

F1.1 Management in Organisations

Model Answers

July 2019

Section A

1)

1	C	11	C
2	C	12	D
3	A	13	B
4	D	14	C
5	A	15	C
6	A	16	D
7	A	17	C
8	D	18	C
9	C	19	C
10	D	20	A

Section B

2) (a) Differentiate the following

BASIS FOR COMPARISON	Administration Management	Scientific Management
Meaning	Henry Fayol, is a father of modern management who laid down fourteen principles of management, for improving overall administration.	F.W. Taylor, is a father of scientific management who introduced four principles of management, for increasing overall productivity.
Emphasis	Top level management	Low level management
Applicability	Universally applicable	Applies to specialized organizations only.
Basis of formation	Personal Experience	Observation and Experimentation
Orientation	Managerial function	Production and Engineering
System of Wage Payment	Sharing of profit with managers.	Differential Payment System
Approach	Manager's approach	Engineer's approach

(6 Marks)

(b) Explain the external environment using PESTEL or any other relevant model

External Environment- Includes all the factors outside the organization which provide opportunities or pose threats to the organization. The major external and uncontrollable factors that influence an organization's decision making, and affect its performance and strategies.

A PESTEL analysis is a framework or tool used by marketers to analyze and monitor the macro-environmental (external marketing environment) factors that have an impact on an organization. The result of which is used to identify threats and weaknesses which is used in a SWOT analysis.

P	E	S	T	E	L
<ul style="list-style-type: none"> - Government policy - Political stability - Corruption - Foreign trade policy - Tax policy - Labour law - Trade restrictions 	<ul style="list-style-type: none"> - Economic growth - Exchange rates - Interest rates - Inflation rates - Disposable income - Unemployment rates 	<ul style="list-style-type: none"> - Population growth rate - Age distribution - Career attitudes - Safety emphasis - Health consciousness - Lifestyle attitudes - Cultural barriers 	<ul style="list-style-type: none"> - Technology incentives - Level of innovation - Automation - R&D activity - Technological change - Technological awareness 	<ul style="list-style-type: none"> - Weather - Climate - Environmental policies - Climate change - Pressures from NGO's 	<ul style="list-style-type: none"> - Discrimination laws - Antitrust laws - Employment laws - Consumer protection laws - Copyright and patent laws - Health and safety laws

(6 Marks)

(c)

➤ Interpersonal Category

The managerial roles in this category involve **providing** information and ideas.

1. **Figurehead** – As a manager, you have social, ceremonial and legal responsibilities. You're expected to be a source of inspiration. People look up to you as a person with authority, and as a figurehead.
2. **Leader** – This is where you provide leadership for your team, your department or perhaps your entire organization; and it's where you manage the performance and responsibilities of everyone in the group.
3. **Liaison** – Managers must communicate with internal and external contacts. You need to be able to network effectively on behalf of your organization.

➤ Informational Category

The managerial roles in this category involve **processing** information.

4. **Monitor** – In this role, you regularly seek out information related to your organization and industry, looking for relevant changes in the environment. You also monitor your team, in terms of both their productivity, and their well-being.
5. **Disseminator** – This is where you communicate potentially useful information to your colleagues and your team.
6. **Spokesperson** – Managers represent and speak for their organization. In this role, you're responsible for transmitting information about your organization and its goals to the people outside it.

➤ **Decisional Category**

The managerial roles in this category involve **using** information.

7. **Entrepreneur** – As a manager, you create and control change within the organization. This means solving problems, generating new ideas, and implementing them.
8. **Disturbance Handler** – When an organization or team hits an unexpected roadblock, it's the manager who must take charge. You also need to help mediate disputes within it.
9. **Resource Allocator** – You'll also need to determine where organizational resources are best applied. This involves allocating funding, as well as assigning staff and other organizational resources.
10. **Negotiator** – You may be needed to take part in, and direct, important negotiations within your team, department, or organization.

(8 Marks)

Total: 20 Marks

3.) (a)

Organizational culture is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organization.

Components of Organizational Culture

- ✓ History – The early years of a company have an enduring effect on culture.
- ✓ Communications/Symbols – Communications are both formal (e.g., employee newsletter) and informal (what is discussed in the break room).
- ✓ Metrics/Rewards/Recognition – What is measured is what matters in an organization. Likewise, what individuals are recognized and reward for is also a clear indication of what is important in the organization.
- ✓ Behavioral Rules/Norms – Behavioral rules evolve over time. These rules define how individuals are expected to interact with each other and how work should be approached in the organization.
- ✓ Valued Skills – What skills are most evident in senior leaders? What skills are most important for promotions? These are the skills that are most valued.
- ✓ Valued Traits – Similarly, what traits are most evident in senior leaders? What traits are most important for promotions? These are the traits that are most valued.

