

MMM I

Answer bank - POM

- Q 1. Trace the evolution of management thought highlighting the contributions made by various management theorists. Page - 2
- Q 2. Explain the basic managerial functions. Discuss the application of these functions using the Mintzberg's managerial roles. Page - 5
- Q 3. What are various steps in planning process? What are the various types of plans prepared by an organisation? Page - 7
- Q 4. What is the control process? What are the various types of control systems in an organization? Page - 11
- Q 5. What are the various approaches to structuring an organization? Page - 15
- Q 6. Examine the importance of centralization / decentralization and delegation in the organizing process. Page - 16
- Q 7. How does an organization manage change? Explain with the help of a relevant model? Page - 20
- Q 8. Explain the strength and weakness of management by objectives and describe how the weakness can be overcome. Page - 23
- Q 9. Write short notes on Line and Staff. Page - 25
- Q 10. What are the Barriers to Organizational Communication ? Page - 27
- Q 11. Write short note of Staffing. Page - 30
- Q 12. Write short note of TOWS Matrix. Page - 34
- Q 13. Write short note of McKinseys7S Page - 35

30 marks P/S 1
a
to a
Same Page -

1. Trace the evolution of management thought highlighting the contributions made by various management theorists.

Answer. The birth of management thought process took place in the true sense after the industrial revolution. Till then the manufacturing sector was disorganised and there was little attention paid to productivity and efficiency. With the advent of Industrial Revolution, there was unprecedented growth in mass production and consequential competition for the market and consequential efforts to capture the markets.

Even though the management evolution began in 18 century, real thrust came in early part of 20th century. The study of management as a science was driven by the scientific management school founded by FW Taylor. But while acknowledging the FW Taylor as father of scientific management, we can not forget contributions made by Robert Owen (Personnel Management) and Charles Babbage (scientific) in early 19th century.

The list of people who made significant contributions to development to management thought is fairly long. Among them, names of Taylor, Fayol, Max Webber, Russell Robb, Woodrow Wilson, Luther Gulick, Lyndall Urwick, Elton Mayo (Hawthorne Studies) McGregor, Argyris, Blake and Mouton, Maslow, Herzberg, McClelland, Vroom stand out. Theories proposed by Taylor, McGregor, Webber and Elton Mayo are discussed in succeeding paragraphs.

Over the years 4 distinct school of management thought have evolved.

- Taylor/Fayol/Webber
- Human Relations
- Organisational School
- Operational Thinking

Robert Owen: Robert Owen is regarded as undisputed pioneer in the field of personnel management. He was one of the most successful industrialists of 19th century. He was the first to realise the huge potential of a motivated and happy worker. In his note to his supervisors he wrote, "You have long experienced the benefits of substantial, well contrived and well executed machinery. If then due care of the inanimate machinery can produce beneficial results, what may not be expected if you devote equal attention to your vital machines (read Humans) which are far more wonderfully constructed. He, accordingly, introduced better working conditions, bigger pay packets, reduced working hours, meals at factory, housing colonies, etc for his workers. But he was not a philanthropist. He could foresee that his investments in his workers' welfare will be richly rewarded through improved performance and productivity.

Taylor: As stated earlier, Taylor is regarded as father of scientific management. He gradually rose from the ordinary pattern maker apprentice, to labour and thereon to eventually Chief Engineer. Having first hand experience of all facets of production echelons gave him unparalleled insight into processes, problems and psyche of people at all levels of hierarchy. He believed that the productivity of workers can be vastly improved by use of scientific methods of methods of production and ergonomically designed tools and work environment. He accordingly conducted extensive time and motion studies for improving the productivity thus laying the foundation for Industrial Engineering. He believed that there is only one best

way to do a job. He was also the first one to propagate the thought, "Train each – Prosper all" and "under work is evil". He also introduced the wage incentive elements.

Taylor was quick to realise that both, the owners and workers, were concentrating on improving their share in the profits and there was no attention paid to enhance the profits which would have benefited both. His approach towards improving productivity can be summarised as follows: -

- (a) Replacing rules of thumb with science (organised knowledge)
- (b) Obtaining harmony in group action, rather than discord
- (c) Achieving co-operation of human beings, rather than chaotic individualism
- (d) Working for max output, rather than restricted output
- (e) Developing all workers to the fullest extent possible for their own and their company's highest prosperity.

Henry Fayol.

Fayol is regarded as father of modern operational management theory. He was a French industrialist and his works remained largely unknown for almost 5 decades before they were translated and published world wide. He divided the manager's activities into 5 basic functions – Planning, organising, controlling, commanding and coordinating. Based on his studies and personnel experience as an industrialist, he laid down 14 principles of management as follows: -

- (i) **Division of Work.** Right man for the right job and right amount of work. Applicable to all sections from ordinary labour to top management.
- (ii) **Authority and Responsibility.** Authority and responsibility are related. No responsibility can be discharged without commensurate authority.
- (iii) **Discipline.** Discipline is respect for agreements. Discipline requires good superiors.
- (iv) **Unity of Command.** Employees should receive orders from one superior only.
- (v) **Unity of Direction.** Each group of related activities should be placed under one supervising head.
- (vi) **Subordination of Individual to General Interest.** Management must reconcile when the two are at cross purposes.
- (vii) **Remuneration.** Remuneration and methods of payment must be fair.
- (viii) **Centralisation.** Right amount of decentralisation of authority according to the situations to achieve best overall yield.
- (ix) **Scalar Chain.** The chain of command from highest level to lowest level should not be departed from unnecessarily. However, in situations where the same is proving detrimental to the overall interest, it should be short circuited.

- (x) **Order.** It is about arrangement of work place. He advocated a place for every thing (every one) and every thing (every one) in its place.
- (xi) **Equity.** Loyalty and devotion of workers is to be achieved by kindness and justice.
- (xii) **Stability of Tenure.** Unnecessary turnover of personnel is both, the cause as well as effect of bad management. It carries high costs and other dangers.
- (xiii) **Initiative.** He exhorted managers to sacrifice personal vanity in order to enable subordinates to exercise initiative.
- (xiv) **Espirit de Corps.** Principle of "In Union there is strength". Team work and communication is essential.

Elton Mayo. Elton Mayo is credited with providing the management world the most dramatic and path breaking insight into the human behaviour, ie the effect of morale and social groups on people. Though the effect was already known, what Mayo provided was conclusive evidence and intensity of this effect on humans. Hawthorne studies conducted at Western Electric Company between 1924 to 1927 by National Research Council, to study effect of illumination on productivity of worker, were assumed to be failure due to inconsistent results till Mayo took over and conducted his studies from 1927 and 1932. The studies indicated that the productivity of select group of female workers improved with changes in working conditions irrespective of changes being for the better or even drastically worse. The results obtained during Mayo's studies were also equally baffling. Out of the few occasions when productivity dropped, the most notable drop was observed when the select group was made to sit facing wall instead of facing each other. Mayo then concluded two things-

- (a) Production is not all about machines and method. Man is a social animal and lives in a social environment Thus there is exists a *Socio-Technical System*. Detachment from that environment affects him severely.
- (b) People like to be noticed (social recognition). They give improved performance when noticed or to get noticed. This effect later came to be known as *Hawthorne effect*.

