

Total Marks = 90

- Q.2 (a)** In traditionally structured organization managers operate at different levels ranging from bottom level to top level; first-line managers, middle-level managers and top-level managers. The first-line managers require technical skills more because they manage the work of non-managerial employees who are typically involved with producing the organization's products and services. Middle-level managers require human skills more, because they work in coordination with other managers at the same level and supervise the work of first-line managers. In addition to it they to act a bridge between top-level managers and lower-lower mangers when implementing a strategy.

Top-level managers require more the conceptual skills, because they are responsible for making goals and plans that affect the entire organization. As the managers advance in organizations they become less involved in actual production or technical areas and more involved in guiding the organization as a whole, human skills remain important at all levels, because managers requires skills through which they build cooperation, so that they can work with the people.

- (b) Autocratic style** is described as a leader who dictated work methods, made unilateral decisions, and limited employees participation.

**Democratic style** described a leader who involved employees in decision making, delegated authority, and used feedback as an opportunity for coaching employees.

Which style of leadership is best; is dependent upon the type of environment and situation in which a manger is operating. For example, if employees are low on professional maturity, less experienced and incompetent, or not loyal, a manger will not be willing to practice a democratic style or if situations are urgent/emergent where decisions have to be more intuitive and decisions should very instantly made. On the other hand if employees are high on professional maturity, competent enough, trustworthy and situation are emergent or urgent decisions are not needed; a democratic style can be more fruitful.

- Q.3 (a) The Challenges that a modern faces are:**

- ☐ They have to do hard work
- ☐ May have to perform duties that are more clerical than managerial
- ☐ Have to deal with variety of personalities
- ☐ Often have to make do with limited resource
- ☐ Motivate workers in chaotic and uncertain situations
- ☐ Blend knowledge, skills ambitions and experiences of a diverse work groups
- ☐ The success of a manager depends on success of others

**Rewards For Modern Managers:**

- ☐ Create a work environment in which organizational member can work to the best of their ability
- ☐ Have opportunities to think creatively and use imaginations
- ☐ Help others find and meaning and fulfilment in work
- ☐ Support coach and nurture others
- ☐ Receive recognition and status in organization and community
- ☐ Play a role of influencing organizational outcomes
- ☐ Receive appropriate compensations in the form of bonuses and stock options
- ☐ Good managers are needed by organization.

- (b)** As a group performs its assigned tasks, dis-agreements inevitably arise. Conflict is perceived incompatible differences resulting in some form of interference or opposition. Whether the differences are real is irrelevant. If people in a group perceive that differences exist, then there is conflict.

Three different views have evolved regarding conflict. The traditional view of conflict argues that conflict must be avoided that it indicates a problem within the group. Another view, the human relations view of conflict, argues that conflict is a natural and inevitable outcome in any group and need not be negative but has potential to be a positive force in contributing to a group's performance. The third and most recent view, the interactionist view of conflict, proposes that not only can conflict be a positive force in a group, but some conflict is absolutely necessary for a group to perform effectively.

Functional conflicts are constructive and support the goals of the work group and improve its performance. Dysfunctional conflicts are destructive and prevent a group from achieving its goals.

**When is conflict functional and when is it dysfunctional?** Research indicates that it depends on the type of conflict. Task conflict relates to the content and goals of the work. Relationship conflict focuses on interpersonal relationships. Process conflict refers to how the work gets done. Research has shown that relationship conflicts are almost always dysfunctional because the interpersonal hostilities increase personality clashes and decrease mutual understanding, and the tasks don't get done. On the other hand, low levels of process conflict and low to moderate levels of task conflict are functional. For process conflict to be productive, it must be minimal. Otherwise, intense arguments over who should do what may become dysfunctional because they can lead to uncertainty about task assignments, increase the time to complete tasks, and lead to members working at cross-purposes. However, a low to moderate level of task conflict consistently has a positive effect on group performance because it stimulates discussion of ideas that help groups be more innovative. Because we don't yet have a sophisticated measuring instrument for assessing whether conflict levels are optimal, too high, or too low, a manager must try to judge that intelligently.

When group conflict levels are too high, managers can select from five conflict management options: avoiding, accommodating, forcing, compromising, and collaborating.

