

Principles of Management (POM) Model Soln (2018)

- Mohes'

Group A

- (1) Discuss the challenging perspectives of org. in present business operation.

(Unit 1)
~~Objectives~~

Answer: An Org. is an association (system) of people with common goals and integrated efforts. It is a functional entity and a relational framework of responsibility and authority.

i.e. Peoples having common objectives and goals join org. by establishing formal relationship among individuals with certain authority and responsibilities.

NOTE

There is difference in changing and challenging perspectives of org. (In our syllabus, only changing perspectives are introduced as: (Mechanistic, Organic, System, Cultural, Learning and Global). *{Don't Get Confused}*

But, the challenging perspectives are:

⑤ Improving People's Skills

As Technological, structural, environmental changes are accelerated at a faster rate in business field, but unless the employees & executives are equipped to possess the required skills to adopt those changes, the targeted goals can't be achieved on time.

Skills are sub divided as (Managerial and Technical skills)

⑥ Improving Quality and Productivity :

Quality is the extent to which the user believe the product/service meets their needs and expectations and is same for productivity. The product/service should be

produced according to the need and demand of customers in both productivity and quality. The key dimensions of quality are: Performance, Features, Reliability, Durability etc.

c) Total Quality Mgt (TQM):

A Mgt. that is driven by the constant attainment of customer satisfaction through continuous improvement of all organizational processes for lifetime.

- * Intense focus on users
- * Concern for continual improvement
- * Empowerment of Employees etc.

d) Managing Workforce Diversity:

A single org. contains heterogeneous employees (i.e. gender, race, caste, religion, ethnicity etc) and among them org. need to tap the talents & potentialities and make them work under same roof, without any conflicts b/w them.

e) Responding to Globalization:

Today's ~~market~~ business is market driven no matter what region, distance, environments are to be adopted, the business operation need to be expanded in global community to gain their market share and remain in top rank.
Eg: Apple, Samsung, SriLankan Tea, Japanese Cars etc. are sold worldwide.

f) Empowering People:

Encouraging the employees to participate in work related decision will sizable (decent)

enhance their commitment on work. Managers can do this by allowing employees full control of their work in controlled situations.

④ Coping with Temporariness:

Recently, the product life cycle are changing i.e. new methods/technology/advancements are emerging day to day and the org. also need to adopt those changes continuously or it cannot sustain in market of business. New Trends will overcome it.

(i) Stimulating Innovations and Change (Same as above)

(ii) Improving Ethical Behaviour

(iii) " " Customer Services (same as point ② or TQM)

(You can describe them if you want)

(2) Explain the Emerging Business Environment in Nepal. (Unit 4)

Answer: Business environment is a set of all forces surrounding the business that influence the existing and development of business activities of any org.

Simply, it is composite set of internal and external forces that affect the whole life cycle directly or indirectly.

Business envr is dynamic in nature as its components keep on changing rapidly and Nepalese society is also changing fast in various sectors

[Nepalese Business Society]. Those sectors/environments are described below:

① Economic system and Policy:

Nepal follows mixed economic system and open market policy, which creates challenges for existing business, but new opportunities for upcoming business.

② Increasing Buying Power of Consumers:

It is sharply increasing and remittance has the greatest role in such increase in purchasing power. Expanding construction work also has increased employment to unskilled and semiskilled people in country.

③ Political Instability:

As the Gov. of Nepal is not stable in full term. Despite being so, it has shown its good impact in capital (political stability).

marketing and in foreign direct investments. Political stability increases the Business Confidence Index (BCI) of existing business org. & foreign investors too.

④ Excessive Use of Communication Technology and internet

nowdays have become best & most used means for business promotions as well as doing business with even small capital.

e) Rapid Technology Change:

New technology helps to decrease production cost and increased productivity and quality, but still Nepal has been severely suffering as they (org) cannot invest in rapidly changing trends with large capital.

f) Increased female involvement in economic activity:

In recent years, maxm no. of females are being involved in economic activities creating job opportunities for others as well.

g) Changing attitude of Consumers:

Nowadays, the consumers are losing their commitment & loyalty to particular products, as they are getting new high quality products at low price rate. So the org. should gradually increase the quality of product and lower the pricings.

h) Increasing Consumerism:

In Recent days, consumers are aware of constitutional right for consumers and who wish to have strong commitment from business org. If they can't get their wantings, they may change their interest and go for another alternative.

Describe at least 7 points for long questions
4 " " short — .