2. Explain the basic managerial functions. Discuss the application of these functions using the Mintzberg's managerial roles.

Answer: The classical approach to a manager's activities classifies his functions in the domain of 6 basic activities – Planning, organising, staffing, Leading/commanding, controlling and coordinating.

Planning. It involves selecting missions and objectives and actions to achieve them. It requires decision making ability. This becomes most important aspect of management as an efficiently planned but poorly executed activity is more likely to succeed than a poorly planned but efficiently executed one.

Organising. Organising refers to mustering and allocating resources required for efficient execution of the plan and assigning of all tasks to the people who can do them best.

Staffing. Staffing involves filling and keeping filled, the positions in the organisation structure. Staffing requires identifying work force requirement, recruiting, selecting, placing, training, promoting, appraising and developing of workforce in sync with company's current and future requirement.

Leading. Leading is influencing people in a manner that they will contribute to the organisation and group goals. It basically deals with interpersonal aspects of management. It also involves motivation and communication.

Controlling. Controlling is measuring and correcting any deviations to conform to the planned course. This is one activity which is most visible of all managerial functions and takes maximum time and attention of the managers. Often managers tend to get so over involved in the controlling that they tend to ignore other aspects of management.

Coordination. Coordination can be defined as achieving harmony among individual efforts towards accomplishment of group goals. It is synergising the activities of individual members of the group with other members and group as a whole. This is to achieve a combined result which is greater than the sum total of the contributions of group's individual members. It ensures that there is no duplication of efforts or cross-working by its members

Mintzberg's Model

However, Mintzberg propounded different set of roles for the managers based on his systematic study of activities of 5 Chief Executives in different organisations. He concluded that managers perform 10 roles which can be broadly grouped into three sets: -

1. Interpersonal Roles

- (a) The Figurehead Role (Performing social and ceremonial duties as the organisation's representative.
- (b) The leader Role
- (c) The liaison role (particularly with outsiders)

2. Informational Roles

- (a) The recipient role (receiving information about the operation of an enterprise)
- (b) The disseminator role (passing information to subordinates)
- (c) The spokesperson role (transmitting information to those outside the organisation)

3. Decision Roles

- (a) The entrepreneurial role
- (b) The disturbance handler role
- (c) The resource allocator role
- (d) The negotiator role (dealing with various persons and groups).

Mintzberg's approach has been severely criticised on following grounds: -

- (a) The sample size of just 5 CEOs was rather too small to make a representative group for any meaningful analysis.
- (b) The sample only covered the top level managers and completely ignored middle and low level of management.
- (c) There is no explanation available as to who, if not the managers, carries out the activities like structuring of organisation, selection and appraisal of subordinates and determination of major strategies, etc which are unfailingly done in every organisation but do not find place in the managerial functions of Mintzberg.

Such omissions put a serious question mark on the theory itself besides making one wonder if the sample managers were really effective managers.

3. What is planning? What are the various types of plans prepared by an organisation?

Answer: Plainly speaking, Planning is deciding in advance what to do, how to do, when to do, where to do, and who is to do it. Planning involves selection selecting missions and objectives and the actions to achieve them. It requires decision making, that is, choosing from among alternative future courses of action. Planning bridges the gap between where we are and where we want to go.

Nature and Characteristics of Planning

1. Planning is goal oriented. Plans are developed and executed to achieve goals.
2. **Future Oriented.** Necessary forecasts are made about future and accordingly plans are based on them.
3. **Continuous Activity.** Effective planning requires constant and continuous checking of events.
4. **Primacy of Planning.** Planning is the primary and basic function of Management.
5. **Planning is an Intellectual Process.** A great deal of imagination and intelligence is needed to prepare a sound plan.
6. **Pervasiveness of Planning.** It exists at every level of management, however high or low.
7. **Planning Provides a Sense of Direction.** Planning bridges gap between where we are and where we want to go.
8. **Integrated Process.** Every plan needs to be integrated with other plans to achieve organisational goals.
9. **Flexibility.** Plans should be flexible as plans are based on parameters which may be highly dynamic.
10. **Generates Efficiency.** Planning generates efficiency due to optimum utilisation of resources.

Steps in Planning.

1. **Being Aware of Opportunities.** Awareness of opportunities in light of competition, our strengths and weakness is the real starting point for planning.
2. **Setting objectives or Goals.** Objectives are set for the entire enterprise in all the key areas of operations, productions, marketing and finance.
3. **Considering planning premises.** Assumptions or forecasts of future and known conditions that will affect operation of plans.

4. **Determining alternatives courses.** Examine alternative courses of action.
5. **Evaluating alternative courses.** Weighing the various alternatives in the light of presm9ises and goals.
6. Select the course of action from alternatives.
7. **Formulate Derivative Plans.** Derivative plans are required to support the basic plan., programmes. Budgets, schedules, etc are some of the examples
8. **Establishing Sequence of Activity.** Sequence of activity is determined in such a manner as to put plan to action. Budgets can be prepared to give more meaning to plans for implementation.

Types of Plans. Plans can be classified as: -

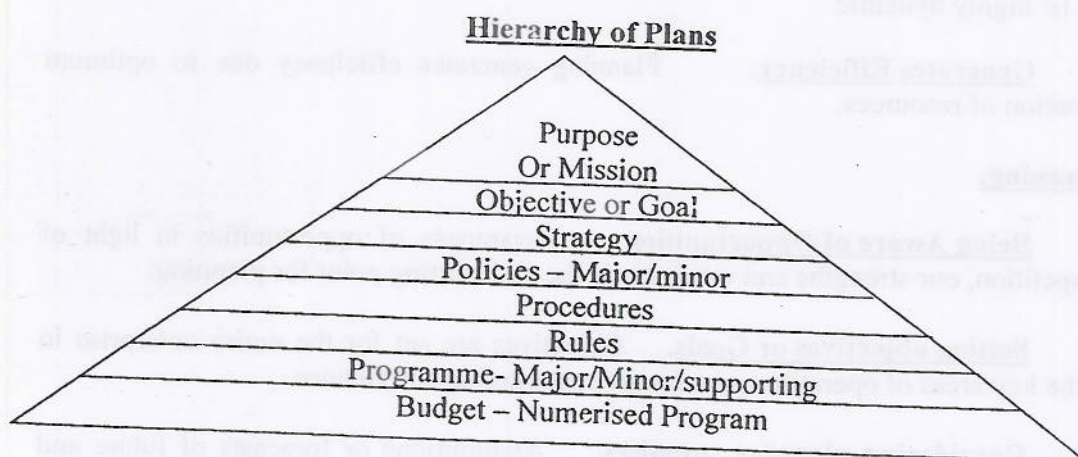
1. Purpose or Mission
2. Objective or goal
3. Strategies
4. Policies
5. Procedures
6. Rules
7. Programs
8. Budgets

They can also be classified as per duration: -

Short Term Plans - Plans for period of 01 day to one year – Operational Plans.

