention to the needs of your employees to help them achieve the collective goals of your team. Pro Tip: Monthly one-on-ones are a great way to make sure you and your employees are on the same page.

- **Pressure To Perform**
  
  One of the most nerve racking things about being a first-time manager is the pressure to perform. You’ve been given an incredible opportunity, and now you want to show that you were worth it. Becoming a leader is a learning process quote Remind yourself that you were picked for this position for a reason and that you deserve to be there. Becoming a leader is a learning process, and you will learn the most from the experience you gain as you go along. Pro Tip: Set clear expectations with your boss, and more importantly, yourself. Take time to plan properly and set yourself up for success.

- **Shifting From Co-worker To Boss**
  
  In a situation where you’ve been promoted internally to a management position, you might end up with some former co-workers on your team. This is a common situation and can be awkward to navigate. Remember that even though you’re a manager, you’re still a member of the team that you’re leading. Your role on the team is to support your employees and ensure that they have everything they need to succeed. Management is a two-way street, and the

K.RAGHURAM REDDY, ASST PROFESSOR
success of your team is as dependent on you as yours is on them. Pro Tip: Address your employees directly about your new position and let them know that you’re still a part of the team. Establish your role as “leader” rather than “boss” from the start.

**Effective Communication**

Effective communication with your employees is key to both their success and your own. Your employees want to hear from you and they want to be heard. Your feedback helps your employees grow, and their feedback will help you to develop in your role, too. According to Gallup’s 2017 State of the American Workplace report: Only 23% of employees strongly agree that their manager provides them with meaningful feedback.

Clarity and consistency are key to effective communication. To be clear in your communication, make sure you’re as direct and specific as possible. The frequency of communication that works best for each employee will be different, so ask them what their preference is. Be open and available for communication with your employees so that they feel comfortable coming to you when they need to talk something out. This will help you avoid being overbearing and micromanaging.

Pro Tip: Active listening is a key part of communication. When your employees come to you to talk your focus should be entirely on them, and that means eliminating distractions (like your devices). Repeating back in your own words what your employee is saying to you can help you to retain it.

**Time Management**

Balancing your own tasks while overseeing your team can be difficult. You might not know how best to split your time, but remember that your team should always be a priority. You should strive to be as available to your team as possible, but it’s also important that you set aside time to dedicate to your individual responsibilities. Pro Tip: Book times in your calendar specifically for your own tasks, and let your team know in advance that you won’t be available during those times.

**Setting Clear Goals And Expectations**

One of your main tasks as a new manager is to guide and motivate the employees on your team. Part of that is making sure that your employees have clear directions and common goals. It’s important to make setting goals a team effort. According to Gallup, employees want to see how their individual work contributes to the larger goals of their team and the company.

Employees who strongly agree they can link their goals to the organization’s goals are 3.5
times more likely to be engaged. Objectives and Key Results are great to align everyone on your team because the “key results” set expectations very clearly. Both employees and managers will have measurable results, making it easier to tell if they hit their mark or not. Pro Tip: Meet with your team to set Objectives and Key Results so that everyone is working towards the same final outcome.

- **Encouraging Productivity**
  As a manager, a key to your success is to make your team as productive as possible. This can be a challenge because all of your team members may have different needs and work in different ways. Some people like working later, some earlier, some people like being given specific instructions, some people like to have more autonomy. It’s important for you to create an environment that’s good for everyone. Try to find out what works best and adjust accordingly. Pro Tip: Have short daily meetings where everyone presents their tasks for the day to the team. This will help your employees set their focus for the day and see how everyone else’s tasks fit into the broader goals of the team.

- **Hiring**
  Bringing someone new onto your team is a big decision. Don’t be shy to ask other managers or people from the HR team in your company for help and advice. It’s important that you look at possible candidates from an all-encompassing perspective. Culture fit is as important as past experience. Look at your candidates as unique and dynamic individuals, and think about what they’ll bring to the team beyond their skill set. Pro Tip: A great way to hire someone is by doing a work sample test where you give them a small project to see how well they perform, communicate and interact with the team.

- **Firing**
  Letting someone go from your team is a tough decision to make. What’s important after you fire someone is to make sure that your team can recover from the loss. Prepare as best as you can to compensate for the gap that will be created in your team and their workflow. Transparency is important in addressing your employees about a termination. Be as open and honest as you can and allow for open communication between your employees and yourself. Encourage them to come to you with any questions or concerns they may have. Pro Tip: Set up a time to address the termination with your employees and discuss how you will move forward as a team. Address any questions or concerns they may have and encourage them to come to you privately to do so, too.

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ñas For Help
You might feel pressure to have all the answers in your new managerial role, but it’s okay if you don’t. Don’t be afraid to ask for help when you need it. Ask HR about training that you might not know about or expensing training courses online. Seek out opportunities that can help you and your team succeed. Pro Tip: Find a mentor. Look for someone with experience as a manager and pick their brain.

5. What are managerial role?

- Figurehead
- Leader
- Liaison
- Monitor
- Disseminator
- Spokesperson
- Entrepreneur
- Disturbance
- Handler Resource
- Allocator
- Negotiator
FIVE MARK QUESTIONS WITH ANSWERS

1. Explain nature and scope of management.

Nature of Management

Universal process: Wherever there is human activity, there is management. Without efficient management, objectives of the company cannot be achieved.

Factor of production: Qualified and efficient managers are essential to utilization of labour and capital.

Goal oriented: The most important goal of all management activity is to accomplish the objectives of an enterprise. The goals should be realistic and attainable.

Supreme in thought and action: Managers set realizable objectives and then mastermind action on all fronts to accomplish them. For this, they require full support from middle and lower levels of management.

Group activity: All human and physical resources should be efficiently coordinated to attain maximum levels of combined productivity. Without coordination, no work would accomplish and there would be chaos and retention.

Dynamic function: Management should be equipped to face the changes in business environment brought about by economic, social, political, technological or human factors. They must be adequately trained so that they can enable them to perform well even in critical situations.

Social science: All individuals that a manager deals with, have different levels of sensitivity, understanding and dynamism.

Important organ of society: Society influences managerial action and managerial actions influence society. Its managers responsibility that they should also contribute towards the society by organizing charity functions, sports competition, donation to NGO’s etc.

System of authority: Well-defined lines of command, delegation of suitable authority and responsibility at all levels of decision-making. This is necessary so that each individual should know what is expected from him and to whom he needs to report to.

Profession: Managers need to possess managerial knowledge and training, and have to conform to a recognized code of conduct and remain conscious of their social and human obligations.

Process: The management process comprises a series of actions or operations conducted towards an end.

Scope of Management

K.RAGHURAM REDDY, ASST PROFESSOR
Although it is difficult to precisely define the scope of management, yet the following areas are included in it:

**Subject-matter of management**: Planning, organizing, directing, coordinating and controlling are the activities included in the subject matter of management.

**Functional areas of management**: These include: Financial management includes accounting, budgetary control, quality control, financial planning and managing the overall finances of an organization.

- **Personnel management** includes recruitment, training, transfer promotion, demotion, retirement, termination, labor-welfare and social security industrial relations.
- **Purchasing management** includes inviting tenders for raw materials, placing orders, entering into contracts and materials control.
- **Production management** includes production planning, production control techniques, quality control and inspection and time and motion studies.
- **Maintenance management** involves proper care and maintenance of the buildings, plant and machinery.
- **Transport management** includes packing, warehousing and transportation by rail, road and air.
- **Distribution management** includes marketing, market research, price-determination, taking market-risk and advertising, publicity and sales promotion.
- **Office Management** includes activities to properly manage the layout, staffing and equipment of the office.
- **Development management** involves experimentation and research of production techniques, markets, etc.

**Management is an inter-disciplinary approach**: For the correct implementation of the management, it is important to have knowledge of commerce, economics, sociology, psychology and mathematics.

**Universal application**: The principles of management can be applied to all types of organizations irrespective of the nature of tasks that they perform.

**Essentials of management**: Three essentials of management are:

- Scientific method
- Human relations
- Quantitative technique
Modern management is an agent of change: The management techniques can be modified by proper research and development to improve the performance of an organization.

2. Discuss different types of management functions.

Management has been described as a social process involving responsibility for economical and effective planning & regulation of operation of an enterprise in the fulfilment of given purposes. It is a dynamic process consisting of various elements and activities. These activities are different from operative functions like marketing, finance, purchase etc. Rather these activities are common to each and every manger irrespective of his level or status.

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. Thus, planning is a systematic thinking about ways & means for accomplishment of pre-determined goals. Planning is necessary to ensure proper utilization of human & non-human resources. It is all pervasive, it is an intellectual activity and it also helps in avoiding confusion, uncertainties, risks, wastages etc.

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.
**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 behaviour etc. The main purpose of staffing is to put right man on right job i.e. square pegs in square holes and round pegs in round holes. According to Kootz & O’Donell, “Managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal & development of personnel to fill the roles designed on the structure”.

Staffing involves:

- 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.

**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

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

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

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

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. An efficient system of control helps to predict deviations before they actually occur. According to Theo Haimann, “Controlling is the process of checking whether or not proper progress is being made towards the objectives and goals and acting if necessary, to correct any deviation”.

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:

- Establishment of standard performance.
- Measurement of actual performance.
- Comparison of actual performance with the standards and finding out deviation if any.
- Corrective action.

3. Discuss Henri fayol 14 principles

Introduction 14 principles of Management In the last century, organizations already had to deal with management in practice. In the early 1900s, large organizations, such as production factories, had to be managed too. At the time there were only few (external) management tools, models and methods available.

Thanks to scientists like Henri Fayol (1841-1925) the first foundations were laid for modern scientific management. These first concepts, also called principles of management are the underlying factors for successful management. Henri Fayol explored this comprehensively and, as a result, he synthesized the 14 principles of management. Henri Fayol ‘s principles of management and research were published in the book ‘General and Industrial Management’ (1916).

Principles of Management of Henri Fayol14 principles of Management are statements that are based on a fundamental truth. These principles of management serve as a guideline for decision-making and management actions. They are drawn up by means of observations and analyses of
events that managers encounter in practice. Henri Fayol was able to synthesize 14 principles of management after years of study, namely:

**Division of Work**

In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist). Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.

**Authority and Responsibility**

In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates. The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.

**Discipline**

This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.

**Unity of Command**

The management principle ‘Unity of command’ means that an individual employee should receive orders from one manager and that the employee is answerable to that manager. If tasks and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.

**Unity of Direction**

This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must
be carried out by one group that forms a team. These activities must be described in a plan of action. The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.

Subordination of Individual Interest
There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics). The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.

Remuneration
Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive. There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.

The Degree of Centralization
Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy. Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Henri Fayol. Henri Fayol indicated that an organization should strive for a good balance in this

Scalar Chain
Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol’s “hierarchy” management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels). This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy.

K.RAGHURAM REDDY, ASST PROFESSOR
Especially, when it concerns reports about calamities to the immediate managers/superiors.

**Order**
According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.

**Equity**
The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally. Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.

**Stability of Tenure of Personnel**
This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization. Management strives to minimize employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well

**Initiative**
Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company. Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

**Esprit de Corps**
The management principle ‘esprit de corps’ of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication. Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

In conclusion on the 14 Principles of management The 14 principles of management can be used to manage organizations and are useful tools for forecasting, planning, process management, organization management, decision-making, coordination and control.
Although they are obvious, many of these matters are still used based on common sense in current management practices in organizations. It remains a practical list with focus areas that are based on Henri Fayol’s research which still applies today due to a number of logical principles.

4. Briefly discuss contingent approach and behavioural approach.

The contingency approach to management holds that management techniques should be dependent upon the circumstances. In this lesson, you will learn what the contingency approach to management is and the key elements of contingency management.

Definition

A contingency approach to management is based on the theory that management effectiveness is contingent, or dependent, upon the interplay between the application of management behaviours and specific situations. In other words, the way you manage should change depending on the circumstances. One size does not fit all.

Theory

The contingency approach to management finds its foundation in the contingency theory of leadership effectiveness developed by management psychologist Fred Fielder. The theory states that leadership effectiveness, as it relates to group effectiveness, is a component of two factors: task motivation, or relation motivation, and circumstances. You measure task motivation, or relation motivation, by the least preferred co-worker (LPC) scale.

The LPC scale asks the manager to think of the person they least like working with and then rate that person on a set of questions, each involving an 8-point scale. For example, a score of one would be uncooperative, and a score of eight would be cooperative. Fielder believed that people with a higher LPC score try to maintain harmony in their work relationships, while people with a lower LPC score are motivated to focus on task accomplishment.

The theory states that task or relations motivations are contingent upon whether the manager is able to both control and affect the group's situational favourability, or outcome. According to the theory, you can assess situational favourability by three factors:

Leader-member relations - This factor addresses the manager's perception of his cooperative relations with his subordinates. In other words, is the cooperation between you and your employees good or bad?
**Task structure** - This factor relates to whether the structure of the work task is highly structured, subject to standard procedures, and subject to adequate measures of assessment. Certain tasks are easy to structure, standardize and assess, such as the operation of an assembly line.

**Position power** - This factor asks if the manager's level of authority is based on punishing or rewarding behaviour. For example, does the manager derive his authority from providing bonuses for meeting sales goals or terminating employees for failure to meet the goals?

The combination of leader-member relations, task structure and position power create different situations that have been coined octants one through eight.

You can divide these eight situations into three broad categories:

- favourable situations,
- intermediate situations and
- Unfavourable situations.

According to the theory, each situation is handled the best by either high or low LPC managers. The theory argues that high LPC managers are most effective at influencing employee group behaviour in intermediate situations, while low LPC managers are most effective in favorable or unfavourable situations. To unlock this lesson you must be a Study.com Member. Create your account.

Contingency approach is based on the assumption that there is no universal solution (best way) to manage or solve problems. It is characterized by a constant search for appropriate methods of solutions and management for different situations and conditions. It is a creative and system approach.

Donnelly, Gibson, Ivancevich defines the contingency approach as follows: “The contingency approach to management is based on the idea that there is no one best way to planning, organizing and controlling. The managers must search for each new situation the most appropriate way. For example, the planning method that was very effective in one case can be in other cases extremely inappropriate. Contingency approach is characterized by identifying appropriate management methods for different situations.”

**Behavioural Approach**

As management research continued in the 20th century, questions began to come up regarding the interactions and motivations of the individual within organizations. Management principles developed during the classical period were simply not useful in dealing with many management
situations and could not explain the behaviour of individual employees. In short, classical theory ignored employee motivation and behaviour. As a result, the behavioural school was a natural outgrowth of this revolutionary management experiment.

The behavioural management theory is often called the human relations movement because it addresses the human dimension of work. Behavioural theorists believed that a better understanding of human behaviour at work, such as motivation, conflict, expectations, and group dynamics, improved productivity. The theorists who contributed to this school viewed employees as individuals, resources, and assets to be developed and worked with — not as machines, as in the past. Several individuals and experiments contributed to this theory.

Elton Mayo's contributions came as part of the Hawthorne studies, a series of experiments that rigorously applied classical management theory only to reveal its shortcomings. The Hawthorne experiments consisted of two studies conducted at the Hawthorne Works of the Western Electric Company in Chicago from 1924 to 1932. The first study was conducted by a group of engineers seeking to determine the relationship of lighting levels to worker productivity. Surprisingly enough, they discovered that worker productivity increased as the lighting levels decreased — that is, until the employees were unable to see what they were doing, after which performance naturally declined.

A few years later, a second group of experiments began. Harvard researchers Mayo and F. J. Roethlisberger supervised a group of five women in a bank wiring room. They gave the women special privileges, such as the right to leave their workstations without permission, take rest periods, enjoy free lunches, and have variations in pay levels and workdays. This experiment also resulted in significantly increased rates of productivity.

In this case, Mayo and Roethlisberger concluded that the increase in productivity resulted from the supervisory arrangement rather than the changes in lighting or other associated worker benefits. Because the experimenters became the primary supervisors of the employees, the intense interest they displayed for the workers was the basis for the increased motivation and resulting productivity. Essentially, the experimenters became a part of the study and influenced its outcome. This is the origin of the term Hawthorne effect, which describes the special attention researchers give to a study's subjects and the impact that attention has on the study's findings.
The general conclusion from the Hawthorne studies was that human relations and the social needs of workers are crucial aspects of business management. This principle of human motivation helped revolutionize theories and practices of management.

**Abraham Maslow**, a practicing psychologist, developed one of the most widely recognized need theories, a theory of motivation based upon a consideration of human needs. His theory of human needs had three assumptions:

- Human needs are never completely satisfied. Human behaviour is purposeful and is motivated by the need for satisfaction. Needs can be classified according to a hierarchical structure of importance, from the lowest to highest. Maslow broke down the needs hierarchy into five specific areas:

  **Physiological needs.**
  Maslow grouped all physical needs necessary for maintaining basic human well-being, such as food and drink, into this category. After the need is satisfied, however, it is no longer is a motivator.

  **Safety needs.**
  These needs include the need for basic security, stability, protection, and freedom from fear. A normal state exists for an individual to have all these needs generally satisfied. Otherwise, they become primary motivators.

  **Belonging and love needs.** After the physical and safety needs are satisfied and are no longer motivators, the need for belonging and love emerges as a primary motivator. The individual strives to establish meaningful relationships with significant others.

  **Esteem needs.**
  An individual must develop self-confidence and wants to achieve status, reputation, fame, and glory.

  **Self-actualization needs.**
  Assuming that all the previous needs in the hierarchy are satisfied, an individual feels a need to find himself.

Maslow's hierarchy of needs theory helped managers visualize employee motivation.

**Douglas McGregor** was heavily influenced by both the Hawthorne studies and Maslow. He believed that two basic kinds of managers exist. One type, the Theory X manager, has a negative view of employees and assumes that they are lazy, untrustworthy, and incapable of
assuming responsibility. On the other hand, the Theory Y manager assumes that employees are not only trustworthy and capable of assuming responsibility, but also have high levels of motivation.

An important aspect of McGregor's idea was his belief that managers who hold either set of assumptions can create self-fulfilling prophecies — that through their behaviour, these managers create situations where subordinates act in ways that confirm the manager's original expectations. As a group, these theorists discovered that people worked for inner satisfaction and not materialistic rewards, shifting the focus to the role of individuals in an organization's performance.

5. Define management. Explain F.W.Taylor principles of scientific management.

Principles of scientific management propounded by Taylor are:

- Science, Not Rule of Thumb
- Harmony, Not Discord
- Mental Revolution
- Cooperation, Not Individualism
- Development of each and every person to his or her greatest efficiency and prosperity.

1. Science, Not Rule of Thumb:

In order to increase organisational efficiency, the ‘Rule of Thumb’ method should be substituted by the methods developed through scientific analysis of work.

Rule of Thumb means decisions taken by manager as per their personal judgments. According to Taylor, even a small production activity like loading iron sheets into box cars can be scientifically planned. This will help in saving time as well as human energy. Decisions should be based on scientific enquiry with cause and effect relationships.

This principle is concerned with selecting the best way of performing a job through the application of scientific analysis and not by intuition or hit and trial methods. The work assigned to any employee should be observed and analyzed with respect to each element or part thereof and the time involved therein so as to decide the best way of performing that the work and to determine the standard output for same.
2. **Harmony, Not Discord:**

Taylor emphasized that there should be complete harmony between the workers and the management since if there is any conflict between the two, it will not be beneficial either for the workers or the management.

Both the management and the workers should realize the importance of each other. In order to achieve this state, Taylor suggested complete mental revolution on the part of both management and workers. It means that there should be complete change in the attitude and outlook of workers and management towards each other. It should always be kept in mind that prosperity for an employer cannot exist for a long time unless it is accompanied by the prosperity of the employees of that organisation and vice versa.

