Pondicherry University
MBA DEGREE EXAMINATION
JANUARY/FEBRUARY 2023
First Semester
Business Administration
MANAGEMENT PROCESS
YEAR I / SEMESTER I
Answer Key
PART A (6 X 5 = 30 marks)

1. **What are the tasks of a professional manager?**
   - Envisioning Goals
   - Managing Growth
   - Improving and Maintaining Efficiency
   - Innovation
   - Looking out for the competition
   - Leadership
   - Change Management
   - Choosing correct Information Technology

2. **Comment on levels in management.**
   - Top level management
     - Highest level in the management hierarchy.
     - Policy making level in any organization.
     - They decide the enterprise objectives, policies and strategies to be pursued to achieve the objectives.
   - Middle level management
     - Managers who work at levels between the lower and top levels constitute the middle management.
     - They report to top managers.
     - Their principal responsibilities are to direct the activities of lower level managers who implement the organization's policies
   - Low level management
     - Also called as front line or supervisory management
     - Usually the jobs at this level are the entry level positions into management profession.
     - Managers at this level direct the operating employees (workers).

3. **Discuss the scope and limitations of planning.**
   Scope:
   - To achieve objectives
   - Plans make the things happen
   - Plans help to cope with change
   - Plans double up as tools to control the events
   Limitations:
   - Planning Leads to Rigidity
   - Planning May Not Work in Dynamic Environment
   - Planning Reduces Creativity
   - Planning Involves Huge Cost
   - Planning is a Time-consuming Process
   - P lanning Does Not Guarantee Success

4. **What is MBO? Explain the flexibility in planning.**

Peter Drucker is credited with being first to introduce Management By Objectives as an approach for increasing organizational effectiveness. He observes that every manager, from highest to lowest levels in organization should have clear objectives to pursue.

MBO is a process whereby the superior and subordinate managers of an organisation jointly identify the common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these resources as guides for operating the unit and assessing the contribution of each of its members

5. **Explain the terms delegation of authority and decentralization.**

Delegation is the process by which authority is granted to a subordinate by his superior. But for delegation of authority, organizations would remain for ever small. Delegation is the only solution to cope with the increasing work load of managers as the organization grows. Because of the constraints of time and ability, a manager cannot perform all the tasks himself. Therefore, he delegates certain of the tasks to the subordinate and gets them done. Before proceeding further to understand the process of delegation, it is appropriatetoexamine,inbrief,theconceptsofauthority and responsibility.

Delegation, authorityistransferredonone-to-onebasis fromthe superior to the subordinate, decentralization of authority is broader in scope and involves the transfer of authority in the organization context from top to the lower rungs of management in the hierarchy. Thus, the greater the amount of authority delegated throughout the organization, the more decentralized the organization is. Decentralization is much wider in scope reflecting management's philosophy regarding which decisions to be taken at the top as well as down the line in the organization.

6. **Explain formal organization and informal organization with an example.**
   Formal Organisation

A formal organization is deliberately designed to achieve specific objectives. Itrefers to the structure of well defined jobs, each bearing a definite measure of authority, responsibility and accountability. The structure is consciously designed to enable the people of the organization to work together for accomplishing common objectives. Thus, formal organization is more or less an arbitrary structure to which the individual must adjust. It tells him to do certain things in a specified manner, to obey orders from designated individuals and to cooperate with others.

The formal organization is built around four key pillars; namely,
- Division of Labour,
- Scalar and Functional Processes,
- Structure, and
- Span of Control.
- Informal Organization

Informal organization refers to the relationship between people in the organization based on personal attitudes, emotions, prejudices, likes, dislikes, etc. These relations are not developed according to procedures and regulations laid down in the formal organization structure. Generally, large formal groups give rise to small informal or social groups. These groups may be based on some similarities that people of a large group see among the members of the group with respect to tastes and preferences, socio-cultural background, temperaments, attitudes, etc,. These groups are not preplanned, but they develop automatically within the organization according to its environment.

7. **What are the pre-requisites of control systems?**
- Suitability
- Promptness
- Forward looking
- Control by exception
- Objectivity
- Flexibility
- Organizational pattern

- Economy.
- Simplicity
- Suggestive

8. What is staffing and directing?

Staffing
- – Staffing involves manning the various positions of the organisation.
- – It includes manpower planning, recruitment and selection of the right people, training and developing them, deciding financial compensation, appraising their performance periodically.