Medium Term Plans – Plans for 1 – 2 years – Tactical Plans

Long Term: Plans – Plans from 2 – 5 years perspective – Strategic Plans



Advantages

1. **Planning Minimises Risks.** This is because future risks are forecasted and necessary protective devices are positioned.
2. **Planning Facilitates Coordination.** The concerned departments work in close coordination in implementation of plans.
3. **Facilitates Organising.** Planning facilitates better organisation of resources.
4. Planning helps in offsetting uncertainty and change. Planning helps in devising suitable action against changes in technology, market forces, etc.
5. Planning also helps in exercising control if there are any deviations from planned targets.
6. Planning increases organisation's effectiveness.
7. Planning helps in ensuring relatedness amongst decisions.
8. Planning helps company to remain more competitive in its industry.
9. Planning reduces immediacy. It reduces incidences of emergency situations.
10. It reduces mistakes and oversights.
11. Planning helps in identifying the bottlenecks/problem areas in time.
12. Planning increases effectiveness.

Disadvantages.

1. Planning is a time consuming process.
2. It takes lot of paper work.
3. It is an expensive process with investments on data collection, hiring of experts, etc
4. It can generate frustration in the employees and planners if the targets are not achieved. It can also cause loss of initiative amongst them.
5. Faulty Planning can cause false sense of security and even complacency.
6. Over planning may delay actions.
7. Danger of human error or error in data collection is always present.

4. What is the control process? What are the various types of control systems in an organization?

Answer:

Control as an element of management can be defined as a process of analysing whether actions are being taken as planned and taking corrective actions to make these conform to planning. Control tries to find out the deviations between the planned performance and the actual happenings/performance and suggests corrective actions where they are required. Control is one of the basic functions of any manager and is performed by managers at all levels right from President to supervisor.

Controlling involves following three steps: -

1. Establishing Standards – Expected/desired performance .
2. Measuring deviations from standards, if any. In order to measure the deviations, nodal points are set up where the progress is evaluated and deviations measured.
3. Correcting deviations/variations from plans and standards

Following are the features of control: -

1. **Control is forward looking** because we attempt to control future happening and not past. However, past/present performance is measured and managers have to take corrective actions in the light of these measurements,
2. **Control is an executive process.** Every manager has to perform the control function.
3. **Control is a continuous process.**
4. A control system is a coordinated integrated system. The control system consists of interlock of several systems and not just one system.

Essentials of a Good Control System.

1. Control systems and techniques should carefully chosen so as to adequately measure the performance in the particular situation. There may be several techniques, which may have general application. However, it should not be assumed that any mechanism can be applied in all situations. Manager have to choose appropriate tool for particular situation which will help him in controlling the actions as per plan.
2. **Forward Looking.** Control should be forward looking though many of the controls are instantaneous they should focus attention on how future actions can conform with plans. In short control mechanism should be such that they aid in planning process.
3. **Promptness in Reporting Deviations.** An ideal control system should be able to identify any deviations promptly and inform manager concern to enable timely action. This is done through designing appropriate information system.

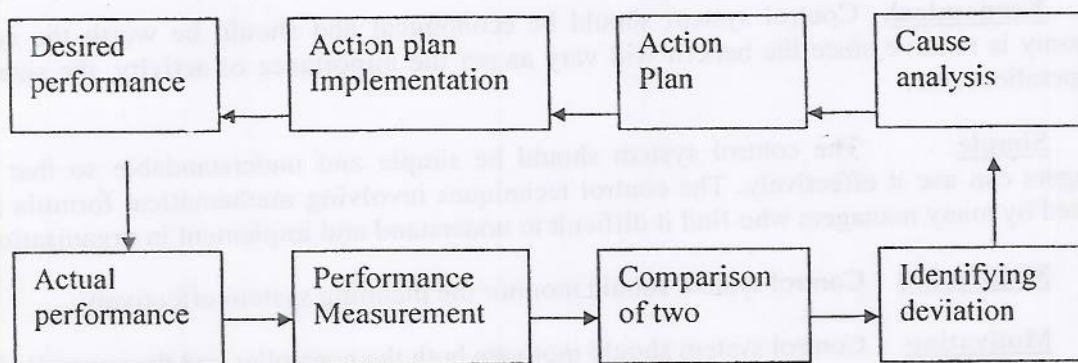
4. **Pointing Out Exceptions at Critical Points.** Control System should be able to point out exceptions at critical points and should suggest whether action has to be taken for deviation or not. The control of the exception requires that a manager take action when there is an exceptional deviation. The more the manager's concentration on control by exception more efficient will be result on the control.
5. **Objective.** Control should be objective, definite and determinable in clear and positive way. The standard of measurement should be quantitative as far as possible. If they are not quantifiable they should be determinable and verifiable. If the performance standard is not measurable and determinable, many subjective elements enter the process and affect the control mechanism on the wrong footing.
6. **Flexible.** Control mechanism should be flexible so that it remains working even if there are changes in plan, unforeseen circumstances or outright failure. A good control system should report such changes and failures and must have an element of flexibility to maintain management of operations in spite of such failure/changes.
7. **Economical.** Control system should be economical and should be worth the cost. Economy is relative since the benefit will vary as per the importance of activity, the size of the operations, etc.
8. **Simple.** The control system should be simple and understandable so that all managers can use it effectively. The control techniques involving mathematical formula are detested by many managers who find it difficult to understand and implement in organisation.
9. **Monitoring.** Control system should monitor the planning system effectively.
10. **Motivating.** Control system should motivate both the controller and the controlled.
11. **Reflecting Organisation Pattern.** The control should reflect organisation pattern by focussing attention on positions in the organisation structure where deviations are corrected. Organisation structure can act as a vehicle not only for coordinating the activities in the organisation but also as a tool to maintain effective control.

There are 3 major steps in control

1. **Establishment of the control standard.** Every function in the organisation begins with plans which are goals, objectives and targets to be achieved. In light of this, standards are established which are the criteria against which performance will be measured. For setting standards it is important to precisely and concisely identify the results, which are desired. Precision in the standards is important. In some areas standards may be more precise while in some other areas decision on precise standards may be difficult. Standards can be precisely defined or quantified in terms of volume of products, costs, revenue investments etc. The can also be expressed in qualitative terms if there is difficulty in quantifying the same. After setting the standards it is important to decide the level of achievement or performance which is to be regarded as good or satisfactory. There are important characteristics of a particular work which can be called as good performance. Important characteristics should be considered while determining level of performance, output, resources, expenditure, etc. The desirable level of performance should be reasonable and flexible.

