

**Jagan Institute of Management Studies**  
**End-Term Examination, September, 2016**  
**Trimester I – PGDM (RM) 2016-18**

***Fundamentals of Management***  
***ET\_RM\_FOM\_2809***

Time: 3 Hrs.

M. Marks: 70

**INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.**

- Q 1** Comment on any **THREE** of the following:
- a) All managers should be leaders but all leaders should not managers.
  - b) Organizations have the right to monitor employee- both on and off the job.
  - c) People high on nAch and nPower make successful entrepreneurs.
  - d) MBOs help in deciding specific personal performance objectives.
  - e) Scientific management revolutionized the way businesses are managed. **15**
- Q 2** Aarti loves her job, especially because of the people she works with. Aarti has always found her company, The Force to be a great place to work because her co-workers and manager are supportive and work together to help each other succeed. Aarti's manager, Raj, considers himself a part of the team and even shares the same workspace as his subordinates. Aarti is able to focus on her work and ask questions when needed and is highly productive as a result. The correlation between the social context of workplace environment and employee productivity can best be understood by examining the Hawthorne effect. Discuss. **12**
- Q 3** Managers can only juggle so much information in their minds, and often must make decisions under significant time pressures. The concept of Bounded Rationality, Satisficing and Heuristics put these constraints in perspective. Do you think that with these ideas, managers can better understand rational decision making? Explain with the help of an example. **12**
- Q 4** Organizational Structuring is a kind of Social Invention. Vasavi has recently joined a start-up that manufactures school uniform and other supplies related to school going kids. With the business expansion, the numbers of people in the organization have grown to 120. She needs information on following aspects:
- a) The basic principles to be followed while designing the organization

structure.

- b) Three structures that you suggest could be suitable for her business. 12

**Q 5** Nitin Shah was assigned the responsibility to turnaround Go Logistics, from an organization with tight government regulation to the one ready for global competition. According to Nitin, “We cannot afford management styles that suppress and intimidate people. We need a kinder and gentle leadership.” He urged his managers to shift their focus from tighter cost cutting and controls to more humanistic approach. Do you think a shift in leadership style will generate desirable results? Which leadership approach will be most effective in the given situation? 12

**Q 6** Motivation is a human psychological characteristic. It includes the factors that cause, channel and sustain human behavior at work. Critically analyze the importance and applicability of Maslow’s hierarchy of need for Millennials in the corporate world. 12

**Q 7** [Read the case and answer the questions given at the end.](#)

Ranjan had been head of the department for about eight years. Over this period the department had high employee turnover and a considerable discontent among its 25 employees. Ranjan was by basic nature an autocratic supervisor. Because he seemed to have the support of the division manager, Vasudev Sharma the people in the department did little outward complaining about his leadership. Nevertheless it was common knowledge in other departments in the division that the majority of the people in Ranjan’s department were very dissatisfied, to say the least. These people were career focussed employees performing technical work, and they received personal feelings of accomplishment from their work.

Ranjan hardly complimented them on their work; while they resented this, their personal pride and possible fear of retribution kept them from saying anything to him. One of the things they resented most was Ranjan’s frequent practice of taking credit for ideas and efforts of subordinates so that he could enhance his own reputation with his superior, the division manager.

One of his subordinates, Mahim, had become the informal leader of the department, although he did not seek the role. Other employees sought him out for advice and guidance, and he became the focal point of the gripe (complain) sessions which had become more frequent as time passed. These gripe sessions were social occasions such as lunch, and they usually ended with Mahim telling his fellow employees to complain openly about their grievance to both Ranjan and his superior. Mahim had done this several times and, while he gained no

positive results, he at least had the satisfaction of having a clearly stated position. This may have been one of the reasons why the other employees turned to him for advice. In any event, Mahim evidenced no fear of his boss, and he was generally recognized as a superior employee by his peers.

Vasudev retired, and was replaced by Kapil, a member of one of the departments in the division. Kapil had no prior administrative experience in the company, although he had some managerial responsibility at previous organisations. Because he was familiar with the problems in Rajan's area of responsibility, he recognized it as a trouble spot; and after some consultation with the assistant division manager, Kapil decided to replace Rajan as department head. Rajan was quite surprised, since he had assumed that he could continue under the new division manager as well as he had under Vasudev.

When the new division manager demoted Rajan, he said he could stay with the company as a technician in the department he had previously managed. This was done because of Rajan's long tenure with the company and the fact that he was only eight years from retirement. Rajan accepted the demotion with considerable dejection and malice, but he felt he had no choice under the circumstances. Mahim was called in by the new division manager and asked to assume the department head position. He was informed of his former superior's demotion and the fact that Rajan would now be working for him. The division manager told Mahim that he was chosen because it was believed that he could bond the department into a cohesive operating unit of the division. Mahim accepted the responsibility with what could be called confident apprehension or anxiety.

### Questions:

- a) Discuss the leadership style of Ranjan and why were the people in his department resentful of his working style? 4
- b) What is the Role of informal leaders like Mahim in an organization? 5
- c) In making the transition from informal leader to a formal one, can Mahim maintain the same relationship with his fellow employees? 5
- d) If you were in place of Mahim, which leadership style would you possible adopt and why? 5

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