1. Answer the following: (2×5=10)
   a) Reasons for goal displacement.
   b) Point out the techniques of improving motivation.

   **Answer:**

   a) The followings are the main reasons for goal displacement:
   
   - **Internal pressures to change.** When there is an internal pressure to increase the employees’ salary, a company’s goal to minimize operational costs will be displaced. To cover up such increment, a company may think to cut down the number of employees.
   
   - **Pressures from external forces.** When a company decides to add non-vegetarian foods in a vegetarian restaurant where many non-vegetarian customers visit, it is a kind of external pressure for goal displacement.
   
   - **Failure to achieve a goal.** When a watch producing company face severe market competition and suffers loss, it may decide to produce children toys.
   
   - **Taking strategic benefits.** When the company with an expansion goal cannot expand its business, it may decide to merge with another expanding company to take advantage from the given market.
   
   - **Changing the organisation.** Goal displacement acts as an organisation’s changing agent. In a fast changing environment of an organisation goal displacement helps to create true balance of power, secure support to stabilize business activity and avert any blow to its main mission and survival.

   b) Motivation is the willingness to exert high level of effort to reach organizational goals, conditioned by the effort’s ability to satisfy some individual needs. Motivation is concerned to individual and is the key to improved work performance so it’s complex. Managers can use the following techniques for improving motivation.
1. Participation: Participation provides the feeling of belonging, recognition, acceptance and accomplishment. Employees regard themselves as important as they participate in joint consultation or self-managed team or suggestion scheme.

2. Money: Money is important for fulfilling physiological and safety needs. Monetary rewards act as positive incentive and reinforce the motivated behavior. If pay is contingent upon performance, it will motivate for higher level of efforts.

3. Job redesign: It motivates employee by affecting quality of work life. Quality of work life is an important motivation technique that integrates employee needs and wellbeing with improved productivity and higher job satisfaction.

4. Modified work schedules: Workers work 10 hours a day for four days can provide more leisure time. Allow workers to select their workday or share the same job over a forty hours week can be useful. So Four-day week, Flex-time and Job sharing are modified work schedules.

5. Behavior Modification: It uses positive reinforcement to motivate workers to engage in desired behaviors. The steps are identification of desired behaviors, measure existing level of performance, develop and administer an intervention strategy.

6. Management- By- Objective (MBO) : It is used as a motivational technique for self control of performance. Here the subordinate’s performance is reviewed and evaluated in terms of standards. Reward is linked to goal achievement.

2. Answer the following in brief (Any Five): (5×3=15)

   a) Components of HRM
   b) Purpose of Planning
   c) Contingency theory
   d) Delegation of authority
   e) Span of management
   f) Social responsibility of business towards investors

   a) Answer: Components of HRM

   Human Resource Management (HRM) is an important aspect of managerial function. It has several important components. Major four components are;

   1) Recruitment and Selection: This is the first component of HRM. This component ensures that the best people are brought into the organization based on HR planning.

   2) Training and Development: After selection of employees in the organization they need to perform given job on given time within given standard. The employees require necessary skills to perform their job. This component ensures that employees have the necessary skills required to perform their job.

   3) Performance Evaluation and Feedback: This component deals with determining which employees are performing well and providing them the necessary feedback.
4) Pay and benefits: This component ensures that employees are adequately compensated for their efforts and are provided with other other benefits.

b) **Answer:** Purpose of Planning

- **To provide direction:** Planning provides future direction and a sense of purpose for the organization. Without a plan organization merely acts and reacts to daily activities that occur in short and long run.

- **To work for priority:** Planning forces people on continually address their efforts to the most important work rather than the least important.

- **To economize:** Effective plans coordinate organizational work and thus eliminate unproductive effort. By focusing attention on what is to be done, plan helps an organization to utilize its physical and human resources in an economical way.

- **To reduce the risks of uncertainty:** Planning helps an organization to cope with an uncertain future. It helps management to anticipate the future and prepare for the risks by making necessary provisions to meet the unexpected turn of events.

- **To facilitate decision making:** Planned targets serve as the criteria for the evaluation of alternatives so that the best one may be chosen. If there are no plans for the future, there are few guidelines for decision making.

- **To encourage innovation and creativity:** Opportunities and threats in environment force a manager to be alert. It forces managers to find out new and improved ways of doing thing in order to remain competitive and avoid threat in the environment. It compels managers to be innovative and creative all the time.

- **To improve morale:** Planning facilitates participation and contribution of employees that help to improve their morale. When employees know what they supposed to do or contribute beforehand they work with improved morale.

- **To facilitate control:** Planning and controlling functions are said to be inseparable twins. There is nothing to control without planning and without proper control, planning proves to be a wasteful and an unproductive exercise.

c) **Answer:** Contingency theory

- It is a recent development in management theory. The contingency theory recognizes the situational nature of management. This theory states that managerial practice depends on situation. There is no one best way in the world of management. Each situation is unique and demands unique managerial action. Results differ because situations differ. Managers should be situation-sensitive in their behaviors. Effective managerial behavior in one situation cannot be generalized to other situations. Different situations call for different management approaches.

- The effect of cause depends on situation. So the manager should analyze and understand the situation case-by-case in application of contingency theory. The contingency theory is an integrative approach and has practical application. But it is difficult to identify relevant contingency variables and to determine their
interrelationships. Every situation is unique so it may not be applicable for all types of managerial issues.

d) **Answer: Delegation of authority**

Authority is the right to give orders. Delegation is the transfer of authority to subordinates to enable them to make decisions and use resources. Delegation of authority is the process of entrusting work to others who are qualified to accept responsibility for doing the work. By delegating authority, the superior can perform more important tasks. Managers assign a portion of their workload to subordinates through delegation.

Delegation of authority is a downward process. It is superior-subordinate oriented. There must be a clear-cut flow of authority and responsibility from the top to the bottom of the organization to carry out all the functions, to exercise managerial control effectively, and to minimize the duplication of assignments. Delegation does not mean giving away authority. It is, of course, a revocable act. The manager delegating the authority retains the right of recall. The superior, who delegates the authority, cannot escape responsibility for the activities of subordinates whom authority has been delegated.

e) **Answer: Span of management**

Also known as span of control, is a very important concept of organizing function of management. It refers to the number of subordinates that can be handled effectively by a superior in an organization. It signifies how the relations are planned between superior and subordinates in an organization.

Span of management is generally categorized under two heads- Narrow span and Wide span.

- **Narrow Span**: It means a single manager or supervisor oversees few subordinates. This gives rise to a tall organizational structure.

- **Wide Span**: Wide span of management means a single manager or supervisor oversees a large number of subordinates. This gives rise to a flat organizational structure.

f) **Answer: Social Responsibility Towards investors**

Social Responsibility is the set of obligations an organization has to protect and enhance the societal context in which it functions. There are so many areas of social responsibility of business organization. Investors are one of them. To maintain a socially responsible stance towards investors, managers should follow proper accounting procedures, provide appropriate information to shareholders about the financial performance of the firm, and manage the organization to protect shareholder's right and investment. As well as managers should be accurate and candid in their assessment of future growth and profitability and
avoid even the appearance of improprieties involving such sensitive areas as insider trading, stock price manipulation and the withholding of financial data.