**Q.4 (a) Arguments which support Manager A can provide to support his viewpoint**

- I. Violation of profit maximization: business is being socially responsible only when it pursues its economic interests
- II. Dilution of purpose: pursuing social goals dilutes business primary purpose-economic productivity
- III. Costs: many socially responsible actions do not cover their costs and someone must pay these costs
- IV. Too Much Power: businesses have a lot of power already and if they pursue social goals they will have even more
- V. Lack of Skills: business leaders lack the necessary skills to address social issues
- VI. Lack of Accountability: there are no direct lines of accountability for social actions

**Arguments which Support Manager B's viewpoint**

- I. Public expectations: public opinion now supports business pursuing economic and social issues
- II. Long-Run Profits: socially responsible companies tend to have more secure long-run profits
- III. Ethical Obligations: business should be socially responsible because responsible actions are the right things to do
- IV. Better Environment: Business involvement can help solve difficult social

problems

- V. Discouragement of further governmental regulations
- VI. Balance of Responsibility and Power: businesses have a lot of power and equally large amount of responsibility is needed to balance against that power
- VII. Stockholders interest: being socially responsible will improve a business stock price in long run
- VIII. Possession of Resources: Businesses have the resources to support public and charitable projects that need assistance

- (b) A quality revolution swept through both the business and public sector, in 1980s and 1990s, which led to emergence of TQM. TQM is a management philosophy devoted to continual improvement and responding to customer needs and expectations. Customer is considered as life blood for any organization. Customer is anyone who interacts with the organization products or services internally or externally. It encompasses employees and suppliers as well as the people who purchase the organization's goods and services. Continuous improvement; not in product and services only, but in all process of an organization is must for getting customers satisfied. Success of any organization mainly depends on its customer satisfaction. Implementing TQM programs can increase a company's success rate because as it focuses on getting customer satisfied through continuous improvement in all processes of organization.

TQM believes in:

1. Intense focus on the customer. The customer includes outsiders who buy the organization's products or services and internal customers who interact with and serve other in the organization.
2. Concern for continual improvement. Quality management is a commitment to never being satisfied. "Very good" is not good enough. Quality can always be improved.
3. Process focused. Quality management focuses on work processes as the quality of goods and services is continually improved.
4. Improvement in the quality of everything the organization does. This relates to the final product, how the organization handles deliveries, how rapidly it responds to complaints, how politely the phones are answered, and the like.
5. Accurate measurement. Quality management uses statistical techniques to measure every critical variable in the organization's operations. These are compared against standards to identify problems, trace them to their roots, and eliminate their causes.
6. Empowerment of employees. Quality management involves the people on the line in the improvement process. Teams are widely used in quality management programs as empowerment vehicles for finding and solving problems.

- Q.5 (a)** The following are activities of HRM which needs to be performed in order meet the requirements of owners :

To ensure that competent employees are identified and selected owners needs to conduct

- ☐ Human Resource Planning
- ☐ Recruitment / derecruitment
- ☐ Selection

To provide employees with up-to-date knowledge and skills owners needs to conduct

- ☐ Orientation
- ☐ Training

To ensure that the competent employees are retained, owners should perform

- Employee performance management
- Compensation and benefits management
- Employee career development

### **Description of the activities**

Human resource planning is the processes by which managers ensure that organization has right number and kinds of people in the right place at the right times. It involves assessing current human resource and meeting future needs

**Recruitment** is locating and identifying and attracting capable applicants, whereas **derecruitment** is controlling labour supply. In the given case the owners will have to carryout recruitment activities

**Selection** is screening job applicants to ensure that most appropriate candidates are hired

**Orientation** is providing education to employees , that introduces new employees to his/her job and the organization

**Training** is imparting necessary skills in employees which enables him to perform the job for which he/she is hired

**Employee Performance Management** is a system that establishes performance standards that are used to evaluate employee performance

**Compensation Management** is rewarding employees for their contribution to the organization and proving elements which makes their jobs attractive, and increase employee motivation.