Directing
- – It basically involves directing or leading the activities of the people.
- – The manager directs the activities of his subordinates by explaining what they have to do and by helping them perform it to the best of their ability.
- – Communication, Leadership, Motivation
- – Leading is a function predominantly interpersonal in nature.

9. What is Entrepreneurial management and bench marking?

Entrepreneurial management is the practice of giving the innovation inherent in entrepreneurship a more solid management structure. Many new entrepreneurs have ideas for businesses they want to start, or products they want to create, but don't know how to manage a small business effectively. However, managing a new venture and managing an existing company requires different methods and principles. Through entrepreneurial management, you can manage a growing business without limiting the creativity or passion of a startup.

Benchmarking is defined as "measuring our performance against the best-in-class companies, determining how the best-in-class achieve those performance levels and using the information as a basis for our own company's targets, strategies and implementation". Or more simply, "the search of industry best practices that lead to superior performance". The term "best practices" refers to the approaches that produce exceptional results, are usually innovative in terms of the use of technology or human resources and are recognized by customers or industry experts.

10. Explain Japanese Management practices.

The Japanese management system has three levels of attention: an overall focus, general strategies and specific techniques.
- o FOCUS
- o STRATEGIES
    - ▪ Long-term employment
    - ▪ Organizational Philosophy
    - ▪ Intensive socialization
- o *TECHNIQUES*
    - o Job relation and slow promotion
    - o Complex appraisal system
    - o Emphasis on work groups
    - o Open Communication
    - o Consensus Decision-making
    - o Concern for the employee

11. **Elaborate on social responsibilities of Business.**

    Responsibilities to Various Groups

    In a broad sense, business owes a lot to the various groups such as customers, employees, shareholders, government and the community at large in which it exists. These groups in the society are called 'interest groups' or 'stakeholders' in the business organization. Let us examine how an organization responds in socially responsible ways to cater to the growing demands of all these interest groups.

    Towards the Customers

    - making misleading advertisements aimed at deceiving the consumer;
    - giving wrong or false information about the ingredients, quality, origin, etc., of the product;
    - entering into collusive agreements with other firms to exploit the customers;
    - making false claims of being an authorized dealer/importer of certain goods; and
    - giving misleading names to the products, etc.

    Towards Employees
    - proper selection, training and promotion
    - recognition of the value of human resource
    - maintaining cordial relations with employees
    - recognition and encouragement of constructive unionism
    - fair wage in relation to the cost of living

    Towards Shareholders
    - Shareholders are the real owners of the business. In view of the several practical limitations for them in overseeing the day-to-day operations of the business, an organization must strive to provide
    - Security to their funds
    - A fair rate of return on their investment
    - Correct information about the operations of the company and
    - Proper appreciation of the value of their investment in the company by identifying new opportunities that contributes for the growth of the business.

    Towards Creditors/Suppliers
    - Realizing the importance of maintaining good business relations with them
    - Meeting the payment obligations timely
    - Providing true and correct picture about the financial aspects of the company and
    - Helping them grow along with the growth of the company, etc.

    Towards Government
    - Business enterprises should act like law-abiding citizens
    - Taxes and other duties should be paid timely and honestly
    - Compliance with the rules and regulations as stipulated by various laws of the land; and

    Towards Society at Large
    - Properly deciding the product policies in line with the national priorities
    - Preventing the creation of monopolies
    - Ensuring hygienic disposal of smoke and waste and other affluents
    - Providing to the community accurate information about its working and
    - Preserving the national resources of the nation by not indulging in reckless exploitation of the resources, etc.

12. Explain the systems approach to management and levels in management.

Systems approach is based on the generalization that everything is inter-related and interdependent. A system is composed of related and dependent element which when in interaction, forms a unitary whole. A system is simply an assemblage or combination of things or parts forming a complex whole.One its most important characteristic is that it is composed of hierarchy of sub-systems. That is the parts forming the major system and so on.

Features of Systems Approach:

- A system consists of interacting elements. It is set of inter-related and inter-dependent parts arranged in a manner that produces a unified whole.
- The various sub-systems should be studied in their inter-relationships rather, than in isolation from each other.
- An organisational system has a boundary that determines which parts are internal and which are external.
- A system does not exist in a vacuum. It receives information, material and energy from other systems as inputs. These inputs undergo a transformation process within a system and leave the system as output to other systems.

