

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

STUDY MATERIALS



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CO-OPERATIVE ACADEMY OF PROFESSIONAL EDUCATION
APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
FIFTH SEMESTER B-TECH DEGREE EXAMINATIONS, November 2017
HS 300- PRINCIPLES OF MANAGEMENT –Model examination.

Time: 3 Hrs

Max. marks: 100

PART A

Answer any three full questions, each carries 10 marks.

1. a) Differentiate the science and arts perspectives of management. (6)
 b) Discuss the skills required for a successful manager. (4)
2. a) Explain different aspects of managing for competitive advantage. (5)
 b) What are the challenges to global management? (5)
3. a) Discuss the contributions of F.W.Talor in management. (6)
 b) Explain the concept of corporate social responsibility. (4)
4. a) Detail ethics in management. (5)
 b) Briefly discuss about Mckinsey 7-S framework . (5)

PART B

Answer any three full questions, each carries 10 marks.

5. a) Discuss in detail about the types of plans. (6)
 b) List the important of planning. (4)
6. a) Detail the steps in planning function of management. (5)
 b) What is MBO? Explain the features of MBO? (5)
7. a) What are the determinants of organizational structure? Explain. (5)
 b) Differentiate programmed and nonprogrammed decision making. (5)
8. a) How a decision is finalised from alternatives? Explain. (4)
 b) Explain line and staff concept of organization. (6)

PART C

Answer any four full questions, each carries 10 marks.

9. a) What is manager inventory chart? Explain with neat figure. (5)
 b) Explain in detail about an organizations manpower planning. (5)
10. a) Compare decentralization and recentralization of authority concepts. (5)
 b) Discuss the features of global organizing. (5)
11. a) Explain the steps in matching a job with a person. (5)
 b) What are the techniques and instruments used for staff selection process. (5)
12. a) Compare trait approach and contingency approach. (5)
 b) What are the requirements of effective controlling function. (5)
13. a) Differentiate transactional and transformational leadership concepts. (6)
 b) Briefly discuss about global controlling. (4)
14. a) Explain in detail about different control technique in an organization. (6)
 b) Discuss about different leadership styles. (4)

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Questions and Answers

PART A

Answer any three full questions, each carries 10 marks.

1. a) **Differentiate the science and arts perspectives of management.**

What is "Science"?

- 1. It is a systematized body of knowledge and uses scientific methods for observation
- 2. Its principles are evolved on the basis of continued observation and experiment and
- 3. Its principles are exact and have universal applicability without any limitation.

Judging from the above characteristics of science, it may be observed that-

1. Management is a systematized body of knowledge and its principles have evolved on the basis of observation.
2. The kind of experimentation (as in natural sciences) cannot be accompanied in the area of management since management deals with the human element.
3. In management, it is not possible to define, analyse and measure phenomena by repeating the same conditions over and over again to obtain a proof. The above observation puts a limitation on management as a science. Management like other social sciences can be called as "inexact science".

What is "Art"?

- 1. Art is the application of science. It is putting principle into practice.
- 2. After knowing a particular art, practice is needed to reach the level of perfection.
- 3. It is undertaken for accomplishing an end through deliberate efforts. Judging from the above characteristics of art, it may be observed that-

1. Management while performing the activities of getting things done by others is required to apply the knowledge of certain underlying principles which are necessary for every art.
2. Management gets perfection in the art of managing only through continuous practice.
3. Management implies capacity to apply accurately the knowledge to solve the problems, to face the situation and to realise the objectives fully and timely. The above observation makes management an art and that to a fine art.

- b) Discuss the skills required for a successful manager.**

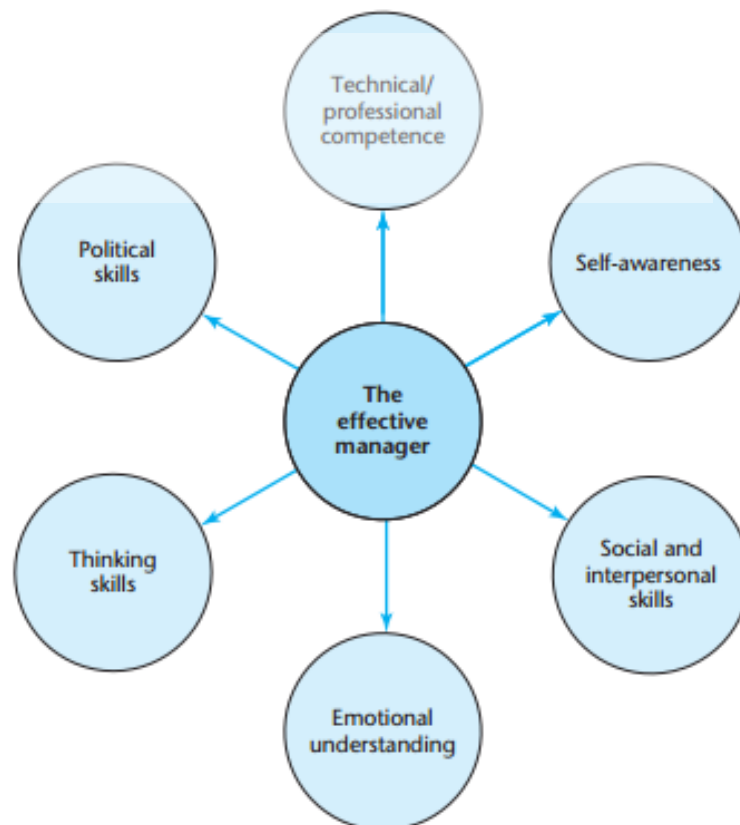
Technical skill involves an understanding of and proficiency in a specific activity that involves methods, processes, procedures, or techniques. Technical skills include the ability to prepare a budget, lay out a production schedule, prepare a spreadsheet analysis, upload information onto a social networking site, and demonstrate a piece of electronic equipment.

Interpersonal (or human relations) skill is a manager's ability to work effectively as a team member and to build cooperative effort in the unit. Communication skills are an important component of interpersonal skills. They form the basis for sending and receiving messages on the job. Although interpersonal skills are often referred to as soft skills, it does not mean these skills are easy to learn or insignificant.

Conceptual skill is the ability to see the organization as a total entity. It includes recognizing how the various units of the organization depend on one another and how changes in any one part affect all the others. It also includes visualizing the relationship of the individual business to the industry; the community; and the political, social, and economic forces of the nation as a whole. Managers are frequently called on to investigate a problem and then to decide on and implement a remedy.

Diagnostic skill often requires other skills, because managers must use technical, human, conceptual, or political skills to solve the problems they diagnose. An important part of being effective is the ability to obtain power and prevent others from taking it away.

Managers use political skill to acquire the power necessary to reach objectives. Political skills include establishing the right connections and impressing the right people. This feeling of mastery often reduces the stress associated with interacting with people.



2. a) **Explain different aspects of managing for competitive advantage.**

A competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices.

Following are the four fundamental success drivers.

1. Cost Competitiveness
2. Quality
3. Speed
4. Innovation .

Creating a Competitive Advantage

- Review your core strengths. ...
 - Reduce costs. ...
 - Focus on service. ...
 - Focus on product or service quality. ...
 - Differentiate your products and services. ...
 - Form an alliance with another company
- b) What are the challenges to global management?



3. a) **Discuss the contributions of F.W.Taylor in management.**

Taylor's scientific management was based on four main ideas:

1. Jobs should be designed according to scientific rules rather than rule-of-thumb methods. Employers should gather, classify, and tabulate data in order to determine the "one best way" of performing a task or series of tasks.
2. Employees should be selected and trained according to scientific methods. Employers should also train employees in order to improve their performance.
3. The principles of scientific management should be explained to workers.
4. Management and workers should be interdependent so that they cooperate.