2. **Measurement of Performance.** The second major step is measurement of performance. This step involves measuring performance in respect of work in terms of control standards. Appraisal of actual or expected performance becomes an easy task if standards are properly determined and method of measuring performance can be expressed in physical and monetary terms such as production units, sales volume, profits, etc as these are easily and precisely measurable. The performance, which is qualitative and intangible, cannot be measured precisely. For this purpose some other techniques have to be used. It is not necessary that all measurements are rigidly quantitative. Accordingly to Peter Drucker, it is very much desirable to have a clear and common measurement in all key areas of business.

3. **Correction of Deviations.** This is the last step in control process which requires that action should be taken to maintain the desired path of progress of work.. In business organisation, automatic control can not be established because of complexity of total environment. In fact, correction of standard deviation in management control process which may involve effect of various management functions.



Control Devices

There are five types of traditional control devices applied by the organisations: -

- (a) Budgetary Controls
- (b) Statistical Data
- (c) Special Reports and analyses
- (d) The internal and external audits
- (e) Personal Observation

Budgetary Controls. Budgetary method of controlling the overall performance of the organisation is the most widely used method. The ultimate aim of any business is to generate profits for its owners and stakeholders. Budget is the reflection of that aim. Various kinds of budgets give accurate insight into the instant health/performance of the company.

Statistical Data. Statistical data and analysis, whether in the nature of historical or forecast, present a great tool for manager for controlling. Statistical data can be presented in

various forms, tables, charts, graphs, etc for easy interpretations depending upon the users requirement. Such data has great flexibility in presentation and can be easily transformed from one form to another as required.

Special Reports and Analyses. Statistical data is often so voluminous that it takes considerable time and effort to draw correct picture from it. Further statistics has earned notoriety for hiding more than revealing. It is often necessary to compile, compare, interpret and prepare clear and concise reports based on data available from different sources.

Audits. Various kinds of audits, operational, cost, quality, financial, etc, are designed to provide the managers with any deviations from rules, plans, financial irregularity, use of proper authority, quality of management and other phases of operations. They are often used as a tool to check the tendencies in workers to deliberately deviate from plan for personal convenience.

Personal Observation. Despite all the other devices available, personal judgement of the manager, his experience, intuition, observation and acumen in identifying the problem areas even before occurrence of event is invaluable. In many companies it is called Management by Walking Around. Regular inspection of work surroundings and meeting the workers on regular basis can provide insight into health and functioning of any body like no other control system can provide.

5. What are the various approaches to structuring an organization?

Answer: An organisation can be structured on following any or mix of following basis: -

1. Simple numbers.
2. Time
3. Enterprise function
4. Territory or geography
5. customer
6. Process or equipment
7. Product
8. Matrix
9. SBUs

Simple numbers. Once a very important method, now it is restricted to only units engaged in very elementary kind of tasks where a large number of people perform similar tasks. A specified number of such people are placed under each supervisor.

6. Examine the importance of centralization / decentralization and delegation in the organizing process.

Answer:

Definition: Delegation of authority is when a manager transfers, on his own accord, part of the authority vested in him to his subordinates along with the tasks assigned to him so that the manager can invest his time, attention and energy to the tasks that others can not perform as effectively. Delegation is necessary because no person can do all the tasks necessary for accomplishing a group purpose. There is limit to which a person can work. Once that limit is reached, selective jobs along with commensurate authority to enable delegatee to accomplish those tasks should be delegated to subordinates. While the authority can be delegated, responsibility still rests with the delegator. He is held accountable for actions of the delegatee.

Reasons/Advantages of Delegation.

- (a) Enables superior to concentrate on tougher/important assignments/jobs.
- (b) Helps development of subordinates
- (c) Leads to higher motivation.
- (d) Improves morale and attitude.
- (e) Better results and quick decision
- (f) Enhances team spirit
- (g) Facilitates promotions of subordinates
- (h) Better coordination
- (i) Better work performance of the organisation
- (j) Succession planning

Four Stages of Delegation.

- Stage I – Determination of results expected
- Stage II – Assignment of duties
- Stage III – Granting of authority
- Stage IV – Creating accountability for performance

Conclusion: Duty, authority and responsibility are 3 fundamental components of delegation. All three phases of delegation are interdependent. They are inevitable attributes of delegation and no two can stand without presence of the third, like a three-legged stool if any of its legs is ever broken.

Barriers in Delegation (For senior)

- (a) Lack of trust in subordinates.
- (b) Tendency to do things personally.
- (c) Fear of being exposed.
- (d) Fear of losing control.
- (e) Lack of ability to give directions.
- (f) Fears of subordinates excellence.
- (g) Creating indispensability.

- (h) Nature of job – Time constraints, confidentiality of matter, competence of subordinates, etc

Barriers in Delegation (for Subordinates)

- (a) Absence of self confidence
- (b) Fear of getting exposed
- (c) Fear of criticism
- (d) Absence of positive incentives
- (e) Distrust on superior/Undue interference by superiors
- (f) Poor superior – subordinates relations
- (g) Overload of existing work
- (h) Favouritism in delegation by superior- Better rewarding jobs for chosen few
- (i) Unwillingness to take responsibility
- (j) Comfort Zone
- (k) Feeling that the work is not deserving him (inferior work being delegated when person rates him suited for much higher level of work)
- (l) Peer pressures

Guidelines for Effective Delegation

- (a) **Determine Objectives.** Objectives must be clearly determined, stated and understood.
- (b) **Provide Incentives.** Recognition, appreciations of good work, promotions, monetary benefits etc help to motivate the subordinates for accepting the delegation of duties.
- (c) **Maintain Favourable Atmosphere.** Mutual confidence, co-operation, team spirit, cordial relations between superiors and subordinates help effective delegation.
- (d) **Select Competent Subordinates.** A properly trained, qualified, and responsible subordinate to be selected for successful delegation.
- (e) **Establish Necessary Controls.** Periodical reports of performance help to keep control without unnecessary interference.
- (f) **Provide Necessary Training.** Training to be given to enable subordinates to handle the delegated jobs effectively and efficiently.
- (g) Give subordinates enough **freedom** to do the job.
- (h) Principles of Unity of Command – Only one superior.

Decentralisation

Decentralisation is dispersion of decision-making and control authority in an organised structure.

Advantages.

