PART B

1) Current trends and issues in management

Ans:

Q Current Trends and Issues in Management

Management practices are continuously evolving due to several key trends and challenges. These trends affect how organizations operate, adapt, and stay competitive in a global marketplace.

1. **Globalization**: Companies are increasingly operating across borders, requiring managers to handle cross-cultural teams, global supply chains, and diverse market needs. This brings both opportunities and challenges in communication, regulation, and strategy.
2. **Technological Advancements**: Rapid advancements in technology, particularly in AI, automation, and data analytics, are reshaping industries. Managers must integrate new technologies to improve efficiency and decision-making while ensuring employees adapt to digital transformation.
3. **Innovation and Agility**: To stay competitive, organizations must foster a culture of continuous innovation. Agile management practices, where teams rapidly adapt to changes in market demands, are crucial for success in today's fast-paced environment.
4. **Workforce Dynamics**: Changes in workforce expectations, such as the demand for flexible working arrangements, emphasis on mental health, and diversity, are reshaping how managers engage and retain talent.
5. **Sustainability and Corporate Social Responsibility (CSR)**: Increasing focus on environmental sustainability and ethical practices is influencing management decisions. Companies are held accountable for their impact on society and the environment, which affects strategic planning and operational decisions.
6. **Economic Uncertainty**: Global economic fluctuations and crises (e.g., pandemics, recessions) force managers to adapt quickly, often requiring cost-cutting, reorganization, or innovative business models to maintain stability.

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2) Sole proprietorship,partnership, and company. What are the advantages and disadvantages

Sole proprietorship

Definition: A sole proprietorship is a business owned and operated by a single individual. The owner is personally responsible for all aspects of the business, including profits, losses, and liabilities.

Advantages: Simple to set up, complete control over decision-making, direct access to profits.

Disadvantages: Unlimited personal liability, limited access to capital, potential for limited growth.

Sarah runs a small bakery called "Sweet Delights." She's the sole owner and is responsible for all aspects of the bakery, from baking goods to managing finances and customer interactions.

Partnership

- **General Partnership:** In a general partnership, two or more individuals share ownership, management responsibilities, profits, losses, and liabilities.
- **Limited Partnership:** In a limited partnership, there are general partners (active management) and limited partners (investors with limited liability and involvement).
- **Advantages:** Shared responsibilities and resources, potential for diverse skills and expertise.
- **Disadvantages:** Shared liabilities, potential for disputes among partners, limited growth potential.
- John and Lisa decide to start a graphic design business together called "Creative Designs Partnership." They share responsibilities, costs, and profits equally.
- Mary invests in a real estate limited partnership. She contributes capital as a limited partner while another partner handles the management of property development.

Public Company (Publicly Held Company)

- **Public Company (Publicly Held Company):**
- **Definition:** A public company is a corporation whose ownership is divided into shares of stock that are traded on public stock exchanges. It can have a large number of shareholders.
- **Advantages:** Access to substantial capital through stock issuance, liquidity for shareholders, enhanced public visibility.
- **Disadvantages:** Extensive regulatory requirements, public scrutiny, loss of control for founders or initial owners.
- "Tech Innovate Inc." is a publicly traded technology company. Its shares are listed on the stock exchange, and anyone can buy shares of the company. Shareholders have a say in major decisions through voting.

Private Company (Privately Held Company)

- **Definition:** A private company is not publicly traded on stock exchanges and its shares are not available to the general public. Ownership is limited to a select group of investors.
- **Advantages:** More control for owners, less public scrutiny, greater flexibility in decision-making.
- **Disadvantages:** Limited access to capital compared to public companies, potential challenges in raising funds.
- "Green Earth Foods Pvt. Ltd." is a family-owned organic food business. The ownership remains within the family, and they are not publicly traded on any stock exchange.