Contributions: Scientific task and rate setting – Method study, Motion study, Time study, Fatigue study, Differential piece wage system.

Selection and training (scientific basis)
Standardization and Specialization.

b) Explain the concept of corporate social responsibility.

Corporate social responsibility is a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices. It generally refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities, and the environment. Thus, beyond making profits, companies are responsible for the totality of their impact on people and the planet.¹ “People” constitute the company’s stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community. Increasingly, stakeholders expect that companies should be more environmentally and socially responsible in conducting their business. In the business community, CSR is alternatively referred to as “corporate citizenship,” which essentially means that a company should be a “good neighbor” within its host community.

Responsibility towards owners: Reasonable dividend, Protection of asset and Information.

Responsibility towards customers: Quality products at reasonable price. Proper service.

Responsibility towards employees: Fair wages, Benefits and good working conditions.

Obligation towards government.- Laws and taxes.

Obligation towards society- Employment, Resource utilization and morality.

4. a) Detail ethics in management.

Ethics is the code of moral principles and values that governs the behaviors of a person or group with respect to what is right or wrong. Ethics sets standards as to what is good or bad in conduct and decision making.⁵ Ethics deals with internal values that are a part of corporate culture and shapes decisions concerning social responsibility with respect to the external environment. An ethical issue is present in a situation when the actions of a person or organization may harm or benefit others.

Utilitarian Approach

Under this approach, a decision maker is expected to consider the effect of each decision alternative on all parties and select the one that optimizes the satisfaction for the greatest number of people.

Individualism Approach

The individualism approach contends that acts are moral when they promote the individual’s best long-term interests. Individual self-direction is paramount, and external forces that restrict self-direction should be severely limited. Individuals calculate the best long-term advantage to themselves as a measure of a decision’s goodness.

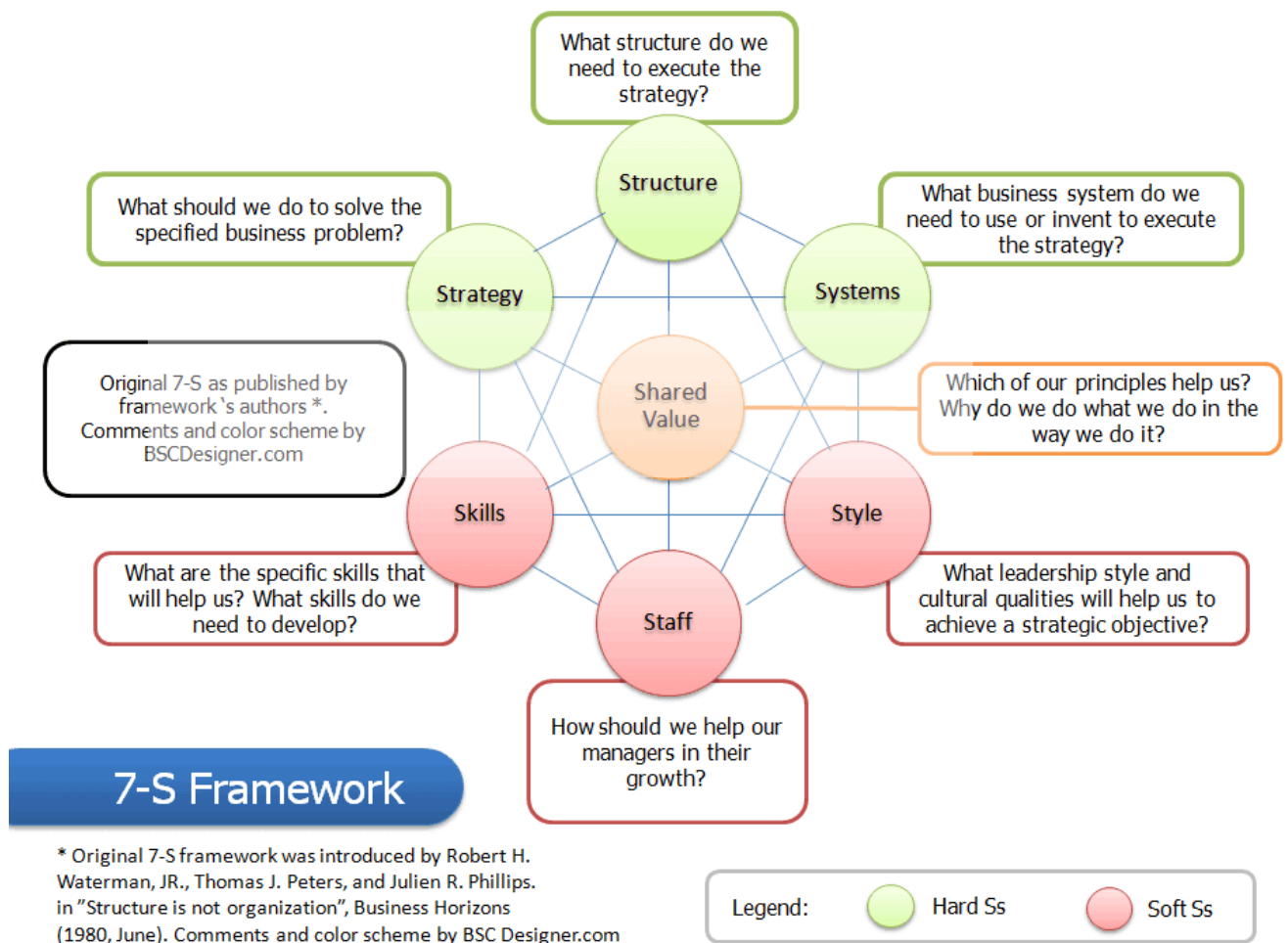
Moral Rights Approach

The moral rights approach asserts that human beings have fundamental rights and liberties that cannot be taken away by an individual's decision. Thus, an ethically correct decision is one that best maintains the rights of those people affected by it.

Justice Approach

The justice approach holds that moral decisions must be based on standards of equity, fairness, and impartiality. Three types of justice are of concern to managers: distributive justice, procedural justice, and compensatory justice.

b) Briefly discuss about Mckinsey 7-S framework .



PART B

Answer any three full questions, each carries 10 marks.

5. a) Discuss in detail about the types of plans.

Types of Plans in Management

Planning is getting ready to some thing. It is the basic of all management functions. Plans are classified into various categories in number of ways on the basis of their functions and frequency of use and the time horizon. There are following types of plans in management.

Purpose or Mission

It identifies the basic function or task of an enterprise or agency or any part of it. Every kind of organized effort needs a purpose. Mission is social aspect of purpose. Although, they are used interchangeably.

Objectives or Goals

Interchangeably used, there are the ends towards which activity is arrived. They represent the end point of planning as well as the end towards which other managerial functions are arrived.

Strategies

It is defined as the determination of the basic long term objective of an enterprise and adoption of course and allocation of resources necessary for the achievement of the objective. They furnish a frame work for guiding thinking and action.

Policies

These are also plans in a way that they are general statements or understandings that guide or channels thinking in decision making. Policies define an area within which a decision is to be made and ensure that the decision will be consistent with, and contribute to an objective. Policies help solve the issues before they may become problems. Policies exist on almost all levels of organization. Policies are guides to decision making, therefore, they have certain direction. Without direction guide lines are referred to as rules. Policies are mean of encouraging discretion and initiative within limits. The amount of freedom depends on the policy and in turn reflects position and authority in the organization.