13. Discuss steps in planning process. What is short range and long range planning?

STEPS IN PLANNING

- Setting of goals
  - Planning begins with decisions about what the organization wants to achieve during a specified period. The goals of an organization and various subunits have to be decided and spelt out in clear terms. It is always desirable to express the goals in quantitative terms for all the key areas of the business like production, profit, productivity, market share, employee relations, social responsibilities, etc.
- Outlining Planning premises
  - Internal premises: Important internal premises include sales forecasts and policies of the organization. Each one of these elements is a critical success factor.
  - External premises: Important external premises relate to all those factors in the environment outside the organization. They include issues related to technology, general economic conditions, government policies and attitude towards business, demographic trends, socio-cultural changes in the society, political stability, degree of competition in the market, availability of various resources and so on.
- Decide the planning period
  - Businesses vary in their planning periods. In some cases plans are made for a short period, varying from a few months to a year, while in some other cases, they are made to cover a longer period, to cover a period of more than a year. The period may extend up to 5-10 years and even beyond. Companies normally plan for a period that can be reasonably anticipated. This gives raise to the two important concepts – operational planning and strategic planning. While operational plans focus on the short-term, strategic plans focus on the long-term.

- Develop alternatives and select the course of action
  - The next logical step in planning involves the development of various alternative courses of action, evaluating these alternatives and choosing the most suitable alternative. Objectives may be achieved by different courses of action (alternatives).
- Derivative plans
  - The plan finalized after a thorough analysis of various alternatives suggests the proposed course of action. To make it operational, it has to be split into departmental plans. Plans for the various operational units within the departments have to be formulated. The plans thus developed for the various levels down the organization are called derivative plans.
- Review periodically
  - To make sure that the plan is contributing for the results, its review at regular intervals is essential. Such a review helps in taking corrective action, when the plan is in force.

Long Range Planning / Strategic Planning

The terms long range planning, Strategic planning, and Corporate planning are used synonymously by many authors. Strategic planning has its origin in military organizations where the objective is to envisage a variety of contingencies that may arise when large forces move into operation. Viewed in this backdrop, strategic planning in a business organisation envisages a comprehensive study of the various external and internal parameters that affect a company in charting a course of action to achieve the goals.

Short Range Planning / Operational Planning

Strategic planning is the prerogative of the top management which is the highest policy making body in any organisation, where as operational planning is done at the lower levels. Strategic planning is mostly concerned with the "why" of the things, whereas operational planning is concerned with the "how" of the things. The focus in strategic planning is on long- term, while it is on short-term in operational planning. Further, planning is less detailed in the former because it is not involved with the day-to-day operations whereas it is more detailed in the latter, considering its nature, operational planning is also called tactical planning.

14. **What is decision making? Comment on the techniques and processes of decision making.**

Decision-making in simple may be defined as "the selection of a future course of action from among various alternatives'. It presupposes the existence of various alternatives. It is in a way a choice between alternatives. In other words, if there are no alternatives, there is no choice. Therefore, the question of decision-making and the associated dilemma do not arise. Thus, the following characteristics emerge from the definition of decision- making.

Process:
- Define the Problem
- Analyze the problem
- Develop Alternatives
- Evaluate Alternatives
- Select and Implement the Decision
- Follow-up and Feed back

Techniques:

Brainstorming: Brainstorming is the oldest and widely followed technique for encouraging creative thinking. It was originally developed by A.F. Osborn. It involves the use of a group

Synectics: Synectics is a new concept developed by William J.J.Gordon. The term 'synectics' is derived from a Greek word which means "Fitting together of diverse elements". It starts on the premise of encouraging that this concept encourages novel thinking for the development of alternatives through putting together different ideas which are distinct from each other.

Operations Research: The origin and development of operations research is attributed to military operations and applications during Second World War. The war put tremendous pressure on the use of available scarce resources for various strategic and tactical operations.

15. **Discuss on emerging trends in corporate structure, strategy and culture.**

Organization design in the future will be characterized by four basic differences from today's pyramid-oriented structures and will exhibit:

- A less number of management levels
- Adhocracy and porous departments
- Systems decoupled from the structure
- The sharing of resources rather than the dividing them

Informal Organization and Culture

The informal organization consists of the personal relationships and means of communication that are often necessary to accomplishing the work of the organization but are not a part of the formal organization structure. A related concept is the organization cultures the shared beliefs, attitudes and opinions about the company and what it stands for. The informal organization and the organization's culture are created by people throughout the company rather than being controlled by top management.