(6 Marks)

(b) Explain any 3 of the following

- ✓ Transformational leadership. .
- ✓ Transactional leadership.
- ✓ Servant leadership.
- ✓ Autocratic leadership.
- ✓ Laissez-faire leadership.
- ✓ Democratic leadership.
- ✓ Bureaucratic leadership. .
- ✓ Charismatic leadership.

(6 Marks)

(c)

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be - desire for money.

Explain using any one of the below models

- ✓ Maslow – hierarchy of needs.
- ✓ Herzberg – Two factor theory.
- ✓ Adams' equity theory.
- ✓ Locke's goal-setting theory.

(8 Marks)

Total: 20 Marks

4)

(a) Any 6 of the following

- ✓ Physical Barriers: this has to do with poor or outdated equipment used during communications, background noise, poor lighting, temperatures that are too hot or too cold.
- ✓ Attitudes: emotions like anger or sadness can taint objectivity. Also being extremely nervous, having a personal agenda or “needing to be right no matter what” can make communications less than effective. This is also known as “Emotional Noise”.
- ✓ Language: this can seem like an easy one, but even people speaking the same language can have difficulty understanding each other if they are from different generations or from different regions of the same country. Slang, professional jargon and regional colloquialisms can even hurt communicators with the best intentions.
- ✓ Physiological Barriers: ill health, poor eyesight or hearing difficulties, pain.
- ✓ Problems with Structure Design: companies or institutions can have organization structures that are not clear, which can make communications difficult.

- ✓ Cultural Noise: people sometimes make stereotypical assumptions about others based on their cultural background.
- ✓ Lack of Common Experience: it's a great idea to use examples or stories to explain a point that is being discussed.
- ✓ Ambiguity and Abstractions Overuse: leaving things half-said, using too many generalizations, proverbs or sayings, can all lead to communications that are not
- ✓ Information Overload: it takes time to process a lot of information and too many details can overwhelm and distract the audience from the important topics. Keep it Simple, Sweetie.
- ✓ Assumptions and Jumping to Conclusions: This can make someone reach a decision about something before listening to all the facts. (6 Marks)

(b) Any 6 of the following

- ✓ **Eliminating differences in perception:** The organization should ensure that it is recruiting right individuals on the job. It's the responsibility of the interviewer to ensure that the interviewee has command over the written and spoken language.
- ✓ **Use of Simple Language:** Use of simple and clear words should be emphasized. Use of ambiguous words and jargons should be avoided.
- ✓ **Reduction and elimination of noise levels:** Noise is the main communication barrier which must be overcome on priority basis. It is essential to identify the source of noise and then eliminate that source.
- ✓ **Active Listening:** Listen attentively and carefully. There is a difference between "listening" and "hearing". Active listening means hearing with proper understanding of the message that is heard.
- ✓ **Emotional State:** During communication one should make effective use of body language. He/she should not show their emotions while communication as the receiver might misinterpret the message being delivered.
- ✓ **Simple Organizational Structure:** The organizational structure should not be complex. The number of hierarchical levels should be optimum.
- ✓ **Avoid Information Overload:** The managers should know how to prioritize their work. They should not overload themselves with the work. They should spend quality time with their subordinates and should listen to their problems and feedbacks actively.
- ✓ **Give Constructive Feedback:** Avoid giving negative feedback. The contents of the feedback might be negative, but it should be delivered constructively.
- ✓ **Proper Media Selection:** The managers should properly select the medium of communication. Simple messages should be conveyed orally, like: face to face interaction or meetings.

- ✓ **Flexibility in meeting the targets:** For effective communication in an organization the managers should ensure that the individuals are meeting their targets timely without skipping the formal channels of communication.

(6 Marks)

(c)

- i. **Sender:** The sender or the communicator is the person who initiates the conversation and has conceptualized the idea that he intends to convey it to others
- ii. **Encoding:** The sender begins with the encoding process wherein he uses certain words or non-verbal methods such as symbols, signs, body gestures, etc. to translate the information into a message.
- iii. **Message:** Once the encoding is finished, the sender gets the message that he intends to convey.
- iv. **Communication Channel:** The Sender chooses the medium through which he wants to convey his message to the recipient. The choice of medium depends on the interpersonal relationships between the sender and the receiver and also on the urgency of the message being sent. Oral, virtual, written, sound, gesture, etc. are some of the commonly used communication mediums
- v. **Receiver:** The receiver is the person for whom the message is intended or targeted.
- vi. **Decoding:** Here, the receiver interprets the sender's message and tries to understand it in the best possible manner.
- vii. **Feedback:** The Feedback is the final step of the process that ensures the receiver has received the message and interpreted it correctly as it was intended by the sender.