1. Policies are not always defined in working. So they are normally misinterpreted.
2. Policies entail delegation of authority. This results in decentralization of decision-making. More the involvement of people at various more are the chances of disagreement between participants due to varying perceptions.
3. Controlling a policy is always a difficult task
There are not and can't be consistent and integrated enough in realizing event objective due to following reasons.

- **Policy.** Employee may get loan against his provident fund.
- **Procedure.** How much amount can be advanced to employee and how.

Procedures

There are plans that establish ways and methods of doing an activity (in future). There are chronological sequences of required action. Thus these policies are guides to action rather than thinking and outline the exact method/manner of accomplishing activities. Procedures often cut across the department live. It is a sequence of rules.

Rules

Rules spell out specific required action on non-actions, allowing no discretion. These are the simplest type of plans. Rules unlike policies have no direction and guide action without specifying a time sequence.

Programs

It is a combination of goals, policies, procedures, rules, task assignment, steps to be taken, resources to be employed etc. these are usually supported by budgets.

Budget

It is a numberized program, or, the qualified expected outcomes of a program make a budget. A budget may be expressed in financial terms, in terms of time or units of production or else. A budget forces managers to fore-see and plan all the expected activities with high level of precision. A budget implements program but it can be a program in itself. As a company may implement budget very strictly in order to better its financial position. There are two types of budgets one is variable or flexible budget and second is zero-based budget.

b) List the important of planning.

1. Planning provides Direction:

Planning is concerned with predetermined course of action. It provides the directions to the efforts of employees. Planning makes clear what employees have to do, how to do, etc

2. Planning Reduces the risk of uncertainties:

Organisations have to face many uncertainties and unexpected situations every day. Planning helps the manager to face the uncertainty because planners try to foresee the future by making some assumptions regarding future keeping in mind their past experiences and scanning of business environments. The plans are made to overcome such uncertainties.

3. Planning reduces over lapping and wasteful activities:

The organisational plans are made keeping in mind the requirements of all the departments. The departmental plans are derived from main organisational plan. As a result there will be co-ordination in different departments

4. Planning Promotes innovative ideas:

Planning requires high thinking and it is an intellectual process. So, there is a great scope of finding better ideas, better methods and procedures to perform a particular job. Planning process forces managers to think differently and assume the future conditions. So, it makes the managers innovative and creative.

5. Planning Facilitates Decision Making:

Planning helps the managers to take various decisions. As in planning goals are set in advance and predictions are made for future. These predictions and goals help the manager to take fast decisions.

6. Planning establishes standard for controlling:

Controlling means comparison between planned and actual output and if there is variation between both then find out the reasons for such deviations and taking measures to match the actual output with the planned. But in case there is no planned output then controlling manager will have no base to compare whether the actual output is adequate or not.

7. Focuses attention on objectives of the company:

Planning function begins with the setting up of the objectives, policies, procedures, methods and rules, etc. which are made in planning to achieve these objectives only. When employees follow the plan they are leading towards the achievement of objectives. Through planning, efforts of all the employees are directed towards the achievement of organisational goals and objectives.

6. a) Detail the steps in planning function of management.

Planning Process:

1. Setting up of the objectives:

In planning function manager begins with setting up of objectives because all the policies, procedures and methods are framed for achieving objectives only. The managers set up very clearly the objectives of the company keeping in mind the goals of the company and the physical and financial resources of the company. Managers prefer to

set up goals which can be achieved quickly and in specific limit of time. After setting up the goals, the clearly defined goals are communicated to all the employees.

2. Developing premises:

Premises refer to making assumptions regarding future. Premises are the base on which plans are made. It is a kind of forecast made keeping in view existing plans and any past information about various policies. There should be total agreement on all the assumptions. The assumptions are made on the basis of forecasting. Forecast is the technique of gathering information. Common forecast are made to find out the demand for a product, change in government or competitor policy, tax rate, etc.

3. Listing the various alternatives for achieving the objectives:

After setting up of objectives the managers make a list of alternatives through which the organisation can achieve its objectives as there can be many ways to achieve the objective and managers must know all the ways to reach the objectives.

For example, if the objective is to increase in sale by 10% then the sale can be increased:

- (a) By adding more line of products;
- (b) By offering discount;
- (c) By increasing expenditure on advertisements;
- (d) By increasing the share in the market;
- (e) By appointing salesmen for door-to-door sale etc.

So, managers list out all the alternatives.

4. Evaluation of different alternatives:

After making the list of various alternatives along with the assumptions supporting them, the manager starts evaluating each and every alternative and notes down the positive and negative aspects of every alternative. After this the manager starts eliminating the alternatives with more of negative aspect and the one with the maximum positive aspect and with most feasible assumption is selected as best alternative. Alternatives are evaluated in the light of their feasibility.

5. Selecting an alternative:

The best alternative is selected but as such there is no mathematical formula to select the best alternative. Sometimes instead of selecting one alternative, a combination of different alternatives can also be selected. The most ideal plan is most feasible, profitable and with least negative consequences.

After preparing the main plan, the organisation has to make number of small plans to support the main plan. These plans are related to performance of routine jobs in the organisation. These are derived from the major plan. So, they are also known as derivative plans. These plans are must for accomplishing the objective of main plan. The common supportive plans are plans to buy equipment, plan for recruitment and selection of employees, plan to buy raw material, etc.

6. Implement the plan:

The managers prepare or draft the main and supportive plans on paper but there is no use of these plans unless and until these are put in action. For implementing the plans or putting the plans into action, the managers start communicating the plans to all the employees very clearly because the employees actually have to carry on the activities according to specification of plans. After communicating the plan to employees and taking their support the managers start allocating the resources according to the specification of the plans. For example, if the plan is to increase in sale by increasing the expenditure on advertisement, then to put it into action, the managers must allot more funds to advertisement department, select better media, hire advertising agency, etc.

7. Follow-up:

Planning is a continuous process so the manager's job does not get over simply by putting the plan into action. The managers monitor the plan carefully while it is implemented. The monitoring of plan is very important because it helps to verify whether the conditions and predictions assumed in plan are holding true in present situation or not.

If these are not coming true then immediately changes are made in the plan. During follow up many adjustments are made in the plan.

b) What is MBO? Explain the features of MBO?

Management by objectives (MBO) is a systematic and organized approach that allows management to focus on achievable goals and to attain the best possible results from available resources. It aims to increase organizational performance by aligning goals and subordinate objectives throughout the organization. Ideally, employees get strong input to identify their objectives, time lines for completion, etc. MBO includes ongoing tracking and feedback in the process to reach objectives.

MBO managers focus on the result, not the activity. They delegate tasks by "negotiating a contract of goals" with their subordinates without dictating a detailed roadmap for implementation. Management by Objectives (MBO) is about setting yourself objectives and then breaking these down into more specific goals or key results.

The principle behind Management by Objectives (MBO) is to make sure that everybody within the organization has a clear understanding of the aims, or objectives, of that organization, as well as awareness of their own roles and responsibilities in achieving those aims. The complete MBO system is to get managers and empowered employees acting to implement and achieve their plans, which automatically achieve those of the organization.

7. a) What are the determinants of organizational structure? Explain.

The establishment of an organisation structure requires careful consideration of a number of factors.

These factors may be stated as follows:

1. Nature of the Objectives:

The objectives of an enterprise govern the selection of persons with appropriate skills and equipment capable of delivering the goods. The objectives, thus, determine the basis of the organisation structure. For example, an organisation structure of an industrial concern cannot be the same as that of a religious or governmental institution.