16. **Draw a diagram on organization structure and design and what are authority relationships.**

An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities.
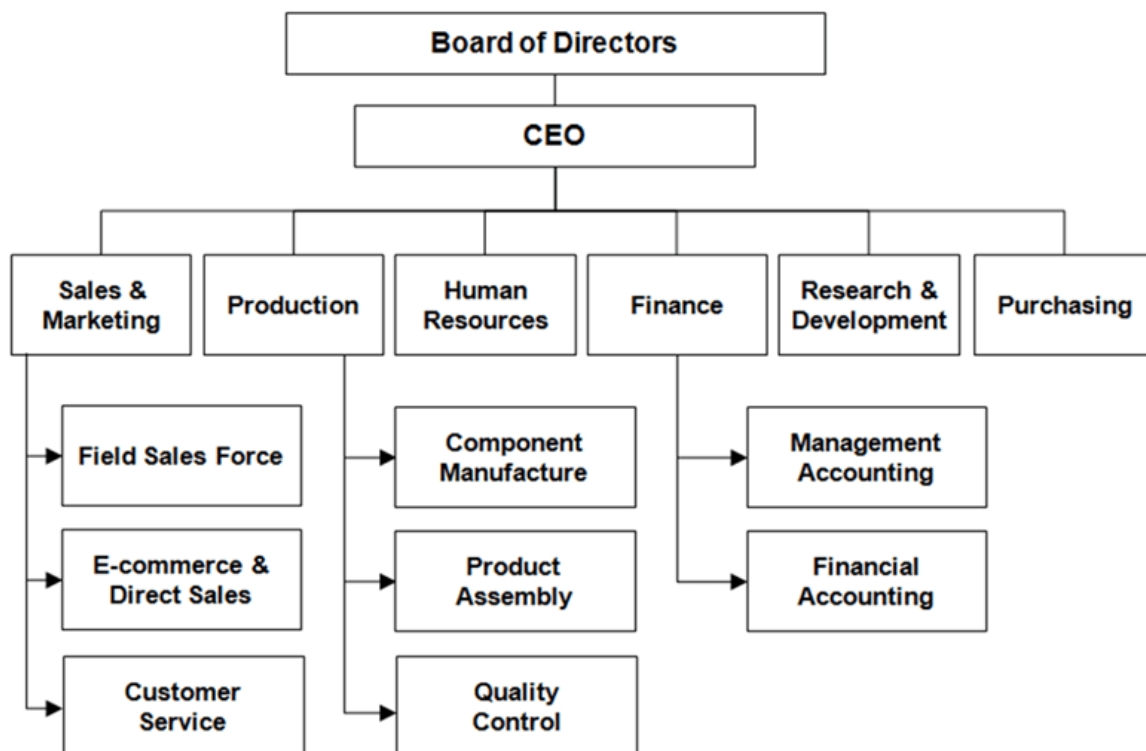
Line authority becomes apparent from the scalar principle as the relationship in which superior exercises direct supervision over a subordinate an authority relationship in direct line or steps. The nature of staff

relationship is advisory. The function of people in a pure staff capacity is to investigate, research, and give advice to line managers to whom they report".

Staff Authority

The relation between a staff manager and the line manager largely depend on the type of duties performed. A man who only gathers facts or only checks on performance will have relationship with line manager that are different from those of a man who has concurring authority. Such variations between line and staff relationships as discussed earlier, run along a continuum with only advice at one extreme point and functional authority at other extreme point. In between, two more situations represent compulsory staff consultation and concurring authority.

17. What is control process? Explain the techniques of control.

Control is the last phase in the management process.