I said

AT
LEAST

(3) Describe different types of modern organizational structures.

Answer:

Give Des'n of Org. +

(Unit 6)

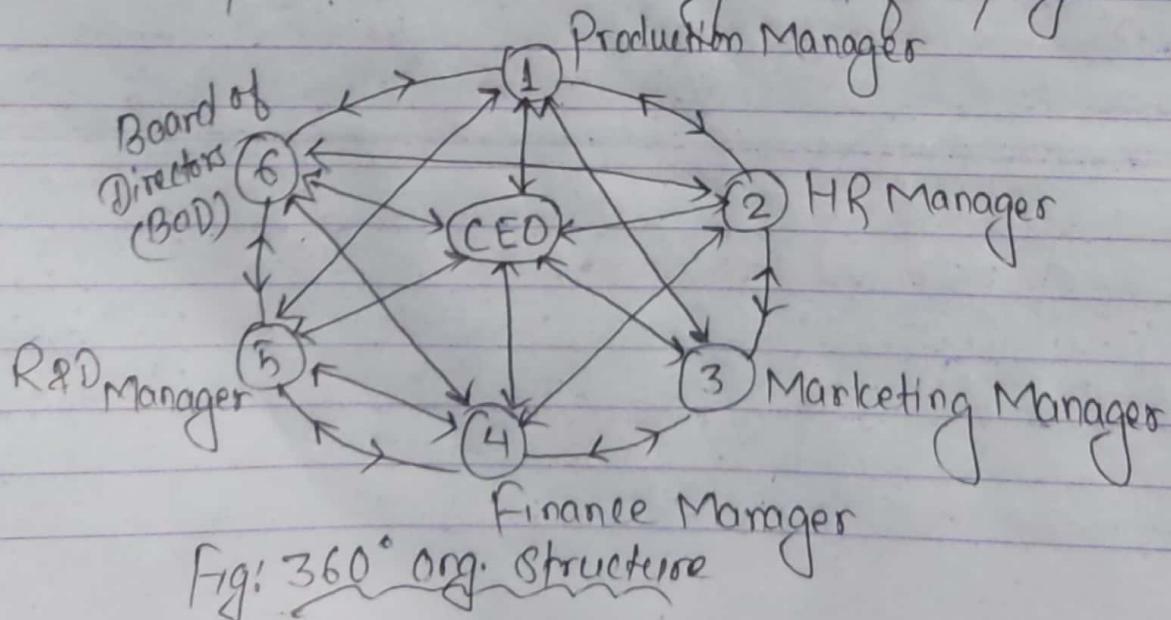
The types of modern org. structures are:

- (a) 360° structure (b) Work Team (c) Networks structure

(A) 360° Structure:

It is a new way of thinking which elaborates the effectiveness of team structure. Under this philosophy, the manager takes the accountability, responsibility and central decision-making authority. Each member shares ideas, views and feedback to each other under the structure so that the cooperation, coordination and mutual understanding can be increased.

This org. structure is mostly focused on the contribution of employee and their skills along with competencies. It is the balanced way of viewing the actual performance of employee in the area of team work, leadership, interaction, interpersonal communication, mutual and self-defined communication/contribution and working habit of employees.



b) Work Team Organization Structure:

Team is coll' of people having complementary skills. The team concept is taken as most important means of organizing work activities.

Teams are formed at operational (low/unit) level to improve productivity and to enhance the performances of the employees. Problem solving, self managed, cross function, quality circle etc are types of teams.

Types of Team structures used in org. are:

(i) Project Team: They are self directed & self sufficient working groups and such teams are prepared for certain activities like: setting up new technology, solving special technical problems etc.

(ii) Task Force Team: Group of top executives and specialists from different functional areas of org. Such teams are formed for open communication, conflict resolution, cross functional specialization etc.

(iii) The Venture Team: Team made for introducing / launching new ventures, products or new business etc.

c) Network Organization Structure

Based on social nw of interactions. This is comparatively a newly introduced org. structure that is more flat, more decentralized and flexible than other structures.

When an org. needs/receives services from outside of org. to perform their functions in such case a nw P is to be formed which is termed as nw org. structure.

In this structure, managers coordinates and

controls relation with both internal & external to the firm.

Advantages

- * More agile than other structure
- * Decentralized
- * Wider span of control
- * Seamless communication.

(4) What is motivation? Explain Maslow's need hierarchy theory of motivation (Unit 8)

Answer

Motivation is an act of inspiring the people working in the org. to devote their effort at work to achieve organizational goals.