It becomes possible by (a) sharing a part of surplus with workers (b) training of employees, (c) division of work (d) team spirit (e) positive attitude (f) sense of discipline (g) sincerity etc.

Management should always be ready to share the gains of the company with the workers and the latter should provide their full cooperation and hard work for achieving organizational goals. Group action with mutual-trust and understanding should be perfect understanding the focus of working. This principle requires that there should be perfect understanding between the management and workers and both should feel that they are part of same family. It helps to produce synergy effect since both management and workers work in unison.

For example, in most of the Japanese companies, paternalistic style of management is in practice and there is complete openness between workers and the management. Usually, workers don’t go on the strike but, if at all they do so, they just wear a black badge and work even more than the normal hours just to impress upon the management that their focus is on their demands as well as organisational objectives.

3. **Mental Revolution:**

The technique of Mental Revolution involves a change in the attitude of workers and management towards each other. Both should realize the importance of each other and should work with full cooperation. Management as well as the workers should aim to increase the profits of the organisation.

For this the workers should put in their best efforts so that the company makes profit and on the other hand management should share part of profits with the workers. Thus, mental revolution requires a complete change in the outlook of both management and workers. There should be a spirit of togetherness between workers and management.

4. **Cooperation, Not Individualism:**

This principle is an extension of principle of ‘Harmony, not discord’ and lays stress on mutual cooperation between workers and the management. Cooperation, mutual confidence, sense of goodwill should prevail among both, managers as well as workers. The intention is to replace internal competition with cooperation.
Both ‘Management’ and ‘Workers’ should realize the importance of each other. Workers should be considered as part of management and should be allowed to take part in decision making process of the management. Management should always welcome their suggestions and should also reward them if their suggestions prove to be beneficial for the organisation viz. reduction of costs or increase in production etc.

At the same time, workers should also resist from going on strike or making unnecessary demands from management. Workers should be treated as integral part of organisation and all important decisions should be taken after due consultation with workers. Both of them should visualize themselves as two pillars whose soundness alone can ensure achievement of common goals of the organisation.

Taylor also suggested that there should be proper division of work and responsibility between the two. Management should always guide, encourage and help the workers.

**Development of each and every person to his or her greatest efficiency and prosperity:**

Efficiency of any organisation also depends on the skills and capabilities of its employees to a great extent. Thus, providing training to the workers was considered essential in order to learn the best method developed through the use of scientific approach. To attain the efficiency, steps should be taken right from the process of selection of employees. Employees should be scientifically selected.

The work assigned to each employee should suit his/her physical, mental and intellectual capabilities. Efficient employees produce more to earn more. This ultimately helps to attain efficiency and prosperity for both organisation and the employees.
1. Functions of management are  
   a) planning  
   b) organising  
   c) Staffing  
   d) All of the above  

2. What are managerial skills?  
   a) Communication skills  
   b) Technical skills  
   c) Leadership skills  
   d) All of the above  

3. What are managerial role?  
   a) interpersonal  
   b) informational  
   c) Decision making  
   d) All of the above  

4. How many levels of management?  
   a) 1  
   b) 2  
   c) 3  
   d) none of the above  

5. Who is the father of modern management?  
   a) F.W.Taylor  
   b) Henry Foyol  
   c) Mc Gregor  
   d) none of the above  

6. Who is the father of Scientific management?  
   a) F.W.Taylor  
   b) Henry Foyol  
   c) Mc Gregor  
   d) none of the above
7. Who is the contributor of Theory X and Theory Y?
   a) F.W.Taylor
   b) Henry Foyol
   c) Mc Gregor
   d) none of the above

8. What are classical approaches?
   a) aScientific management
   b) Administrative management
   c) Both
   d) None of the above

9. What are modern approaches for management?
   a) Quantitative approach
   b) The system approach
   c) The contingency approach
   d) All of the above

10. what is function of S in management
    a) Style
    b) System
    c) sympathy
    d) Staff

KEY

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FILL IN THE BLANKS

1. Management is the art of ____ through formally organised group

2. Management is both _______ and ____________

3. The functions of management as given by Henry Fayol include to forecast and plan, to organise ________, to coordinate and to control

4. One reason why management is important could be_______

5. The framework of an established is called__________

6. Deciding in advance what is to be done in the future is called__________

7. Staffing is a process of recruiting ________________training, placement, appraisal, promotion and ----

8. The two new management functions as suggested by Gulick-----------------,-----------------

9. The father of scientific management_____________

10. Espirit de corps refers to___________

KEY

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<td>9</td>
<td>F.W .Taylor</td>
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K. RAGHURAM REDDY, ASST PROFESSOR
UNIT II
TWO MARK QUESTIONS WITH ANSWERS

1. What is Planning
A basic management function involving formulation of one or more detailed plans to achieve optimum balance of needs or demands with the available resources.

The planning process
- Identifies the goals or objectives to be achieved,
- Formulates strategies to achieve them,
- Arranges or creates the means required, and
- Implements, directs, and monitors all steps in their proper sequence.

The control of development by a local authority, through regulation and licensing for land use changes and building.

2. What is Problem solving
Problem solving has been defined as a higher-order cognitive process and intellectual function that requires the modulation and control of more routine or fundamental skills. Problem solving has two major domains: mathematical problem solving and personal problem solving.

An organization needs to define some standard of problem solving, so that leadership can effectively direct others in the research and resolution of issues.

In problem solving, there are four basic steps.

Define the problem
Diagnose the situation so that your focus is on the problem, not just its symptoms. Helpful techniques at this stage include using flowcharts to identify the expected steps of a process and cause-and-effect diagrams to define and analyze root causes. The chart below identifies key steps for defining problems. These steps support the involvement of interested parties, the use of factual information, comparison of expectations to reality and a focus on root causes of a problem. What’s needed is to:

- Review and document how processes currently work (who does what, with what information, using what tools, communicating with what organizations and individuals, in what time frame, using what format, etc).
- Evaluate the possible impact of new tools and revised policies in the development of a model of “what should be.”

K.RAGHU RAM REDDY, ASST PROFESSOR
Generate alternative solutions

Postpone the selection of one solution until several alternatives have been proposed. Having a standard with which to compare the characteristics of the final solution is not the same as defining the desired result. A standard allows us to evaluate the different intended results offered by alternatives. When you try to build toward desired results, it’s very difficult to collect good information about the process.

Considering multiple alternatives can significantly enhance the value of your final solution. Once the team or individual has decided the “what should be” model, this target standard becomes the basis for developing a road map for investigating alternatives. Brainstorming and team problem-solving techniques are both useful tools in this stage of problem solving. Many alternative solutions should be generated before evaluating any of them. A common mistake in problem solving is that alternatives are evaluated as they are proposed, so the first acceptable solution is chosen, even if it’s not the best fit. If we focus on trying to get the results we want, we miss the potential for learning something new that will allow for real improvement.

Evaluate and select an alternative

Skilled problem solvers use a series of considerations when selecting the best alternative. They consider the extent to which:

- A particular alternative will solve the problem without causing other unanticipated problems.
- All the individuals involved will accept the alternative.
- Implementation of the alternative is likely.
- The alternative fits within the organizational constraints.

Implement and follow up on the solution

Leaders may be called upon to order the solution to be implemented by others, “sell” the solution to others or facilitate the implementation by involving the efforts of others. The most effective approach, by far, has been to involve others in the implementation as a way of minimizing resistance to subsequent changes. Feedback channels must be built into the implementation of the solution, to produce continuous monitoring and testing of actual events against expectations. Problem solving, and the techniques used to derive elucidation, can only be effective in an organization if the solution remains in place and is updated to respond to future changes.

K.RAGHU RAM REDDY, ASST PROFESSOR
To build, assemble, or produce an object or idea. The act of creating is usually tied to being innovative with existing materials. For example, a person may create a new product by combining existing products that a company sells.

3. **What is Business strategy**
   
   Business strategy is the firm's working plan for achieving its vision, prioritizing objectives, competing successfully, and optimizing financial performance with its business model.

   Business strategy is sometimes defined only as a firm's high-level plan for reaching specific business objectives. Strategic plans succeed when they lead to business growth, a strong competitive position, and strong financial performance. When the high-level strategy fails, however, the firm must either change its approach or prepare to go out of business.

4. **What is bounder rationality**

   Bounded rationality is the idea that when individuals make decisions, their rationality is limited by the tractability of the decision problem, the cognitive limitations of their minds, and the time available to make the decision.

   Decision-makers in this view act as satisfiers, seeking a satisfactory solution rather than an optimal one. Herbert A. Simon proposed bounded rationality as an alternative basis for the mathematical modelling of decision-making, as used in economics, political science and related disciplines. It complements "rationality as optimization", which views decision-making as a fully rational process of finding an optimal choice given the information available.

   [1] Simon used the analogy of a pair of scissors, where one blade represents "cognitive limitations" of actual humans and the other the "structures of the environment", illustrating how minds compensate for limited resources by exploiting known structural regularity in the environment.[1]
5. **What are the advantages of planning**

- **Focuses attention on objectives and results:**
  Plans keep the people who carry them out focused on the anticipated results. In addition, keeping sight of the goal also motivates employees.

- **Establishes a basis for teamwork:**
  Diverse groups cannot effectively cooperate in joint projects without an integrated plan. Examples are numerous: Plumbers, carpenters, and electricians cannot build a house without blueprints. In addition, military activities require the coordination of Army, Navy, and Air Force units.

- **Helps anticipate problems and cope with change:**
  When management plans, it can help forecast future problems and make any necessary changes up front to avoid them. Of course, surprises — such as the 1973 quadrupling of oil prices — can always catch an organization short, but many changes are easier to forecast. Planning for these potential problems helps to minimize mistakes and reduce the “surprises” that inevitably occur.

- **Provides guidelines for decision making:**
  Decisions are future-oriented. If management doesn't have any plans for the future, they will have few guidelines for making current decisions. If a company knows that it wants to introduce a new product three years in the future, its management must be mindful of the decisions they make now. Plans help both managers and employees keep their eyes on the big picture.

- **Serves As A Prerequisite To Employing All Other Management Functions:**
  Planning is primary, because without knowing what an organization wants to accomplish, management can't intelligently undertake any of the other basic managerial activities: organizing, staffing, leading, and/or controlling.
THREE MARK QUESTIONS WITH ANSWERS

1. Write about 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 organisation 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 organisational and unit objectives are set in this stage. This is to be done for the long term as well as for the short range. Objective 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. Organisational 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 from a hierarchy. The objectives of lesser departments will be more accurate if subdivision managers understand the overall enterprise objectives and the derivative goals. Managers should also have the opportunity to contribute their ideal to setting their own goals and those of the organisation.

- **Step # 3. Planning Premises:**
  After determination of organisational 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

K.RAGHU RAM REDDY, ASST PROFESSOR
policies. Internal factors include organisation’s policies, resources of various types, and the ability of the organisation to withstand the environmental pressure. The plans are formulated in the light of both external and internal factors. The nature of planning premises differs at different levels of planning. At the top level, it is mostly externally focused. As one moves down the organisational hierarchy the composition of planning premises changes from external to internal. The major plans both old and new will materially affect the future against which the managers at lower units must plan.

**Step # 4. Identification of Alternatives:**
The fourth step in planning is to identify the alternatives. Various alternatives can be identified based on the organisational objectives and planning premises. The concept of various alternatives suggests that a particular objective can be achieved through various actions. For example, if an organisation 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 organisations, or taking over another organisation 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 analysed. Even with mathematical techniques and the computer, there is a limit to the number of alternatives that can be thoroughly examined. The planner must usually make a preliminary examination to discover the most fruitful possibilities.

**Step # 5. Evaluation of Alternatives:**
The various alternative course of action should be analysed in the light of premises 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 organisation 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. The overall budgets of an enterprise represent the sum total of income and expenses, with resultant profit or surplus, and budgets of major balance sheet items such as cash and capital expenditures. Each department or programme of a business or other enterprise can have its own budgets, usually of expenses and capital expenditures, which tie into the overall budget. If done well, budgets become a means of adding together the various plans and also set important standards against which planning progress can be measured.

2. **Briefly explain types of plans**

   Business planning seems like it would be something that organizations do well, given the near self-evident importance of the concept. Yet, that is not necessarily the case. “In my experience leading dozens of business planning workshops in countries all over the world, I’d say only about 10% to 15% of teams I’ve encountered have an effective business planning process,” according to author and business plan expert Tim Berry in Entrepreneur.

   Organizations should develop a better understanding of how to approach business planning. The following sections expand on the topic and the four types of planning.

   **Why Plan?**

   “Planning is about managing resources and priorities in an organized way,” Berry says. “Management is related to leadership, and it’s related to productivity.”

   If companies improve how they plan, managing and leadership will also improve. The following steps can help businesses plan better.

   **Devise a Plan:** Write important details down and focus on strengths, what matters, what people are most important to you and what you can do for them. This will help you communicate your vision to your employees.

   **Define Success:** How do you see your business in several years? Define long-term goals and be specific. Establish milestones for certain goals and who will achieve the goals. Look at what drives
your business; it may be presentations, conversions, page views or something else. Then establish a review schedule and re-examine your long-term goals as necessary.

**Put It in Motion:** Track and analyze numbers to help you manage the work behind the numbers. You’ll be better able to make changes — or to develop new plans — that will help you manage better.

**The 4 Types of Plans**

**Operational Planning** “Operational plans are about how things need to happen,” motivational leadership speaker Mack Story said at LinkedIn. “Guidelines of how to accomplish the mission are set.” This type of planning typically describes the day-to-day running of the company. Operational plans are often described as single use plans or ongoing plans. Single use plans are created for events and activities with a single occurrence (such as a single marketing campaign). Ongoing plans include policies for approaching problems, rules for specific regulations and procedures for a step-by-step process for accomplishing particular objectives.

**Strategic Planning** “Strategic plans are all about why things need to happen,” Story said. “It’s big picture, long-term thinking. It starts at the highest level with defining a mission and casting a vision.” Strategic planning includes a high-level overview of the entire business. It’s the foundational basis of the organization and will dictate long-term decisions. The scope of strategic planning can be anywhere from the next two years to the next 10 years. Important components of a strategic plan are vision, mission and values.

**Tactical Planning** “Tactical plans are about what is going to happen,” Story said. “Basically at the tactical level, there are many focused, specific, and short-term plans, where the actual work is being done, that support the high-level strategic plans.” Tactical planning supports strategic planning. It includes tactics that the organization plans to use to achieve what’s outlined in the strategic plan. Often, the scope is less than one year and breaks down the strategic plan into actionable chunks. Tactical planning is different from operational planning in that tactical plans ask specific questions about what needs to happen to accomplish a strategic goal; operational plans ask how the organization will generally do something to accomplish the company’s mission.

**Contingency Planning** Contingency plans are made when something unexpected happens or when something needs to be changed. Business experts sometimes refer to these plans as a special type of planning. Contingency planning can be helpful in circumstances that call for a change. Although managers should anticipate changes when engaged in any of the primary types of planning, contingency planning is essential in moments when changes can’t be foreseen. As the business world

**K.RAGHU RAM REDDY, ASST PROFESSOR**
becomes more complicated, contingency planning becomes more important to engage in and understand.

3. **What do you mean by creating and innovation in management work?**

One of the major challenges to any organisation is figuring out how to effectively promote and manage innovation across the business. Having worked with a number of technology and financial services organisations, one thing is clear for me – systematic innovation is not driven by luck. Organisations that are consistently able to innovate do so through the purposeful management of their innovation processes. I have identified five key topics, which in my opinion are essential to creating an innovative workplace.

**Innovation is everyone’s job**

Are you a trailblazer or a follower? Most people in organisations do not think of themselves as innovators. As a matter of fact, it is not uncommon to hear about cases where managers discourage their teams from coming up with new ways of doing things — forcing them instead to follow existing procedures and stay within entrenched guidelines, fearing that challenging the status quo will backfire.

What forward-thinking organisations have in common is the fact that they do not rely purely on a small number of people in their R&D departments or innovation units to come up with new ideas. Instead, they build and nurture a culture in which everyone is entrusted and empowered to innovate. Innovation does not happen (only) in labs and does not stop at product development. Innovation happens across all the departments and includes new processes, business models, services, partnerships, workplace, and philanthropy.

Involving everyone in your organisation in innovation leads not only to better offerings but also to higher customer satisfaction, personalised customer experience, employee satisfaction, new partnerships and higher revenue. By getting all your employees involved you generate ideas your traditional innovation departments would not come up with.

**Build capabilities for learning and innovation**

Innovation does not happen without learning. Learning processes are critical antecedents of innovation and there are several steps that need to happen before your organisation will be able to embark on the new journey. In the previous paragraph, I argued that innovation is everyone’s job, but in order to make it everyone’s job, we would need to ensure that we have an emotionally positive work environment and high employee engagement. Your employees will not participate in the new

**K. RAGHU RAM REDDY, ASST PROFESSOR**
innovation initiatives if you do not ensure a learning culture evidenced by “permission to speak freely”. Any organisation that is about to change the culture of innovation needs to put in place a culture, leadership behaviours, structure, HR policies, and rewards to promote learning behaviours. Establish processes for high-quality learning conversation and collaboration and you will see a significant improvement around your innovation processes.

**Collaborate and discover**

Technology alone is not enough to get your company to the next stage of the transformation journey. The key to success is collaboration. Collaboration and the open mind-set to discover new ways of thinking and working increases levels of participation and motivation. It pulls people together and provides a ground for experimentation, building consensus and fostering innovation. Collaboration in the modern age does not stop at internal stakeholders. The most successful organisations have managed to build strong collaborative ties with their partners, customers, resellers, and other stakeholders. And while technology is not enough to help you innovate, in my mind, the future belongs to the organisation that will be able to learn, complement, and capitalise on artificial intelligence and machine learning, taking the collaboration to the next level and allowing for the exploration of humans and machines working together.

**Build better networks**

How do you connect various parts of the business? Do you have a platform that enables your teams to collaborate? Organisations need to keep evolving and innovating just to stay abreast of what is happening in their industries, with their partners, and customers. For many firms, building networks means moving employees across functions, businesses, and countries. While I cannot really criticise this approach, as it does promote career development and shows that the organisations are investing in their employees’ growth, this approach is not scalable. Instead, companies should consider how collaboration technology can enable them to build better networks and allow your employees to work in a more productive way.

With the right platform, there is no need for leadership structure or pre-selecting members to form networks. This does not mean that there is no place for leadership or specialists in the network environment, though. My point is that with the right platform, you will start seeing “organic” growth of networks around specific interests or issues. Networks are the backbone to being able to deliver successful collaboration, which in return, will result in fostering an open, engaging and innovative workplace.

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Set goals and measure progress

Now that you have created the culture of innovation and got everyone involved, how do you measure success? Measuring innovation has always been tricky. It is not as straightforward as measuring revenue growth or campaign ROI. Try to think first about the intended results for your organisation and different stages at which innovation happens (ideation, evaluation, selection, re-iteration, development, and implementation). Based on that, we can start measuring how many ideas have been created, what was the quality of those ideas, how many ideas have been implemented or resulted in processes reiteration, and finally, what was the end result. These are just some ideas of what and how to measure.

4. Write about general framework for planning

A FRAMEWORK FOR PLANNING

1. Define the present situation
2. Establish goals and objectives
3. Analyze environment
4. Develop action plans to reach goals and objectives
5. Develop Budgets
6. Implement the plans
7. Control the plans

5. Write about development of business strategy.

Steps to Create an Effective Business Strategy

Whether you’re looking to set new business priorities, outline plans for growth, determine a product roadmap or plan your investment decisions, you’ll need a strategy. Coming to the realisation that your organisation needs one is easy. Actually creating a strategy is a little trickier.