- Once the plans are formulated,
- The organisation structure designed,
- Competent personnel (staffing) secured,
- Management in action (directing), ie implementing of plans and controlling of performance, communications begin to flow, efforts co-ordinate, leading and motivating get things done through others.
- Controlling assures the accomplishment of goals and objectives.
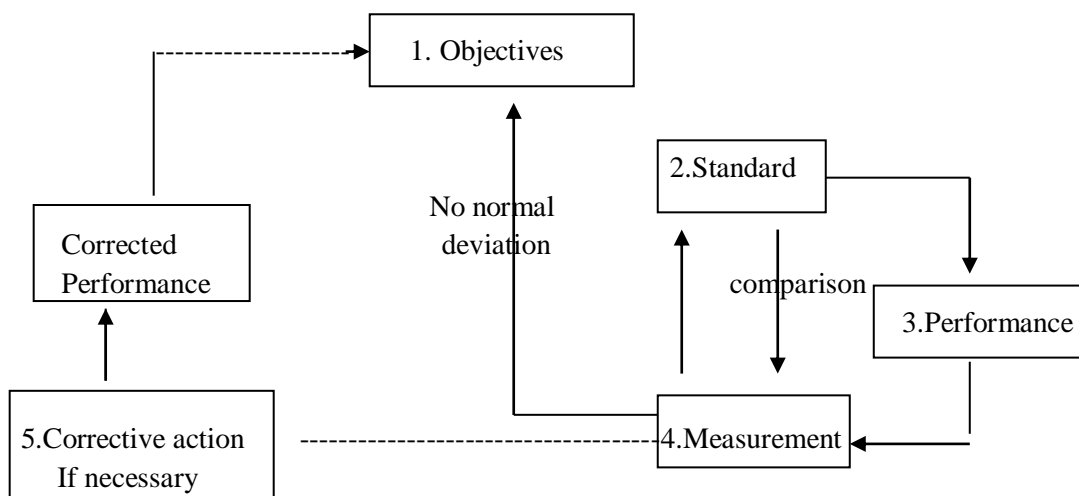
18. Explain design of techniques in control and choices in control.
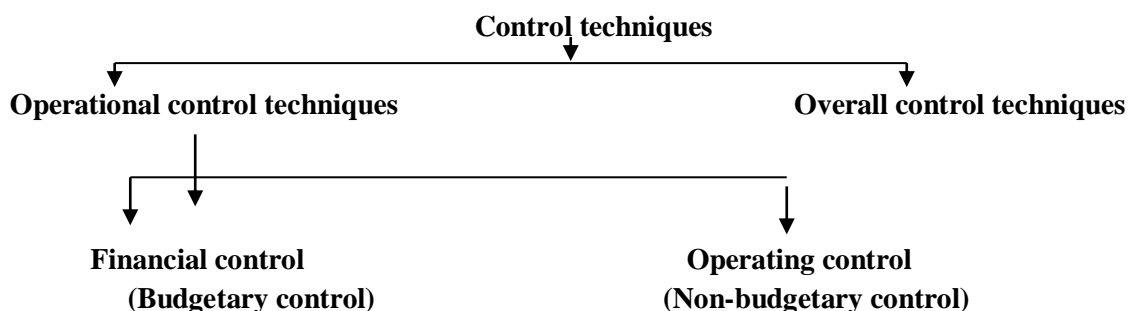
BUDGETARY CONTROL:

Budgetary control involves the use of budgets and budgetary reports throughout the period to coordinate, evaluate and control day to day operations in accordance with the goals specified in the budget"

A) Budgets

1. **Master budget**: it is the budget for the enterprise as a whole. It is a coordinated summary of departmental budgets.
2. **Production budget**: it lays down the quantity of goods to be produced during the budget period. It lays down the production programme and schedule for enterprise.
   - Man-hours
   - Machine-hours
3. **Labour budget**: it lays down the estimates of direct and indirect labour requirements for a given period of time. It is based on production and sales budget.
4. **Material budget**: it lays down the quantity and quality of raw materials required for achieving the desired output during the budget period.
5. **Cash budget**: it contains detailed estimates of cash receipts and cash payments for the budget for the budget period.
6. **Capital expenditure budget**: it consists of the estimates of capital investment in plant, machinery, furniture and other fixed assets.
7. **Overhead budget**: it contains estimates of overhead costs.
   - Factory overheads
   - Administration overheads
   - Distribution overheads
8. **Sales budget**: it is a forecast of the total volume of sales and also its breakup product wise and area wise.
9. **Fixed and flexible budget**: i. A fixed budget is based on a specified level of operations and it does not show changes in expenditures according to changes in the scale of operations. ii. Flexible budget shows changes in costs according to varying levels of operations.
10. **Zero-Base Budget:**
    - ZBB is based on a system where each function, irrespective of the fact whether it old or new, must be justified in its entirety each time a new budget is formulated.
    - It requires each manager to justify his entire budget in detail from scratch that is zero bases.
    - Each manager states why he should spend any money at all. The process of ZBB involves the four basic steps:
      - Identification of decision units, that is, clusters of activities or assignments within a manager's operations for which he is accountable.
      - Analysis of each decision unit in the context of total decision package.
      - Evaluation and ranking of all decision units to develop the budget request and
      - Allocation of resources to each unit based upon ranking