3) Decision making types

Ans:

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

Type of Decisions

Decisions taken by organization may be classified under various categories depending upon the scope, importance and the impact that they create in the organization. The following are the different types of decisions:

a. Programmed and Non-programmed Decisions

Programmed decisions are normally repetitive in nature. They are the easiest to make. For example: making purchase orders, sanctioning of different types of leave, increments in salary, settlement of normal disputes, etc. Managers in dealing with such issues of routine nature usually follow the established procedures. On the other hand, nonprogrammed decisions are different in that they are non-routine in nature. They are related to some exceptional situations for which there are no established methods of handling such things. For example: Issues related to handling a serious industrial relations problem, declining market share, increasing competition, problems with the collaborator, growing public hostility towards the organization fall in this category.

b. Operational and Strategic Decisions

Operational or tactical decisions relate to the present. The primary purpose is to achieve high degree of efficiency in the company's ongoing operations. Better working conditions, effective supervision, prudent use of existing resources, better maintenance of the equipment, etc., fall in this category. One the other hand, expanding the scale of operations, entering new markets, changing the product mix, shifting the manufacturing facility from one place to the other, striking alliances with other companies, etc., are strategic in nature. Such decisions will have far reaching impact on the organization.

c. Organizational and Personal Decisions

Decisions taken by managers in the ordinary course of business in their capacity as managers relating to the organizational issues are organizational decisions. For example: decisions regarding introducing a new incentive system, transferring an employee, reallocation or redeployment of employees etc. are taken by managers to achieve certain objectives. As against such decisions, managers do take some decisions which are purely personal in nature. However, their impact may not exactly confine to their selves and they may affect the organization also. For example: the manager's decision to quit the organization, though personal in nature, may impact for the organization.

d. Individual and Group Decisions

It is quite common that some decisions are taken by a manager individually while some decisions are taken collectively by a group of managers. Individual decisions are taken where the problem is of routine nature, whereas important and strategic decisions which have a bearing on many aspects of the organization are generally taken by a group. Group decision making is preferred these days because it contributes for better coordination among the people concerned with the implementation of the decision

12 Marks:

1) 14 principles of management (Unit 1)

Fourteen Principles of Management By Henri Fayol

1. Division of Work-

Henri believed that segregating work in the workforce amongst the worker will enhance the quality of the product. Similarly, he also concluded that the division of work improves the productivity, efficiency, accuracy and speed of the workers. This principle is appropriate for both the managerial as well as a technical work level.

2. Authority and Responsibility-

These are the two key aspects of management. Authority facilitates the management to work efficiently, and responsibility makes them responsible for the work done under their guidance or leadership.

3. Discipline-

Without discipline, nothing can be accomplished. It is the core value for any project or any management. Good performance and sensible interrelation make the management job easy and comprehensive. Employees good behaviour also helps them smoothly build and progress in their professional careers.

4. Unity of Command-

This means an employee should have only one boss and follow his command. If an employee has to follow more than one boss, there begins a conflict of interest and can create confusion.

5. Unity of Direction-

Whoever is engaged in the same activity should have a unified goal. This means all the person working in a company should have one goal and motive which will make the work easier and achieve the set goal easily.

6. Subordination of Individual Interest-

This indicates a company should work unitedly towards the interest of a company rather than personal interest. Be subordinate to the purposes of an organization. This refers to the whole chain of command in a company.

7. Remuneration-

This plays an important role in motivating the workers of a company. Remuneration can be monetary or non-monetary. However, it should be according to an individual's efforts they have made.

8. Centralization-

In any company, the management or any authority responsible for the decision-making process should be neutral. However, this depends on the size of an organization. Henri Fayol stressed on the point that there should be a balance between the hierarchy and division of power.

9. Scalar Chain-

Fayol on this principle highlights that the hierarchy steps should be from the top to the lowest. This is necessary so that every employee knows their immediate senior also they should be able to contact any, if needed.

10. Order-

A company should maintain a well-defined work order to have a favourable work culture. The positive atmosphere in the workplace will boost more positive productivity.

11. Equity-

All employees should be treated equally and respectfully. It's the responsibility of a manager that no employees face discrimination.

12. Stability-

An employee delivers the best if they feel secure in their job. It is the duty of the management to offer job security to their employees.

13. Initiative-

The management should support and encourage the employees to take initiatives in an organization. It will help them to increase their interest and make then worth.