Motivation is inner state that stimulates energy and creativeness to do something better.

Importance

- * Improves Productivity
- * Better/More Turnover
- * Creates Willingness
- * Managing Changes
- * Develops +ve attitude

II Part

Maslow's Need Hierarchy Theory of Motivation:

Developed by well known psychologist Abraham Maslow in 1943 AD and is based on human needs. He classified human needs into hierarchical form ranging from lower to higher order.

He believed that, "Only unsatisfied needs motivate the people and only after fulfilling needs at given level, the higher level needs are emerged.

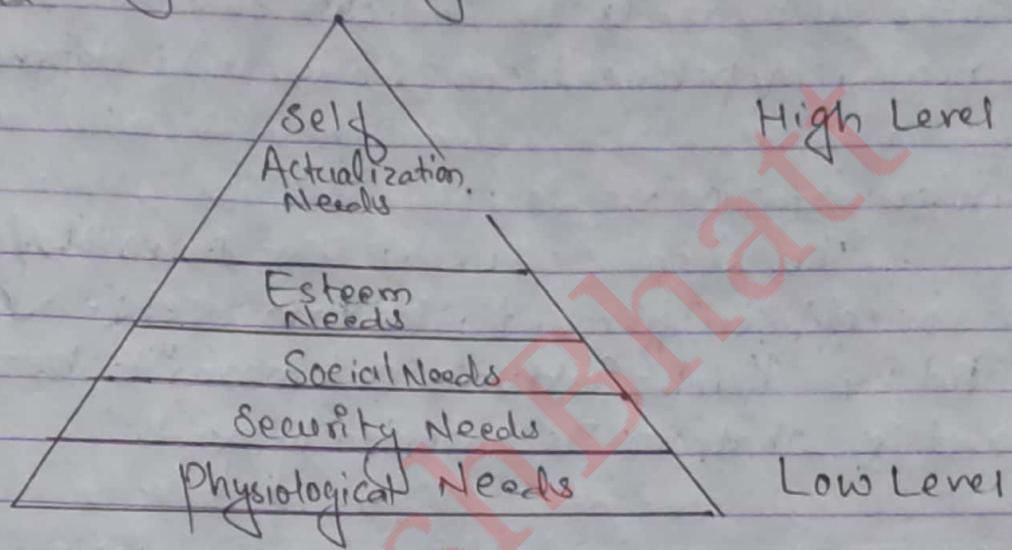


Fig: Maslow's Need Hierarchy Theory

a) Physiological Needs:

These needs are one of the lowest order and basic needs of human beings. This involves satisfying fundamental biological drives such as need for food, air, water, cloth, etc.

b) Safety and Security Needs:

Second level of needs that are emerged once the physiological needs are satisfied. Safety needs involve the need of secure envr, free from physical threats and harms etc. They become inactive once they are fulfilled.

c) Social Needs: Man is social animal. These needs, therefore refer to belongings. All individual wants to be recognized and accepted by others. Likewise, entrepreneur is motivated to interact with fellow entrepreneurs, his employees & others.

④ Esteem Needs: (Respect & Admiration)

These needs refer to self-esteem and self-respect. These include such needs that indicate self-confidence, achievement, competence, knowledge and independence.

⑤ Self-Actualization Needs

The final step under need hierarchy model. It refers to self-fulfillment. The term "self-actualization" was coined by Kurt Goldstein and means "to become actualized in what one is potentially good."

Conclusion:

In Maslow's above need hierarchy theory, human needs are arranged in a lowest to highest order. The second need does not dominate first need, unless the first is reasonably satisfied and same process goes on till the end.

This is because man is never satisfied. If one of the need is satisfied, another need arises.

But, once the need is satisfied, it ceases (end) to be a motivation factor. (i.e. it ~~ceases~~ no more motivates)

Group 'B'

5. What do you mean by workforce diversity? Point out its advantages and disadvantages. (Unit 3)

Answer From planning to implementation of plans and output evaluation, human resources are essential for various capacities at different levels. Without human resources, we cannot imagine, the accomplishment of organizational goals. But, it is not easy to hire and manage homogeneous set of human resources as there is need of equal opportunities at job position, the complexity of work force variation (diversity) because of the Globalization.

In modern org. there are different types of human resources (workforce) in terms of age, gender, caste, race, economic, social, geographical status and variation etc.