Gather the facts

To know where you’re heading, you have to know where you are right now. So before you start looking ahead, you should review the past performance, or the current situation. Look at each area of the business and determine what worked well, what could have been better and what opportunities lie ahead. There are many tools and techniques available to help with this process, such as SWOT (Strength, Weakness, Opportunities and Threats) analysis. You should look internally at your strengths and weaknesses. And for the opportunities and threats you should look at external factors. A great framework for looking at external factors is PESTLE (Political, Economic, Social, 

K.RAGHU RAM REDDY, ASST PROFESSOR
Technological, Legal and Environmental). So, for your big idea or plan you would ask: what threats and opportunities could arise under each category

**Develop a vision statement**

This statement should describe the future direction of the business and its aims in the medium to long term. It’s about describing the organisation’s purpose and values. Business gurus have debated long and hard about what comes first – the vision, or the mission statement (see step 3). But, in practice, you could develop both at the same time.

**Develop a mission statement**

Like the vision statement, this defines the organisation’s purpose, but it also outlines its primary objectives. This focuses on what needs done in the short term to realise the long term vision. So, for the vision statement, you may want to answer the question: “Where do we want to be in 5 years?”. For the mission statement, you’ll want to ask the question.

**Identify strategic objectives**

At this stage, the aim is to develop a set of high-level objectives for all areas of the business. They need to highlight the priorities and inform the plans that will ensure delivery of the company’s vision and mission. By taking a look back at your review in step one, in particular the SWOT and PESTLE analysis, you can incorporate any identified strengths and weaknesses into your objectives. Crucially, your objectives must be SMART (Specific, Measurable, Achievable, Realistic and Time-related). Your objectives must also include factors such as KPI’s, resource allocation and budget requirements.

**Tactical Plans**

Now is the time to put some meat on the bones of your strategy by translating the strategic objectives into more detailed short-term plans. These plans will contain actions for departments and functions in your organisation. You may even want to include supplier.

**Performance Management**

All the planning and hard work may have been done, but it’s vital to continually review all objectives and action plans to make sure you’re still on track to achieve that overall goal. Managing and monitoring a whole strategy is a complex task, which is why many directors, managers and business leaders are looking to alternative methods of handling strategies. Creating, managing and reviewing a strategy requires you to capture the relevant information, break down large chunks of information, plan, prioritise, capture the relevant.

**K.RAGHU RAM REDDY, ASST PROFESSOR**
FIVE MARK QUESTIONS WITH ANSWERS

1. Discuss about management by objectives.

Definition
Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members. The technique was first championed by management expert Peter Drucker and became commonly used in the 1960s.

Key Concepts
The core concept of MBO is planning, which means that an organization and its members are not merely reacting to events and problems but are instead being proactive. MBO requires that employees set measurable personal goals based upon the organizational goals. For example, a goal for a civil engineer may be to complete the infrastructure of a housing division within the next twelve months. The personal goal aligns with the organizational goal of completing the subdivision. MBO is a supervised and managed activity so that all of the individual goals can be coordinated to work towards the overall organizational goal. You can think of an individual personal goal as one piece of a puzzle that must fit together with all of the other pieces to form the complete puzzle: the organizational goal. Goals are set down in writing annually and are continually monitored by managers to check progress. Rewards are based upon goal achievement.

Advantages
MBO has some distinct advantages. It provides a means to identify and plan for the achievement of goals. If you don't know what your goals are, you will not be able to achieve them. Planning permits proactive behavior and a disciplined approach to goal achievement. It also allows you to prepare for contingencies and roadblocks that may hinder the plan. Goals are measurable so that they can be assessed and adjusted easily. Organizations can also gain more efficiency, save resources, and increase organizational morale if goals are properly set, managed, and achieved

Disadvantages
However, MBO is not without disadvantages. Application of MBO takes concerted effort. You cannot rely upon a thoughtless, mechanical approach, and you should note that some tasks are so simple that setting goals makes little sense and becomes more of a silly, annual ritual. For example, if
your job is snapping two pieces of a product together on an assembly line, setting individual goals for your work isn't really necessary.

2. Briefly explain about steps in problem solving and decision making

Problem-solving and decision-making.

Ask anyone in the workplace if these activities are part of their day and they answer 'Yes!' But how many of us have had training in problem-solving? We know it's a critical element of our work, but do we know how to do it effectively?

People tend to do three things when faced with a problem: they get afraid or uncomfortable and wish it would go away; they feel that they have to come up with an answer and it has to be the right answer; and they look for someone to blame. Being faced with a problem becomes a problem. And that's a problem because, in fact, there are always going to be problems!

There are two reasons why we tend to see a problem as a problem: it has to be solved and we're not sure how to find the best solution, and there will probably be conflicts about what the best solution is. Most of us tend to be "conflict-averse". We don't feel comfortable dealing with conflict and we tend to have the feeling that something bad is going to happen. The goal of a good problem-solving process is to make us and our organization more "conflict-friendly" and "conflict-competent".

There are two important things to remember about problems and conflicts: they happen all the time and they are opportunities to improve the system and the relationships. They are actually providing us with information that we can use to fix what needs fixing and do a better job. Looked at in this way, we can almost begin to welcome problems! (Well, almost.)

Because people are born problem solvers, the biggest challenge is to overcome the tendency to immediately come up with a solution. Let me say that again. The most common mistake in problem solving is trying to find a solution right away. That's a mistake because it tries to put the solution at the beginning of the process, when what we need is a solution at the end of the process.

Here are seven-steps for an effective problem-solving process.

Identify the issues.

Be clear about what the problem is. Remember that different people might have different views of what the issues are. Separate the listing of issues from the identification of interests (that's the next step!).

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Understand everyone's interests.

This is a critical step that is usually missing. Interests are the needs that you want satisfied by any given solution. We often ignore our true interests as we become attached to one particular solution. The best solution is the one that satisfies everyone's interests.

This is the time for active listening. Put down your differences for awhile and listen to each other with the intention to understand. Separate the naming of interests from the listing of solutions.

List the possible solutions (options)

This is the time to do some brainstorming. There may be lots of room for creativity. Separate the listing of options from the evaluation of the options.

Evaluate the options.

What are the pluses and minuses? Honestly! Separate the evaluation of options from the selection of options.

Select an option or options.

What's the best option, in the balance? Is there a way to "bundle" a number of options together for a more satisfactory solution?

Document the agreement(s)

Don't rely on memory. Writing it down will help you think through all the details and implications.

Agree on contingencies, monitoring, and evaluation. Conditions may change.

Make contingency agreements about foreseeable future circumstances (If-then!). How will you monitor compliance and follow-through?

Create opportunities to evaluate the agreements and their implementation. ("Let's try it this way for three months and then look at it.") Effective problem solving does take some time and attention more of the latter than the former. But less time and attention than is required by a problem not well solved. What it really takes is a willingness to slow down. A problem is like a curve in the road. Take it right and you'll find yourself in good shape for the straightaway that follows. Take it too fast and you may not be in as good shape.

Working through this process is not always a strictly linear exercise. You may have to cycle back to an earlier step. For example, if you're having trouble selecting an option, you may have to go back to thinking about the interests.

This process can be used in a large group, between two people, or by one person who is faced with a difficult decision. The more difficult and important the problem, the more helpful and necessary it is.

K. RAGHU RAM REDDY, ASST PROFESSOR
to use a disciplined process. If you're just trying to decide where to go out for lunch, you probably don't need to go through these seven steps! Don't worry if it feels a bit unfamiliar and uncomfortable at first. You'll have lots of opportunities to practice!

Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions. Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives.

This approach increases the chances that you will choose the most satisfying alternative possible

**Step 1: Identify the decision**
You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

**Step 2: Gather relevant information**
Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external “work.” Some information is internal: you’ll seek it through a process of self-assessment. Other information is external: you’ll find it online, in books, from other people, and from other sources.

**Step 3: Identify the alternatives**
As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

**Step 4: Weigh the evidence**
Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you’ll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

**Step 5: Choose among alternatives**
Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.
Step 6: Take action
You’re now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

Step 7: Review your decision & its consequences
In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has not met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

3. Discuss about group problem solving and decision making
Organizational challenges are many times disruptive to productivity. Group problem solving is the process of bringing together stakeholders who through their analytical decision making abilities can influence the outcome of the problem. The use of groups in problem solving is encouraged as groups tend to evaluate diverse solutions and action plans. The core objectives of the group are identifying the problem and developing solutions. This five-step systematic group problem solving process provides a defined strategy for a teamwork approach to generating creative and workable resolutions.

Process Description
Have you ever tried to get a group of people to agree on one answer to a problem? It's nearly impossible. However, there are positive approaches to this issue that anyone can employ with some minimal training and review. This project outlines a one-hour group problem solving technique that you can use with your organization. It helps clarify issues and provides an outline of actionable solutions.

Group Problem Solving Process Outline
Define the Problem
Provide history relevant to the problem. Make a comparison: how are things now versus the way you would like them to be? How long has the problem existed? How frequently does it occur? Who is affected by the problem?

Determine Causes
Look for the cause of the gap between the present (what's now) and the desired (future) state or resolution.
Develop Alternative Approaches
Brainstorm. (Write exactly what is said. Capturing specific words can be powerful.) Make a list of as many possible solutions as you can. Do NOT judge correctness or feasibility here. Just list everything.

Assess the Consequences
Ask what possible results may come from each alternative. Who is affected? Who pays? Are there uncontrollable challenges?

Develop Action Plans
Identify what you want success to look like. Use the Action Planning Worksheet to choose feasible alternatives that are acceptable to the group. Note: This is where most of the work is done!

Questioning Approach
Below are some additional, specific questions that you may use to help guide the process. As you move through each section, allow your group to take sufficient time to think critically before moving on.

Define the Problem
Begin this portion of the exercise by asking people to write individually on an index card what they think the problem is. This may seem redundant or simplistic for some seemingly obvious problems (e.g., budget shortfall). However, individual responses may point to confounding issues, related problems, or causative items.
After writing individually, ask everyone to share. (If it's a very sensitive issue, collect the cards, shuffle the cards, and then ask one person to read them.) How are things now versus the way you would like them to be?
How long has the problem existed?
How frequently does it occur?
Who is affected by the problem?

Determine Causes
Why does this problem exist?
What needs to be changed in both the immediate future and for the long term?

Develop Alternative Approaches:
What is feasible?
Based on the outlined causes, what first step could we take to address the issue?
What else could we do?
Can the problem be handled by internal resources? Do we need outside/expert assistance?
Are personnel and funds available?
Does sufficient data exist to make a plan?
Can the needed data be gathered within the time available?
Does the issue involve large costs or major consequences for the organization?

**Assess the Consequences**
- Who or what will be affected by this solution?
- What are the possible side effects . . . immediate and long-run?
- What would be the likely consequences of this solution?
- What would be the reaction of [citizens in the community/employees/patrons/customers]? Who would complain?

Who would be glad? Why?

**Develop Action Plans**
Use the Action Planning Worksheet to choose feasible alternatives that are acceptable to the group.
What would be accepted as evidence of its success?

**Conclusions and Recommendations**
The step-by-step process outlined in this fact sheet can help lead you to a successful outcome for even the most complicated group problems. Results are especially effective when using a neutral, skilled facilitator. A facilitator can come from within the group but runs the risk of inserting influence and suggestion. The best-case scenario is a facilitator who understands the group, understands the problem, and has no direct stake in the solution. The role of the facilitator is to assist the group in performing more effectively (Keltner, 1989).

Drawing out group members to generate potential solutions is central to problem solving, just as long as it's managed and facilitated well. There should be no criticism of ideas, and novel or seemingly unusual ideas should be encouraged. Involving all group members in the process is critical if everyone is to buy into the final solution. The best approach to making this work smoothly is to establish formal rules for positive participation.

When a large group is involved in the decision making, the Nominal Group Technique (NGT) may be used in conjunction with this outlined process. The NGT is a weighted ranking method that allows a
group to generate and prioritize issues. The procedure encourages balanced participation and creates a quantitative output.

With any problem solving process, defining the problem may be the most important, but likely the most difficult step. This forces the group to collectively recognize the scope of the problem and need to devise a solution. And yet, if the group is facilitated through the process of solving a problem and is successful in developing an action plan, but does not implement the plan, all efforts are for naught.

4. What are programmed and non-programmed decisions? Explain

<table>
<thead>
<tr>
<th>Nature of Problem</th>
<th>Programmed Decisions</th>
<th>Non-programmed Decisions</th>
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<tbody>
<tr>
<td>Structured/Routine/Well-defined</td>
<td>Unstructured/Novel/Ill defined</td>
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<tr>
<td>Recurrence of Problem</td>
<td>Repetitive</td>
<td>Non-repetitive</td>
</tr>
<tr>
<td>Method of solving</td>
<td>Policies/Standards/Rules</td>
<td>Managerial Initiative</td>
</tr>
<tr>
<td>Judgment</td>
<td>Objective</td>
<td>Subjective</td>
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<td>Probability of outcome</td>
<td>Some degree of certainty is involved</td>
<td>Uncertain</td>
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<tr>
<td>Level of management</td>
<td>Middle/Lower-level</td>
<td>Top-level</td>
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<td>Types</td>
<td>Organisational/Operational/Research/Opportunity</td>
<td>Personal/Strategic/Crisis Intuitive/Problem-solving</td>
</tr>
</tbody>
</table>

5. Discuss the importance of decision making and problem solving.

Why is it important to learn problem-solving and decision skills? Because we all have to make decisions. Whether you’re a student, a parent, a businessperson, or the president of the United States, you face problems every day that need solving. Maybe you’re trying to save your company, keep your job, or end the world financial crisis. Maybe you simply need to eat better or find more time to spend with your family.

Whether the issue is big or small, we all set goals for ourselves, face challenges, and strive to overcome them. But what you might not know is there’s an easy way to consistently arrive at effective and satisfying solutions. There’s a universal and fundamental approach to solving problems, but chances are no one has ever bothered to show you how.

I saw the importance of problem solving first hand when I was working as a consultant for the global management consulting firm McKinsey & Company. For six years, I worked with major companies all over the world to help solve their business challenges using a straightforward yet powerful set of problem-solving tools. And these were tools that anyone could use. They didn’t require complicated computer software or an MBA. These simple approaches are basic enough for a child to understand.

So in 2007, when Japan’s prime minister made education his nation’s top agenda, I felt compelled to do my part as the nation turned its focus to the educational system. Although Japanese business leaders, educators, and politicians have long talked about the need for Japan to shift from “memorization-focused education” to

K.RAGHU RAM REDDY, ASST PROFESSOR
“problem-solving-focused education,” no one had figured out a concrete and effective way to make this happen.

So I left McKinsey to write a book and to teach kids. My aim was to teach Japanese children how to think like problem solvers, to take a proactive role in their own education and in shaping their lives. I tried to frame the tools we used at McKinsey in a fun and approachable way, one that would show kids what a practical approach to problem solving could help them accomplish. Although I don’t claim to be any kind of expert on education, I hoped that the book would at least provide a starting point, one that would help shift the debate from whether we should teach problem solving to how we should go about teaching it.

The book, Problem Solving 101 (originally publishing in Japan as Problem Solving Kids), spread through the education community and to a wider general audience. It turned out that adult readers in Japan, from parents and teachers to CEOs of major corporations, had been craving a simple and useful guide to problem-solving techniques.

You can check out some of the problem-solving tool boxes and challenge yourself at It’s important to realize that being a problem solver isn’t just an ability; it’s a whole mind-set, one that drives people to bring out the best in themselves and to shape the world in a positive way. Rather than accepting the status quo, true problem solvers are constantly trying to proactively shape their environment. Imagine how different our world would be if leaders like Mahatma Gandhi, Martin Luther King Jr., Eleanor Roosevelt, JFK, and Steve Jobs lacked this attitude. Now I’m focusing on helping kids put that attitude into practice.

The experience kids get from having an idea, taking initiative, and learning from both their successes and their failures is invaluable. So I’m creating more opportunities for them to learn from real-life situations rather than just in the classroom. When I work with kids, I let them learn the same way Warren Buffett did. Buffett got his first business experience when he was only six years old, buying Coke bottles from his grandfather’s store and selling them for a profit.

The kids I work with get to run a food and drink business using a 1965 VW van I’ve renovated for use as a transportable shop. The kids decide what food and drinks to sell, where to sell, and how to compete against other teams by actually selling what they have cooked or prepared. They learn the importance of not just problem solving skills, but also leadership, teamwork, creativity, persistence, charm, and kaizen (continuous improvement) to make their vision come true. Only after this experience do I help them ask the important questions and provide them with the problem-solving tools that could help them with future projects. As many people have already learned, problem solving is easy when you know how to approach it effectively. My aim is to help people make problem solving into a habit, one that empowers them to solve not only their own problems, but the challenges of their schools, businesses, communities — and maybe even the world.
OBJECTIVE QUESTION WITH ANSWERS

1. Which of the following serve as the basis to monitor, review or evaluate the performance of an individual or a department
   a) objective
   b) strategies
   c) policies
   d) Procedures

2. Which of the following refers to the course of action to be followed in the light of what may or may not be done by competition?
   a) objective
   b) strategies
   c) policies
   d) Procedures

3. What can be done or what cannot be done is called
   a) objective
   b) strategies
   c) policies
   d) Programmes

4. Which of the following outline in detail the method of carrying out a given task?
   a) objective
   b) strategies
   c) policies
   d) Procedures

5. Which of the following guide action or non-action on the part of people in organisation?
   a) Rules
   b) strategies
   c) mission
   d) Programmes

6. If we have relevant and reliable information about a particular event or happening, such context is called.
   a) Risk
   b) uncertainty
   c) certainty
   d) Probability

7. Decisions made on problems with reference to set of precedents and rules are
   a) Situational decisions
   b) Problematic decisions
   c) Non- programmed decisions
   d) Programmed decisions

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8. Structured programming is the base for
   a) Situational decisions
   b) Problematic decisions
   c) Non-programmed decisions
   d) Tactical decisions

9. Bottom level management makes
   a) Tactical decisions
   b) Problematic decisions
   c) Operation decision
   d) Programmed decisions

10. Individual decisions are made by
    a) CEO
    b) Managers
    c) Front line supervisors
    d) All of them independently

**KEY**

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</table>
FILL IN THE BLANK QUESTIONS WITH ANSWER

1. Planning is ______________oriented
2. The plan expressed in terms of number is called__________
3. ______planning is the responsibility of top management
4. ______bridge gap between present and future
5. Business strategy refers to what the organisation wants to follow to achieve its_______
6. Selecting course of action from among the given alternatives is called_______
7. ______means arriving at a solution that ends uncertainty or dispute
8. The manager is said to be ______ if he know about the alternatives and the consequences of each of these leading to a choice
9. Identifying a college for admission is an examples for ______decision
10. Recognising and overcoming the strategic factors that come in the way of effective decision making is governed by the _____

KEY

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<td>Retained</td>
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<td>9</td>
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<tr>
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</table>

K.RAGHU RAM REDDY, ASST PROFESSOR
UNIT III

TWO MARK QUESTIONS WITH ANSWERS

1. What is organisation?

An ‘organisation’ is a group of individuals working together to achieve one or more objectives. Although organisations have been defined differently by different theorists, virtually all definitions refer to five common features:

- They are composed of individuals and groups of individuals
- They are oriented towards achieving collective goals
- They consist of different functions
- The functions need to be coordinated
- They exist independently of individual members who may come and go.

2. What is organising? Discuss characteristics of organisation.

It ensures the ability to adapt and adjust the activities in response to the change taking place in the external environment. The programmes, policies and strategies can be changed as and when required if the provision for flexibility is made in the organising process.