14. Esprit de Corps-

It is the responsibility of the management to motivate their employees and be supportive of each other regularly. Developing trust and mutual understanding will lead to a positive outcome and work environment.

2) Human relation theory from evolution of management (Unit 1)

The **Human Relations Theory**, formulated by **Elton Mayo** and his associates, emerged as a significant development in management thought in the early 20th century. It arose from the results of the **Hawthorne experiments**, conducted between 1927 and 1932 at the Western Electric Hawthorne Works in Chicago. Originally intended to examine the relationship between lighting and worker productivity, the Hawthorne studies uncovered something much more profound: productivity was less influenced by physical work conditions and more by the social environment and psychological factors.

Key Principles of Human Relations Theory

1. **Importance of Social Factors**: One of the most critical insights from the Hawthorne studies was that employees are motivated not merely by economic incentives but by social factors. Interactions with colleagues and supervisors, feeling valued in a group, and being part of a team significantly influence workers' morale and productivity. This represented a shift from the earlier Scientific Management approach, which viewed workers merely as cogs in a machine.
2. **Group Dynamics and Norms**: The theory emphasised that workers do not behave as isolated individuals but as part of social groups with their own norms. Informal group dynamics can significantly impact worker output. Workers' productivity was often aligned with the standards set by the group rather than individual incentives. Social approval from peers and a sense of belonging were crucial motivators.
3. **Leadership and Communication**: Mayo's work also underscored the importance of leadership style and communication in enhancing worker productivity. Leaders who understood and supported their employees, facilitated communication, and encouraged worker participation were more effective in motivating their teams. The focus shifted from authoritative control to a more participative style of leadership, fostering collaboration and trust.
4. **Non-economic Rewards**: According to the Human Relations Theory, non-economic rewards, such as recognition, praise, and a sense of belonging, were key to improving worker satisfaction and, consequently, productivity. The Hawthorne experiments demonstrated that workers performed better when they felt they were being observed and appreciated, even when there were no material changes in their work conditions.
5. **Psychological Well-being**: The psychological state of employees, including their morale, job satisfaction, and perceived recognition, was shown to have a direct impact on productivity. Managers were encouraged to pay attention to the emotional needs of their employees, acknowledging that satisfied workers were more productive and committed to their roles.

Impact on Management Practices

The Human Relations Theory marked a significant departure from earlier management theories like **Scientific Management**, which focused solely on task efficiency and economic incentives. It brought attention to the fact that employees are not motivated purely by money but by their social environment, relationships, and well-being. This theory laid the groundwork for the development of **Human Resource Management (HRM)** and modern organizational behavior studies.