Getting synergy from diversity of human resource is great challenge to current mgt.

Advantages:

- * Variety of perspectives
- * Increased Creativity
- * Increased Productivity
- * Improved Performance
- * Brand Reputation
- * Better Decision making etc.

Disadvantages:

- * Poor focus on leadership qualities
- * Chances of conflict
- * Decrease in mutual trust
- * Increased Complaints
- * Communication Problems etc.

(6) Define Business Ethics. Explain their significance. (Unit 4)

Answer

Business ethics is the study of business situations, activities and decisions where issues of right and wrong are addressed.

By business ethics, we can differentiate b/w the correct and false business activities of business org.

It is the ethics of responsibilities where the businessman must promise, he will not harm to the society knowingly.

features:

- ④ Code of Conduct ④ Moral & social values
- ④ comparatively new concept ④ focus on protection of stakeholders

Significance of Business Ethics:

① Preventing Malpractices: Prevents from unfair trading like black marketing, cheating, adulteration, low quality goods etc.

② Improved confidence: Helps to make decisions with confidence and make business activities reliable, qualitative etc.

③ Survival & Growth of Business: Ethics helps to get better knowledge of business survival and growth as well as retention of customers be maintained.

④ Smooth functioning ④ Supporting Employees
④ Protection of Consumers Right

(7) Highlight the importance of planning. (Unit 5)

Answer "A well designed plan is half completion of the tasks." Planning is a process of setting future courses of actions regarding what to do, how to do, what to do, who will do etc. to attain goals of an org.

Planning is the blueprint of organizational actions, goals, tasks etc. to accomplish them on time with proper use of resources.

Importance of Planning

- ① Uncertainty Reduction: It helps to reduce risks and uncertainty that may arise presently or in future.
- ② Goals focus: Helps the org. to focus their attention for achieving goals and at desired state and time.
- ③ Better Coordination: facilitates better and effective coordination as well as allocation of resources.
- ④ Increases Efficiency: facilitates effective use of resources.
- ⑤ Environmental Adoption: Identifies environmental opportunities and threats. Helps to manage the changes.
- ⑥ Basic for Control: Makes control more effective and meaningful.
- ⑦ Avoid Random Activities
- ⑧ Increases Commitments.

8. State the Types of Decision. (Unit 5)

Answer

Decision making is the process of selecting best course of action from available alternatives. During this, the managers need to identify all the alternatives in term of pros and cons and choose the best combination of alternatives carefully.

Managers use quantitative tools and techniques for effective decision making.

Types of Decision:-

Strategic Decision

They are:

- * Long Term
- * Complex
- * Made by Senior Managers

Eg: Aiming to be market leaders.

Tactical Decision

They are:

- * Medium Term
- * Moderate
- * Made by Middle Managers

Eg: Launching new products / services.

Operational Decision

They are:

- * Short Term
- * Simple & Routine
- * Made by Junior Managers

Eg: Supplying order

Q) What is Centralization? Explain its disadvantages. (Unit 6)

Answer

Centralization is a process of systematically retaining power and authority at the top-level.

In centralized org. the considerable authority and accountability remains at the top of the hierarchy top level mgl. and makes all

decisions and help to implement them.

Centralization is prepared in stable and predictable business environment.

Advantages:

- * Unity in decision
- * Simplified structure
- * Better conditions
- * Less operation cost
- * Unified Leadership
- * No duplication and overlapping

Disadvantages

- * Delay in decision as conflicts may arise b/w different levels (top, middle, low)
- * Limited Capability as only one manager have to make decisions even for different functional areas.
- * Work Overload : As only one manager have to make all the decisions thus manager should always work under load resulting decrease in quality of decision.
- * Chance of power misuse as the top level mgmt. makes all decision and he/she may think is the sole authority of org. causing high chance of power misuse.
- * Lack of environmental adaptation.

(10) Explain the different types of leadership styles. (Unit 7)

Answer

Leadership is an art of influencing subordinates to direct their will, abilities and efforts for the achievement of predetermined goals of org.

People who direct us command subordinates are

called leaders and those who follow the direction/order are called followers.

Types of Leadership Styles:

(A) Authoritative Style (B) Situational Style

(A) Authoritative Style:

A leadership pattern when a leader makes policies and procedures, decides the organizational destination, personal goals and controls all activities without participation of any subordinates.

Further divided as:

(i) Autocratic Leadership: Decision making power is centered to top level leaders and views / ideas of subordinates are dominated. Leaders follow strict & negative motivation.

