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***IQRA National University, Peshawar***

**Department of Computer Science**

**FINAL Examination 2020**

**Total Marks: 50 Course Title: Principles of Management**

**Time Allowed: 6 hours Course Instructor: Mehwish Khan**

Note: ANSWERS MUST BE IN MS WORD FORMAT

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| **Q.NO.** | **QUESTIONS** | **Marks** |
| **1.** | Identify sources of leader power and the tactics leaders use to influence Others  Answer:  **Identify sources of leader power:**  Legitimate Power  Power that is given to a person based on their position or role is known as legitimate power (or positional power). It’s determined by the hierarchy of the organization; junior managers report to senior managers and senior managers report to directors. Other than being promoted, there’s not much you can do directly to get more legitimate power.  Increasing some of your other types of power – mainly referent and expert power – leads to having more legitimate power. Legitimate power can’t be faked: in order for it to be wielded, the person claiming the power has to have earned it legitimately.    Reward Power  Tied in closely with legitimate power, reward power is the ability that one holds to dole out incentives and compensation in an organization. This includes salary raises and bonuses, praise, recognition, and promotion. Reward power that is used fairly can be highly motivating to employees. They’ll do more and better things by going for the rewards with the knowledge that they are achievable. However, if the rewards are given out unfairly and favoritism is used, this will demotivate them and make reward power less legitimate.    Coercive Power  Coercive power can be scary: it’s what sets in the fear of being punished for poor performance and keeps us coming in early and staying at the office late. People who wield coercive power can influence others’ behavior by their ability to threaten and punish others. These actions might include demotion, firing, and reprimanding, but can also be less concrete and abusive in the form of social ostracizing and shaming. A good dose of coercive power keeps employees in line, and with good management doesn’t need to be used often or severely. The mere knowledge that it’s there is usually enough.    Referent Power  Even if you don’t have any granted power in an organization, you can still influence others’ behavior and decision-making. Referent power is the ability to influence others because they respect, admire, or like you. There are many ways to earn referent power at work. Especially if you are new to an organization, you can start building social capital right away by saying “yes” when people ask you to do things. Never say, “No, that’s not my job” – especially to your boss. It’s OK to say no when you really can’t do something – just say, “no, but…” and give another solution. Also, befriend others with referent power – find the influential people in your organization, be part of the “in” crowd, and others will respect you.    Expert Power  Expert power is another way to earn respect and influence independently of the hierarchy of your organization. With expert power, you have the ability to influence others because of recognized talent, abilities, and knowledge. The key to gaining expert power is to know your job: be conscious of what you need to know to do your job well and build those skills. Cross-training is another way to gain expert power – you won’t just know your job, but others’ jobs as well. Look for opportunities in your skillset and offer to do things in areas that you’re skilled in to gain more expert power.    Cultivate Your Own Powers  As you can see, the different types of power come from different sources – some are inherent in the hierarchy of an organization, while others are earned by demonstrated social and practical skills. Anyone, even the lowest on the totem pole, can gain influence and power in an organization. Building your referent and expert powers leads to respect and influence, and can also lead to promotion and sources of legitimate, reward, and coercive powers. In this sense, referent and expert powers are the building blocks of organizational influence.  **the tactics leaders use to influence Others**  **The Eleven Tactics of Influence**:  **1. Pressure**  Seeks influence through demands, threats or intimidation to convince others to comply with a request or to support a proposal.  **2. Assertiveness**  Seeks influence through includes repeatedly making requests, setting timelines for project completion or expressing anger toward individuals who do not meet expectations.  **3. Legitimating**  Seeks influence through persuading others that the request is something they should comply with given their situation or position.  **4. Coalition**  Seeks influence through the aid of others to persuade them to do something or uses the support of others as an argument for them to agree.  **5. Exchange**  Seeks influence through making explicit or implicit a promise that others will receive rewards or tangible benefits if they comply with a request or reminds others of a favor that should be reciprocated.  **6. Upward Appeals**  Seeks influence through the approval/acceptance of those in higher positions within the organization prior to making a request of someone.  **7. Ingratiating**  Seeks influence through getting others in a good mood or to think favorably of them before asking them to do something.  **8. Rational Persuasion**  Seeks influence through logical arguments and factual evidence to persuade others that a proposal or request is viable and likely to result in task objectives.  **9. Personal Appeals**  Seeks influence through others’ compliance to their request by asking a “special favor for them,” or relying on interpersonal relationships to influence their behavior.  **10. Inspirational Appeals**  Seeks influence through making an emotional request or proposal that arouses enthusiasm by appealing to other’s values and ideals, or by increasing their confidence that they can succeed.  **11. Consultation**  Seeks influence through involving others’ participation in making a decision or planning how to implement a proposed policy, strategy or change.  While all eleven tactics will need to be draw upon depending on the situation at hand, the influence tactics occurring later on the list above are more effective at influencing others long-term. | **(10)** |