B) Control through costing
- Standard costing – a method of ascertain cost.
- Standard cost- pre-determined cost (material cost, labor cost, and over heads cost)
- Variance = standard > actual - favourable
  Variance = standard < actual – unfavourable

C) Responsibility Accounting
- A management accounting system consist of two principal parts: one is called product cost accounting; the other is called responsibility accounting.
- It focuses attention on MBO rather than MBD(domination)
- It cost are assigned to responsibility center rather than to products.
- A responsibility center is an organisation unit, such as division, department or section, head by responsible person.
- Head is made responsible for the controllable cost.
- It is a system of controlling, whereby the performance of managers is judged by assessing how for they have achieved the targets set for their departments or sections for whose performance they are responsible.

D) Internal Audit
- It is an effective tool of managerial control
- Internal audit is carried out by managers themselves or by special staff appointed for this purpose.
- It is appraises policies, procedure, quality of management, effectiveness of method etc.

- Internal audit is vouching and verification of accounting by a staff of internal auditors and is also concerned with examining the overall operational efficiency of the enterprise.

II. NON-BUDGETARY CONTROL

1. Quality control
- Quality is sense of appreciation that something is better than something else.
- The concept of quality is 'fitness for use' and the methodology adopted is defect prevention rather than inspection and rejection.
- Quality of an item refers to the ability of a product to satisfy its intended purpose in relationship to the price.
- The function of quality control is an integral part of management control. Quality control, if it is effectively done, results in many benefits.
- They are: i.it minimizes waste, ii. Reduces costs, iii. Builds up goodwill of the product in the market, iv. Facilitates advertising and v. increases sales

2. Total quality management (TQM)
- There is very high emphasis on quality both for products and service.
- " Create customers and retain customers"

3. Quality control through Quality Circle.
- QC Japanese- JIT, KANPAN, KAIZEN, SIC SIGMA etc,
- QC is a group of employees that meet regularly to solve problem affecting its working area.
- This group carries on continuously as a part of organisation-wide control activities, self-development and mutual development and control and improvement within the workplace utilizing control with all members participating.
- Generally six to twelve volunteers from same work area make up the circle.

4. Inventory control
- Inventory consists of raw material, work-in-progress and finished goods.
- Inventory is kept at a particular level.

i. ABC Analysis
- Technique for classifying different items
- This technique use the values of different types of inventory for their classification
- **A** – A group consists of those items which have high value though their number may be low
- **B** –B group items fall in between with average value and number.
- **C**- C group items have very low value but their number may be more.

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19. Elaborate on need for organizational creativity and innovation. What is Management of Innovation?

Though, at times creativity and innovation are used interchangeably, it is appropriate to know that both are different. While creativity is the generation of a new idea, innovation is the translation of such an idea into a product, service or method of production. In Lawrence B.Mohr's Woods, creativity implies "bringing something new into being; innovation implies bringing something new into use". According to Rosabeth Kanter, "innovation is the generation. Acceptance and implementation of new ideas, processes, products or services".

Such a distinction is necessary because the skills required to generate new idea (creativity) are not the same as those required to make the ideas take the shape of products or services. Since both creativity and innovation are two different functions, organizations need people good at both the functions. Further, creativity alone does not contribute for organizational effectiveness, unless the creative ideas can in some way be used or implemented. A new idea, however good it its, must be capable of implementation and must actually be implemented for the organization to benefit from it.

Process

Idea generation : The individual selects a problem to work on or, more likely, becomes aware that a problem or need exists. This is the starting points for the new product development indeed. This refers to the awareness about the 'gaps' in the market.

Preparation: The individual becomes obsessed with the idea / problem, recalling and collecting information that seems relevant and dreaming up hypothesis without evaluating them. Openness to experience, tolerance for ambiguity and willingness and courage to redefine the existing concepts, beliefs are the important psychological attributes required at the stage.