- (b) The following are the quality dimension in products and services

### **Product Quality Dimensions**

- I. **Performance:** a product performance depends on operating characteristics
- II. **Features:** a product can have important special characteristics Flexibility: the extent to which product operating specifications meet over some period of time
- III. **Durability:** the extent to which product can be used before it deteriorates
- IV. **Conformance:** extent to which a product standards match with the pre-established standards.
- V. **Serviceability:** the ease and speed of repair normal service
- VI. **Aesthetics-** how a product looks and feels
- VII. **Perceived quality-** subjective assessment of characteristics ( product image)

### **Service Quality Dimensions**

- I. **Timeliness-** performed in promised period of time
- II. **Courtesy-** to what extent service is performed cheerfully
- III. **Consistency-** the extent to which all customers experience similarly each time
- IV. **Convenience-** accessibility to customers
- V. **Completeness** – fully served as required
- VI. **Accuracy-** the extent the service performed correctly each time

- Q.6** Selling concepts holds that consumers will not buy enough of the firm's product unless it undertakes a large scale selling and promotion activity. The selling concept is mostly

practiced with unsought goods and services; those that buyers do not normally think to buy such as insurance, blood donations or encyclopaedias. As the company deals with food items which are purchased frequently, the selling concept is not a right one.

When the company is following selling concept then : (Disadvantages of Following selling Concept):

- ❑ The company will not focus on understanding customer needs so the products they sale will have less chance to satisfy customer needs
- ❑ The focus of the company will be on "aggressive selling", that is risky.
- ❑ The company will be focusing on creating sales transactions, rather than building long-term profitable relationships with the customer through satisfying their needs
- ❑ Company might be able to reap benefits in short-run, but in long-run it might lose customer and market share

The marketing concept holds that achieving organizational success depends on understanding and satisfying customer needs profitably than competitors do. Following the marketing concept the company:

- ❑ Will become customer oriented than sales oriented.
- ❑ Will enable the company to understand customers needs wants and expectations and it will be able find, efficient and effective ways to satisfy their needs better than competitors.
- ❑ The aim of the company will be to build satisfy customers, retaining customers, build company/brand loyalty and eventually that will drive financial benefits.

**Q.7** For **Plasma TV (HDTV)** the consumer would have Complex Buying Behaviour. The reasons are: it is the product for which consumer involvement would be very high as it is very expensive and risky in a sense that technical details and specifications are there. It is infrequently purchased. It is highly self expressive. Furthermore there a consumer perceives significant brand differences such as Sony, LG, and Phillips. Buyers take quite enough time before making a purchase decision.

For an **expensive carpet** the buyer will show "Dissonance Reducing Buying Behaviour" because as it an expensive carpet and not frequently purchased the consumer involvement would be high and it will be self expressive. In this case the brand differences are not large buyers may shop around and learn very quickly what is available, but buy relatively quickly. The consumer might experience some sort of post-purchase dissonance in this case. The focus of the customer would be to avoid/reduce post-purchase dissonance

For **candies/toffees** the buyer will show "Variety Seeking Behavior", because buying candies/toffees is characterized by low consumer involvement because it low cost product, frequently purchased and significant perceived differences are there. Consumer often does a lot of brand switching without any mental effort and cost.

For **cigarette** the consumers have personal involvement in this product category they simply demand for the specific brand, consumer form strong attitudes towards their brands; they select this specific brand because it is familiar to them.

**Q.8** Operations management refers to transformation process that converts resources into finished goods and services. The process includes (i) inputs (ii) transformation (iii) final output. Operations management is important for all organizations<sup>b</sup> because operation process is carried out in all organizations<sup>b</sup> whether large or small, manufacturing or service. It helps organizations to effectively and efficiently manage operations, and it plays a strategic role in an organizations competitive success. For individual organizations increased productivity provides a more competitive cost structure and its

ability to offer more competitive offers

Every organization of today has at least one thing in common “focus on reducing cost and increasing efficiency”. Operations management can lead to either: short and cost efficient value chain, or extended costly value chain. Through smart operations management strategies firms can efficiently and effectively manage its value chain which results in increased productivity and higher capability to respond to changes in market and customer needs. Stakeholders are interested in company’s financial performance, particularly Investors’ and stockholders are interested in return on their investments which is straightly affected by the way operations are managed.

**THE END**

SUGGEST ANSWERS