Organizing is a systematic process of structuring, integrating, co-ordinating task goals, and activities to resources in order to attain objectives

**Specialization and division of work.**

The entire philosophy of organization is centered on the concepts of specialization and division of work. The division of work is assigning responsibility for each organizational component to a specific individual or group thereof. It becomes specialization when the responsibility for a specific task lies with a designated expert in that field. The efforts of the operatives are coordinated to allow the process at hand to function correctly. Certain operatives occupy positions of management at various points in the process to ensure coordination.

**Orientation towards goals.**

Every organization has its own purposes and objectives. Organizing is the function employed to achieve the overall goals of the organization. Organization harmonizes the individual goals of the employees with overall objectives of the firm.
Composition of individuals and groups.

Individuals form a group and the groups form an organization. Thus, organization is the composition of individual and groups. Individuals are grouped into departments and their work is coordinated and directed towards organizational goals.

Continuity.

An organization is a group of people with a defined relationship in which they work together to achieve the goals of that organization. This relationship does not come to end after completing each task. Organization is a never ending process. "FLEXIBILITY."

The organising process should be flexible so that any change can be incorporated. It ensures the ability to adapt and adjust the activities in response to the change taking place in the external environment. The programmes, policies and strategies can be changed as and when required if the provision for flexibility is made in the organising process.

3. What is Human Resource Management?

Human resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees. The term human resources was first coined in the 1960s when the value of labour relations began to garner attention and when notions such as motivation, organizational behaviour, and selection assessments began to take shape.

Human resource management is a contemporary, umbrella term used to describe the management and development of employees in an organization. Also called personnel or talent management (although these terms are a bit antiquated), human resource management involves overseeing all things related to managing an organization’s human capital.

Human resource management is therefore focused on a number of major areas, including:

- Recruiting and staffing
- Compensation and benefits
- Training and learning
- Labour and employee relations
- Organization development
4. What is talent management?

Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. A talent-management strategy should link to business strategy to function more appropriately.

Talent management is an organization's ability to recruit, retain, and produce the most talented employees available in the job market. Talent consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization. Having good talent management is when one has good skills, knowledge, cognitive abilities, and the potential to do well. Talent management is also an important and necessary skill for people in the workforce to acquire. Finding good and talented people is not a hard thing to do, but making sure that they want to stay working for the same business is the challenge. If someone has so much talent and they are good at what they do, businesses will want them to stay and work there forever. However, most of those people are either satisfied with the job they have, or they go out and look for better opportunities.

Four pillars of talent management
- Recruitment
- Learning
- Performance
- Compensation

5. What is empowerment?

The term empowerment refers to measures designed to increase the degree of autonomy and self-determination in people and in communities in order to enable them to represent their interests in a responsible and self-determined way, acting on their own authority. It is the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights. Empowerment as action refers both to the process of self-empowerment and to professional support of people, which enables them to overcome their sense of powerlessness and lack of influence, and to recognize and use their resources. To do work with power.

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Empowerment is the process of obtaining basic opportunities for marginalized people, either directly by those people, or through the help of non-marginalized others who share their own access to these opportunities. It also includes actively thwarting attempts to deny those opportunities. Empowerment also includes encouraging, and developing the skills for, self-sufficiency, with a focus on eliminating the future need for charity or welfare in the individuals of the group. This process can be difficult to start and to implement effectively.

In its broadest sense, empowerment is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life. As people exercise real choice, they gain increased control over their lives.
THREE MARK QUESTIONS WITH ANSWERS

1. Write the importance of departmentalization

Departmentalization (or departmentalisation) refers to the process of grouping activities into departments. Division of labour creates specialists who need coordination. This coordination is facilitated by grouping specialists together in departments.

**Functional departmentalization** - Grouping activities by functions performed. Activities can be grouped according to function (work being done) to pursue economies of scale by placing employees with shared skills and knowledge into departments for example human resources, IT, accounting, manufacturing, logistics, and engineering. Functional departmentalization can be used in all types of organizations.

**Product departmentalization** - Grouping activities by product line. Tasks can also be grouped according to a specific product or service, thus placing all activities related to the product or the service under one manager. Each major product area in the corporation is under the authority of a senior manager who is specialist in, and is responsible for, everything related to the product line. LA Gear is an example of company that uses product departmentalization. Its structure is based on its varied product lines which include women’s footwear etc.

**Customer departmentalization** - Grouping activities on the basis of common customers or types of customers. Jobs may be grouped according to the type of customer served by the organization. The assumption is that customers in each department have a common set of problems and needs that can best be met by specialists. The sales activities in an office supply firm can be broken down into three departments that serve retail, wholesale and government accounts.

**Geographic departmentalization** - Grouping activities on the basis of territory. If an organization’s customers are geographically dispersed, it can group jobs based on geography. For example, the organization structure of Coca-Cola has reflected the company’s operation in two broad geographic areas – the North American sector and the international sector, which includes the Pacific Rim, the European Community, Northeast Europe, Africa and Latin America groups.

**Process departmentalization** - Grouping activities on the basis of product or service or customer flow. Because each process requires different skills, process departmentalization allows homogeneous activities to be grouped together. For example, the applicants might need to go through several departments namely validation, licensing and treasury, before receiving the driver’s license.

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**Divisional departmentalization** - When the firm develops independent lines of business that operate as separate companies, all contributing to the corporation profitability, the design is called divisional departmentalization or (M-FORM). For example, the Limited. Inc., has these divisions: The Limited, Express, Lerner New York, Lane Bryant and Mast Industries.

Owing to the complexity of tasks and the competitive environment in which organisations operate, they often use a combination of the above-mentioned methods in departmentalization.

2. **What are the advantages and disadvantages of centralisation?**

Centralisation (British) or centralization (both British and American) is the process by which the activities of an organization, particularly those regarding planning and decision-making become concentrated within a particular location or group. This moves the important decision-making and planning powers within the centre of the organisation.

**Advantages of the centralisation of authority**

- Centralisation of authority has several advantages and disadvantages. The benefits include:
  - Responsibilities and duties are well defined within the central governing body.
  - Decision-making is very direct and clear.
  - The central power maintains a large "encompassing interest" in the welfare of the state it rules since it stands to benefit from any increase in the state's wealth and/or power. In this sense, the incentives of state and ruler are aligned.

**Disadvantages, on the other hand are as follows:**

- Decisions may be misled while passing on and lower position departments don't have the decision-making power, therefore it requires efficient and well-organised top department.
- Attentions and support on each department or cities may not be balanced.
- Delay of work information may result in inefficiency of the government.
- Discrepancies in economy and information resources between the centre and other places are significant.
- Excludes actors at the local and provincial levels from the prevailing system of governance, reducing the capacity of the central government to resolve disputes or design effective policies requiring local knowledge and expertise.

3. **Write the importance of organisation culture?**

A common platform where individuals work in unison to earn profits as well as a livelihood for themselves is called an organization. A place where individuals realize the dream of making it big is called an organization. Every organization has its unique style of working which often contributes to its culture. The beliefs, ideologies, principles and values of an organization form its culture. The culture of the workplace controls the way employees behave amongst themselves as well as with people outside the organization.

- The culture decides the way employees interact at their workplace. A healthy culture encourages the employees to stay motivated and loyal towards the management.

- The culture of the workplace also goes a long way in promoting healthy competition at the workplace. Employees try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.

- Every organization must have set guidelines for the employees to work accordingly. The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace. Every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines.

- No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. The work culture goes a long way in creating the brand image of the organization. The work culture gives an identity to the organization. In other words, an organization is known by its culture.

- The organization culture brings all the employees on a common platform. The employees must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the employees to adjust well in the organization culture for them to deliver their level best.

- The work culture unites the employees who are otherwise from different backgrounds, families and have varied attitudes and mentalities. The culture gives the employees a sense of unity at the workplace.

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Certain organizations follow a culture where all the employees irrespective of their designations have to step into the office on time. Such a culture encourages the employees to be punctual which eventually benefits them in the long run. It is the culture of the organization which makes the individuals a successful professional.

Every employee is clear with his roles and responsibilities and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new employees also try their level best to understand the work culture and make the organization a better place to work.

The work culture promotes healthy relationship amongst the employees. No one treats work as a burden and moulds himself according to the culture.

It is the culture of the organization which extracts the best out of each team member. In a culture where management is very particular about the reporting system, the employees however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace.

4. What is your opinion on human resource planning?

Human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization. Ageing workers population in most western countries and growing demands for qualified workers in developing economies have underscored the importance of effective human resource planning.

Need for Human Resource Planning

The need of HRP may arise because of the following reasons:

- In India, unemployment is a grave concern. Scarcity of manpower and that too with the required skill sets and competence, has given rise for need of Human Resource Planning.

- It comes handy for smooth and continuous supply of workers when a huge number of employees is retiring, or leaving the company or maybe they are incapable of working due to psychological or physical ailments.

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There is a need for Human Resource Planning when there is an increase in employee turnover, which is obvious. Some examples of this turnover are promotions, marriages, end of contract, etc.

Technological changes lead to a chain of changes in the organization, right from skill sets product methods and administration techniques. These changes lead to an overall change in the number of employees required and with entirely different skill set. It is here that the Human Resource Planning helps the organization deal with the necessary changes.

Human Resource Planning is required to meet the requirements of diversification and growth of a company.

There is a need for Human Resource Planning in downsizing the resources when there is a shortage of manpower. Similarly, in case of excess resources, it helps in redeploying them in other projects of the company.

**Human Resource Planning Process**
5. **What are the features of Training and Development?**

i) To improve job performance by enhancing employees’ knowledge and skill.

ii) To prepare employees well competent to discharge the new responsibilities.

(iii) To impart skill how to operate the new machinery and equipment’s.

(iv) To reduce the wastages and accidents

(v) To build a second line for more responsible positions at a later stage.
FIVE MARK QUESTIONS WITH ANSWERS

1. Explain different principles of organisation.

Principle of Objective:
The enterprise should set up certain aims for the achievement of which various departments should work. A common goal so devised for the business as a whole and the organization is set up to achieve that goal. In the absence of a common aim, various departments will set up their own goals and there is a possibility of conflicting objectives for different departments. So there must be an objective for the organization.

Principle of Specialisation:
The organization should be set up in such a way that every individual should be assigned a duty according to his skill and qualification. The person should continue the same work so that he specialises in his work. This helps in increasing production in the concern

Principles of Co-ordination:
The co-ordination of different activities is an important principle of the organization. There should be some agency to co-ordinate the activities of various departments. In the absence of co-ordination there is a possibility of setting up different goals by different departments. The ultimate aim of the concern can be achieved only if proper co-ordination is done for different activities

Principle of Authority and Responsibility:
The authority flows downward in the line. Every individual is given authority to get the work done. Though authority can be delegated but responsibility lies with the man who has been given the work. If a superior delegates his authority to his subordinate, the superior is not absolved of his responsibility, though the subordinate becomes liable to his superior. The responsibility cannot be delegated under any circumstances.

Principle of Definition:
The scope of authority and responsibility should be clearly defined. Every person should know his work with definiteness. If the duties are not clearly assigned, then it will not be possible to fix responsibility also. Everybody’s responsibility will become nobody’s responsibility. The relationship between different departments should also be clearly defined to make the work efficient and smooth.

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**Span of Control:**
Span of control means how many subordinates can be supervised by a supervisor. The number of subordinates should be such that the supervisor should be able to control their work effectively. Moreover, the work to be supervised should be of the same nature. If the span of control is disproportionate, it is bound to affect the efficiency of the workers because of slow communication with the supervisors.

**Principle of Balance:**
The principle means that assignment of work should be such that every person should be given only that much work which he can perform well. Some person is over worked and the other is under-worked, then the work will suffer in both the situations. The work should be divided in such a way that everybody should be able to give his maximum

**Principle of Continuity:**
The organization should be amendable according to the changing situations. Everyday there are changes in methods of production and marketing systems. The organization should be dynamic and not static. There should always be a possibility of making necessary adjustments.

**Principle of Uniformity:**
The organization should provide for the distribution of work in such a manner that the uniformity is maintained. Each officer should be in-charge of his respective area so as to avoid dual subordination and conflicts.

**Principle of Unity of Command:**
There should be a unity of command in the organization. A person should be answerable to one boss only. If a person is under the control of more than one person then there is a like-hood of confusion and conflict. He gets contradictory orders from different superiors. This principle creates a sense of responsibility to one person. The command should be from top to bottom for making the organization sound and clear. It also leads to consistency in directing, coordinating and controlling.

**Principle of Exception:**
This principle states that top management should interfere only when something goes wrong. If the things are done as per plans then there is no need for the interference of top management. The management should leave routine things to be supervised by lower cadres. It is only the exceptional situations when attention of top management is drawn. This principle relieves top management of

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many botheration and routine things. Principle of exception allows top management to concentrate on planning and policy formulation. Important time of management is not wasted on avoidable supervision.

**Principle of Simplicity:**
The organizational structure should be simple so that it is easily understood by each and every person. The authority, responsibility and position of every person should be made clear so that there is no confusion about these things. A complex organizational structure will create doubts and conflicts among persons. There may also be over-lapping and duplication of efforts which may otherwise be avoided. It helps in smooth running of the organization.

**Principle of Efficiency:**
The organization should be able to achieve enterprise objectives at a minimum cost. The standards of costs and revenue are pre-determined and performance should be according to these goals. The organization should also enable the attainment of job satisfaction to various employees.

**Scalar Principle:**
This principle refers to the vertical placement of supervisors starting from top and going to the lower level. The scalar chain is a pre-requisite for effective and efficient organization.

2. **What are talent management models and strategies?**
Talent management is an organization's ability to recruit, retain, and produce the most talented employees available in the job market. Talent consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization. Having good talent management is when one has good skills, knowledge, cognitive abilities, and the potential to do well. Talent management is also an important and necessary skill for people in the workforce to acquire. Finding good and talented people is not a hard thing to do, but making sure that they want to stay working for the same business is the challenge. If someone has so much talent and they are good at what they do, businesses will want them to stay and work there forever. However, most of those people are either satisfied with the job they have, or they go out and look for better opportunities.
The AARRR model shows how customers first get in touch with an organization and eventually end up buying something from that organization. This happens in five phases.

**Acquisition:** This is all about driving visitors to the organization.

**Activation:** The first value experience that is exchanged between the organization and the customer. This can be a customer that leaves their email address in exchange for a monthly newsletter for example.

**Revenue:** The first and most important of the R’s. Revenue is about getting customers to make a purchasing decision. Needless to say, this is the lifeblood of the company.

**Referral:** How do you get customers to tell others about you so you get even more customers?

**Retention:** How do you retain those buying customers so they come back and buy again?
3. Explain various methods of Recruitment and selection.

To recruit talented managers and staff requires more time and effort than merely scanning through resumes. Understanding how a potential recruit can help you achieve your business goals means considering that recruit's tangible and intangible qualities. Use all methods available when you recruit, interview and select your next winning team member.

The recruitment cycle represents the entire recruitment process. This cycle usually starts with job posting and ends with extending job offers or on boarding new hires. Here’s an image of a basic recruitment cycle:

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Methods of recruitment

**Internal**
1. Promotion
2. Departmental Exam
3. Transfer
4. Retirement
5. Internal Advertisement
6. Employee Recommendation

**External**
1. Management Consultant
2. Employment Agency
3. Campus Recruitment
4. Newspaper Advertisement
5. Internet Advertisement
6. Walk in interview

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Selection Methods

This section looks at the process of selecting candidates. A variety of methods are available and consideration needs to be given as to which are suitable for a particular role. These include: Application forms and CVs, Online screening and shortlisting, Interviews, Psychometric testing, Ability and aptitude tests, Personality profiling, Presentations, Group exercises, Assessment centres and References.

**Application forms and CVs**

The traditional approach to applying for jobs is to complete a fairly lengthy application form (online or hard copy). This may be off-putting for some candidates. Therefore, application forms, if used, should only address the really important areas to allow shortlisting to take place. The benefit of using an application form from the organisation's perspective is that it ensures that the same information is gained from all candidates, which helps to achieve a level of consistency in the short-listing process.

The use of CVs is becoming less common. The benefit to the applicant is clear - an existing CV can be updated and tailored in a fraction of the time that it takes to fill out a traditional application form. The problem for the employer, however, is that information will be presented how the applicant sees fit, and may make short-listing less consistent. CVs are certainly more difficult to sift through if information is presented in a variety of ways through different CV formats. There are also equal opportunities considerations as the consistency produced by the use of application forms is more likely to engender fairness in the recruitment process. However, if certain jobs are hard to recruit to and competitors generally ask for CVs rather than application forms, organisations may consider accepting CVs. If this is the case, other safeguards may be used, for example, deleting indications of sex and race before the CVs are passed to short-listers, and more careful evaluation of decisions made in the recruitment process.

Organisations should ensure that short-listers understand the need to not directly discriminate and that awareness training is put in place to help short-listers recognise and challenge their own prejudices and beliefs. Recruitment processes must ensure that decisions about shortlisting are made on the basis of the applicant’s ability to undertake the job. For example, short-listers may be asked to provide...
information on the reasons why certain decisions were made, in order to demonstrate that the decision was not related to irrelevant personal characteristics.

**Online screening and shortlisting**

Online applications to jobs can generally be split into two types; an application form that is sent to an email address within the prospective company, or an ATS (Applicant Tracking System). The latter places the application into a database that can be used to filter the candidates and handle the various processes of application stages. This section explains the usage of an ATS within the recruitment process.

Initial screening of applications is usually based on an assessment of a candidate's experience and qualifications against the job's requirements. Online systems, like an ATS, can filter applications automatically against set criteria, such as keyword searches. It may also provide a scoring mechanism.

The use of online screening may be a useful way of filtering quickly through a huge volume of applications, or sorting applications. If there are a number of jobs that have been advertised at the same time, you could, for example, search for applications with the same job reference number. This approach, however, does require that all applications are received online.

It may be difficult to ensure that the keywords or criteria used in the search do not overlook any applications which could potentially match the person specification. Some organisations that use this approach have had to develop long application forms in order to ensure that the candidate includes all appropriate information in sufficient detail for their application to be selected through the word search. Other organisations only use the keyword approach as a first step in attempting to select candidates and then go through the applications again manually to double check that all appropriate applications have been selected.

If such a method is the only one used, organisations should be aware of the implications of the Data Protection Act. The Employment Practices Data Protection Code recommends that, if an automated short-listing system is used as the sole basis for making a decision, applicants should be informed. An employer should make provisions to consider representations from applicants about this and to take these into account before making the final decision.
There is an initial cost in implementing online screening and shortlisting, such as the cost of software and training. These costs need to be balanced against potential benefits, such as improving the speed of the recruitment and selection process.

**Interviews**

Structured interviews are the most effective type of interview. The interview process is formed through identification of the key requirements of the job and a list of questions is drawn up. A panel of interviewers works through each set of questions with each candidate and scores them on their answers. At the end of the interview process the overall scores are considered and the best candidate chosen. If additional selection methods are chosen, this is fed into the overall process at the end, and again, the best-fit candidate is offered the job.

Even where the interview is structured, this does not mean that follow up questions cannot be asked to probe more deeply into a candidate's skills and experience. An interview which does not do this, but instead sticks to a rigid list of questions, will not allow the interviewer to obtain the information required to make a proper decision.

Members involved in the interview process should be trained in interviewing skills and the sorts of questions they should or should not ask.

**Psychometric testing**

A range of attributes are best tested through psychometric testing. This term is often confusing, but in essence, means that a 'mental measure' is used. Therefore, psychometric testing covers ability testing, aptitude testing and personality profiling.