| **2.** | Describe and explain the importance of contingency planning, scenario building, and crisis planning in today’s environment.  **Answer:** IMPORTANCE OF CONTINGENCY PLANNING Presently, having a [comprehensive contingency plan](https://www.lifehack.org/569736/the-ultimate-guide-for-comprehensive-contingency-plan) is imperative for the survival of any business organization, regardless of its size. Not only is the business environment harsher and more competitive, but it is also dynamic with constant innovations and changes. Therefore, only those businesses that can adapt through proper planning will be able to survive the many challenges the business world presents. Below, we elaborate some of the benefits of having a contingency plan in any organization today. 1. IT LESSENS PANIC AND PROMOTES ACTION When a crisis happens, the easiest and most natural reaction is to panic if you do not have a clear plan of action to follow. However, with a well-thought-out plan, employees can react faster, think on their feet and speed up recovery operations to avert the crisis in good time. Rather than wait for instructions from elsewhere, everyone knows where to go, what to do, and how to do it so that order is restored promptly. In the end, this quick and orderly reaction minimizes losses, saves on costs and ensures timely restoration of business operations. 2. IT INCREASES FLEXIBILITY Besides increasing your organization’s general preparedness, contingency planning gives your organization the flexibility to shift focus from unpromising business prospects to more promising ones. This is to ensure proper alignment with the changing market needs. Instead of taking too long to move from ineffective business models to more effective ones, contingency plans save you time by guiding you through the transition process into better systems and strategies that are more profitable. In this sense, a contingency plan is like a gear lever for switching business gears and finding a more profitable solution. Without contingency plans, your organization will forever remain locked in the same money-draining business strategies that no longer work. This is why contingency planning should be a critical component of your business strategy. 3. ALLOWS EXPLOITATION OF OPPORTUNITIES Contingency planning not only entails preparing for disasters, but it also encompasses opportunity planning. Opportunity planning is a methodical approach that involves analyzing different market parameters to identify opportunities your organization can exploit. By identifying and taking advantage of these opportunities, your organization will maximize its profit potential and gain new customers in the process. Integrating opportunity planning into your organization’s contingency plans makes it easier to spot opportunities in good time and act on them to gain a competitive advantage. 4. IMPROVES YOUR ORGANIZATION’S REPUTATION Regardless of the size of your enterprise, your customers are likely to run away when they realize you’re not prepared to meet crises. Take for instance a bank. If it cannot assure its customers of the security of their funds regardless of future circumstances, then the customers will presumably take their money elsewhere. But with a contingency plan, the bank can convince its customers of their preparedness to handle future disasters/ problems without affecting their service delivery. This will, in turn, improve their reputation and retain customers.  In the same way, having a contingency plan for your organization will help you improve your reputation with your customers, employees and even stakeholders. 5. BOOSTS INSURANCE AND CREDIT CREDIBILITY Insurance and access to credit are among the most important things for the continued survival of any business. Easier access to credit ensures a business can meet its capital demands while access to insurance enables a business to secure its assets against theft or damage. [Business continuity and disaster recovery plans](https://www.truenorthitg.com/business-continuity-dr-planning), which are both products of contingency planning, are very effective for gaining better insurance services at reduced premiums. This is because contingency planning significantly reduces the risks associated with covering certain organizational products or services.  Besides this, credit lenders are more willing to lend to organizations with contingency plans as opposed to those without. This is because the former are at a better position to repay their loans due to proper planning as compared to the latter who have no plans whatsoever for the uncertain future. 6. CONTINGENCY PLANS KEEP YOUR BUSINESS RUNNING Disruptions such as lack of working capital, machine breakdowns, and natural disasters are among many other factors that can cause your business to come to a halt. Having a well-thought-out contingency plan can help weather these crises without having to shut down your business. Whether you have to dig into your [contingency reserve](https://smallbusiness.chron.com/create-contingency-reserve-38236.html) to assist with your poor cash flow or transfer your production to another location to cater for machine breakdown, having a contingency plan will always keep you fulfilling customer orders.  Day to day business operations may be too demanding for you to carve out some time for contingency planning. But as experience has shown, disasters come when you least expect them and to save your business then; you have to be proactive now by starting to develop your contingency plan.  **scenario building:**  [**Scenario**](https://sswm.info/content/scenario) building involves preparatory work including vision development, stakeholder workshops and post-workshop activities (see also stakeholder analysis starting by [**stakeholder identification**](https://sswm.info/planning-and-programming/exploring-tools/stakeholder-analysis/stakeholder-identification) factsheet). Scenarios are built up by using a matrix. This matrix contains factors which are beyond the control of planners (external factors). External factors are used to develop scenarios. Factors that are within the control of planners (internal factors) can be applied to develop strategies (MORIARTY et al. 2005). The relevant steps to perform a scenario building session are:   * **Step 1:**A [**brainstorming**](https://sswm.info/planning-and-programming/decision-making/gathering-ideas/brainstorming) should be conducted to identify all internal and external factors that will affect achieving the vision. After