2. Operative Activities:

An individual in an enterprise may negotiate a sale to a customer; another may be engaged in assembling the parts of a motor car; and a third may be collecting market data or cost information. The operative activities and the inter-relations that exist among different tasks have an important bearing on the structure of an organisation.

3. Technology:

The organisation structure of an enterprise depends upon the type and nature of technological process adopted for the production. Therefore, technology is a factor for consideration in determining the structure of an organisation.

4. Sequence of Tasks:

The nature of technology often dictates the sequence of tasks to be performed and human relationships are required to be adjusted according to this sequence of tasks. This sequence of tasks also acts as a major determinant to influence the structure of the organisation.

5. Limitations of Skill and Working Capacity:

Individuals in an enterprise differ in their skills and abilities. These individual differences affect the tasks to be assigned to an individual and, as such, the structure is required to be adjusted taking into account the limitations of human skill and ability.

6. Managerial Functions:

The managerial functions at one level or department may be different from that of other level or department. Therefore, the structure of organisation is to be devised to maximise effective inter-relationships at different management levels so that it can facilitate the attainment of objectives by the effective efforts of the subordinate employees.

7. Size and Scope:

The smaller the firm, the more informal and loose becomes the interpersonal contacts and relationships. But they will be otherwise in the case of big concerns. So, the size of the enterprise and its scope of performance have an effective influence on the organisation structure.

8. Strategy:

After considering the organisation structure of various enterprises the management thinkers have come to the conclusion that the strategy plays a special role in determining the outline of authority and flow of communication in an organisation.

9. Social Needs:

The social needs of an individual such as—status, recognition, sense of belonging, opportunity for development of abilities or the satisfaction of ego need—require that they should be given due weight for their fulfilment within the organisation. The structure of an organisation cannot ignore these social needs.

b) Differentiate programmed and nonprogrammed decision making.

The act of decision making from a business perspective is choosing an option from a list of alternatives that benefits the business the most. A decision made in business sometimes comes easily to a manager because it relates to a situation encountered before; this is a programmed decision. When a manager faces uncertainty and there is a higher level of risk involved regarding a decision, he must make an unprogrammed decision using logic.

Programmed Decisions

Programmed decisions are those that a manager has encountered and made in the past. The decision the manager made was correct because she/he used the assistance of company policies, computations or a set of decision-making guidelines. In addition to being well structured with predetermined rules regarding the decision-making process, programmed decisions may also be repetitive or routine as their outcome was successful in the past. It generally does not take a manager as long to come to a conclusion when faced with a business-related programmed decision because the challenge faced is not new. As a result, programmed decisions allow a manager to make streamlined and consistently effective choices.

Examples of Programmed Decisions

From a business perspective, a company may create a standard routine for handling technical issues, customer service problems or disciplinary matters. An employee's duties may become routine with repetition, like the process a mechanic uses to troubleshoot problems with a customer's car.

Unprogrammed Decisions

Unprogrammed decisions involve scenarios that are new or novel and for which there are no proven answers to use as a guide. In such a case, a manager must make a decision that is unique to the situation and results in a tailored solution. Unprogrammed decisions generally take longer to make because of all the variables an individual must weigh; and the fact that the information available is incomplete, so a manager cannot easily anticipate the outcome of his decision.

Examples of Unprogrammed Decisions

An individual may make an unprogrammed decision when she visits a new restaurant, is unfamiliar with the menu and the menu is in a language she does not understand. In the business world, the makers of the earliest personal computers had to make unprogrammed decisions regarding the type of marketing to use to attract customers who possibly had never used a computer in the past. Fast-food companies also had to make an unprogrammed decision regarding consumer concerns about high fat contents and lack of healthy menu options.

8. a) How a decision is finalised from alternatives? Explain.

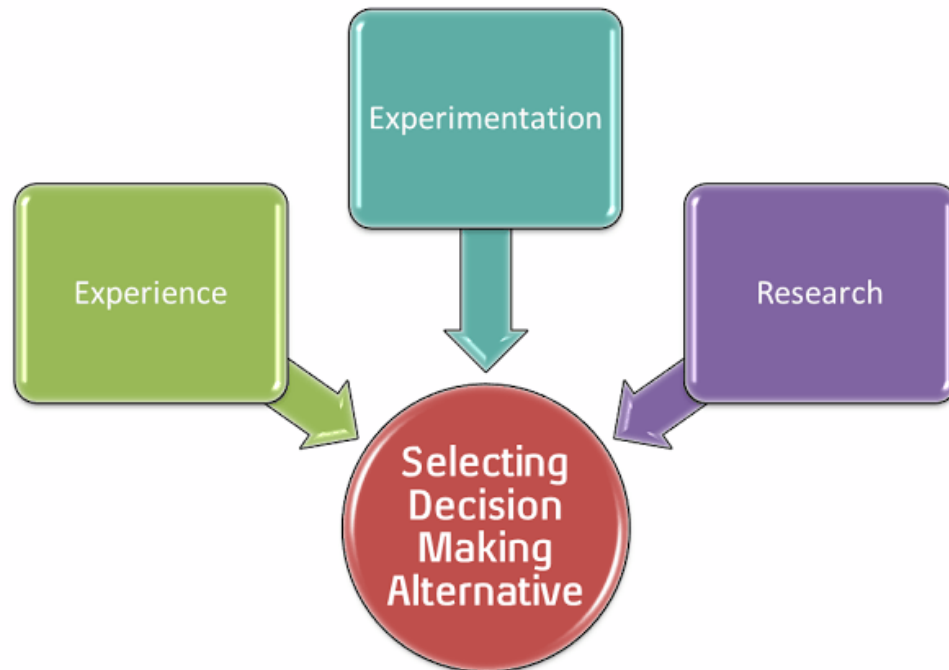
Experience, experimentation, and research and analysis are the three common tools or approaches employed in selecting from among alternatives of decision making.

Experience

Experience is a great guide. Reliance on past experience, therefore, plays a comparatively big role in decision-making. Experienced managers usually believe, often without realizing it, that the things they have successfully accomplished and the mistakes they have made provide almost a foolproof guide to the future. This attitude is likely to grow with their increasing experience and ascendancy to the higher levels of the organization. Experience helps a great deal to develop the ability of exercising good judgment. However, one should be wary of using past experience merely out of blind reverence for the old. As a guide for future action, it can be dangerous too.

Firstly, most people fail to recognize the underlying reasons for their mistakes or failures. Secondly, past experience may not at all be applicable to new problems which need new solutions.

However, if a person carefully analyses experience instead of blindly following it and find out the actual reasons for or causes of success or failure, experience can be useful as a basis of decision-making.



Experimentation

Trying one of the alternatives and see how it goes is a usual way of choosing an alternative. This kind of experimentation is often used in scientific inquiry. It is frequently suggested that this method should be used quite often in management.

Because only by trying various alternatives a manager can be sure about the best way, especially in view of the intangible factors involved in the decision process. The experimental method is likely to be the most expensive of all methods, particularly where it involves a substantial amount of money and manpower.

Moreover, even after carrying out an experiment, doubts may remain about its certainty and real nature. Therefore, this should be used only after considering other alternatives.

Research and Analysis

One of the best techniques for selecting from among alternatives when major decisions are involved is research and analysis. This approach means solving a problem by comprehending it at first. It, therefore, involves a search for relationships among the more crucial variables, constraints and premises that bear upon the goal sought.