(8 Marks)

Total: 20 Marks

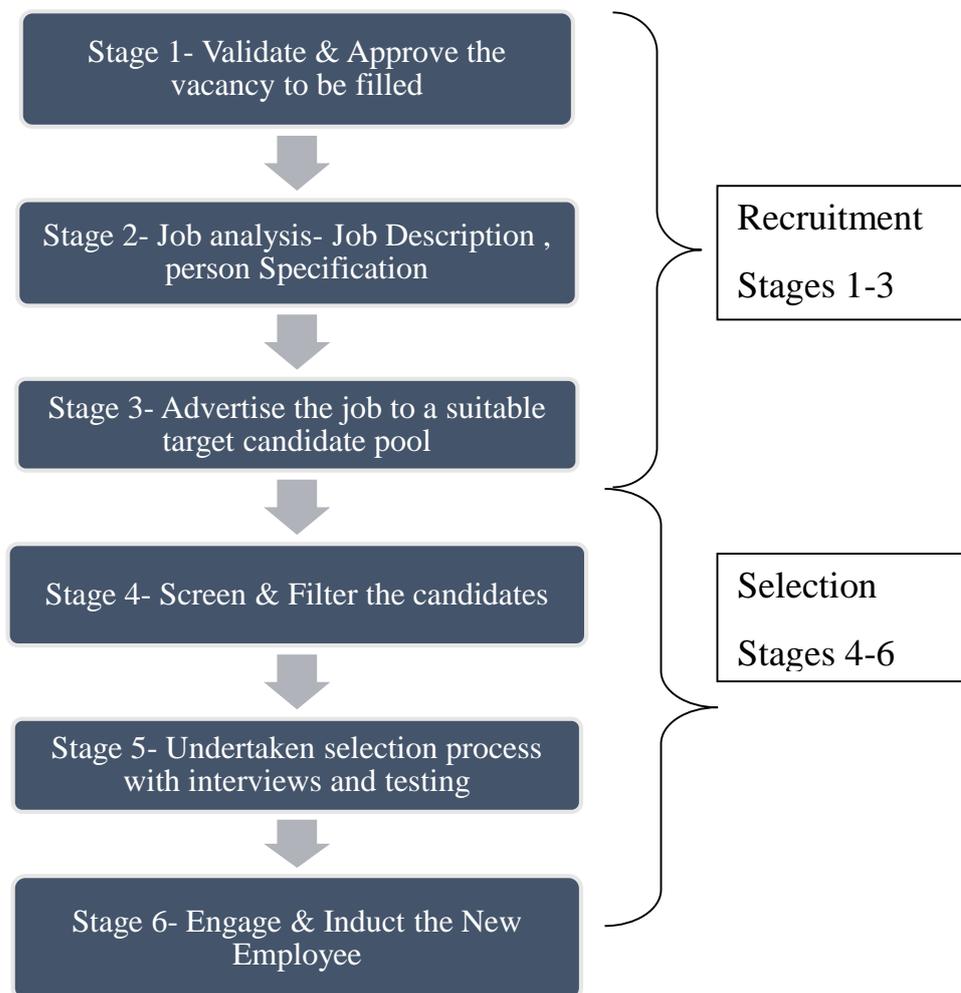
5) (a)

BASIS FOR COMPARISON	TRAINING	DEVELOPMENT
Meaning	Training is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirement.	Development is an educational process which is concerned with the overall growth of the employees.
Term	Short Term	Long Term
Focus on	Present	Future
Orientation	Job oriented	Career oriented
Motivation	Trainer	Self
Objective	To improve the work performances of the employees.	To prepare employees for future challenges.
Number of Individuals	Many	Only one
Aim	Specific job related	Conceptual and general knowledge

(6 Marks)

(b)

Recruitment (hiring) refers to the overall process of attracting, short listing, selecting and appointing suitable candidates for jobs (either permanent or temporary) within an organization.



(6 marks)

c)

- I. **Identify the decision.** The first step in making the right decision is recognizing the problem or opportunity and deciding to address it.
- II. **Gather information.** Next, it's time to gather information so that you can make a decision based on facts and data.
- III. **Identify alternatives.** Once you have a clear understanding of the issue, it's time to identify the various solutions at your disposal. This helps you determine which course of action is the best way to achieve your objective.
- IV. **Weigh the evidence.** In this step, you'll need to "evaluate for feasibility, acceptability and desirability" to know which alternative is best. It may be helpful to seek out a trusted second opinion to gain a new perspective on the issue at hand.
- V. **Choose among alternatives.** When it's time to make your decision, be sure that you understand the risks involved with your chosen route. You may also choose a

combination of alternatives now that you fully grasp all relevant information and potential risks.

- VI. **Take action.** Next, you'll need to create a plan for implementation. This involves identifying what resources are required and gaining support from employees and stakeholders.

- VII. **Review your decision.** An often-overlooked but important step in the decision making process is evaluating your decision for effectiveness. Ask yourself what you did well and what can be improved next time.

(8 Marks)

Total: 20 Marks