Criticisms of the Human Relations Theory

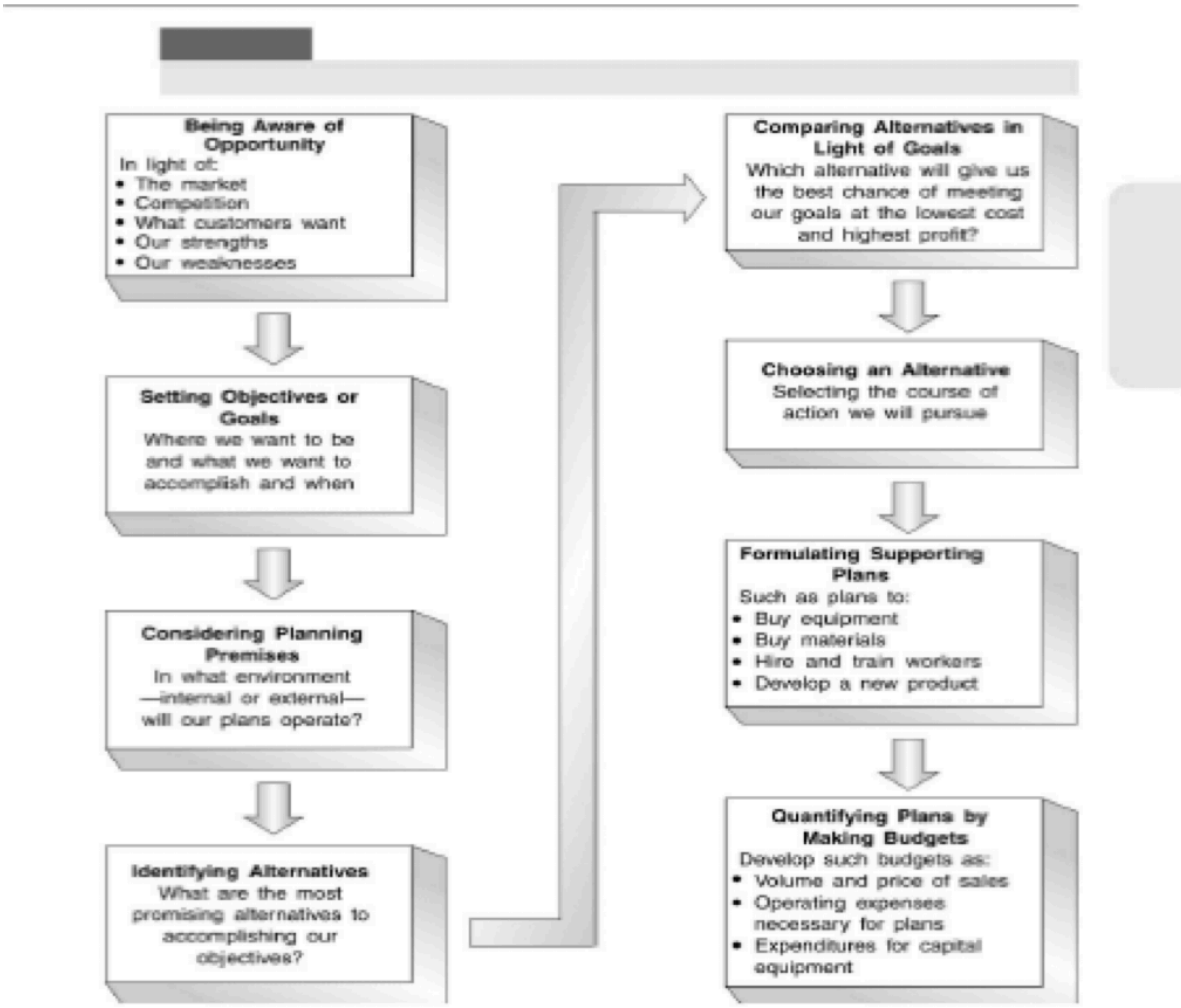
Despite its contributions, the Human Relations Theory has faced criticism. First, it is argued that the theory lacks a rigorous scientific foundation. The Hawthorne experiments themselves were not strictly controlled, and some argue that the results were influenced by the **Hawthorne Effect**—the tendency for people to improve their behavior simply because they know they are being observed.

Additionally, the theory has been criticized for placing too much emphasis on social interactions and interpersonal relationships, often at the expense of focusing on the actual work itself. Critics also suggest that it neglects broader economic and structural factors in organizations, such as the role of trade unions or larger systemic issues related to power and conflict within the workplace.

Conclusion

The Human Relations Theory was revolutionary for its time, redirecting focus from the purely mechanistic views of workers to a more holistic understanding that includes social and psychological needs. It paved the way for more humane and employee-centred management practices, laying the foundation for modern organisational behaviour and HRM.

3) How will the organization go abt the planning process? Explain the steps with a diagram (Unit 2)



How Will the Organization Go About the Planning Process? Explain the Steps with a Diagram

Planning is an essential process in any organization, serving as the foundation for future actions. It involves determining objectives and developing strategies to achieve them. The planning process ensures that an organization moves in the right direction, utilizing resources effectively and efficiently. The steps in the planning process are as follows:

1. **Setting Objectives**: The first step is to define the goals that the organization intends to achieve. These objectives must be clear, specific, and measurable, forming the basis for all future actions. Examples of objectives include increasing market share or improving product quality.