It is the pen-and-paper approach to decision-making. The solution of a planning problem and making a decision about it involves dissecting the problem into its

component parts and studying their various quantitative and qualitative aspects. Compared with experimentation, study and analysis are likely to be far cheaper. Study and analysis may require time and volumes of paper but usually they cost much less than trying various alternatives.

b) Explain line and staff concept of organization.

Line and Staff Organisation: Meaning, Merits and Demerits

Meaning of Line & Staff Organisation:

Because of the inherent drawbacks of line organisation and functional organisation, they are rarely used in pure forms. The line organisation centralizes too much and the functional organisation diffuses too much. To eliminate the drawbacks of both types of organisations the new organisation structure the line & staff organisation is evolved.

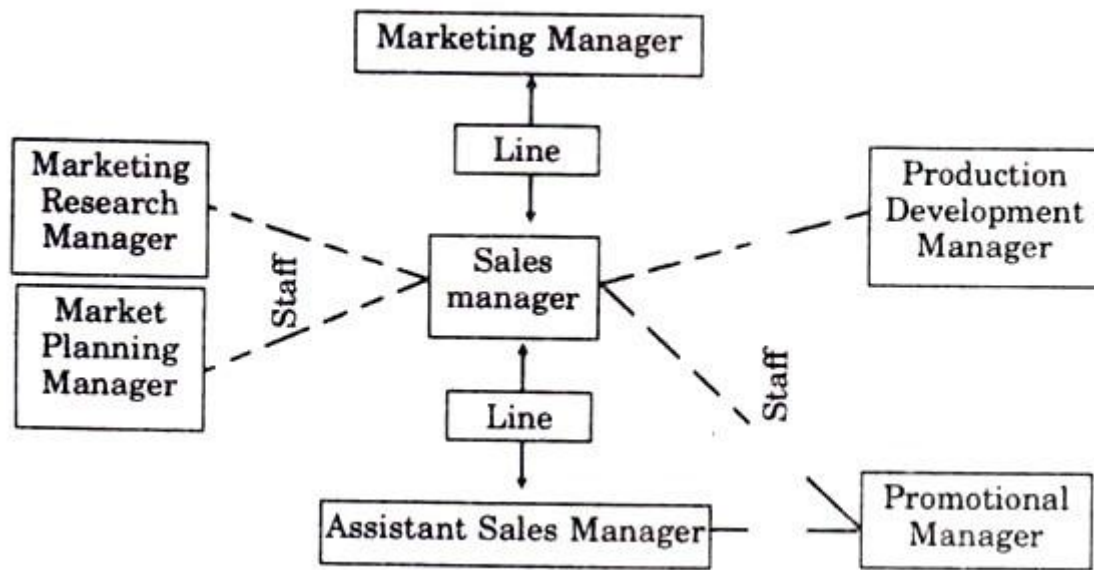
In this type of organization structure, there are two types of are two types of relationships:

The Line relationships and

The staff relationships.

Line relationship is a decision maker and staff personnel are an advisor. According to Henry Fayol, "Staff is a group of men who have the strength, knowledge and time which the line manager may lack". According to Allen, "Line refers to those positions and elements of organisation, which have the responsibility and authority and are accountable for the accomplishment of primary objectives. Staff elements are those which have responsibility and authority for providing advice and service to the line in the attainment of objectives."

line & staff relationship:



Merits of Line and Staff Organisation:

1. There is a planned specialization.
2. There is a well defined authority and responsibility. The line of command is maintained.
3. There is bifurcation of conceptual and executive function.
4. The staff with its expert knowledge provides opportunities to the line officers for adopting a rational multidimensional view towards a problem.
5. This type of organisation nourishes organisation growth as each man grows in his own speciality. It also helps co-ordination through co-operation and leadership.

Demerits of Line and Staff Organisation:

1. There are bound to be occasions when line and staff may differ in opinion. This may result conflict

of interest & prevents a harmonies relationship.

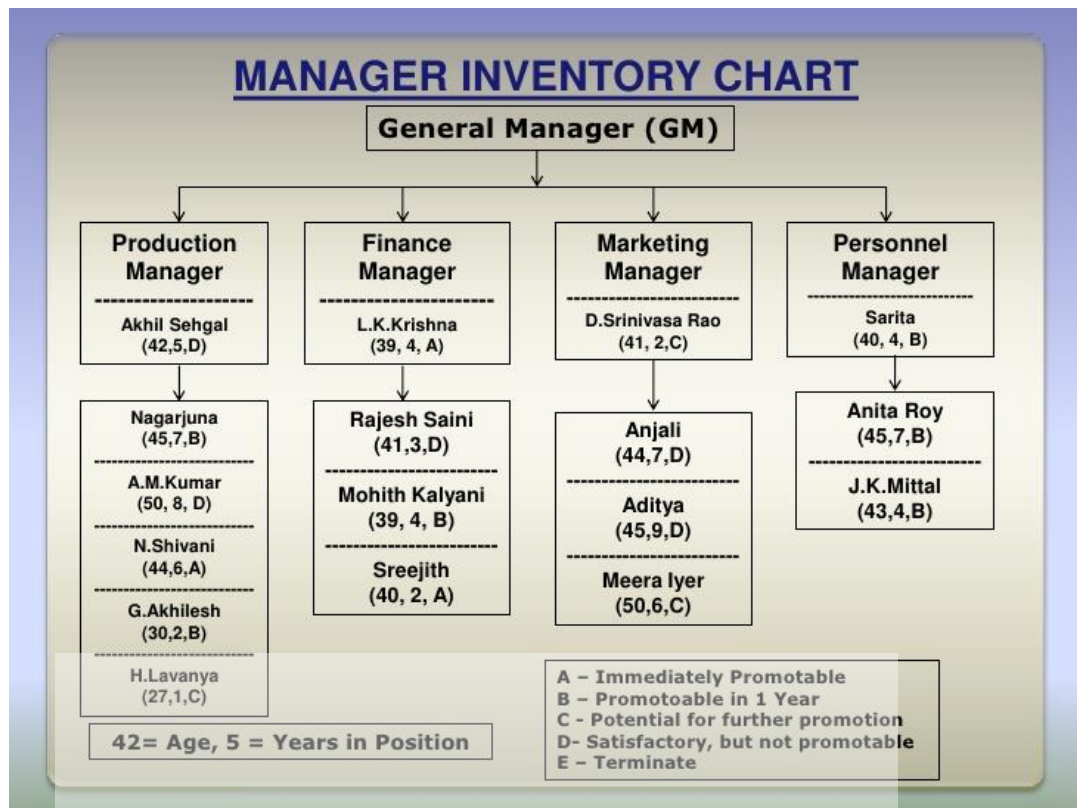
2. There is a misinterpretation of expert advice by incompetent line executives.
3. The staff people feel themselves status-less without authority.
4. Staff becomes ineffective in absence of authority.

CAPE

PART C

Answer any four full questions, each carries 10 marks.

9. a) What is manager inventory chart? Explain with neat figure.



- (a) It gives an overview of the human resource situation of an organization
- (b) It shows the future internal supply of managers by indicating who is likely to be promoted in a year.
- (c) It shows the position to which a manager may be promoted
- (d) Managers who are ready for promotion can be easily identified.
- (e) Managers who do not perform satisfactorily can be identified, and the need for training or replacement is needed.

Enterprises keep an inventory of available human resources, particularly managers, as competent managers are a vital requirement for success. Manager inventory chart or management replacement chart is simply an organizational chart of a unit having managerial positions being indicated and keyed with a system of promotability to each personnel.

b) Explain in detail about an organizations manpower planning.

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization.