- (a) Provides relief to top managers.
- (b) Encourages initiatives among junior cadre of management
- (c) Helps in development of Junior Managers
- (d) Boosts morale of Jr and Middle Management
- (e) Effective customer service
- (f) Beneficial for large organisations
- (g) Quick decision making
- (h) Growth and diversifications
- (i) Flexibility for organisations
- (j) Multiple managerial centres
- (k) Top management free to devote energy for strategic planning.
- (l) Quality of Decisions
- (m) De-bureaucratising of approach

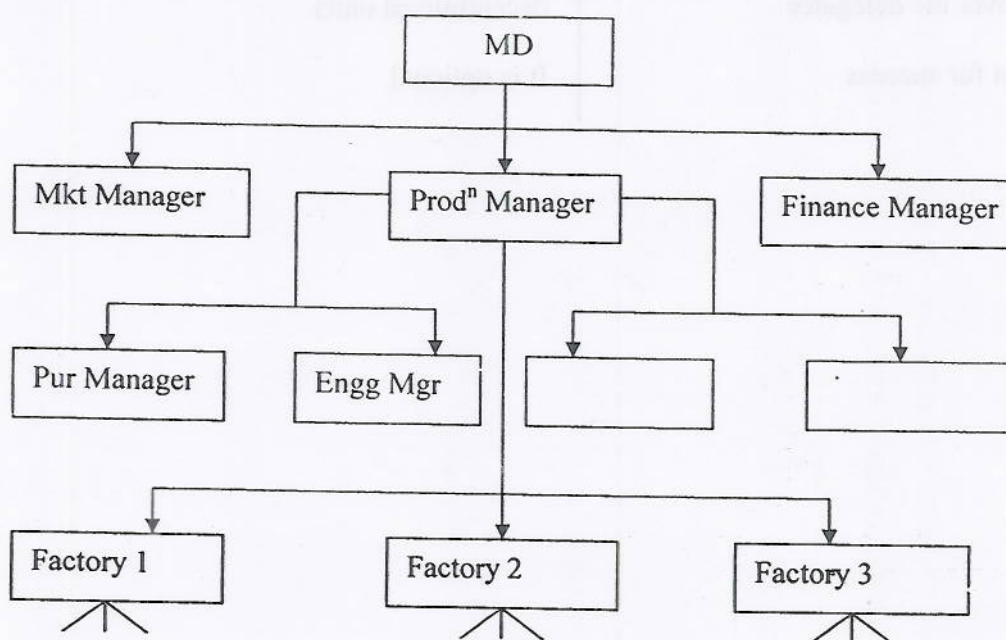
Disadvantages

- (a) High operating costs
- (b) Duplication of jobs
- (c) Coordination problems
- (d) Important decisions involving all levels get delayed
- (e) Communication gap
- (f) Uniformity lacking
- (g) Loss of control
- (h) Imbalance
- (i) Craze for authority
- (j) Paucity of general management talent

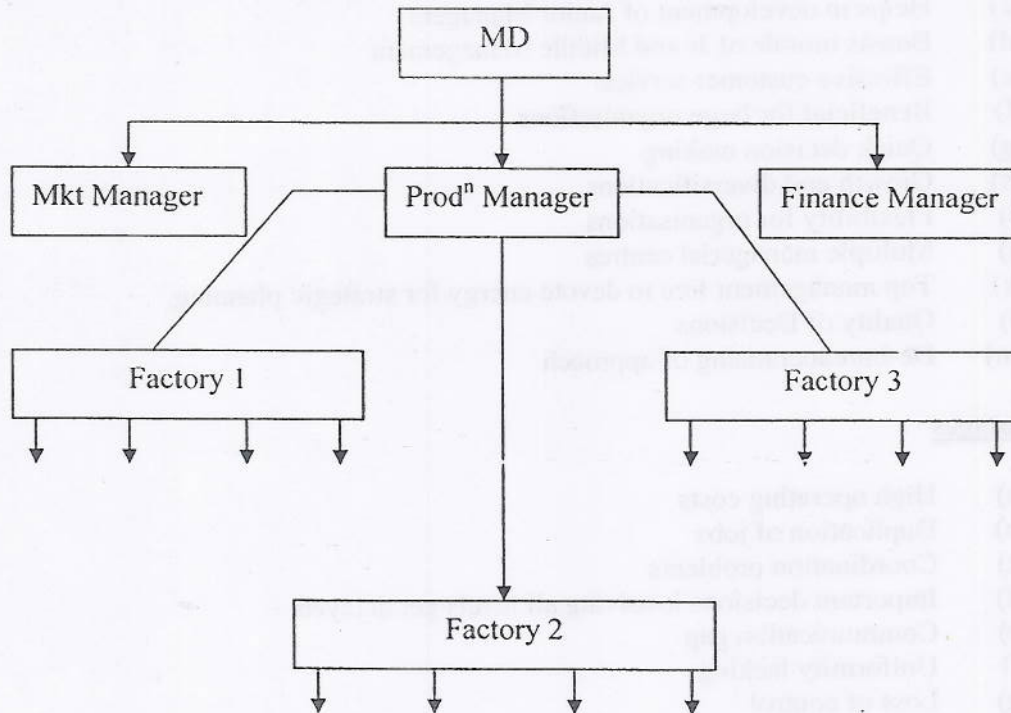
Factors affecting decision of company to Centralise or decentralise

- (a) History of organisation
- (b) Size of the organisation
- (c) Philosophy of organisation
- (d) Matter of planning.

Centralised Organisation Structure



Decentralised Organisation Structure



Difference Between Delegation and Decentralisation

Delegation

Delegation is a process

Delegation is done by the superior to the subordinate

Superior/Delegator exercises full control over the delegatee

It is must for success

Decentralisation

Decentralisation is the end result

Decentralisation is done between top mgmt and and departments

There is minimum control over the decentralised units

It is optional



7. How does an organization manage change? Explain with the help of a relevant model?

Answer: One botched change felled the mighty British Empire. The change which failed and had most dramatic effect was introduction of bullet/cartridges with cow fat in British Indian Army in 1857, which became the genesis of India's Freedom Struggle and eventual fall of the British Empire. Therefore, management of change is a vital element in a manager's job.

Changes cannot be wished away. They are inevitable as the environment in which we function continues to change ceaselessly and we can ignore them only at our own peril. Changes can become necessary due to any of the following:

- (i) Technological upgrades
- (ii) Competition
- (iii) Change in Customers' tastes and preferences (fashion)
- (iv) Social Changes
- (v) Political environment

However, changes are not easy and there is always opposition to change. If due care and diligence is not taken while affecting the changes, it can lead to catastrophic results as cited in the beginning. In a typical factory environment, it can lead to lower morale, loss of productivity and even strikes. The reasons for opposition to change can be attributed to any combination of following: -

- (a) Fears of
 - (i) Unknown
 - (ii) Economic loss
 - (iii) Perceived inconveniences
 - (iv) Loss of power/status
- (b) Need to learn new skills/knowledge
- (c) Insecurity
- (d) Social/Peer Pressure
- (e) Resistance from groups
- (f) Organisational Culture
- (g) Lack of incentives

While some of the reasons/fears may genuinely affect the people adversely, in most cases they are unfounded. Take for instance, the intense opposition of computers in banks. Employees unions opposed introduction of computers for fear of job losses which never happened.