**Ability and aptitude tests**

The term 'ability tests' is used broadly and in this context will encompass aptitude tests too. Ability tests may cover a range of areas including:

- General intelligence
- Verbal ability
- Numerical ability
- Spatial ability
- Clerical ability
- Diagrammatical ability
- Mechanical ability
- Sensory and motor abilities.
Personality profiling
An individual's personality may affect their suitability for some posts. However, personality profiling does not have a 'right' or 'wrong' answer and individuals may be sifted through identifying particular behaviours that are better suited to the job than others. It is therefore important for those undertaking the selection process to be clear on the characteristics required to perform well in the job.

Presentations
Presentations are frequently used as a selection tool, particularly in senior jobs. The applicant is provided with a topic and given a time-frame to deliver a presentation on that topic. In some organisations the presentation topic is sent with the interview confirmation. It is now often given to applicants on the day of the interview and the applicant has a set period to prepare the presentation before the interview.

Group exercises
Candidates are given a topic or a role-play exercise and are invited to discuss the topic or role-play in a group. During the discussion/role play, observers who are looking for specific attributes award marks to each candidate. This of course means that you may need four or more candidates to make this a meaningful exercise and enough people to mark the candidates properly.

Assessment centres
Assessment centre techniques date back to the Second World War where they were used to select officers. Assessment methods are based on the principle of multiple testing processes. This may include ability and aptitude testing, group exercises, in-tray exercises, presentations as well as personality profiling. The important issue for all testing is to ensure that there is clarity about what is to be tested and that the test is appropriate. An assessment centre should be devised to specifically examine important aspects of the job and measure how well individuals are likely to perform in the job. An assessment centre should be fair and unbiased. It should also give individuals without a 'traditional' academic background the opportunity to demonstrate their skills and abilities. Good practice indicates that individuals attending assessment centres should have practical equalities support. For example, assessors should be of mixed gender and where possible of mixed ethnic origins if this is appropriate.
4. Discuss methods of training and development

TRAINING AND DEVELOPMENT (T&D) METHODS

There are several T&D methods available. The use of a particular method depends on which method accomplishes the training needs and objectives. Training methods can be classified into two categories:

**On-the-Job Methods**

This refers to the methods of training in which a person learns a job by actually doing/performing it. A person works on a job and learns and develops expertise at the same time.

- **Understudy**
  
  In this the employee is trained by his or her supervisor. The trainee is attached with his or her senior and called understudy or assistant. For example, a future manager might spend few months as assistant to the present manager.

- **Job rotation**
  
  This refers to shifting/movement of an employee from one job to another on regular intervals.

- **Special projects**
  
  The trainees' may ask to work on special projects related with departmental objectives. By this, the trainees will acquire the knowledge of the assigned work and also learn how to work with others.

- **Experience**
  
  It refers to learning by doing. This is one of the oldest methods of on-the-job training. Although this is very effective method but it also very time-consuming and wasteful. Thus it should be followed by other training methods.

- **Committee assignment**
  
  In this, the trainees become members of a committee. The committee is assigned a problem to discuss and make recommendations.
Coaching
In this, the supervisor or the superior acts as a guide and instructor of the trainee. This involves extensive demonstration and continuous critical evaluation and correction.

Off-the-Job Methods
These methods require trainees to leave their workplace and concentrate their entire time towards the training objectives. These days off-the-job training methods have become popular due to limitations of the on-the-job training methods such as facilities and environment, lack of group discussion and full participation among the trainees from different disciplines, etc. In the off-the-job methods, the development of trainees is the primary task rest everything is secondary. Following are the main off-the-job training methods:

- **Special courses and lectures**
  These are the most traditional and even famous today, method of developing personnel. Special courses and lectures are either designed by the company itself or by the management/professional schools. Companies then sponsor their trainees to attend these courses or lectures. These are the quick and most simple ways to provide knowledge to a large group of trainees.

- **Conferences and seminars**
  In this, the participants are required to pool their thoughts, ideas, viewpoints, suggestions and recommendations. By attending conferences and seminars, trainees try to look at a problem from different angles as the participants are normally from different fields and sectors.

- **Selected reading**
  This is the self-improvement training technique. The persons acquire knowledge and awareness by reading various trade journals and magazines. Most of the companies have their own libraries. The employees become the members of the professional associations to keep abreast of latest developments in their respective fields.

- **Case study method**
  This technique was developed by Harvard Business School, U.S.A. It is used as a supplement to lecture method. A case is a written record of a real business situation/problem faced by a company. The case is provided to the trainees for discussion and analysis. Identification and diagnose of the problem is the aim in case study method. Alternate courses of action are suggested from participants.

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Programmed instruction/learning
This is step-by-step self-learning method where the medium may be a textbook, computer or the internet. This is a systematic method for teaching job skills involving presenting questions or facts, allowing the person to respond and giving the learner immediate feedback on the accuracy of his or her answers."

Brainstorming
This is creativity-training technique; it helps people to solve problems in a new and different way. In this technique, the trainees are given the opportunity to generate ideas openly and without any fear of judgement. Criticism of any idea is not allowed so as to reduce inhibiting forces. Once a lot of ideas are generated then they are evaluated for their cost and feasibility.

Role-playing
In this method, the trainees are assigned a role, which they have to play in an artificially created situation. For example, a trainee is asked to play the role of a trade union leader and another trainee is required to perform the role of a HR manager. This technique results in better understanding of each other's situation by putting foot in other's shoes.

Vestibule schools
Large organisations frequently provide what are described as vestibule schools a preliminary to actual shop experience. As far as possible, shop conditions are duplicated, but instruction, not output is major objective." A vestibule school is operated as a specialised endeavor by the personnel department. This training is required when the amount of training that has to be done exceeds the capacity of the line supervisor; a portion of training is evolved from the line and assigned to staff through a vestibule school." The advantage of a vestibule school is specialisation.

Apprenticeship training
This training approach began in the Middle Ages when those who wanted to learn trade skill bound themselves to a master craftsman and worked under his guidance. Apprenticeship training is a structured process by which people become skilled workers through a combination of classroom instruction and on-the-job training.

In-basket exercise
In this technique, the trainees are provided background information on a simulated firm and its products, and key personnel. After this, the trainees are provided with in-basket of memos,
letters, reports, requests and other documents related with the firm. The trainee must make sense out of this mass of paperwork and prepare memos, make notes and delegate tasks within a limited time period."

- **Business games**
  Business games involve teams of trainees. The teams discuss and analyse the problem and arrive at decisions. Generally, issues related with inventories, sales, R&D, production process, etc. are taken up for consideration.

- **Behaviour modelling**
  This is structured approach to teach specific supervisory skill. This is based on the social learning theory in which the trainee is provided with a specific model of behaviour and is informed in advance of the consequences of engaging in that type of behaviour.

- **Sensitivity (T-group) training**
  In this type of training, a small group of trainees consisting of 10 to 12 a person is formed which meets in an unstructured situation. There is no set agenda or schedule or plan. The main objectives are more openness with each other, increased listening skills, trust, support, tolerance and concern for others. The trainers serve a catalytic role. The group meets in isolation without any formal agenda. There is great focus on inter-personal behaviour. And, the trainer provides honest but supportive feedback to members on how they interacted with one another.

- **Multiple Management**
  This technique of training was first introduced by McCormick, President of McCormick & co. of Baltimore in 1932. He gave the idea of establishing a junior board of directors. Authority is given to the junior board members to discuss any problem that could be discuss in senior board and give recommendations to the senior board. Innovative and productive ideas became available for senior board.
5. Briefly explain different types of performance appraisal methods.

Each method of performance appraisal has its strengths and weaknesses may be suitable for one organization and non-suitable for another one. As such, there is no single appraisal method accepted and used by all organizations to measure their employees’ performance. All the methods of appraisal devised so far have been classified differently by different authors. While DeCenzo and Robbins\(^7\) have classified appraisal methods into three categories: absolute methods, relative methods and objective methods; Aswathappa has classified these into two categories past-oriented and future-oriented.

<table>
<thead>
<tr>
<th>Traditional Methods</th>
<th>Modern Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ranking method</td>
<td>1. Management by Objectives (MBO)</td>
</tr>
<tr>
<td>2. Paired comparison</td>
<td>2. Behaviourally anchored rating scales</td>
</tr>
<tr>
<td>3. Grading</td>
<td>3. Assessment centres</td>
</tr>
<tr>
<td>4. Forced distribution method</td>
<td>4. 360-degree appraisal</td>
</tr>
<tr>
<td>6. Checklist method</td>
<td></td>
</tr>
<tr>
<td>7. Critical incidents method</td>
<td></td>
</tr>
<tr>
<td>8. Graphic scale method</td>
<td></td>
</tr>
<tr>
<td>9. Essay method</td>
<td></td>
</tr>
<tr>
<td>10. Field review method</td>
<td></td>
</tr>
<tr>
<td>11. Confidential report</td>
<td></td>
</tr>
</tbody>
</table>

**Ranking Method:**
It is the oldest and simplest formal systematic method of performance appraisal in which employee is compared with all others for the purpose of placing order of worth. The employees are ranked from the highest to the lowest or from the best to the worst.

**Paired Comparison:**
In this method, each employee is compared with other employees on one-on-one basis, usually based on one trait only. The rater is provided with a bunch of slips each coining pair of names, the rater puts a tick mark against the employee whom he insiders the better of the two. The number of times this employee is compared as better with others determines his or her final ranking.

**Grading Method:**
In this method, certain categories of worth are established in advance and carefully defined. There can be three categories established for employees: outstanding, satisfactory and unsatisfactory. There can be more than three grades. Employee performance is compared with grade definitions. The employee is, then, allocated to the grade that best describes his or her performance. Such type of grading is done in Semester pattern of examinations and in the selection of a candidate in the public service sector. One of the major drawbacks of this method is that the rater may rate most of the employees on the higher side of their performance.

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Forced Distribution Method:
This method was evolved by Tiffen to eliminate the central tendency of rating most of the employees at a higher end of the scale. The method assumes that employees’ performance level conforms to a normal statistical distribution i.e., 10,20,40,20 and 10 per cent. This is useful for rating a large number of employees’ job performance and promo ability. It tends to eliminate or reduce bias.

It is also highly simple to understand and easy to apply in appraising the performance of employees in organizations. It suffer from the drawback that improve similarly, no single grade would rise in a ratings

Forced-Choice Method:
The forced-choice method is developed by J. P. Guilford. It contains a series of groups of statements, and rater rates how effectively a statement describes each individual being evaluated. Common method of forced-choice method contains two statements, both positive and negative.

Check-List Method:
The basic purpose of utilizing check-list method is to ease the evaluation burden upon the rater. In this method, a series of statements, i.e., questions with their answers in ‘yes’ or ‘no’ are prepared by the HR department. The check-list is then, presented to the rater to tick appropriate answers relevant to the appraise. Each question carries a weight-age in relationship to their importance.

Critical Incidents Method:
In this method, the rater focuses his or her attention on those key or critical behaviors that make the difference between performing a job in a noteworthy manner (effectively or ineffectively). There are three steps involved in appraising employees using this method.
First, a list of noteworthy (good or bad) on-the-job behavior of specific incidents is prepared. Second, a group of experts then assigns weight age or score to these incidents, depending upon their degree of desirability to perform a job. Third, finally a check-list indicating incidents that describe workers as “good” or “bad” is constructed. Then, the check-list is given to the rater for evaluating the workers.

Graphic Rating Scale Method:
The graphic rating scale is one of the most popular and simplest techniques for appraising performance. It is also known as linear rating scale. In this method, the printed appraisal form is used to appraise each employee.
The form lists traits (such as quality and reliability) and a range of job performance characteristics (from unsatisfactory to outstanding) for each trait. The rating is done on the basis of points on the continuum. The common practice is to follow five points scale.
Essay Method:
Essay method is the simplest one among various appraisal methods available. In this method, the rater writes a narrative description on an employee’s strengths, weaknesses, past performance, potential and suggestions for improvement. Its positive point is that it is simple in use. It does not require complex formats and extensive/specific training to complete it.
However, essay method, like other methods, is not free from drawbacks. In the absence of any prescribed structure, the essays are likely to vary widely in terms of length and content. And, of course, the quality of appraisal depends more upon rater’s writing skill than the appraiser’s actual level of performance.

Field Review Method:
When there is a reason to suspect rater’s biasedness or his or her rating appears to be quite higher than others, these are neutralized with the help of a review process. The review process is usually conducted by the personnel officer in the HR department.

Confidential Report:
It is the traditional way of appraising employees mainly in the Government Departments. Evaluation is made by the immediate boss or supervisor for giving effect to promotion and transfer. Usually a structured format is devised to collect information on employee’s strength weakness, intelligence, attitude, character, attendance, discipline, etc. report.

Management by Objectives (MBO):
Most of the traditional methods of performance appraisal are subject to the antagonistic judgments of the raters. It was to overcome this problem; Peter F. Drucker propounded a new concept, namely, management by objectives (MBO) way back in 1954 in his book. The Practice of management. The concept of MBO as was conceived by Drucker, can be described as a “process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual’s major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contribution of each its members”.

Behaviourally Anchored Rating Scales (BARS):
The problem of judgmental performance evaluation inherent in the traditional methods of performance evaluation led to some organisations to go for objective evaluation by developing a technique known as “Behaviourally Anchored Rating Scales (BARS)” around 1960s. BARS are descriptions of various degrees of behaviour with regard to a specific performance dimension.

Developing BARS typically involves five steps:
1. Generating Critical Incidents:
Critical incidents (or say, behaviours) are those which are essential for the performance of the job effectively. Persons who are knowledgeable of the job in question (jobholders and/or supervisors) are asked to describe specific critical incidents of effective and ineffective performance. These critical incidents may be described in a few short sentences or phrases using the terminology

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Developing Performance Dimensions: The critical incidents are then clustered into a smaller set of performance dimensions, usually five to ten. Each cluster, or say, dimension is then defined.

Reallocating Incidents:
Various critical incidents are reallocated dimensions by another group of people who also know the job in question. Various critical incidents so reallocated to original dimensions are clustered into various categories, with each cluster showing similar critical incidents. Those critical incidents are retained which meet 50 to 80% of agreement with the cluster as classified in step 2.

Scaling Incidents:
The same second group as in step 3 rates the behaviour described in each incident in terms of effectiveness or ineffectiveness on the appropriate dimension by using seven to nine points scale. Then, average effectiveness ratings for each incident are determined to decide which incidents will be included in the final anchored scales.

Developing Final BARS Instrument:
A subset of the incidents (usually six or seven per cluster) is used as a behavioural anchor for the final performance dimensions. Finally, a BARS instrument with vertical scales is drawn to be used for performance appraisal, as in Figure 27-5.

Assessment Centres:
The introduction of the concept of assessment centers as a method of performance method is traced back in 1930s in the Germany used to appraise its army officers. The concept gradually spread to the US and the UK in 1940s and to the Britain in 1960s. The concept, then, traversed from the army to business arena during 1960s. The concept of assessment centre is, of course, of a recent origin in India. In India, Crompton Greaves, Eicher, Hindustan Lever and Modi Xerox have adopted this technique of performance evaluation.

360 – Degree Appraisal:
Yet another method used to appraise the employee’s performance is 360 – degree appraisal. This method was first developed and formally used by General Electric Company of USA in 1992. Then, it travelled to other countries including India. In India, companies like Reliance Industries, Wipro Corporation, Infosys Technologies, Thermax, Thomas Cook etc., have been using this method for appraising the performance of their employees. This feedback based method is generally used for ascertaining training and development requirements, rather than for pay increases.

Cost Accounting Method:
This method evaluates an employee’s performance from the monetary benefits the employee yields to his/her organisation. This is ascertained by establishing a relationship between the costs involved in retaining the employee, and the benefits an organisation derives from Him/her.

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OBJECTIVE QUESTIONS WITH ANSWERS

1. Which of the following is not a characteristic of a formal organisation
   a) Able to communicate with one another
   b) Willing to act in an atmosphere of cooperation
   c) Share a common implicit purpose
   d) Share a common explicit purpose

2. The obligation on the part of the subordinate to complete the given job is called
   a) authority
   b) power
   c) reliability
   d) responsibility

3. The process of transferring authority from the top to the lower level in the organisations is called
   a) authority
   b) power
   c) reliability
   d) responsibility

4. Which one of the following is not a factor that determines the optimum number of subordinates?
   a) Efficiency of the superior
   b) Nature of work
   c) Duration of work
   d) responsibility

5. Which one of the following is not a factor that helps the organisation to attain its balance?
   a) span of control
   b) Centralisation of authority
   c) delegation of authority
   d) departmentation

6. Which of the following is not a function of HRM?
   a) Focussing on team building
   b) Developing product sensitive management styles
   c) Empowering employees
   d) Evaluating self appraisals

7. What refers to the process of managing people enabling them to contribute their best for the attainment of organisation goals?
   a) HRM
   b) HRD
   c) Personal management
   d) Industrial relation

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8. What refers to the relations between the employees and the management?
   a) HRD
   b) Personal management
   c) HRM
   d) Industrial relation

9. Who focused on compensation, integration and maintenance of people in the organisation?
   a) Peter F Drucker
   b) Flippo
   c) Pigours &Myres
   d) Pyle

10. The process of formulating a personnel program, which is determined in advance is called
    a) Planning
    b) Organising
    c) directing
    d) controlling

**KEY**

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FILL IN THE BLANK QUESTIONS WITH ANSWERS

1. The framework of relationship, within which the management functions are performed is called__________
2. The process of grouping the similar activities and responsibility is called______. 
3. An organisation bound by defined rules and regulations is called________
4. An organisation governed by likes and dislikes of its members is called ________
5. The line authority are identified in________
6. Manpower planning can be defined as__________
7. The decision makers, to search for the ________use manpower plans
8. The type of person required to be selected for a given job is outlined by ________
9. The process of formulating the new employee with the vision, mission, and goals of the organisation is called________
10. The process of evaluating the worth of a person based on his/her past performance is called________

KEY

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K.RAGHURAM REDDY, ASST PROFESSOR
UNIT IV

TWO MARK QUESTIONS WITH ANSWERS

1. Define leadership

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization.

Leadership involves making sound -- and sometimes difficult -- decisions, creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve those goals.

The Characteristics of a Good Leader

What makes a good leader? Here are some of their most important characteristics:

Self-Awareness.

You have an intimate knowledge of your inner emotional state. You know your strengths and your weaknesses. You know when you’re working in flow and you know when you’re over worked. You know yourself, including your capabilities and your limitations, which allows you to push yourself to your maximum potential.

Self-Direction.

You’re able to direct yourself effectively and powerfully. You know how to get things done, how to organize tasks and how to avoid procrastination. You know how to generate energy for projects, to calm yourself when angered. You can make decisions quickly when necessary, but can also slow to consider all the options on the table.

Vision.

You’re working towards a goal that’s greater than yourself. It could be something small, like the success of the team, or a larger vision like world peace. Working towards a vision is far more inspiring than working towards personal gain.

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Ability to Motivate.

Leaders don’t lead by telling people what they have to do. Instead, leaders cause people to want to help them. A key part of this is cultivating your own desire to help others. When others sense that you want to help them, they in turn want to help you.

Social Awareness.

Understanding social networks and key influencers in that social network is another key part of leadership. Who in the organization has the most clout, both officially and unofficially? Who moves the hearts of the group?

These are some of the most important characteristics of good leaders.

2. Define authority and power

Definition of Power

By the term power, we mean the personal capacity of an individual to influence others to do or not to do an act. It is independent and informal in nature derived from charisma and status. It is an acquired ability that comes from knowledge and expertise. It is the right to control other’s actions, decisions and performances.