Human Resource Planning has to be a systems approach and is carried out in a set procedure. The procedure is as follows:

1. Analysing the current manpower inventory
2. Making future manpower forecasts
3. Developing employment programmes
4. Design training programmes

Steps in Manpower Planning

1. **Analysing the current manpower inventory-** Before a manager makes forecast of future manpower, the current manpower status has to be analysed. For this the following things have to be noted-
 - Type of organization
 - Number of departments
 - Number and quantity of such departments
 - Employees in these work units

Once these factors are registered by a manager, he goes for the future forecasting.

2. **Making future manpower forecasts-** Once the factors affecting the future manpower forecasts are known, planning can be done for the future manpower requirements in several work units.

The Manpower forecasting techniques commonly employed by the organizations are as follows:

- i. **Expert Forecasts:** This includes informal decisions, formal expert surveys and Delphi technique.
 - ii. **Trend Analysis:** Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure).
 - iii. **Work Load Analysis:** It is dependent upon the nature of work load in a department, in a branch or in a division.
 - iv. **Work Force Analysis:** Whenever production and time period has to be analysed, due allowances have to be made for getting net manpower requirements.
 - v. **Other methods:** Several Mathematical models, with the aid of computers are used to forecast manpower needs, like budget and planning analysis, regression, new venture analysis.
3. **Developing employment programmes-** Once the current inventory is compared with future forecasts, the employment programmes can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.
 4. **Design training programmes-** These will be based upon extent of diversification, expansion plans, development programmes, etc. Training programmes depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, knowledge of the workers.

Importance of Manpower Planning

1. **Key to managerial functions-** The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.
2. **Efficient utilization-** Efficient management of personnels becomes an important function in the industrialization world of today. Setting of large scale enterprises require management of large scale manpower. It can be effectively done through staffing function.
3. **Motivation-** Staffing function not only includes putting right men on right job, but it also comprises of motivational programmes, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans becomes an integral part of staffing function.
4. **Better human relations-** A concern can stabilize itself if human relations develop and are strong. Human relations become strong through effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.
5. **Higher productivity-** Productivity level increases when resources are utilized in best possible manner. Higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and its related activities (Performance appraisal, training and development, remuneration)

Need of Manpower Planning

Manpower Planning is a two-phased process because manpower planning not only analyses the current human resources but also makes manpower forecasts and thereby draw employment programmes. Manpower Planning is advantageous to firm in following manner:

1. Shortages and surpluses can be identified so that quick action can be taken wherever required.
2. All the recruitment and selection programmes are based on manpower planning.
3. It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
4. It also helps to identify the available talents in a concern and accordingly training programmes can be chalked out to develop those talents.
5. It helps in growth and diversification of business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
6. It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

10. a) Compare decentralization and recentralization of authority concepts.

‘Decentralisation of Authority’ refers to the dispersal of authority for decision-making in various levels of organisational operations throughout the organisation.

“Decentralisation is the systematic effort to delegate to the lowest levels of authority except that which can be exercised at central points.”

CAPE

Decentralisation is actually an extension of the concept of delegation.

Delegation can take place from one superior to one subordinate and is a complete process, but decentralisation takes place only when the fullest possible delegation or distribution of authority is made to all—or most of the people in the organisation—in respect of the specific function, activity or responsibility. It is, however, to be remembered that decentralisation does not necessarily mean distribution of authority in respect of all activities.

Decentralisation is useful basically to large organisations with multiple products or operating in different geographical locations. Decentralisation becomes inevitable in an industry with every growth in size.

Its importance may be noted as follows:

1. Relief to the Top Executives:
2. Motivation of the Subordinates:
3. Improvement of Work Performance:
4. Promotion of the Subordinate's Morale:
5. Increasing Flexibility:

Recentralization is not a complete reversal of decentralization. The process is a centralization of authority over a certain type of activity or function.

b) Discuss the features of global organizing.

An global organization is an organization with an international membership, scope, or presence. There are two main types

- International nongovernmental organizations (INGOs): non-governmental organizations (NGOs) that operate internationally. These include international non-profit organizations and worldwide companies such as the World Organization of the Scout Movement, International Committee of the Red Cross and Médecins Sans Frontières.
- Intergovernmental organizations, also known as international governmental organizations (IGOs): the type of organization most closely associated with the term 'international organization', these are organizations that are made up primarily of sovereign states (referred to as member states). Notable examples include the United Nations (UN), Organization for Security and Co-operation in Europe (OSCE), Council of Europe (COE), International Labour Organization (ILO) and International Police Organization (INTERPOL). The UN has used the term "intergovernmental organization" instead of "international organization" for clarity.
- The role of international organizations are helping to set the international agenda, mediating political bargaining, providing place for political initiatives and acting as catalysts for coalition-formation. International organizations also define the salient issues and decide which issues can be grouped together, thus help governmental priority determination or other governmental arrangements.

11. a) Explain the steps in matching a job with a person.

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organization will get quality performance of employees. Moreover, organization will face less of absenteeism and employee turnover problems. By selecting right candidate for the required job, organization will also save

time and money. Proper screening of candidates takes place during selection procedure. All the potential candidates who apply for the given job are tested.

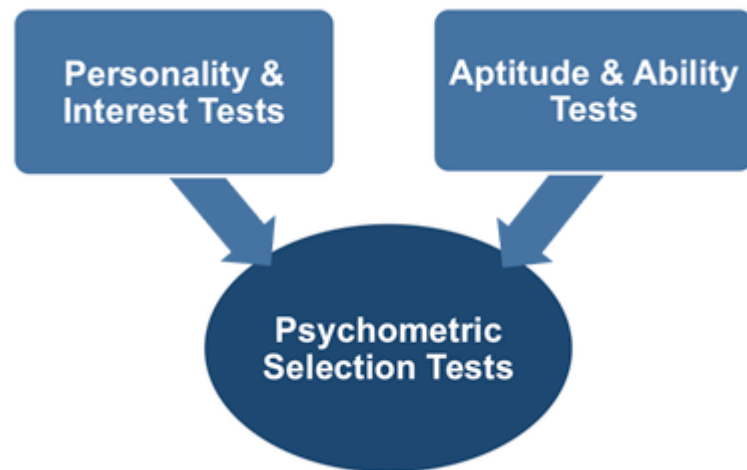
But selection must be differentiated from recruitment, though these are two phases of employment process. Recruitment is considered to be a positive process as it motivates more of candidates to apply for the job. It creates a pool of applicants. It is just sourcing of data. While selection is a negative process as the inappropriate candidates are rejected here. Recruitment precedes selection in staffing process. Selection involves choosing the best candidate with best abilities, skills and knowledge for the required job.

The **Employee selection Process** takes place in following order-

1. **Preliminary Interviews-** It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.
2. **Application blanks-** The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.
3. **Written Tests-** Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased.
4. **Employment Interviews-** It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer.
5. **Medical examination-** Medical tests are conducted to ensure physical fitness of the potential employee. It will decrease chances of employee absenteeism.
6. **Appointment Letter-** A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.

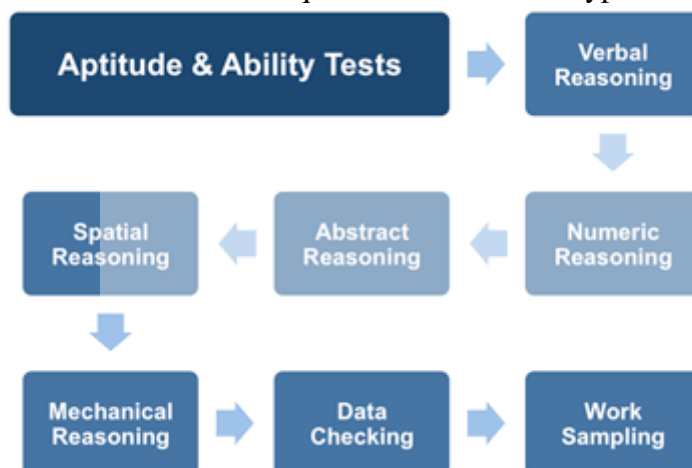
b) What are the techniques and instruments used for staff selection process.