Incubation : After assembling the available information, the individual relaxes and the subconscious mind becomes active. In this not much understood but crucial step, the individual often appears to be idle or day dreaming, but the subconscious is infact trying to arrange the facts into a new pattern. Psychological freedom and safety are important at this stage.

Illumination: This is something which we experience quite often. Often when least expected – while eating, or falling asleep or walking – the new, integrative idea will flash into the individual's mind. Such insights must be recorded quickly, because the conscious mind may forget them in the course of other activities.

Verification and Application: The individual sets out to prove by logic or experiment that the idea can solve the problem and can be implemented. Tenacity may be required at this point. It is at this state the individual thatches over to the logical, analytical or convergent hinking. The practical implications are examined what is known as feasibility, both technical and economic.

20. **Write a note on the best management practices across the world.**

Japanese Management

The managerial practices followed in Japan are quite different from those followed in economically advanced countries in the west. In recent years, more and ore companies have started using Japanese management practices to increase productivity. For example Samsung a Korean Company used theory Z to improve its efficiency.

Samsung Uses Theory Z to Become a Living Organization

Many American firms are beginning to experiment with Japanese management philosophy. In order to get the best out of both Japanese and American management philosophies, many American firms have adopted Theory Z which combines both these philosophies. Some Korean companies, such as Samsung Group ,Lucky Goldstar, Hyundai, Daewoo and Samsung have also adopted Theory Z. The Samsung Group has achieved success through the adoption of Theory Z. In line with the Theory Z style of management, the company follows the practices described below.

- ❖ Employment in Samsung in neither short-term nor lifelong in nature. Samsung is one of the preferred places of employment for university graduates because of its prestigious image and its attractive salaries and benefits. This aspect of Samsung motivates most of its employees to remain with it for a long time.
- ❖ Unlike other organizations, Samsung practices collective decision-making. All decisions in the organizations begin with the organization begin with the circulation of a written proposal from the bottom of the organization to the top. The proposal moves upwards only when it has been approved by a manager at each stage. An important aspect of decision-making at Samsung is that the task of writing the proposal is given to they youngest and newest member of the department.
- ❖ At Samsung, clear lines of authority and responsibility are established. The organization does this by setting up a responsibility centre system, an individual reward system and an individual responsibility centre system. The establishment of such line of authority and responsibility encourage managers to work independently.
- ❖ The frequency of evaluation at Samsung is low. This is because the Chairman believes that it takes time to accurately assess the performance of on employee. Hence, at Samsung, an employee is evaluated only after he has been trained and his performance has been observed for a certain number pf years.

The Japanese Management Practices

They are circle employees immediately after graduation and guarantee employment until retirement, and mandatory retirement. The employees and employees have an unwritten mutual understanding regarding their execrations about the job. An employee spends his entire working like with a single enterprise in life time employment. This helps generate a feeling of job security in the employees and a feeling of belongingness towards the enterprise. The concept of lifetime employment brings about "harmony" in the enterprise. With this harmony employee works with loyalty and it helps him/her identify closely with the aims of the organization. The success of this practice depends on both employer and employee

Seniority system

All privileges are give to order employees based on security. Promotion and wage increases are based on an employee's length of service in the company, not job performance. The seniority system seems to be unfair to young and able people. But they are to some extent compensated psychologically by being assigned challenging tasks and being placed in positions which everybody in the company knows lead to future managerial positions.

Almost all promotions to management jobs are from within the organization.

Continuous training

This is secret of the success of the Japanese managers. There is continuous training to Japanese management practice. In Japanese firms every young manager has a "godfather," who is never his boss or anyone in the direct lint of authority. The "godfather" is not part of the top management, but is highly respected by others and is over 45 years of age. He is expected to advise, counsels and looks after his "godchild.

Emphasis on group work

In most Japanese organizations takes are assigned to small group of employees. They all feel like a family members and feel pride of working there.

Decision-making

The practice of managerial decision-making in Japan is built on the concept that new should come primarily from personnel belonging to lower levels in the hierarchy. They feel that change and improvement come frame this. The lower level employees prepare proposals for higher-level personnel. The "ringi system" refers to decision-making by consensus.

The word ringi consists of two parts 'rin,' which means submitting a proposal to one's superior and getting his approval, and 'gi,' meaning deliberations and decisions. Before a proposal is finally approved, it is discussed at many group meetings. Once the proposal receive the green signal, things move fast. Thus, Japanese firms expect decision-making to take in groups and decisions to be based on be based on principles of full information-sharing and consensus.