Power is not hierarchical, i.e. it can flow in any direction like it can flow from superior to subordinate (downward) or junior to senior (upward), or between the persons working at the same level, but different departments of the same organization (horizontal), or between the persons working at different levels and departments of the same organization (diagonal). In this way, it is not confined to any boundaries. Moreover, the element of politics is usually attached

Definition of Authority

Authority is legal and formal right to a person, who can take decisions, give orders and commands to others to perform a particular task. It is conferred to high officials, to accomplish organisation’s objectives. It is hierarchical in nature, it flows downward, i.e. delegated from superior to the subordinate.

In general, authority is exercised to get things done through others. It is attached to the position, i.e. any person who gets the position enjoys the authority attached to it, the higher the position, the higher

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would be his authority. As the authority lies in the designation, in the absence of authority, the position offered to the person would be of no use. Moreover, it is restricted to the organisation only.

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3. **Brief out servant leadership style.**

While servant leadership is a timeless concept, the phrase “servant leadership” was coined by Robert K. Greenleaf in The Servant as Leader, an essay that he first published in 1970. In that essay, Greenleaf said: “

The servant-leader is servant first… It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. That person is sharply different from one who is leader first; perhaps because of the need to assuage an unusual power drive or to acquire material possessions…The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.

“The difference manifests itself in the care taken by the servant-first to make sure that other people’s highest priority needs are being served. The best test, and difficult to administer, is: Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit or at least not be further deprived?”

A servant-leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves the accumulation and exercise of power by one at the “top of the pyramid,” servant leadership is different. The servant-leader shares power, puts the needs of others first and helps people develop and perform as highly as possible.

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4. What is Motivation?

Motivation is literally the desire to do things. It's the difference between waking up before dawn to pound the pavement and lazing around the house all day. It's the crucial element in setting and attaining goals—and research shows you can influence your own levels of motivation and self-control. So figure out what you want, power through the pain period, and start being who you want to be.

Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal.

Motivation results from the interaction of both conscious and unconscious factors such as the (1) intensity of desire or need, (2) incentive or reward value of the goal, and (3) expectations of the individual and of his or her peers. These factors are the reasons one has for behaving a certain way. An example is a student that spends extra time studying for a test because he or she wants a better grade in the class.

5. What is two factor theory?

The Two-Step Approach

The Two-Factor Theory includes two types of factors that affect how motivated or satisfied an employee is at work. These are comprised of hygiene factors and motivator factors.

Hygiene Factors

Hygiene factors are those that need to be addressed by a business in such a way that they would not result to the employee’s unpleasant experiences and feelings at work. The satisfaction of hygiene factors motivates employees in their work.

The hygiene factors are:

- Wages, salaries and other financial remuneration
- Company policy and administration
- Quality of interpersonal relations
- Working conditions
- Feelings of job security

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Motivator Factors

Motivator factors emerge from the need of an individual to achieve personal growth. Job satisfaction results from the presence of motivator factors. Moreover, effective motivator factors do not only lead to job satisfaction, but also to better performance at work.

The motivator factors are:

- Challenging or stimulating work
- Status
- Opportunity for advancement
- Responsibility
- Sense of personal growth/job achievement
- Acquiring recognition

Application

The two-factor theory of motivation can be used to analyze any evidence of de-motivated employees at work. Applying Herzberg’s model, these evidences may include a low level of productivity, poor quality of production and/or service, poor employee-employer relationships, strikes and industrial disputes concerning pay and/or working condition complaints. Following a thorough assessment on the hygiene factors of the business and the motivator factors concerning employees at work, Herzberg suggested that the business’ management to apply three methods in which work can be rearranged:

Job Enlargement

Job Rotation

Job Enrichment
Supportive Evidence

The study focusing on the Two-Factor Theory has been repeated 16 times in various populations and work settings, according to Herzberg. The results of the latter two-factor theory studies had been in agreement with the findings of the original study. This proves that the Two-Factor Theory deserves being one of the well-regarded theories on job attitudes, particularly in intrinsic motivation of employees.

Criticisms

The Two-Factor Theory has been criticized by behaviourists due to its general assumption that satisfied workers have greater productivity. In addition, critics said that a statistical theory such as this explains that a management must work primarily to satisfy the employees, which may lead to lower business output.
THREE MARK QUESTIONS WITH ANSWERS

1. Write about any 5 characteristics of leadership

Here are some of the most common traits in the characteristic of leadership:

Empathy:

Creating a legitimate rapport with your staff makes it less likely that personal issues and resentment can creep in and derail the group. When your team knows that you are empathetic to their concerns, they will be more likely to work with you and share in your vision, rather than foster negative feelings.

Consistency:

Being a consistent leader will gain you respect and credibility, which is essential to getting buy-in from the group. By setting an example of fairness and credibility, the team will want to act the same way.

Honesty:

Another characteristic of leadership that lends itself to credibility. Those who are honest, especially about concerns, make it far more likely that obstacles will be addressed rather than avoided. Honesty also allows for better assessment and growth.

Direction:

Having the vision to break out of the norm and aim for great things --then the wherewithal to set the steps necessary to get there-- is an essential characteristic of good leadership. By seeing what can be and managing the goals on how to get there, a good leader can create impressive change.

Communication:

Effective communication helps keep he team working on the right projects with the right attitude. If you communicate effectively about expectations, issues and advice, your staff will be more likely to react and meet your goals.

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Flexibility:

Not every problem demands the same solution. By being flexible to new ideas and open-minded enough to consider them, you increase the likelihood that you will find the best possible answer. You will set a good example for your team and reward good ideas.

Conviction:

A strong vision and the willingness to see it through is one of the most important characterizes of leadership. The leader who believes in the mission and works toward it will be an inspiration and a resource to their followers.

2. **Distinguish between authority and power**

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3. **What is situational leadership style?**

Situational leadership is flexible. It adapts to the existing work environment and the needs of the organization. Situational leadership is not based on a specific skill of the leader; instead, he or she modifies the style of management to suit the requirements of the organization.

One of the keys to situational leadership is adaptability. Leaders must be able to move from one leadership style to another to meet the changing needs of an organization and its employees. These leaders must have the insight to understand when to change their management style and what leadership strategy fits each new paradigm.

There are two mainstream models of situational leadership, one described by Daniel Goleman and another by Ken Blanchard and Paul Hershey.

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The Goleman theory of situational leadership

Daniel Goleman, the author of “Emotional Intelligence,” defines six styles within situational leadership.

**Coaching leaders**, who work on an individual’s personal development as well as job-related skills. This style works best with people who know their limitations and are open to change.

**Pacesetting leaders**, who set very high expectations for their followers. This style works best with self-starters who are highly motivated. The leader leads by example. This style is used sparingly since it can lead to follower burnout.

**Democratic leaders**, who give followers a vote in almost all decisions. When used in optimal conditions, it can build flexibility and responsibility within the group. This style is, however, time consuming and is not the best style if deadlines are looming.

**Affiliative leaders**, who put employees first. This style is used when morale is very low. The leader uses praise and helpfulness to build up the team’s confidence. This style may risk poor performance when team building is happening.

**Authoritative leaders**, who are very good at analyzing problems and identifying challenges. This style is good in an organization that is drifting aimlessly. This leader will allow his or her followers to help figure out how to solve a problem.

**Coercive leaders**, who tell their subordinates what to do. They have a very clear vision of the endgame and how to reach it. This style is good in disasters or if an organization requires a total overhaul.
4. What is behavioural leadership?

**Behavioral Theory of Leadership**

In this approach, the emphasis is on the actual behaviour and action of the leaders and not on their traits or characteristics. In other words, this approach emphasises that strong leadership is the result of effective role behaviour.

This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to interact with people and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

This approach assumes that a particular behaviour of a manager will make him a good leader while its opposite would discard him as a leader. Determining goals, motivating employees for achieving the goals, effective communication ability to interact effectively, building team spirit, etc. are the functional behaviour of a successful leader.

This theory emphasizes the point that the favorable behavior of a leader provides greater satisfaction to the followers and they recognize him as their leader. However, one limitations of this approach is that a particular behavior and action of a leader may be relevant and effective at a particular point of time while at another, it may be irrelevant and ineffective. Thus, in this approach, the 'time' factor which is a vital element has not been considered.

5. What is cross culture leadership?

**Cross Cultural Leadership**

This article tackles with the main general questions that usually come to mind when we hear the name of a leadership style.

- What is the meaning of Cross Cultural Leadership?
- How is Cross Cultural Leadership similar or different than other leadership styles?
- What are the advantages of Cross Cultural Leadership?
- What are the disadvantages of Cross Cultural Leadership?
- Reasons of growing popularity of Cross Cultural Leadership.

Cross Cultural Leadership is a recent of or a new concept in comparison to other traditional styles of leadership. Cross Cultural Leadership is practiced in companies that are operating internationally or in different countries with different cultures. In such scenarios companies prefer to have leadership that can not only work with such diverse team members but also do this effectively and efficiently. Cross Cultural Leadership involves leader that have knowledge of not only the leadership skills required in such cases but are also aware of the cultural differences of different countries. Cross Cultural Leadership style is more complex and trying since leadership has to prove equally effective as the traditional or face to face leadership style. Cross cultural is very close to E-leadership as in both cases help of technology is needed where the presence of leader cannot be insured physically.
Each Leadership style comes with its own share of advantages so is the case with Cross Cultural Leadership style.

**Advantages of Cross Cultural Leadership**

- Cross Cultural Leadership opens up the avenues to understand and work with people from different cultures, this can help in enhancing the knowledge of the leader at various levels.
- Staff members working in different cultures can come up with effective ideas and strategies that might be existing in their culture and if incorporated can result in tremendous success in Cross Cultural Leadership style of management.
- Cross Cultural Leadership also helps to shake the leaders out from their comfort zones and predictable style of leadership. Effective leaders always want to add to their learning curves and highly appreciate these challenges which allow them to try and implement new strategies and enhance their planning skills.
- Challenges in the Cross Cultural Leadership maintain the newness in the job and every day planning and making a diverse team work towards a common goal keeps not only the team members motivated but also the leader to deliver the best.
- Cross Cultural Leadership also helps in optimum utilization of the leadership team and their skills which proves crucial especially in the companies that find it difficult to find skilled staff to fulfill the requirements of the company or the organization.
- Cross Cultural Leadership not only utilizes the leadership skills of the leader but also personal skills that can be used to create a bond with team members or connect with them so that they share their ideas with the leader fearlessly.

Advantages and disadvantages of any leadership style are two sides of the same coin and hence coexist, same holds true for Cross Cultural Leadership style.

**Disadvantages of Cross Cultural Leadership**

- A lot time is required for building the bond with cross cultural teams as communication with them cannot be very open in the initial stages at least. This bond building exercise needs lots of communication between teams and leaders, in person as well with the help of other mediums which can prove to be time consuming and might take the spotlight away from more important issues.
- In order to be highly effective in Cross Cultural Leadership leaders need to brush up the knowledge about different cultures which again takes time.
- Cross Cultural Leadership is a difficult style of leadership in certain countries where acceptance of leaders from other nationalities is not that welcome.
- Cross Cultural Leadership can make some members of the team de-motivated as they do not feel they can share their ideas with a leader who belongs to other culture or nationality.
- Cultural diversity can work as boon if team members are open about sharing their views and including the leader in their discussions, but this leadership style can fail if this sharing of opinions or views does not happen and staff shies away from sharing any additional information with the leader that can help in working of company or for making strategies for the efficient management of workforce in cross cultural scenarios.
- Cross Cultural Leadership fails sometimes when the management fails to take the religious beliefs and sentiments into consideration while planning any marketing strategies, however if cross cultural team are able to openly share their views with leader or management these problems can be tackled at planning stage itself.
Reasons of growing popularity of Cross Cultural Leadership

Cross Cultural Leadership is gaining its popularity as more and more companies are diversifying their domains of business and that includes cross cultural teams and interactions between them. To emphasize the increasing popularity of Cross Cultural Leadership many universities have introduces many courses that ensure to help leaders to develop skills to make them more effective and efficient in cross cultural leadership situation. Cross Cultural Leadership has scope of growth and development of skills not only in leaders but also in team members, who as a result can become more receptive and open minded while talking to staff of diverse cultural background which can in turn ensure an environment of harmony and positivity. Once the cross cultural teams are able to overcome their teething problems they can have a motivational international environment to work in where each learns from each other.
1. **What are the relations between motivation and engagement?**

Keeping employees motivated and engaged is the key to every organisation’s success. Unfortunately, there is no exact science to motivating employees since different people are motivated by different things at different times.

One day you may leave a hard-working and motivated employee in the office only to return the following day to find someone who is despondent and less than enthusiastic about their work. This could be down to a number of factors, such as personal issues, interactions with colleagues, personal or work-related worries or concerns or feeling undervalued.

There are many factors affecting motivation that managers have little or no control over. However, a good manager will do their best to keep their team motivated and engaged – it is better for morale and for productivity!

**Motivational needs**

Professor of psychology David McClelland described three types of motivational need:

- **Achievement**
- **Authority and power**
- **Affiliation**.

**Motivators and hygiene factors**

Clinical psychologist Frederick Herzberg developed the concept of motivators and hygiene factors. Motivators are things that cause us to feel motivated. Hygiene factors do not make us feel motivated or demotivated, they are just there. However, if a hygiene factor is missing an employee will feel demotivated.

**Example of hygiene factors**

One example of a hygiene factor is reasonable pay. This doesn't necessarily mean a huge salary, just a reasonable amount for someone to live off. An employee receiving reasonable pay will not feel
motivated every time they receive their pay, but if the pay is absent or late they will become demotivated.

**Other hygiene factors might include**

- adequate space to work in
- break periods
- chairs and desks that conform to health and safety standards
- IT equipment that works properly.

**Employee Engagement**

An engaged employee is one who shows commitment and willingness to help out beyond their normal job which leads to better business performance.

Employers are interested in those employees who will do their best work, or ‘go the extra mile’. Employees want interesting work that they find absorbing and enjoyable. When these factors combine you have a win-win solution that meets the needs of the business and the employees’ needs at the same time. This is called employee engagement. Both sides have everything to gain by it and will work hard to maintain it.

It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer as it cannot be ‘required’ as part of the employment contract.

There is no list of what creates employee engagement but CIPD research into employee attitudes found that the main drivers of employee engagement were:

- having opportunities to feed your views upwards
- feeling well-informed about what is happening in the organisation
- believing that your manager is committed to your organisation.

Perceived fairness by managers when dealing with problems also has a marked impact on individual performance, although this does not seem to be directly related to employee engagement.
2. What are different types of motivation?

**Achievement Motivation:**

It is the drive to pursue and attain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it. It is similar to ‘Kaizen’ approach of Japanese Management. This motivation is more important for professionals.

**Affiliation Motivation:**

It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are complimented for their favourable attitudes and co-operation. This motivation is of greater use where money cannot be used to motivate, especially minimum-wage employees and contingent professionals.

**Competence Motivation:**

It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience. Specialists, like heart surgeons would feel motivated if they get chances to operate upon unique cases.

**Power Motivation**

It is the drive to influence people and change situations. Power motivated people create an impact on their organization and are willing to take risk to do so. Ms Mayawati, Chief Minister of UP, is power motivated.

**Attitude Motivation:**

Attitude motivation is how people think and feel. It is their self-confidence, their belief in themselves, and their attitude to life. It is how they feel about the future and how they react to the past.
Incentive Motivation:

It is where a person or a team reaps a reward from an activity. It is “you do this and you get that” attitude. It is the type of rewards and prizes that drive people to work a little harder. Most of the unorganized job workers get motivated when they are offered more money.

Fear Motivation:

Fear motivation coercions a person to act against will. It is instantaneous and gets the job done quickly. It is helpful in the short run. Managers following Theory x come into this category. In Indian army, this kind of motivation is very popular.

3. What are different leadership styles? Explain

According to Research by asaecenter, leadership style is the way a person uses power to lead other people. Research has identified a variety of leadership styles based on the number of followers. The most appropriate leadership style depends on the function of the leader, the followers and the situation.

Some leaders cannot work comfortably with a high degree of followers’ participation in decision making. Some employers lack the ability or the desire to assume responsibility. Furthermore, the specific situation helps determine the most effective style of interactions. Sometimes leaders must handle problems that require immediate solutions without consulting followers.

What are Different Leadership Styles?

We have covered 12 different types of ways people tend to lead organizations or other people. Not all of these styles would deem fit for all kind of situations, you can read them through to see which one fits right to your company or situation.

Autocratic Leadership

Autocratic leadership style is cantered on the boss. In this leadership the leader holds all authority and responsibility. In this leadership, leaders make decisions on their own without consulting subordinates. They reach decisions, communicate them to subordinates and expect prompt implementation. Autocratic work environment does normally have little or no flexibility.
In this kind of leadership, guidelines, procedures and policies are all natural additions of an autocratic leader. Statistically, there are very few situations that can actually support autocratic leadership.

**Democratic Leadership**

In this leadership style, subordinates are involved in making decisions. Unlike autocratic, this headship is centered on subordinates’ contributions. The democratic leader holds final responsibility, but he or she is known to delegate authority to other people, who determine work projects.

The most unique feature of this leadership is that communication is active upward and downward. With respect to statistics, democratic leadership is one of the most preferred leadership, and it entails the following: fairness, competence, creativity, courage, intelligence and honesty.

**Strategic Leadership Style**

Strategic leadership is one that involves a leader who is essentially the head of an organization. The strategic leader is not limited to those at the top of the organization. It is geared to a wider audience at all levels who want to create a high performance life, team or organization.

The strategic leader fills the gap between the need for new possibility and the need for practicality by providing a prescriptive set of habits. An effective strategic leadership delivers the goods in terms of what an organization naturally expects from its leadership in times of change. 55% of this leadership normally involves strategic thinking.

**Transformational Leadership**

Unlike other leadership styles, transformational leadership is all about initiating change in organizations, groups, oneself and others. Transformational leaders motivate others to do more than they originally intended and often even more than they thought possible. They set more challenging expectations and typically achieve higher performance.

Statistically, transformational leadership tends to have more committed and satisfied followers. This is mainly so because transformational leaders empower followers.

**Team Leadership**

Team leadership involves the creation of a vivid picture of its future, where it is heading and what it will stand for. The vision inspires and provides a strong sense of purpose and direction.

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**K.RAGHURAM REDDY, ASST PROFESSOR**
Team leadership is about working with the hearts and minds of all those involved. It also recognizes that teamwork may not always involve trusting cooperative relationships. The most challenging aspect of this leadership is whether or not it will succeed. According to Harvard Business Review, team leadership may fail because of poor leadership qualities.

**Cross-Cultural Leadership**

This form of leadership normally exists where there are various cultures in the society. This leadership has also industrialized as a way to recognize front runners who work in the contemporary globalized market.

Organizations, particularly international ones require leaders who can effectively adjust their leadership to work in different environs. Most of the leaderships observed in the United States are cross-cultural because of the different cultures that live and work there.

**Facilitative Leadership**

Facilitative leadership is too dependent on measurements and outcomes – not a skill, although it takes much skill to master. The effectiveness of a group is directly related to the efficacy of its process. If the group is high functioning, the facilitative leader uses a light hand on the process.

On the other hand, if the group is low functioning, the facilitative leader will be more directives in helping the group run its process. An effective facilitative leadership involves monitoring of group dynamics, offering process suggestions and interventions to help the group stay on track.

**Laissez-faire Leadership**

Laissez-faire leadership gives authority to employees. According to ancestral, departments or subordinates are allowed to work as they choose with minimal or no interference. According to research, this kind of leadership has been consistently found to be the least satisfying and least effective management style.

**Transactional Leadership**

This is a leadership that maintains or continues the status quo. It is also the leadership that involves an exchange process, whereby followers get immediate, tangible rewards for carrying out the leader’s orders. Transactional leadership can sound rather basic, with its focus on exchange.