Organisations typically use several different methods to assess job applicants: you will usually be asked to complete an application form, send in a copy of your resume and attend at least one interview. One method that is becoming increasingly used is employee selection tests. These tests aim to provide a potential employer with an insight into whether you will be able to cope with the intellectual demands of the job and how well you work with other people.



Employee selection tests can be split into **personality tests** and **aptitude/ability tests**.

Employee Selection Tests - Aptitude and Ability
 Aptitude and ability tests consist of multiple choice questions and are administered under exam conditions. These types of test can be broadly classified onto the groups shown and you may be asked to sit a test which consists only of 'numerical' questions or these may form part of a test which consists of questions of different types.



This will depend very much on the job you are applying for. For example, jobs that require you to handle figures on a day to day basis may have a higher proportion of **numerical reasoning questions**, whereas tests used for information technology jobs tend to have a higher proportion of **abstract reasoning questions**.

TYPE OF INTERVIEWS

Type	What to Expect	Tips
Telephone Screening Interview	A call from an employer to eliminate candidates based on essential criteria. An employer may call you without an	Have your job search records organized and handy. Refer to your resume as needed.

	appointment.	
In-Person Screening Interview	Used instead of a telephone screening interview, but with same basic purpose. Provides an initial impression of your attitude, interest, and professional style.	You may not be meeting with the final decision maker, but don't slack off. Sell yourself as you would in a "regular" interview.
Selection Interview	In-depth questions to evaluate your qualifications for the position and your ability to fit in. There may be more than one interview at this stage.	Establish a connection with everyone you meet (before and after the actual interview). Sell yourself as a natural addition to the team.
Behavioral Interview (also known as a STAR interview - Situation, Task, Action, and Results)	The interviewer will ask questions that require you to describe how you have handled work-related situations. This provides more information about your behavior, personality, and character.	Think of a few examples ahead of time. Use examples that illustrate your skills and give a good impression of you.
Work Sample Interview	Gives you a chance to show <u>samples of work</u> you've done or demonstrate your skills. May be a display of your <u>portfolio</u> or a demonstration of your skills.	Run through different ways to describe the projects in your portfolio. Practice your presentation until it is smooth.
Peer Group Interview	A meeting with your prospective coworkers who evaluate how well you fit in.	Don't forget to smile. It shows confidence.
Group or	Three or more people	Direct your answer to

Panel Interview	will ask you questions on your qualifications and evaluate how you fit in. It may include other candidates for the position.	the person who asked the question, but try to maintain some eye contact with all group members. If other candidates are present, introduce yourself and be polite. Volunteer to respond first to a few questions, but do not dominate the entire interview. Compliment another candidate's response and then build on it with your own thoughts.
Luncheon Interview (also known as "The Meal")	Interview conducted in a restaurant to assess how well you handle yourself in social situations.	Pick easy things to eat so you can answer questions and pay attention to the conversation. If the location is a coffee shop, the interviewer is probably looking for a more casual conversation.
Stress Interview	Questions intended to make you uncomfortable and a test how you will handle stress on the job.	Keep your cool and take your time in responding to the questions. Don't take anything personally.
Video Conference Interview	Uses technology for a "person-to-person" interview by video. Allow people from different locations to interview you without traveling.	Practice before a video camera or mirror if facing a camera during an interview makes you nervous. If the employer requests that you interview using an online video chat (such as Skype or Google Chat), do a mock interview with a friend using that technology.

12. a) Compare trait approach and contingency approach.

Trait Leadership

Trait leadership focuses on the leader and the traits he exhibits. Certain types of traits make leaders more effective. For example, the late Steve Jobs was known for his charisma. His ability to passionately articulate his visions made people want to follow his lead. Some other examples of traits that make an effective leader include intelligence, self-confidence, integrity and determination. Leadership candidates often take personality assessment tests to pinpoint their traits.

Trait-Leadership Advantages

The trait leadership approach embodies the idea that leaders are exceptional individuals who possess a combination of valuable traits. This fits in with society's idea that leaders are set apart from the rest of the group -- or leaders are born, not made. The role of personality traits in the leadership process has a large body of research -- more than a century -- to support it. No other leadership approach can make this claim of credibility. Also, the trait leadership approach serves as a benchmark for identifying suitable leaders. This approach makes personality assessments valuable for identifying a potential leader's strengths and weaknesses. It is also suitable for using with individuals and group

Situational or contingency Leadership

Situational leadership -- based on a theory that was developed in 1977 by Paul Hersey, a professor, and Ken Blanchard, a leadership expert who wrote "The One Minute Manager" -- focuses on more than the leader. Instead, a leader's actions depend on the situation and the followers. Four styles of leadership are used in the situational approach: delegating, supporting, coaching and directing. The leader selects the appropriate style according to the situation and readiness level of the followers for a particular style of leadership. For example, if the subordinates have a low level of knowledge, the directing style of leadership -- where the leader tells the followers exactly what to do -- is appropriate.

Situational Leadership Advantages

Situational leadership consists of concepts that are easy to understand and apply across a wide variety of work situations. Many Fortune 500 companies have used it as the basis of their leadership program because of its positive and credible reputation. The situational leader approach also tells the leader exactly what to do for success. This direct approach takes the guesswork out of leadership.

b) What are the requirements of effective controlling function.

The following are the essential or basic **requirements of an effective management control system**:

1. **Suitable:** The control system must be suitable for the kind of activity intended to serve. Apart from differences in the systems of control in different business, they also vary from department to department and from one level in the organization to the other.
2. **Understandable:** The system must be understandable, i.e., the control information supplied should be capable of being understood by those who use it. A control system that a manager cannot understand is bound to remain ineffective. The control information supplied should be such as will be used by the managers concerned.
3. **Economical:** The system must be economical in operation, i.e., the cost of a control system should not exceed the possible savings from its use.
4. **Flexible:** The system of control must be flexible, i.e. workable even if the plans have to be changed. In case the control systems can work only on the basis of one specific plan, it becomes useless if the plan breaks down and another has to be substituted.
5. **Expeditious:** Nothing can be done to correct deviations, which have already occurred. It is, therefore, important that the control system should report deviations from plans expeditious. No useful purpose can be served by a deviation detected months after its occurrence. The objective of the control system should be to correct deviations in the immediate future.
6. **Forward Looking:** The control system must, therefore, be forward looking, as the manager cannot control the past. In fact, the control system can at times be so devised as to anticipate possible deviations, or problems
7. **Organizational Conformity:** Since people carry on activities, and events must be controlled through people, it is necessary that the control data and system must conform to the organizational pattern. The control data must be so prepared that it is possible to fix responsibility for the deviations within the areas of accountability.
8. **Indicative of Exceptions at Critical Points:** The management principle of exception should be used to show up not only deviations but the critical areas must also be fixed for most effective control.
9. **Objectivity:** As far as possible, the measurements used must have objectivity. While appraising a subordinate's performance, the subjective element cannot be entirely removed.
10. **Suggestive of Corrective Action:** Finally, an adequate control system should not only detect failures must also disclose where they are occurring, is responsible for them and what should be done to correct them.

13. a) Differentiate transactional and transformational leadership concepts.