Process of change involves: -

- (a) External environment assessment
- (b) Strategic planning and alignment
- (c) Minimising resistance
- (d) Maximising acceptance
- (e) Change of Organisational structure and culture
- (f) Developing work climate to enhance teamwork, trust and co-operation
- (g) Whole hearted implementation

Thus in order to effect the changes without causing any disruptions, a meticulous strategy is required to be formulated keeping in mind their effect on the affected section of the people in terms of various factors like economic, social, religious, physiological, psychological, etc. The strategy for effecting changes lies in Greatest Political Scientist – Chanakya's Neeti which advocates use of “साम, दाम, दंड, भेद”. Translated into modern management jargon and elaborated, it means: -

- (a) Education and communication,
- (b) Participation of affected people from beginning rather than at the end.
- (c) Facilitation through support to people to overcome changes.
- (d) Buy the acceptance – compensate people for their hardships/losses.
- (e) Negotiations – Give some, get some
- (f) Manipulation – Co-option. Making potential hardliners members of the committee entrusted with designing change, etc.
- (g) Explicit or implicit coercion.

Use of single method is often unlikely to yield good results. A mixed strategy is more successful.

Process of implementation of change involves: -

- (a) Unfreezing - the old set of values system, structure and behaviour
- (b) Changing - Introducing the new set of values and change planned
- (c) Refreezing – Making permanent the changes. Institutionalising the new set of rules, values, system, structure and behaviour.

The process of implementation should be gradual. Implement it on pilot basis on a small section. Assess the effect on organisation and employees. Optimise the changes, and then implement on the large scale.

Model. Let us take the event of introduction of cow fat laced bullets, which needed to be crushed by biting before loading, in the British Indian Army. Indian society's sensitivity to beef products was well known to British. There was also an undercurrent of hostilities towards the British in many minds even though they had taken soldiering for them for earning

livelihood (*Environmental Assessment*). Therefore, such a change, if possible, should have been avoided in the first place. However, if the benefits of new bullets were overriding such a negation, an alternative method to crushing by biting, like a mechanical device, could have always been devised to avoid biting requirement (*Facilitation*). Even then, there was a need to take the Indian Officers/JCOs in confidence before introduction (*Education and Co-optation*). A pilot project could have been launched in one of the units to see its effect on the soldiers prior large scale introduction in entire army. This was a situation where financial incentives (*buying the acceptance*) and *negotiations* were least probable to succeed as religious sensibilities are difficult to overcome through any incentives. Coercion was another method which was sure to produce disastrous results as the history is testimony.

8. Explain the strength and weakness of management by objectives and describe how the weakness can be overcome.

Answer: Management by Objectives (MBO) is a relatively new concept in management. It has proved to be highly successful and productive and is being used extensively in IT sector which is both intellectually as well as labour intensive. In this method of management, The superior and subordinates managers of an organisation jointly define its goals collectively, define each individual's major area of responsibility in terms of result expected of them and use these as guidelines in operating the unit and assessing the contribution of each of its members.

Characteristics.

1. **Collectively formulation of goals.** The organisational goals are decided after due consultation process with majority of the members. Therefore it is bottom up approach to goals setting rather than top down approach.
2. **Collectively formulation of actions.** The performance level to be achieved by each individual is set in consultation with him. Therefore this process management is as close to unanimity and democracy as it can get. Since the goals set for each individual has his full consent and acceptance, he is also under moral obligation to achieve it.
3. **Implementation of plan – autonomy to subordinates.** Once the goals are set, subordinates have complete autonomy to work and perform. There is minimum supervision/interference by superiors.
4. **Collectively monitoring of performance** – Mid term/end of year review.

Objectives.

1. MBO is an objective by itself. It is result oriented. It is performance that counts.
2. It is a management system and philosophy where stress is on goals and not methods.
3. It provides accountability and responsibility and recognises that employees have needs for achievement and self-fulfilment.
4. It meets those needs by providing opportunities for participating in goal setting process.
5. Subordinates become involved in planning their own career.

Advantages

1. **Better utilisation of resources.** The resources are allocated beforehand in consultation with subordinates. Therefore, there are no wastages generally.
2. **Aid in planning.** Each person is best judge of his capabilities. Since he is personally involved in setting goals for himself, he makes a fair assessment of his output. Job

allocation according to capabilities and capacity of each individual is a vital link in planning process.

3. **Development of personnel.** MBO is by far the best method for personnel development. Junior and middle level managers are exposed to various high level management functions, like goal setting, negotiations, assessment etc and develop those skills. Limited supervision and pressure to perform and meet the self imposed deadlines further hone the skills.

4. **Better team work.** Since the goals are predefined and there is little interference from superiors in the day to day work, causes of friction are minimised and there is better camaraderie between superior and subordinate officers.

5. **Concentration on Key Result area (KRA).** In this method of management, there are little digressions from goal since each person has his goals well defined.

6. **Objective evaluation.** The performance appraisal system is objective since each persons initial commitment as well as end performance is well known to both, the management as well as the employee.

7. MBO is result oriented.

9. Write short notes on Line and Staff.

Ans. Line and Staff Organisation

One of the ways to classify the diverse functions of an organisation is to divide them into line and staff functions. The words line and staff are basically euphemisms for main and support functions. The line functions are defined as those that contribute directly to accomplishment of the objectives of the enterprise where as staff functions are those which help the line persons to execute their tasks more efficiently and effectively. Accordingly, production and sales (and some times finance also) are termed as line and planning, purchasing, accounting, personnel, plant maintenance and quality control are regarded as staff functions.

Unfortunately, this division has been a constant source of debate and friction amongst the managers and the academicians. The separating line between two functions is very thin and many functions fall in the grey area. Often one function regarded as line by one authority is termed as staff by another. Take for instance, Tool Room in-charge in a production shop. While the Headquarter authorities classify the job as line function, the machine operator in the same shop is not willing to accept it as such.. The purpose of the staff personnel is to investigate, research, assist and give advice to the line people.

The line and staff personnel are quite often at loggerheads. Both have grouse against each other. However, such grouse are minimised by cross training/rotation of staff and line appointments whereby every person gets to work in both kinds of jobs and thus understands the functions and nuances of the other better. This method has been successfully adopted by the Defence Forces.

Despite being enveloped by the constant debate, and being source of friction in the organisation, this method has its own undeniable advantages: -

Characteristics

- (a) Line executives command, they are doers
- (b) The staff specialists advice, they are thinkers
- (c) The staff plays a major part in planning the activity
- (d) The Line manager have clear and absolute authority for execution of decisions

Advantages of Line And Staff Type of Organisation.