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Being clear, focusing on expectations, giving feedback are all important leadership skills. According to Boundless.com, transactional leadership behaviors can include: clarifying what is expected of followers’ performance; explaining how to meet such expectations; and allocating rewards that are contingent on meeting objectives.

**Coaching Leadership**

Coaching leadership involves teaching and supervising followers. A coaching leader is highly operational in setting where results/ performance require improvement. Basically, in this kind of leadership, followers are helped to improve their skills. Coaching leadership does the following: motivates followers, inspires followers and encourages followers.

**Charismatic Leadership**

In this leadership, the charismatic leader manifests his or her revolutionary power. Charisma does not mean sheer behavioural change. It actually involves a transformation of followers’ values and beliefs. Therefore, this distinguishes a charismatic leader from a simply populist leader who may affect attitudes towards specific objects, but who is not prepared as the charismatic leader is, to transform the underlying normative orientation that structures specific attitudes.

**Visionary Leadership**

This form of leadership involves leaders who recognize that the methods, steps and processes of leadership are all obtained with and through people. Most great and successful leaders have the aspects of vision in them.

However, those who are highly visionary are the ones considered to be exhibiting visionary leadership. Outstanding leaders will always transform their visions into realities.
4. Briefly explain the following terminologies

d. Leader as mentor and coach

**MENTOR**

Mentors are volunteer for the role because they acknowledge the importance of dedicates the time to guide a someone new to the task. A Mentor will openly share personal experiences that contributed to their growth and development, invest the time to listen to the plans of the Mentee, and develop a plan to work together during a set period of time. Mentors are rarely the Mentee’s direct manager, although the Mentee’s manager should be a critical part of a successful Mentor program. Mentees benefit most from working with the Mentor’s network to gain a broader understanding of the job and the company.

A Mentor often assumes the role of Advocate for the Mentee as Mentoring can help improve career development, simplify increased responsibility, build confidence and help individuals learn and grow within an organization.

Chip Bell states in his book MANAGER AS MENTOR: To grow is fundamentally the act of expanding, an unfolding into greatness. And so expansiveness is the most important attribute of a great mentoring relationship. Mentoring effectiveness is all about clearing an emotional path to make the learning journal as free of boundaries as possible. Change is a door opened from the inside. But it is the mentoring relationship that delivers the key to that door. Mentoring typically falls into two categories: non-directive mentoring, where the mentor acts as a sounding board, catalyst and role model, and sponsor mentoring, where a senior executive will promote, oversee and control a protege’s career. Often, a mixture of both models can provide the most effective support for organizational talent.
COACH

In an Harvard Business Review article, Monique Valcour recommends every leader to practice the basics of coaching. If you have room in your head for only one nugget of leadership wisdom, make it this one: the most powerfully motivating condition people experience at work is making progress at something that is personally meaningful. If your job involves leading others, the implications are clear: the most important thing you can do each day is to help your team members experience progress at meaningful work. To do so, you must understand what drives each person, help build connections between each person’s work and the organization’s mission and strategic objectives, provide timely feedback, and help each person learn and grow on an ongoing basis. Regular communication around development — having coaching conversations — is essential.

In fact, according to recent research, the single most important managerial competency that separates highly effective managers from average ones is coaching.” It is common today for a leader to have a professional Executive Coach for personal development. It is just as important to recognize when a member of your team or a new employee would benefit from a professional coach. Leadership Coaches can be internal, often members of the company Human Relations team, or external, independent contractors with the qualifications and experience most suited to the individual to be coached. Coaching helps employees make the most of their potential and performance capabilities by developing skills competence and addressing identified issues. Coaching initiatives tend to have shorter timelines than mentoring programs, with more finite and tangible learning objectives A typical Leadership Coaching program with an external coach is six months or 20-hours of coaching. Clear goals are identified typically following a 360 Review and professional personality assessment.

The Coachee’s manager is engaged in the process by reviewing goals and providing feedback to the Coachee and Coach at critical points during the Coaching event. Forbes magazine published an article William Arruda discussing Why You Need to Hire a Coach… stating that if you don’t have a coach, “you could be limiting your career success. That’s because coaches help you identify and focus on what’s important, which accelerates your success.” According to coaches.com, the work of a good coach is to:

• Create a safe environment in which people see themselves more clearly;

• Identify gaps between where the client is and where the client needs or wants to be

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e. Leadership during adversity and crisis

Discover and define the real problem

As Max De Pree noted, “the first responsibility of a leader is to define reality.” Leaders must wade into the mire in order to learn precisely what has happened and to make sense of current conditions.

Act quickly

Provide reassurance

The place to handle a crisis is not from behind a desk but in front of the people. A leader’s visible presence during times of crisis inspires confidence and gives others a sense of security. Certainly, the ability of leaders to control their own emotions is paramount during crisis. In addition, preparation is key. Obviously, some crises are completely unforeseeable. Still, organizations can drawn up strategy plans in anticipation of an emergency. Companies with an emergency plan in place are far better positioned to handle a sudden crisis than those in which the leaders must operate on the fly.

Simplify the situation

In times of crisis emotions run high and circumstances appear overwhelming. To make clear-headed decisions, a leader has to step back from events to determine the aspects of a situation that are beyond repair and to identify the main issues at stake moving forward. During a crisis, I make a point to withdraw from everything momentarily to list out my top concerns. I then assemble my core leadership team, gather their input, and amend the list accordingly. Putting the main issues on paper helps me to wrap my mind around the crisis and to stay focused amid chaos.
Enlist support of influencers

In every organization, a small group of people holds the majority of influence. During a crisis, devote extra attention to making sure key influencers are on board with your plan to handle the crisis.

Decide to take action one step at a time

In crisis, conditions are in a state of flux. For this reason, plans extending too far into the future are doomed to failure. When confronting a rapidly changing situation, it’s wise to concentrate on the near-term. Focus on making the next step, let the dust settle, and then re-evaluate the situation.

Do what is right and not what is easiest

Difficult problems seldom have simple solutions. Refuse to cut corners or to lower your ethical standards to make the situation easier. Instead, hold to your convictions and put the needs of your people ahead of your personal comfort and convenience.

Handling employee and customer complaints

Here, then, are nine things that excellent managers do when confronted with a difficult employee – things that keep them from getting sucked into an endless vortex of ineffectiveness and frustration:

Listen.

Often, when an employee is difficult we stop paying attention to what’s actually going on. We’re irritated, it seems hopeless, and we’ve already decided what we think about the employee – so we just turn our attention to other things, out of a combination of avoidance and self-protection. But the best managers get very attentive when someone’s not doing well. They know their best shot at improving the situation lies in having the clearest possible understanding of the situation – including knowing the tough employee’s point of view. An added bonus: in some cases, simply listening can save the day. You may hear about a real problem that’s not the employee’s fault that you can solve; the tough employee may start acting very differently once he or she feels heard; you may discover legitimate issues he or she has that need to be addressed.

Give clear, behavioural feedback.

Most managers will spend months, even years, complaining about poor employees... and not ever giving them actual feedback about what they need to be doing differently. Yes, giving tough feedback is one of the most uncomfortable things a manager has to do. But great managers learn to do it reasonably well, and then they do it. Here’s a post where I outline the approach we teach. This approach does two key things:

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lowers the other person’s defensiveness, and gives them the specific information they need in order to improve. Whatever approach you use, make sure it does these two things.

**Document.**

Whenever you’re having significant problems with an employee, I can’t stress this strongly enough. Dozens of times I’ve had managers tell me that they couldn’t let a difficult employee go because they had no record of his or her bad behavior. And all too often this lack of documentation arises out of misplaced hopefulness; that they didn’t want to be ‘too negative’ about the employee (As if it would all magically go away if they didn't write it down). Good managers know that documentation isn’t negative – it’s prudent. Remember, if you're able to solve the problem, you can just breathe a sigh of relief and put your documentation in the back of the drawer.

**Be consistent.**

If you say you’re not OK with a behavior, don’t sometimes be OK with it. Employees look to see what you do more than what you say. If, for instance, you tell employees that it’s critical they submit a certain report by a certain time, and then you’re sometimes upset and sometimes not upset when they don’t do it...the less-good employees generally won’t do it. Pick your shots - only set standards you’re actually willing to hold to – and then hold to them.

**Set consequences if things don’t change.**

If things still aren’t improving at this point, good managers get specific. They say some version of, “I still believe you can turn this around. Here’s what turning it around would look like. If I don’t see that behaviour by x date, here’s what will happen” (e.g., “you’ll be let go,” or “you’ll be put on warning,” or “you won’t be eligible for a promotion” – some substantive negative consequence.) If problem employees don’t believe their behaviour will have any real negative impact on them – why would they change?

**Work through the company’s processes.**

Good managers hold out hope for improvement until the point when they actually decide to let the person go. AND they make sure they’ve dotted all the I’s and crossed all the T’s that will allow them to fire the person if it comes to that. If you’re at this point in your efforts to address the situation, you ought to be having very clear conversations with HR so that you know (and are doing) exactly what you need to do to clear the path to termination, if that turns out to be necessary.

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Don’t poison the well.

All too often, poor managers substitute bad-mouthing the problem employee to all and sundry rather than taking the steps I’ve outlined above. No matter how difficult an employee may be, good managers don’t trash-talk to other employees. It creates an environment of distrust and back-stabbing, it pollutes others’ perception of the person, and it makes you look weak and unprofessional. Just don’t do it.

Manage your self-talk.

Throughout this process, make sure your self-talk is neither unhelpfully positive nor unhelpfully negative. Thinking to yourself, “This guy’s an idiot and will never change,” isn’t useful, nor is thinking, “Everything will turn out fine, he’s great, there’s no problem.” Good managers take a fair witness stance, making sure that what they say to themselves about the situation is as accurate as possible. For example, “His behavior is creating real problems for the team. I’m doing what I can to support him to change. If he does, great, and if he doesn’t, I’ll do what I’ve said I’ll do.”

Be courageous.

Firing someone is the hardest thing a manager has to do. If it gets to that point, do it right. Don’t make excuses, don’t put it off, don’t make someone else do it. The best managers do the tough things impeccably. And if – hallelujah - things turn around, be courageous enough to accept that; sometimes being proved wrong when we think someone’s not salvageable is almost as hard as being proved right.

Taking the Complaint When a customer first makes a complaint, take a step back.

It can be difficult to remain impassive in the face of criticism, but an emotional response will only serve to irritate the customer further.

Give the customer your full attention and listen to the whole problem before responding.

Put yourself in their shoes - if you had a problem, you would want someone to listen to you. Appearing disinterested, or attempting to argue back, will only exacerbate the situation.

Don’t jump the gun.

You might deal with complaints on a regular basis, and may well have handled a similar situation before. However, for the customer, their complaint is unique to them. Treat them as an important individual by listening to their problem in full.

Try to understand.

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In the face of a complaint, it’s easy to be defensive - particularly if you don't believe you're at fault. However, you have to put yourself in the customer's shoes. If you were on the receiving end of their experience, would you personally be satisfied?

Always use your initiative when dealing with complaints. If the blame lies with one particular member of staff, it is often best to remove the customer from their presence. This can defuse tension and emotion, and help the customer to re-evaluate their anger.

However, never pass the customer around from person to person. Each complaint should ideally be handled by one staff member. Therefore, you should always ensure that the person assigned to the case has the authority to deal with the situation. Read more at: https://www.skillsyouneed.com/rhubarb/dealing-with-complaints.

5. What are motivational theories? Explain

Definition: There are several Theories of Motivation that are developed to explain the concept of “Motivation”. The motivation is a drive that forces an individual to work in a certain way. It is the energy that pushes us to work hard to accomplish the goals, even if the conditions are not going our way.
Maslow’s Need Hierarchy Definition:

The Maslow’s Need Hierarchy is given by Abraham Maslow, who has explained the strength of certain needs at the different point of time.
Herzberg’s Motivation-Hygiene Theory

Definition: The Herzberg’s Motivation-Hygiene Theory is given by Fredrick Herzberg and his associates, who studied the variables that are perceived to be desirable to achieve goals and the undesirable conditions to avoid.

Hygiene Factors:

Herzberg identified ten maintenance or hygiene factors, that are not intrinsic parts of a job, but are related to the conditions in which the job has to be performed. These are company policy and administration, technical supervision, job security, working conditions, interpersonal relationship with peers, subordinates and supervisors, salary, job security, personal life, etc.

Motivational factors:

These factors have a positive effect on the functioning of the employees in the organization. There are six factors that motivate employees: Achievement, Recognition, Advancement, Work-itself, Possibility of growth and Responsibility. An increase in these factors satisfies the employees and the decrease in these will not affect the level of satisfaction. Thus, Herzberg’s Motivation-Hygiene Theory studied the variables which were responsible for the level of satisfaction and had been applied in the industry that has given several new insights.
McClelland’s Needs Theory

**Definition:** McClelland’s Needs Theory was proposed by a psychologist David McClelland, who believed that the specific needs of the individual are acquired over a period of time and gets molded with one’s experience of the life. McClelland’s Needs Theory is sometimes referred to as Three Need theory or Learned Needs Theory.

**Need for Power (n-pow):** What is Power? Power is the ability to induce or influence the behavior of others. The people with high power needs seek high-level positions in the organization, so as to exercise influence and control over others. Generally, they are outspoken, forceful, demanding, practical/realistic-not sentimental, and like to get involved in the conversations.

**Need for Affiliation (n-affil):** People with high need for affiliation derives pleasure from being loved by all and tend to avoid the pain of being rejected. Since, the human beings are social animals, they like to interact and be with others where they feel, people accept them. Thus, people with these needs like to maintain the pleasant social relationships, enjoy the sense of intimacy and like to help and console others at the time of trouble.

**Need for Achievement (n-ach):** McClelland found that some people have an intense desire to achieve. He has identified the following characteristics of high achievers:

Alderfer’s ERG Theory

**Definition:**

Alderfer’s ERG Theory is the extension of Maslow’s Needs Hierarchy, wherein the Maslow’s five needs are categorized into three categories, Viz. Existence Needs, Relatedness Needs, and Growth Needs.

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Vroom’s Expectancy Theory

Definition: Vroom’s Expectancy Theory was proposed by Victor. H. Vroom, who believed that people are motivated to perform activities to achieve some goal to the extent they expect that certain actions on their part would help them to achieve the goal.

Vroom’s Expectancy Theory is based on the assumption that an individual’s behaviour results from the choices made by him with respect to the alternative course of action, which is related to the psychological events occurring simultaneously with the behaviour. This means an individual selects a certain behaviour over the other behaviours with an expectation of getting results, the one desired for

Adam’s Equity Theory

Definition: The Adam’s Equity Theory posits that people maintain a fair relationship between the performance and rewards in comparison to others. In other words, an employee gets de-motivated by the job and his employer in case his inputs are more than the outputs.
Reinforcement Theory of Motivation

Definition: The Reinforcement Theory of Motivation was proposed by B.F. Skinner and his associates. This theory posits that behaviour is the function of its consequences, which means an individual develops behaviour after performing certain actions.

Carrot and Stick Approach of Motivation

Definition: The Carrot and Stick Approach of Motivation is a traditional motivation theory that asserts, in motivating people to elicit desired behaviours, sometimes the rewards are given in the form of money, promotion, and any other financial or non-financial benefits and sometimes the punishments are exerted to push an individual towards the desired behaviour.
OBJECTIVE QUESTIONS WITH ANSWERS

1. The power that can award punishment is called
   a) legitimate
   b) referent
   c) Expert power
   d) coercive power

2. The right to give orders is called
   a) responsibility
   b) Authority
   c) Accountability
   d) power

3. The obligation to report on completion of task is called
   a) responsibility
   b) Authority
   c) Accountability
   d) power

4. Violation of rules is penalised under
   a) participative leadership
   b) strategic leadership
   c) autocratic leadership
   d) Laissez-fair leadership

5. The situation that affects adversely the profitability of the organisation is known as
   a) Adversity
   b) crisis
   c) uncertainty
   d) complexity

6. The willingness to work is called
   a) ability
   b) motivation
   c) morale
   d) force

7. The skill to work is known as
   a) ability
   b) motivation
   c) morale
   d) force
8. The performance of an individual is the product of
   a) Will and skill
   b) Skill and dexterity
   c) Will and shall
   d) Will and motivation

9. Who conducted Hawthorne experiments?
   a) Douglas Mc Gregor
   b) George Elton Mayo
   c) Abraham Maslow
   d) David Mc Clelland

10. Shelter is an example of
    a) Physiological needs
    b) Safety needs
    c) Affiliation needs
    d) Esteem needs

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FILL IN THE BLANKS

1. Telling style of situational leadership is suggested where maturity of the group members is _______.
2. Celebrities possess _______ power.
3. The obligation to report on completion or non-completion of the task is called _______.
4. The person who facilitates his/her team's processes by working collaboratively with the members of the team to ensure that they complete their tasks effectively and efficiently is known as _______.
5. _______ teaches valuable lessons in life that lead to success.
6. If the employee is given greater scope in deciding how the task should be performed, it is a case of _______.
7. The body of employees that meets from time to discuss the ways and means of improving the functioning is called _______.
8. The case where the employees are offered shares in the company where they work is called _______.
9. The willingness to work is called _______.
10. The probability that particular action will lead to a desired result is known as _______.

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UNIT V

TWO MARK QUESTIONS WITH ANSWERS

1. What is controlling?

Control, or controlling, is one of the managerial functions like planning, organizing, staffing and directing. It is an important function because it helps to check the errors and to take the corrective action so that deviation from standards are minimized and stated goals of the organization are achieved in a desired manner.

According to modern concepts, control is a foreseeing action whereas earlier concept of control was used only when errors were detected. Control in management means setting standards, measuring actual performance and taking corrective action.

2. What is the purpose of controlling?

Control is a Function of Management:

Actually control is a follow-up action to the other functions of management performed by managers to control the activities assigned to them in the organisation.

Control is based on Planning:

Control is designed to evaluate actual performance against predetermined standards set-up in the organisation. Plans serve as the standards of desired performance. Planning sets the course in the organisation and control ensures action according to the chosen course of action in the organisation.

Control is a Dynamic Process:

It involves continuous review of standards of performance and results in corrective action, which may lead to changes in other functions of management.

Information is the Guide to Control:

Control depends upon the information regarding actual performance. Accurate and timely availability of feedback is essential for effective control action. An efficient system of reporting is required for a sound control system. This requires continuing monitoring and review of operations.

The Essence of Control is Action:
The performance of control is achieved only when corrective action is taken on the basis of feedback information. It is only action, which adjust performance to predetermined standards whenever deviations occur. A good system of control facilities timely action so that there is minimum waste of time and energy.

It is a Continuous Activity:

Control is not a one-step process but a continuous process. It involves constant revision and analysis of standards resulting from the deviations between actual and planned performance.

Delegation is the key to Control:

An executive can take corrective action only when he has been delegated necessary authority for it. A person has authority to control these functions for which he is directly accountable. Moreover, control becomes necessary when authority is delegated because the delegator remains responsible for the duty. Control standards help a manger expand his span of management.

Control Aims at Future:

Control involves the comparison between actual and standards. So corrective action is designed to improve performance in future.

Control is a Universal Function of Management:

Control is a basic or primary function of management. Every manager has to exercise control over the subordinates’ performance, no manager can get things done without the process of controlling. Once a plan becomes operational, follow-up action is required to measure progress, to uncover deficiencies and to take corrective actions. Therefore, control is an essential managerial function at every level. The process of management is incomplete without controlling.

Controlling is Positive:

The function of controlling is positive. It is to make things happen i.e. to achieve the goal with instead constraints, or by means of the planned activities. Controlling should never be viewed as being negative in character.