Performance evaluation by complicated interview system

When job descriptions are not well-defined. Because of this, when tasks are performed by groups, it becomes difficult to evaluate individual job performance objectively. The evaluation of workers and managers in Japanese corporations takes a very long time – upto ten years – and requires the use of qualitative and quantitative information about performance.

This is the reason why promotion in Japanese firms is relatively slow, and promotion decisions are made only after interviews with many people who have had contact with the person being evaluated. Since jobs are done on a group basis, individual merit rating system cannot be used. In addition, since no one tries to demonstrate individual brilliance or dynamic leadership. It is extremely difficult to isolate individual competence or job responsibility to carry out a fair rating of each employee.

Concept of Father Leadership

As a Kacho (manager), the task of a leader is not only to supervise his people at work, but also to show fatherly concern for their subordinate's private life. Since, promotion is based on seniority, it is not easy to move on to a kacho position. Sufficient trining and experience are essential for an individual to be promotes to this position.

Employee benefits while on the Job and after retirement.

Japanese companies provide substantial benefits to their employees. Employees are provided benefits such as family housing and transportation allowances. Some companies also provide bachelor accommodations, scholarships for employees' children, and low-interest housing loans. Salary enhancements become rapid after about seven years of employment with the firs. Since the seniority-based wage system assumes that the longer the experience, the more valuable the employee. Japanese factory workers also get considerable amount overtime workpay.

Part C-(1*20=20 marks)

21. THE STANDARD TEXTILE PRINTING WORKS

The standard textile printing works conducts business in high quality printing of superior textiles. It has good reputation in the market. The company employees about 500 workers and works in three shifts a day. There is no union in the plant. The chief executive of the workers is the general manager who is assisted three shift managers, supervisors, and assistant supervisors. For the past few months the general manager has been receiving frequent complaints from shift managers that pieces of customers cloth were missing from the plant and they could not account for the losses. The general manager took a serious view of the losses because it meant not only payment of damages to the customer but also company's reputation in the market. He, therefore, ordered a close search of workers at the time of their leaving the workplace for home. As a result of these searches a couple of workers were caught with small pieces of cloth hidden inside their dresses. They were charge-sheeted for their and subsequently dismissed after the domestic enquiry.

Some day's back, during lunch intervals, Vinayak, worker in the folding department saw a assistant supervisor taking piece of cloth and putting it in a briefcase. Vinayak immediately reported the matter to the shift manager, who come to department and found the piece of cloth in the assistant briefcase. Without discussion, he asked the supervisor to see him in the office. A week passed the concerned assistant supervisor continued to attend to his work.

During this period, the assistant supervisor threatened vinayak that the latter, days here are numbered. This upset Vinayak. He approached the shift manager and enquired of him as to what action was taken against the assistant supervisor. The shift manager curly replied, "I am thankful to you by whatever you did; it is none of your business to know what action we are taking against him. Remember that, after all, he is your officer" Vinayak felt irritated, but left the shift managers office without a word.

On the same day, when the watchman was about to search Vinayak while he was leaving the plant, Vinayak shouted at the watchman saying " I will not allow myself to be searched unless the officers are also searched. They are the real thieves" the watchman detained Vinayak at the gate and reported the matter to the general manager, who called Vinayak to his office. On being questioned by the GM, Vinayak told him about the piece of cloth in assistant supervisor's briefcase and subsequent events and repeated what he said to the watchman. The GM thereupon asked him angrily,"Do you mean to say that we are thieves?" Vinayak replied," you can take it that way, if you like". The GM recorded the incidence along with Vinayak's reply to his question and took Vinayak's signature on it.

Next day before Vinayak was served with a suspension order for his "Act of insubordination and indecent behaviour". Therefore the General Manager referred the case to the Chief General Manager.

Questions:

A) As a chief General Manager, how will you deal with this case?

As a chief General manager, we can hold the suspension of Vinayak, and go for inquiry procedure and have to make grievance redressal mechanism stronger

B) Give reasons for the advice that you will offer this case.

If this the case, without inquiry and without finding out both parties justification just like that we cannot order suspension. This will make employees to go with the idea of higher officials even if it is not ethical which is not at all good for the organization.

*Answers with different points of view are also accepted in Part C alone based on individualperception.