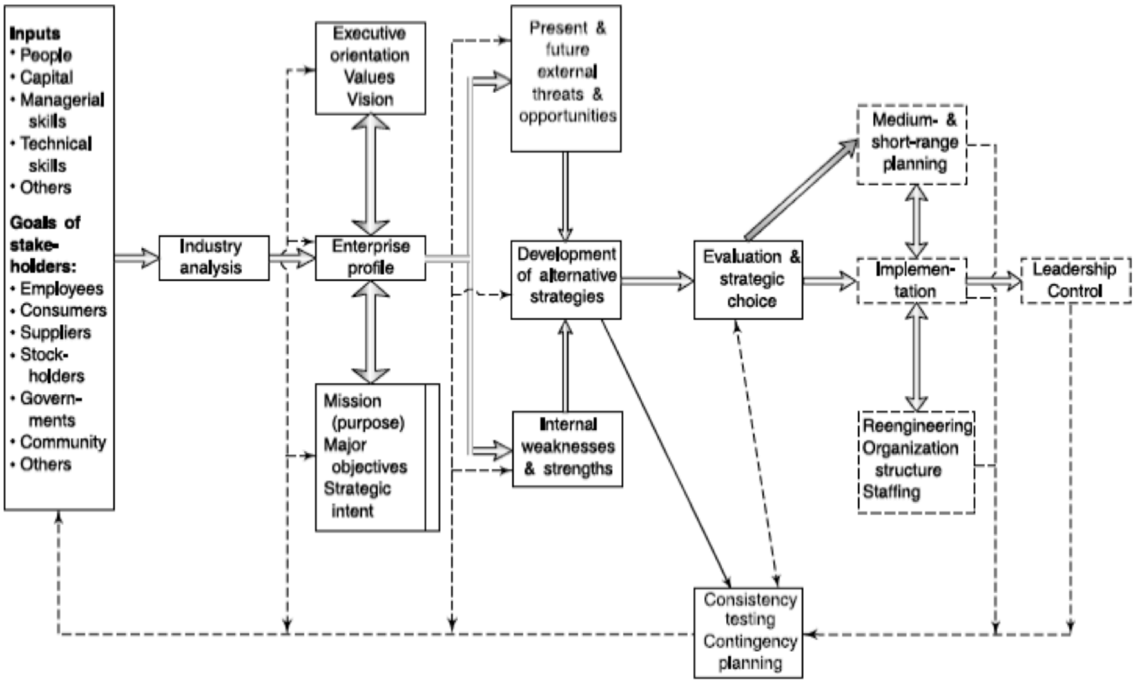
2. **Developing Premises**: This step involves making assumptions about future conditions such as market trends, economic forecasts, and competition. These premises provide the framework for the plan and help in minimizing uncertainty.
3. **Identifying Alternative Courses of Action**: Once the objectives are set and premises are developed, managers need to identify various strategies or actions that can be taken to achieve the objectives. These alternatives must be realistic and feasible.
4. **Evaluating Alternatives**: In this step, each alternative is carefully assessed based on its potential outcomes, costs, and risks. The goal is to select the most effective course of action.
5. **Selecting the Best Course of Action**: After evaluating the alternatives, the organization selects the most suitable plan that aligns with its objectives and available resources.
6. **Formulating Supporting Plans**: In addition to the main plan, supporting plans are developed to address any contingencies or unforeseen events that might arise during implementation.
7. **Implementing the Plan**: This step involves executing the plan by assigning tasks to specific individuals or departments, allocating resources, and setting deadlines for achieving objectives.
8. **Monitoring and Control**: Finally, the planning process includes establishing monitoring systems to track progress and ensure that the plan is being implemented as intended. If there are deviations from the plan, corrective measures can be taken.

4) Steps in the strategy management process

Figure 5.1

Strategic Planning Process Model.

Adapted and modified from Heinz Weihrich, "The TOWS Matrix: A Tool for Situational Analysis," *Long Range* Planning, vol. 15, no. 2 (1982), pp. 54–66.