3. What are the objectives of controlling

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The six major purposes of controls are as follows:

**Controls make plans effective.**

Managers need to measure progress, offer feedback, and direct their teams if they want to succeed. Controls make sure that organizational activities are consistent. Policies and procedures help ensure that efforts are integrated.

**Controls make organizations effective.**

Organizations need controls in place if they want to achieve and accomplish their objectives. Controls make organizations efficient. Efficiency probably depends more on controls than any other management function.

**Controls provide feedback on project status.**

Not only do they measure progress, but controls also provide feedback to participants as well. Feedback influences behaviour and is an essential ingredient in the control process.

**Controls aid in decision making.**

The ultimate purpose of controls is to help managers make better decisions. Controls make managers aware of problems and give them information that is necessary for decision making.

a. **What is budgetary controlling?**

According to Brown and Howard, “Budgetary control is a system of controlling costs which includes the preparation of budgets, coordinating the departments and establishing responsibilities, comparing actual performance with the budgeted and acting upon results to achieve maximum profitability.” Weldon characterizes budgetary control as planning in advance of the various functions of a business so that the business as a whole is controlled.

The main objectives of budgetary control are the follows:

- To ensure planning for future by setting up various budgets, the requirements and expected performance of the enterprise are anticipated.
- To operate various cost centres and departments with efficiency and economy.
- Elimination of wastes and increase in profitability.
- To anticipate capital expenditure for future.
- To centralise the control system.
- Correction of deviations from the established standards.

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Fixation of responsibility of various individuals in the organization.

b. What is strategic control?

Strategic control is a term used to describe the process used by organizations to control the formation and execution of strategic plans; it is a specialised form of management control, and differs from other forms of management control (in particular from operational control) in respects of its need to handle uncertainty and ambiguity at various points in the control process.

Important types of strategic controls used in organizations are:

**Premise Control:** Premise control is necessary to identify the key assumptions, and keep track of any change in them so as to assess their impact on strategy and its implementation. Premise control serves the purpose of continually testing the assumptions to find out whether they are still valid or not. This enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions. The responsibility for premise control can be assigned to the corporate planning staff who can identify key assumptions and keep a regular check on their validity.

**Implementation Control:** Implementation control may be put into practice through the identification and monitoring of strategic thrusts such as an assessment of the marketing success of a new product after pre-testing, or checking the feasibility of a diversification programme after making initial attempts at seeking technological collaboration.

**Strategic Surveillance:**

Strategic surveillance can be done through a broad-based, general monitoring on the basis of selected information sources to uncover events that are likely to affect the strategy of an organisation.

**Special Alert Control:** Special alert control is based on trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events called crises. Crises are critical situations that occur unexpectedly and threaten the course.
1. Distinguish between controlling and planning

Planning and Controlling are inter-related within any organization. Planning sets the goals for the organization and controlling ensures its accomplishment. Planning decides the control process and controlling provides sound basis for planning. In simple words, planning and controlling are basically dependent on each other.

The relationship between them is explained as under:

1. **Planning Originates Controlling**: In planning process, the objectives or targets are to be set, and to achieve those goals, control process is required. So we can say that Planning precedes control.

2. **Control sustains planning**: Controlling directs the course of planning. Controlling spots the areas where planning is required.

3. **Controlling provides information for planning**: In controlling, the performance is compared with standards and deviations, if any, are to be recorded. The information collected during any type of control, is used for planning also.

4. **Planning and control are inter-related**: Planning is the initial step and controlling is in the process and required at every step. For the same both are dependent upon each other and inter-related.

5. **Both are forward looking**: Planning is always for the future and control is forward looking. No one has the control on past, it is only the future, which can be controlled. Planning and Controlling are concerned with the achievement of business goals. Their combined efforts are to achieve maximum output with minimum cost effect. Both, systematic planning and organized controlling are essential to achieve the organizational goals.

2. What are essentials of good control system?
1. **Simplicity:** A good control system must be simple and easily understandable so that all the managers can apply it effectively. Complicated control techniques fail to communicate the meaning of control data to the managers.

2. **Objectivity:** The standards of performance should be objective and specific, quantified and verifiable. They should be based on the facts so that control is acceptable and workable.

3. **Promptness:** The control system should provide information soon enough so that the managers can detect and report the deviations promptly and necessary corrective actions may be taken in proper time. Corrective measures are of no value if those are taken too late.

4. **Economy:** The control system must justify the expenses involved. In other words, anticipated earnings from it should be greater than the expected costs in its working. A small organisation cannot use the expensive control technique applied in large enterprises.

5. **Flexibility:** Internal goals and strategies must be responsive to the changes in the environment and the control system should be flexible enough to adapt the changing conditions or unforeseen situations. It should be adaptable to the new developments. Flexibility in control system can be introduced by making alternative plans.

6. **Accuracy:** The control system should encourage accurate information in order to detect deviations. The technique of control used should be appropriate to the work being controlled.

7. **Suitability:** Control must reflect the needs and nature of the activities of the organisation. The control system should focus on achieving the organisational goals.

8. **Forward-looking Nature:** The control system must be directed towards the future. It must pay attention on how the future actions can be conformed with the plans adopted.

9. **Focus on Strategic Points:** The control system should focus attention on strategic or critical deviations. Only exceptional deviations require the attention of the managers.

10. **Motivating:** A good control system should pay due attention to the human factor. It should be designed to secure positive action from the workers. Self-control tends to be motivated. Direct contact between the controller and the controlled also helps in making the control system motivational.

11. **Reflection of Organisation Pattern:** Control must reflect organisation pattern. Since the events are controlled through people, it is essential that controls must conform to the organisation pattern. The control process should be acceptable on the psychological front.

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12. Corrective Action: Control system must ensure corrective actions. An adequate control technique should not only detect the deviations and failures, but should also disclose where they are occurring; who is responsible for them; and what should be done to correct them.

3. What are limitations of controlling?

1. Difficulty in setting quantitative standards: Control system loses its effectiveness when standard of performance cannot be defined in quantitative terms and it is very difficult to set quantitative standard for human behaviour, efficiency level, job satisfaction, employee’s morale, etc. In such cases judgment depends upon the discretion of manager.

2. No control on external factors: An enterprise cannot control the external factors such as government policy, technological changes, change in fashion, change in competitor’s policy, etc.

3. Resistance from employees: Employees often resist control and as a result effectiveness of control reduces. Employees feel control reduces or curtails their freedom. Employees may resist and go against the use of cameras, to observe them minutely.

4. Costly affair: Control is an expensive process it involves lot of time and effort as sufficient attention has to be paid to observe the performance of the employees. To install an expensive control system organisations have to spend large amount. Management must compare the benefits of controlling system with the cost involved in installing them. The benefits must be more than the cost involved then only controlling will be effective otherwise it will lead to inefficiency.
3. What are effective characteristics of control?

Integration with Planning:

First, to be effective, control systems should be integrated with planning. Fig. 17.10 shows one way in which this can be done.

![Diagram of integrating planning and control](image)

**Flexibility:** Another characteristic of an effective control system is flexibility. This means that the control system itself must be flexible enough to accommodate change.

**Acceptance by Members of the Organisation:**

Doing the right thing and doing things right both require people; controls are unlikely to work unless people want them. If controls are to be accepted, it is important that people clearly understand the purpose of the system and feel that they have an important stake in it, more so when new systems are established.

**Focus on Critical Activities:**

The proper activities should be controlled. When people recognise that certain specific areas will be monitored and compared to some standard, their behaviour is likely to be channelled toward the standards set. Critical control areas (points) include all the areas of an organisation’s operations that directly affect the success of its key operations such as sales, revenue, expenses, inventory levels, personnel turnover, safety for people and other assets, etc.

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Timeliness: Another characteristic of an effective control system is that it provides performance information in a timely way. Timeliness does not necessarily mean maintaining a time schedule for exercising control. It simply means exercise of control mechanisms (or technique) as and when required.

Economic Feasibility: Control benefits should outweigh costs. In other words, control should be cost-effective. Thus the costs of the control system have to be weighed against the benefits it can return.

5. What are the responsibilities of controller

- Responsibilities of controller: Guides financial decisions by establishing, monitoring, and enforcing policies and procedures.
- Protects assets by establishing, monitoring, and enforcing internal controls.
- Monitors and confirms financial condition by conducting audits; providing information to external auditors. Maximizes return, and limits risk, on cash by minimizing bank balances; making investments.
- Prepares budgets by establishing schedules; collecting, analyzing, and consolidating financial data; recommending plans.
- Achieves budget objectives by scheduling expenditures; analyzing variances; initiating corrective actions.
- Provides status of financial condition by collecting, interpreting, and reporting financial data. Prepares special reports by collecting, analyzing, and summarizing information and trends.
- Complies with federal, state, and local legal requirements by studying existing and new legislation; anticipating future legislation; enforcing adherence to requirements; filing financial reports; advising management on needed actions.
- Ensures operation of equipment by establishing preventive maintenance requirements and service contracts; maintaining equipment inventories; evaluating new equipment and techniques.

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Completes operational requirements by scheduling and assigning employees; following up on work results. Maintains financial staff by recruiting, selecting, orienting, and training employees. Maintains financial staff job results by coaching, counseling.
1. Discuss types of controlling.

**Direct Supervision and Observation** 'Direct Supervision and Observation' is the oldest technique of controlling. The supervisor himself observes the employees and their work. This brings him in direct contact with the workers. So, many problems are solved during supervision. The supervisor gets first hand information, and he has better understanding with the workers. This technique is most suitable for a small-sized business.

2. **Financial Statements** All business organisations prepare Profit and Loss Account. It gives a summary of the income and expenses for a specified period. They also prepare Balance Sheet, which shows the financial position of the organisation at the end of the specified period. Financial statements are used to control the organisation. The figures of the current year can be compared with the previous year's figures. They can also be compared with the figures of other similar organisations. Ratio analysis can be used to find out and analyse the financial statements. Ratio analysis helps to understand the profitability, liquidity and solvency position of the business.

3. **Budgetary Control** A budget is a planning and controlling device. Budgetary control is a technique of managerial control through budgets. It is the essence of financial control. Budgetary control is done for all aspects of a business such as income, expenditure, production, capital and revenue. Budgetary control is done by the budget committee.

4. **Break Even Analysis** Break Even Analysis or Break Even Point is the point of no profit, no loss. For e.g. When an organisation sells 50K cars it will break even. It means that, any sale below this point will cause losses and any sale above this point will earn profits. The Break-even analysis acts as a control device. It helps to find out the company's performance. So the company can take collective action to improve its performance in the future. Break-even analysis is a simple control tool.

5. **Return on Investment (ROI)** Investment consists of fixed assets and working capital used in business. Profit on the investment is a reward for risk taking. If the ROI is high then the financial performance of a business is good and vice-versa. ROI is a tool to improve financial performance. It helps the business to compare its present performance with that of previous years' performance. It helps to conduct inter-firm comparisons. It also shows the areas where corrective actions are needed.

6. **Management by Objectives (MBO)** MBO facilitates planning and control. It must fulfill following requirements :- Objectives for individuals are jointly fixed by the superior and the subordinate. Periodic
evaluation and regular feedback to evaluate individual performance. Achievement of objectives brings rewards to individuals.

7. **Management Audit** Management Audit is an evaluation of the management as a whole. It critically examines the full management process, i.e. planning, organising, directing, and controlling. It finds out the efficiency of the management. To check the efficiency of the management, the company's plans, objectives, policies, procedures, personnel relations and systems of control are examined very carefully. Management auditing is conducted by a team of experts. They collect data from past records, members of management, clients and employees. The data is analysed and conclusions are drawn about managerial performance and efficiency.

8. **Management Information System** (MIS) In order to control the organisation properly the management needs accurate information. They need information about the internal working of the organisation and also about the external environment. Information is collected continuously to identify problems and find out solutions. MIS collects data, processes it and provides it to the managers. MIS may be manual or computerised. With MIS, managers can delegate authority to subordinates without losing control.

9. **PERT and CPM Techniques** Programme Evaluation and Review Technique (PERT) and Critical Path Method (CPM) techniques were developed in USA in the late 50's. Any programme consists of various activities and sub-activities. Successful completion of any activity depends upon doing the work in a given sequence and in a given time.

10. **Self-Control** Self-Control means self-directed control. A person is given freedom to set his own targets, evaluate his own performance and take corrective measures as and when required. Self-control is especially required for top level managers because they do not like external control. The subordinates must be encouraged to use self-control because it is not good for the superior to control each and everything. However, self-control does not mean no control by the superiors. The superiors must control the important activities of the subordinates.

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2. **What are the steps of controlling?**

   Establishing Standards and Methods for Measuring Performance Standards are, by definition, simply the criteria of performance.

   They are the selected points in an entire planning program at which performance is measured so that managers can receive signals about how things are going and thus do not have to watch every step in the execution of plans. Standard elements form precisely worded, measurable objectives and are especially important for control. In an industrial enterprise, standards could include sales and production targets, work attendance goals, safety records etc. In service industries, on the other hand, standards might include a number of time customers have to wait in the queue at a bank or the number of new clients attracted by a revamped advertising campaign.

   **Measuring the Performance**

   The measurement of performance against standards should be done on a forward-looking basis so that deviations may be detected in advance of their occurrence and avoided by appropriate actions. If standards are appropriately drawn and if means are available for determining exactly what subordinates are doing, appraisal of actual or expected performance is fairly easy.

   **Determining whether Performance Matches the Standard** It is an easy but important step in the control process.

   It involves comparing measured results with the standards already set. If performance matches the standard, managers may assume that “everything is under control”. In such a case the managers do not have to intervene in the organization’s operations.

   **Taking Corrective Action**

   This step becomes essential if performance falls short of standards and the analysis indicates that corrective action is required. The corrective action could involve a change in one or more activities of the organization’s operations.

3. **Explain about budgetary and non budgetary control.**

   **Definition and Concept of Budgetary Control:**

   Budgetary control makes use of budgets for planning and controlling all aspects of producing and/or selling products or services. Budgetary control attempts to show the plans in financial terms. Budgetary control is the planning in advance of the various functions of a business so that the business can be controlled. Budgetary control relates expenditure to a section or department who incurs the expenditure, so that the actual expenses can be compared with the budgeted ones, thus providing a convenient method of control.

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The Objectives (Functions) of Budgets, Budgeting and Budgetary Control:

1. Budget should specify units to be produced, broken down into sizes and styles, as well as cost of production.
2. Budget should analyze all the factors affecting the sections/departments and the business as a whole.
3. Budget should facilitate planning within the company. It should help planning future income and expenses.
4. Budget should harmonise departmental programmes.
5. Budget should serve as a medium of propagating policies throughout the business enterprise.
6. Budget should hold back or control unwise expenditure.
7. Budget should help stabilizing production and harmonise production and sale programmes.
8. Budgeting should decide basis for expenditure of funds.
9. Besides planning, budgetary control should provide a basis for, measuring performance and exercising control-control means noting when expenditures fall outside the budget estimates, tracing down the cause of such variation and taking necessary corrective action.
10. Budgetary control should watch the progress of achievements of the business enterprise and evaluate policies of the management.

The Non-Budgeting Control Device are as follows:

They are statistical data, special reports and analysis, breakeven analysis, internal audit, standard costs, ratio-analysis etc.

1. Statistical Data:

All needed and available data are collected and presented in tables, charts and graphs. Through them performances are assessed.

2. Special Reports and Analysis:

To analyse particular problem areas, special staff are appointed to collect information’s.

3. Breakeven Analysis:

This analysis shows the relationship of sales and expenses and the stage at what volumes of revenues cover expenses. If the ratio falls there would be loss.

4. Internal Audit:

This is one of the traditional non-budgetary control devices in vogue. Through internal audit various operations are appraised and deviations are detected.

5. Time-event, Network Analysis:
This is otherwise called as Programme Evaluation and Review Technique (PERT). Under this technique a project is divided into various units in a time sequence. For each event the ‘critical path’ is found, which is a sequence of events which takes the longest time and which involves the least slack time. Summarised events are given for top-management’s perusal.

6. Standard Costs:

Standard costs are prepared working out the cost of materials and labour for each unit of the product adding a standard overhead rate. Variations in costs could be found comparing the standard costs.

7. Ratio Analysis:

Ratio analysis shows the relationship or proper mix up of one factor to the other. There are various relations used in financial analysis. They are net sales to working capital, net sales to inventory, quick ratio, current ratio, administrative expenses to sales, breakeven point etc

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5. What are the strategies for controlling?

The type of business strategy you pursue is a key to whether or not your company will have long-term growth and success. The challenge, however, is that it’s difficult to assess if the strategy you’ve chosen is the right one or if you need to make adjustments. That process is made easier if you use the four common types of strategic control to analyze the strategy you’ve put in place to determine its effectiveness, and to find areas of strength and weakness. Without strategic control, your company will fail to adapt to any external changes in your industry that require immediate and corrective action.

Premise Control: Premise control is necessary to identify the key assumptions, and keep track of any change in them so as to assess their impact on strategy and its implementation. Premise control serves the purpose of continually testing the assumptions to find out whether they are still valid or not. This enables the strategists to take corrective action at the right time rather than continuing with a strategy which is based on erroneous assumptions. The responsibility for premise control can be assigned to the corporate planning staff who can identify key assumptions and keep a regular check on their validity.

Implementation Control: Implementation control may be put into practice through the identification and monitoring of strategic thrusts such as an assessment of the marketing success of a new product after pre-
testing, or checking the feasibility of a diversification programme after making initial attempts at seeking technological collaboration.

**Strategic Surveillance:**

Strategic surveillance can be done through a broad-based, general monitoring on the basis of selected information sources to uncover events that are likely to affect the strategy of an organisation.

**Special Alert Control:** Special alert control is based on trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events called crises. Crises are critical situations that occur unexpectedly and threaten the course.
OBJECTIVE QUESTIONS WITH ANSWERS

11. Which of the following systems signals the top management about likely problems involved in achieving the targets
   a) Planning
   b) staffing
   c) Directing
   d) controlling

12. Which of the following is viewed as essence of management?
   a) Planning
   b) staffing
   c) Directing
   d) controlling

13. Which of the following makes sure that proper direction are set and that the right resources are available to accomplish them?
   a) Concurrent controls
   b) Feed forward controls
   c) Direct control
   d) Preventive control

14. Which of the following summarises and integrates the individual budget within an organisation
   a) Cash budget
   b) Master budget
   c) Production budget
   d) Zero based budget

15. Control not triggered by proactive approach are called
   a) Concurrent controls
   b) Feed forward controls
   c) Direct control
   d) Preventive control

16. Which of the following sets the tone and the context for external audit?
   a) Break even analysis
   b) Master budget
   c) Internal audit
   d) Cash budget

17. Which are types of budget?
   a) Production budget
   b) Material budget
   c) Sales budget
   d) All of the above

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18. Who are effective budget control
   a) Top management
   b) Employee participation
   c) standards
   d) All the above

19. Which are non budgeting control devices?
   a) Statistical data
   b) Special reports and analysis
   c) Internal auditing
   d) All of the above

20. What are control frequency and methods
   a) The quality expectations
   b) Scope for repair
   c) Project cost
   d) All the above

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1) The guidelines against which actual performance is measured are called ______
2) Preliminary controls are also called_______control
3) Concurrent controls are applied in _________
4) Where managers eliminate undesirable results proactively, it is a case of _________
5) _________is a plan of expenditure/receipt
6) The statement of receipts and expenditure for a given future period is called _______
7) The budget that shows the details of long term investment proposals is called__________
8) The budget where the current years requirements are viewed from fresh perspective with no regard to previous years perspectives is called__________
9) Break even analysis is also called a tool of profit planning and ________
10) The tool that analyses liquidity, profitability and solvency is called__________

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