- (a) Planned Specialisation. Allows hiring of super specialist to tackle problem.
- (b) Affords opportunity to investigate the problem thoroughly. Man involved in the day to day production process will rarely have time to invest in research.
- (c) Bifurcation of conceptual and executive functions
- (d) Training ground

- (e) Sound decisions
- (f) Less burden on Line executive
- (g) Suitable for large organisations

Complaint of Line against Staff

- (a) Unfamiliar with actual work – Hard core staff specialists often lack knowledge of ground situations. Such decisions could be based on idealistic conditions without discounting for ground realities, human factors, etc.
- (b) Excessive paper work. Staff keeps asking for regular reports for analysis and records. Compilation of reports and then providing explanations for the same puts additional load on the line executives.
- (c) Less degree of freedom. Line personnel are sometimes bound by the advice of the Staff, thus feeling restricted in the area of their operation.
- (d) Staff lack of practical knowledge
- (e) Line works strenuously and Staff works cushy
- (f) Staff people usurp the Line authority
- (g) Staff has faith and confidence of the higher management.

Complaint of Staff against Line

- (a) Extravagant
- (b) Ignorant/Old fogies
- (c) Take myopic view
- (d) Incentive oriented
- (e) Shifting responsibilities
- (f) Under-utilisation of their services
- (g) Rigidity/Not wanting to change
- (h) Lack of authority
- (i) Lack of mutual respect
- (j) Difficulty in exercising skill
- (k) Lack of clarity

10. What are the Barriers to Organizational Communication ?

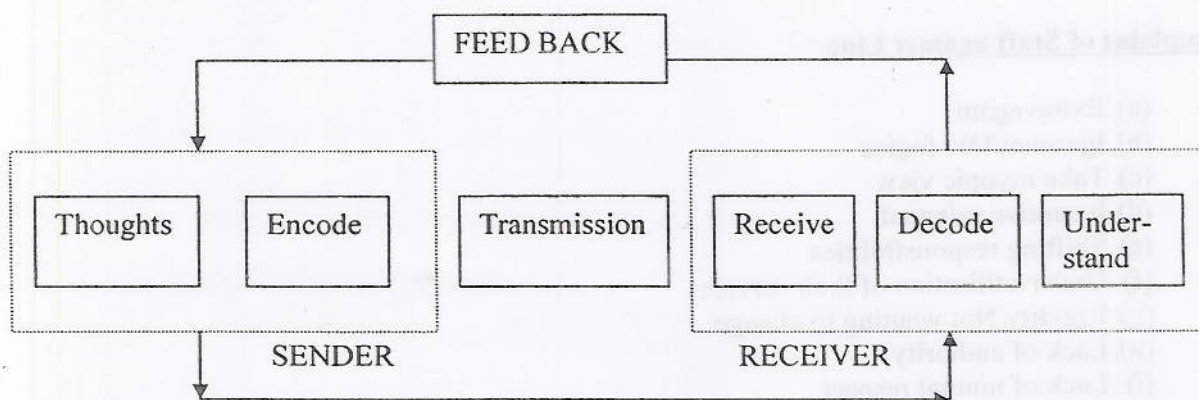
Ans. Communication can be defined as, “transfer of thoughts and information from one person to another person. Communication can be oral (Direct or telephonic or messenger), written (letters, emails, sms) or even in sign language. Effective communication is vital for success in any field. Improper and ineffective communication can be the difference between success and failure. Communication is a difficult art and requires careful handling to avoid disastrous results.

Communication could be a one way or two way process. But for the communication to be effective and reliable, it should be two way as far as possible.

Communication can be in three directions:

1. Upward – From subordinates/workers to senior officers/management.
2. Downward – From Superiors/management to subordinates and workers.
3. Lateral – Between colleagues, peers, interdepartmental meetings, etc.

COMMUNICATION PROCESS



In the above process, the error could occur at any point resulting in unplanned effects and results.

ABC of Communication. In the most simplistic form, an effective communication has to have three independent attributes A, B & C, ie

- A* – Accurate
- B* – Brief
- C* – Clear

Further elaborated, 7 cardinals of effective communication are as follows: -

1. Candid
2. Clear
3. Complete

4. Concise
5. Concrete – No vagueness, Definite
6. Correct
7. Courteous

Communication is rarely with 100% accuracy. There will always be distortions in communication due to either failure to code the message or decode and understand the message correctly. The reasons for above failure are many. These reasons are termed as Barriers in communication. They could be grouped as follows: -

1. **Personal Barriers.**

- (f) Human emotions
 - (i) Love
 - (ii) Fear
 - (iii) Anger
 - (iv) Distrust
 - (v) -----
 - (vi) -----
- (g) Difference in Values between two people
- (h) Poor Listening – Hearing is with ears while listening is with mind (attentiveness is the keyword in listening)
- (i) Perceptions – Opinionated, etc
- (j) Inappropriate gestures and postures
- (k) Deficiency of knowledge of receiver (in technical matters)

2. **Physical Barriers.**

- (l) Interference
- (m) Noise
- (n) Distance
 - (i) Physical
 - (ii) Hierarchical

3. **Semantic Barriers.**

- (b) Multiple Meaning Words
- (c) Language

4. **Cultural Barriers.** People from different cultures will decode the same thing differently.

Improving Communication.

Communication can be greatly improved if some simple steps are observed diligently.

1. The sender should format and code his message keeping the attributes/environment of receiver in mind. Like critical messages should be avoided when the person is in high emotional state. Similarly, if a person is working in high noise area, it is better to send a small note rather than shout out the instructions.
2. Keep the message short and sweet. Long messages are often not read fully or read at high speed with little understanding.
3. Any message should have as few intermediaries as possible since there is loss of accuracy at each transmission and reception.
4. Only simple and familiar words and phrases should be used.
5. Avoid jargon, slang and colloquiums.

11. Write short note of Staffing.

Ans. The most important asset of most of the industries is their Human resource. It is said that the man behind the machine is more important. Therefore, selection and maintenance of right kind of manpower takes more importance than selection and maintenance of machines in the factory. This process of selection and maintenance of human resource is called STAFFING.

Staffing is defined as filling and keeping filled, positions in the organisation structure.

Following individual functions constitute Staffing: -

Requirement Identification. Manpower requirement of the organisation in terms of the numbers, qualification, rules and regulations, etc, needs to be assessed.

Recruitment is process of attracting potential candidates to the organisation when there is a requirement and creating pool of candidates from which selection is to be made. Recruits could be sourced from within the organisation or from outside. Careful analysis and selection of sources of recruitment is essential to avoid waste of efforts and money in selection. Like for recruiting seafarers, only coastal towns should be targeted.

Selection. It is the process of short listing of candidates for offering job. Selection of right kind of potential employees from the recruitment pool depending on job requirement, rules and regulations (like % of local people, quotas for any communities, etc). A minimum qualification standard in terms of education, age and experience is always promulgated. However, in many cases the upper limit is also capped openly or surreptitiously. Many managers believe that over qualified personnel accept job under duress and will either leave shortly on finding commensurate job or will be de-motivated and carry negative vibes affecting others in the process.