(ii) Democratic Leadership: Decisions are made by leaders by consulting with subordinates and their views / ideas are respected. Leaders follow less strict and positive motivation.

(iii) Lassie Faire Leadership: Here, the decision making authority is delegated to subordinates. The leaders does not interfere in the decisions made byordinates, rather acts as facilitators.

(B) Situational Style:

It advocates that, there cannot be any universally applicable leadership style and it can be made as according to time, place and situation.

The leadership style should be changed accordingly to the changes in situational variables. Such situational variables are structure of task, leader-follower relation etc.

(1) Define Communication. Explain the barriers of effective communication (Unit 9)

Answer:

The word "Communication" is derived from the Latin word "communis" meaning common. Literally, the communication is to inform, to tell or spread information to all concerned people so that it will be common to them.

An effective communication is the process of sending a message in such a way that the message received is as close as possible in meaning to the message intended.

Barriers of Effective Communication:

(a) Process Barriers

- * Executive use of symbol in encoding
- * Filtering & screening out of info.
- * Fear of mistrust
- * Lack of Openness

(b) Physical Barriers

- * Physical Distance
- * Org. design
- * Large org

(c) Psychological Barriers

- * Lack of interest
- * Resistance to Communicate
- * Emotional factors

④ Semantic Barrier

- * Long & complex communication system
- * Ambiguous Sentences

⑤ Technological Barriers

- * Information Overload
- * Timing difference
- * Lack of familiarity

Q12 Explain the basic steps in Control Process. (Unit 10)

Answer: Controlling is the process of setting standards for output, measuring actual output, finding deviation (if any) and initiate corrective actions to eliminate/minimize the deviation b/w predetermined and actual outputs.

The steps in Control process are:

① Establishing Standards

Control process, first sets standards which are basic level of expected output. On the basis of these standards, later, the actual performance is evaluated.

② Measuring Performance:

Actual output or performance is measured against the desired output, whether it satisfies or not.

③ Comparing Actual Performance with Standard Performance:

It is done, to find out if there exists any deviation from actual performance.

④ Taking Corrective Actions:

Corrective actions should be selected on the basis of deviations such as training and development, review of strategy or policy etc. to remove the cause of deviations.

(13) What is Total Quality Mgt (TQM)? Explain the tools of TQM. (Unit 10)

Answer TQM is the strategic commitment of top level mgt. for planning continuous improvement in quality of products to meet the requirements of customers. It focuses not only on the product quality but also for the improvement of quality of work life of all employees as well as the product.

* Tools of TQM are:

- a) Benchmarking: A process of comparing org. performance continuously with best performing unit within the org. or in the market, and adopting best way to improve quality of org's performance.
- b) Outsourcing: It means sub contracting some jobs, services to other firms (org) that can provide it at cheaper rate and better quality.
- c) Speed: Speed is time required to org. to get something accomplished. It can be emphasized in any area including developing, producing, promoting etc.
- d) Right time first: Employee ensures doing right thing in first time so that no any (zero) defects are seen in production process and products.
- e) Just In Time [JIT] etc.

Q4. Define Globalization. Explain the methods of globalization.
Answer: (Unit 11)

Globalization refers to the integration of economies and societies all over the world. It involves technological, economic, political and cultural exchanges made possible largely by advancement in communication, transport and infrastructure.

Generally, It refers to free movement of goods, services, people, capital and information & technology across national borders.

Methods of Globalization:

(a) Importing and Exporting: Most traditional and common method of globalization. It involves buying and selling products from and to other countries without establishing any manufacturing facilities.

(b) Licensing and Franchising: Licensing is process of assigning the rights to certain technical know how, design etc to foreign countries in return of royalties.

↳ franchising is form of licensing in which parent country (org), grant rights to do business in prescribed manner to another org.

(c) Joint Venture: A process of sharing ownership to foreign companies. It is very popular and effective for transferring technologies, ideas, knowledge etc. to developing countries from developed ones.

(d) Strategic Alliances

(e) Merger and Acquisition
Acquisition etc.

15. Explain the major problems of business in Nepal. (Unit 12)
The major problems of business in Nepal are:

- * Lack of Proper Infrastructure
- * Policy related problems
- * Politics related problems
- * Lack of mutual trust
- * Capital and technology lacking
- * Demand related problems
- * Raw Materials related problems
- * Labors related problems etc.

(You can describe them if you need !)

"Best of Luck"