Different managers employ distinctly different management styles, ranging from relatively hands-off, facilitative styles to autocratic, micromanaging styles. Managers can also employ different motivational strategies and techniques to boost employee performance or accomplish internal change. Transformational and transactional leadership are polar opposites when it comes to the underlying theories of management and motivation. Understanding the difference between transformational and transactional leadership is crucial for anyone pursuing a career in management.

Transactional Leadership

Transactional leadership styles are more concerned with maintaining the normal flow of operations. Transactional leadership can be described as "keeping the ship afloat." Transactional leaders use disciplinary power and an array of incentives to motivate employees to perform at their best. The term "transactional" refers to the fact that this type of leader essentially motivates subordinates by exchanging rewards for performance. A transactional leader generally does not look ahead in strategically guiding an organization to a position of market leadership; instead, these managers are solely concerned with making sure everything flows smoothly today.

Transformational Leadership

A transformational leader goes beyond managing day-to-day operations and crafts strategies for taking his company, department or work team to the next level of performance and success. Transformational leadership styles focus on team-building, motivation and collaboration with employees at different levels of an organization to accomplish change for the better. Transformational leaders set goals and incentives to push their subordinates to higher performance levels, while providing opportunities for personal and professional growth for each employee.

b) Briefly discuss about global controlling.

The work place in the present day context is increasingly multi cultural and diverse. Employees are required to work together with colleagues from different parts of the world with varied backgrounds, customs and practices.

Many products and services are produced for export. In addition, organisations are outsourcing their work to countries having low labour costs to stay competitive. As opportunities for global expansion increase, the workplace will have more diversity. Organisations are now hiring professionals with different backgrounds, cultures, styles and motivation. It is therefore necessary for organisations to expand the capacity for people to handle the challenges of working with other cultures if they are to participate successfully.

Leaders must be adaptive and flexible to manage this diverse work force. This requires an understanding of the historical, political and economic references of people who work in the organisations. Leaders must understand differences in world views, communication styles, ethics and etiquette of the people they deal with both internally and externally.

Control emphasizes process, not numbers. The Japanese are well known for their concern for quality. Yet this has not always been the case. In the 1950s and 1960s, Japanese products had an image of shoddy quality. This image has changed; good quality is one of the characteristics now associated with Japanese products. This is due, in part, to the success of quality control, which requires grass roots involvement with very active participation in quality control circles.

CAPE

Control in the United States often means measuring performance against pre-established precise standards. Management by objectives, widely practiced in this country, requires the setting of verifiable objectives against which individual performance is measured. Thus the superior can trace deviations to specific individuals, and this often results in fixing blame.

In China, control is exercised primarily by group leaders. The control focus is primarily on the group but also on the individual. Factory managers, for example, are expected to meet their yearly quota. Thus, Chinese control practices are a mixture of U.S. and Japanese managerial practices.

14. a) Explain in detail about different control technique in an organization.

Control techniques provide managers with the type and amount of information they need to measure and monitor performance. The information from various controls must be tailored to a specific management level, department, unit, or operation. To ensure complete and consistent information, organizations often use standardized documents such as financial, status, and project reports.

Managers use these financial statements, such as an income statement or balance sheet, to monitor the progress of programs and plans. **Financial statements** provide management with information to monitor financial resources and activities. The **income statement** shows the results of the organization's operations over a period of time, such as revenues, expenses, and profit or loss. The *balance sheet* shows what the organization is worth (assets) at a single point in time, and the extent to which those assets were financed through debt (liabilities) or owner's investment (equity).

Financial audits, or formal investigations, are regularly conducted to ensure that financial management practices follow generally accepted procedures, policies, laws, and ethical guidelines. Audits may be conducted internally or externally. **Financial ratio analysis** examines the relationship between specific figures on the financial statements and helps explain the significance of those figures:

- **Liquidity ratios** measure an organization's ability to generate cash.
- **Profitability ratios** measure an organization's ability to generate profits.
- **Debt ratios** measure an organization's ability to pay its debts.
- **Activity ratios** measure an organization's efficiency in operations and use of assets.

In addition, *financial responsibility centers* require managers to account for a unit's progress toward financial goals within the scope of their influences. A manager's goals and responsibilities may focus on unit profits, costs, revenues, or investments.

b) Discuss about different leadership styles.

Laissez-Faire

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. Highly experienced and trained employees requiring little supervision fall under the laissez-faire leadership style. However, not all employees possess those characteristics. This leadership style hinders the production of employees needing supervision. The laissez-faire style produces no leadership or supervision

efforts from managers, which can lead to poor production, lack of control and increasing costs.

Autocratic

The autocratic leadership style allows managers to make decisions alone without the input of others. Managers possess total authority and impose their will on employees. No one challenges the decisions of autocratic leaders. Countries such as Cuba and North Korea operate under the autocratic leadership style. This leadership style benefits employees who require close supervision. Creative employees who thrive in group functions detest this leadership style.

Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader. Participative leadership boosts employee morale because employees make contributions to the decision-making process. It causes them to feel as if their opinions matter. When a company needs to make changes within the organization, the participative leadership style helps employees accept changes easily because they play a role in the process. This style meets challenges when companies need to make a decision in a short period.

Transactional

Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. Managers and team members set predetermined goals together, and employees agree to follow the direction and leadership of the manager to accomplish those goals. The manager possesses power to review results and train or correct employees when team members fail to meet goals. Employees receive rewards, such as bonuses, when they accomplish goals.

Transformational

The transformational leadership style depends on high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. This style of leadership requires the involvement of management to meet goals. Leaders focus on the big picture within an organization and delegate smaller tasks to the team to accomplish goals.

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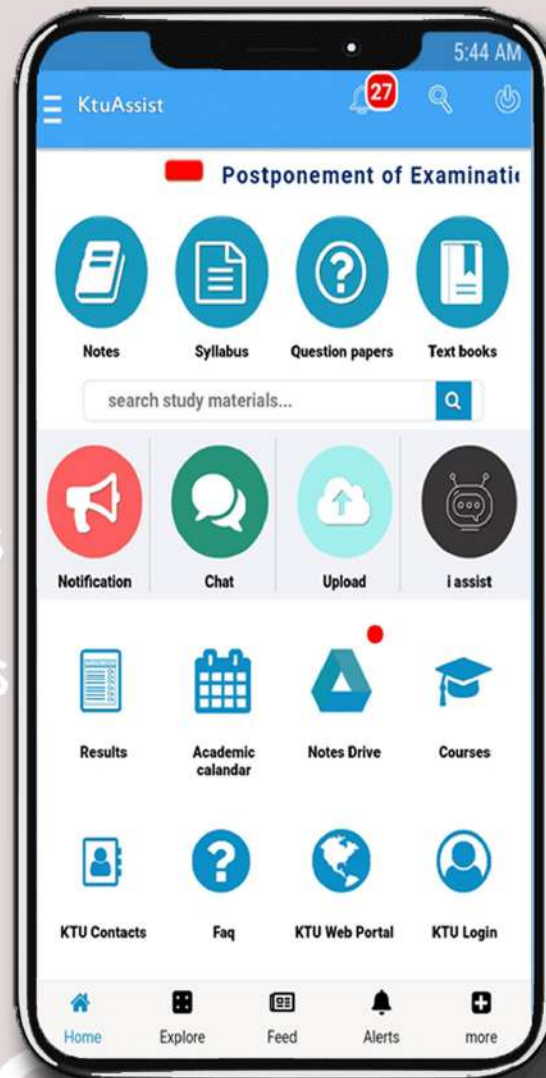
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