Steps in the Strategy Management Process

The **Strategic Management Process** is a comprehensive approach organizations use to develop, implement, and evaluate strategies to achieve long-term objectives. This process enables businesses to adapt to changes in the external environment and stay competitive. The major steps in the strategic management process are:

1. **Defining the Mission and Objectives**: The first step is to articulate the organization's mission, vision, and long-term objectives. The mission defines the organization's purpose, while the objectives set specific, measurable goals such as entering new markets or increasing profitability.
2. **Environmental Scanning**: This involves analyzing the internal and external environments to identify strengths, weaknesses, opportunities, and threats (SWOT). Internal analysis focuses on resources, capabilities, and core competencies, while external analysis considers factors like market trends, competitors, and regulatory changes.
3. **Strategy Formulation**: Based on the insights from the environmental analysis, organizations develop strategies to achieve their objectives. These strategies can be at different levels:
    - **Corporate Strategy**: Determines the overall direction of the organization (e.g., diversification or market expansion).

    - **Business Strategy**: Defines how the organization competes in specific markets (e.g., cost leadership or differentiation).
    - **Functional Strategy**: Involves optimizing specific departments or functions, such as marketing, finance, or operations.
4. **Strategy Implementation**: This step involves putting the chosen strategy into action. It requires allocating resources, assigning tasks, and ensuring that employees at all levels understand their roles in achieving strategic goals. Effective communication and leadership are critical at this stage to ensure smooth implementation.
5. **Evaluation and Control**: The final step is to monitor and evaluate the performance of the strategy. Organizations must track key performance indicators (KPIs) to assess whether the strategy is producing the desired results. If deviations occur, corrective actions are taken to align performance with objectives.

The **strategic management process** is continuous and cyclical, requiring organizations to revisit and refine their strategies as needed based on changing conditions in the internal or external environment.

By following this structured process, organizations can ensure that their strategies are not only well-aligned with their goals but also flexible enough to adapt to dynamic market conditions.

2 Marks:

Unit 1:

1. Definition of Management

Management is the process of planning, organizing, leading, and controlling resources to achieve specific organizational goals. It involves coordinating human and material resources to maximize efficiency and effectiveness.

2. Management as Science

Management is considered a science because it involves systematic knowledge, principles, and theories that can be applied to improve organizational efficiency.

3. Management as Art

Management is an art as it requires personal skills, creativity, and judgment to apply the scientific principles of management effectively in real-life situations.

4. Define Entrepreneurship

Entrepreneurship refers to the process of identifying opportunities, creating new businesses, and taking on financial risks with the aim of making a profit.

5. Define Various Types of Managers

Managers can be categorized into top-level managers (strategic planning), middle-level managers (implementation and coordination), and lower-level managers (supervision and day-to-day operations).

6. Skills Required for Being a Manager

A manager needs technical skills (task-specific knowledge), human skills (interpersonal communication), and conceptual skills (understanding the big picture and strategy).

7. Brief Note on Evolution of Management

Management evolved from classical theories like Scientific Management, which focused on efficiency, to modern theories like the Human Relations Theory, which emphasizes employee well-being and social factors.

8. Necessity of HR (Human Relations) Management

HR management is essential for recruiting, developing, and retaining talent while ensuring that employees' needs and organizational goals are aligned.

9. Types of Business Organization

The main types of business organizations are sole proprietorship, partnership, and corporation, each with different structures and legal implications.

Unit 2:

1. What is Planning?

Planning is the process of setting objectives and determining the best course of action to achieve them.

2. What Are Objectives for a Company?

Objectives are specific, measurable goals that guide the company’s actions and decision-making processes.

3. What is Policy Making?

Policy-making involves creating guidelines that help managers make consistent decisions in line with the organization’s goals.

4. Name Any 2 Planning Tools

Two planning tools are **SWOT analysis** (evaluating strengths, weaknesses, opportunities, and threats) and **PERT charts** (used for project scheduling and management).

5. Brief About Any 2 Significant Steps of Decision Making

Two significant steps in decision-making are **identifying the problem** and **evaluating alternative solutions** to select the best course of action.

6. Types of Planning (Any 2)

Two types of planning are **strategic planning** (long-term goals) and **tactical planning** (short-term actions to implement strategies).