Orienting and Socialising new employee. Once a candidate is accepts the offer and joins the company, he is required to be oriented to company's physical and social environment. He need to be told of the company's philosophy, culture and values. He also needs to acquaint himself with the people he is going to interact immediately in the course of his work, like his superior, subordinates, personnel in other departments that he would deal with on day to day basis. Many companies conduct a audio visual presentation and give a introductory walk around to the new employee with some old employee who does the introduction.

Training. Some training is required by almost every employee. Emphasis is on imparting training in specific skills which will enable him to perform his task efficiently and effectively. The requirement is more when the employees are young and inexperienced.

Performance Appraisal and Promotions. Performance appraisal is used as a tool for granting increments, promotions and other career development opportunities to the employees. Therefore, performance appraisal is high on the agenda of the employees. Incorrect methods of appraisal will not only lead to wrong kind of people

moving in to important positions, but will also lead to demoralisation of deserving people who may begin to under-perform or even quit the organisation.

Development. All employees need to be given opportunities for self development which will help them personally and or professionally. Organisations enjoy direct and indirect benefits of such developments in their employees. Employees identified for greater responsibilities need to be developed for shouldering those responsibilities efficiently and effectively.

Career Planning. Right man for the right job. The performance and traits of every employee needs to be assessed carefully to identify his strong and weak areas and plan his career accordingly. Such kind of planning is mutually beneficial. Many people have benefited by changing their departments, like from production to sales because of their natural flair for the job.

Sources of Recruitment.

(a) Internal.

- (i) Promotions
- (ii) Transfers
- (iii) References
- (iv) Deputations/Secondments
- (v) Friends/Relatives
- (vi) Internal Notifications

(b) External.

- (i) Advertisements in various forms
 - (aa) News Papers
 - (ab) Journals/Magazines
 - (ac) TV
 - (ad) Hoardings
 - (ae) Pamphlets
- (ii) Campus Selections
- (iii) Placement Agencies

- (iv) Head hunting – Identifying the suitable person through various methods and approaching him for joining the organisation
- (v) Job Fairs
- (vi) Poaching
- (vii) Social Organisations
- (viii) Road Shows
- (ix) Religious Organisations
- (x) Trade Unions
- (xi) Employment Exchanges – Formed by statute

Advertisements. Advertisements are generally expensive and therefore they have to be properly placed to ensure that they reach the right people and attracts the right kind of candidates

Selection. Following are various stages of selection process: -

- (a) Written Test
- (b) Physical Test
- (c) Psychological Test
- (d) Group Discussion
- (e) Preliminary Interview
- (f) In-depth interviews
- (g) Offer
- (h) Salary Negotiations
- (i) Medical
- (j) Appointment Letter
- (k) Acceptance

Induction/Orientation/Training. Following are the stages of induction: -

- (a) Welcome to the organisation
- (b) Indoctrination of person with the goals/motives/profile etc of the organisation

- (c) Executive summary of the Company Profile
- (d) Induction Kit
- (e) Admin formalities
- (f) Company Introductory Tour
- (g) Introduction with senior management
- (h) Introduction to specific department
- (i) Settling down in the department
- (j) Follow-up instructions before confirmation at the end of the probation.

12. Write short note of TOWS Matrix.

Ans. **T O W S** – It is reverse of SWOT but a much more detailed structure. It is an acronym for

T – Threats,
O – Opportunities,
W – Weaknesses and
S – Strengths

	S	W
O	SO MAXI MAXI	WO MINI MAXI
T	ST MAXI MINI	WT MINI MINI

Check your quadrangle

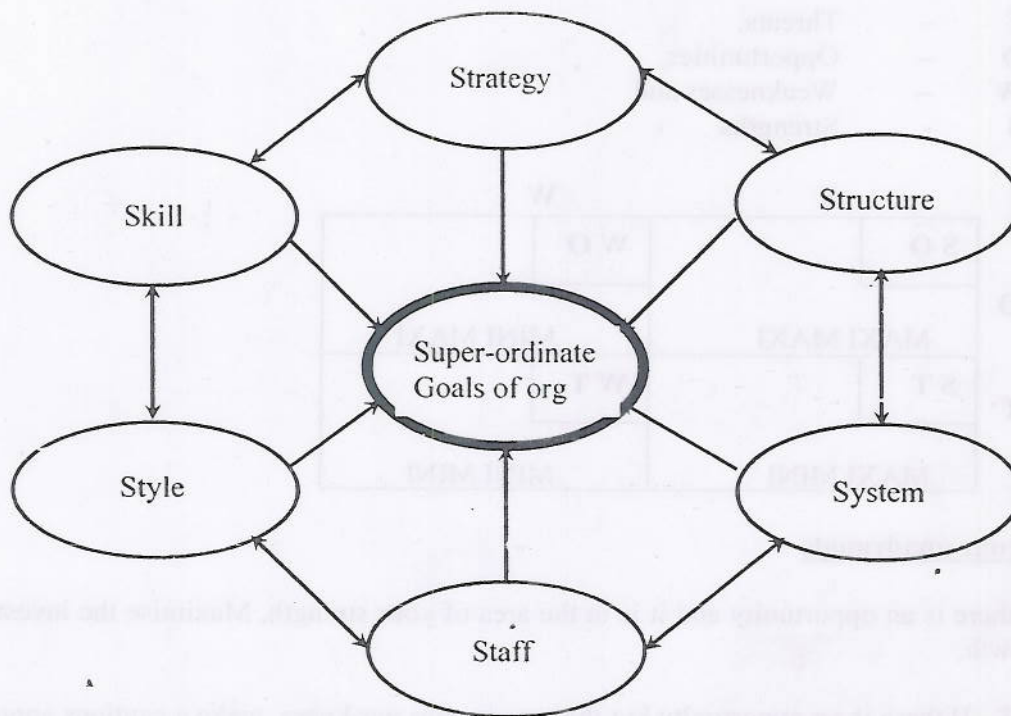
SO - If there is an opportunity and it is in the area of your strength, Maximise the investment and growth.

WO / ST - If there is an opportunity but the area is your weakness, make a cautious approach. Similar should be approach in case of threat existing in the area of your strength.

WT - If there is threat in the market and it also happens to be your weak area, make a quit retreat.

13. Write short note of McKinsey's 7S

Ans. M a c' s 7 S – McKensey's Model



This is one of the recently developed models of management. The model was developed by the widely respected consulting firm of McKinsey and Company. It is based on two best selling books, namely, *The Art of Japanese Management* and *In Search of Excellence*. The model was tested extensively by McKinsey's consultants in their studies of many companies. This frame work has also been used by respected business schools such as Harvard and Stanford. Thus Theory and Practice support each other.

However, if effort to get all the attributes starting with 'S', (to serve as memory hook) meaning of some of the terms had to be stretched. Like while 'skills' is used for personal skills, here it stands for capabilities of the organisation as a whole.

By Super-ordinate Goals, the theorists have emphasised that goal statements are very important in determining the destiny of the enterprise. They also point out that values must be shared by organisation members. Therefore special attention is to be given to personal and organisational values.