the brainstorming, a discussion should be launched in order to separate internal factors from external factors. A thorough understanding of the status of water resources and water supply as well as an understanding of location and severity of local water problems is essential, since it simplifies the identification of such external and internal factors (MORIARTY et al. 2005). * **Step 2:**The next step consists of classifying the factors as it is shown in the figure. The factors in the upper-right quadrant which are labelled as the most important and most uncertain factors are used to differentiate between possible futures described by the narrative scenario. A reduction of these key factors to two or three factors helps to keep the number of possible scenarios low. * **Step 3:**The identification of different future states for each factor is the next stage. The results have to be combined in order to come with the main storylines of different scenarios. The less uncertain or less important factors in the other three quadrants can be used to develop a “background story” that is shared by all the scenarios. Another discussion should be started which includes the classification of the scenarios as high or low probability. * **Step 4:**Write down a series of narrative scenarios in which the factors from quadrant one of the chart provide a common background story to a set of diverging possible futures described by those factors in quadrant two. Depending on the length and detail of the scenarios being developed, factors from quadrants three and four can be included or left out of the write-up.   **THE IMPORTANCE OF A CRISIS MANAGEMENT PLAN**  Every organization will at some point be faced with a crisis situation. A crisis is any situation that challenges the reputation of your organization, or clients, donors, or individuals associated with your organization. Whether it is directly or indirectly, your organization’s reaction and response to the situation will directly impact your brand.  The best way for your organization to deal with a crisis is to take the time to plan for one before it happens. A proactive approach will serve your organization and your brand well. Here are four key strategies for effective Crisis Management:  **Be Prepared**  Take the time to be proactive and get ahead of the story. The time spent planning for what might happen will help to streamline your response and protect your brand when a crisis happens.   * Assemble a Crisis Communications Team * Brainstorm with your team all possible crisis scenarios – if it can go wrong, it will go wrong * Designate a spokesperson to ensure consistency in your communication * Train your team on what their specific response will be based on their title/role within the organization   Planning ensures that everyone in your organization is on the same page making your response more effective.  **Act Quickly**  Get ahead of the situation as quickly as possible to help diffuse negative response. Apologize, if necessary, and communicate effectively. The longer it takes for your organization to respond, the harder it will be to overcome all negative thoughts and feelings regarding the situation.  **Monitor Social Media and Other Messages**  Keep a pulse on social media and other media outlet responses inorder to stay ahead of the story. You can communicate most effectively when you know what is being said and by whom.  **Be Transparent and Accountable**  Be honest in your response. The best way to rebuild and maintain trust is to be honest and transparent throughout the situation. Acknowledge what has happened, accept responsibility, and communicate the steps your organization will take to move forward. | **(10)** |
| **3.** | ‘ORGANIZATIONAL CONTROL’ is the process of monitoring,  comparing, and correcting work performance  NAME How (source of information) and What we measure in the process?  Answer: The Organizational Control Process The control process involves carefully collecting information about a system, process, person, or group of people in order to make necessary decisions about each. Managers set up control systems that consist of four key steps:   1. **Establish standards to measure performance.** Within an organization's overall strategic plan, managers define goals for organizational departments in specific, operational terms that include standards of performance to compare with organizational activities. 2. **Measure actual performance.** Most organizations prepare formal reports of performance measurements that managers review regularly. These measurements should be related to the standards set in the first step of the control process. For example, if sales growth is a target, the organization should have a means of gathering and reporting sales data. 3. **Compare performance with the standards.** This step compares actual activities to performance standards. When managers read computer reports or walk through their plants, they identify whether actual performance meets, exceeds, or falls short of standards. Typically, performance reports simplify such comparison by placing the performance standards for the reporting period alongside the actual performance for the same period and by computing the variance—that is, the difference between each actual amount and the associated standard. 4. **Take corrective actions.** When performance deviates from standards, managers must determine what changes, if any, are necessary and how to apply them. In the productivity and quality‐centered environment, workers and managers are often empowered to evaluate their own work. After the evaluator determines the cause or causes of deviation, he or she can take the fourth step—corrective action. The most effective course may be prescribed by policies or may be best left up to employees' judgment and initiative. | **(10)** |
| **4.** | NAME various organizational sources of resistance to change.  Answer:   1. Treat to established resource allocation. 2. Treat to established power relationship. 3. Treat to expertise. 4. Group inertia. 5. Limited focus of change. 6. Structural inertia. | **(10)** |
| **5.** | How do teams contribute to organizations? WRITE down the Usefulness and Common problems in teams  Answer:  **Common problems in teams:**  Personality conflicts.  Individual differences in work styles.  Ambiguous agendas.  Ill-defined problems.  Poor readiness to work.  Lack of motivation.  Conflicts with other deadlines or priorities.  Lack of team organization or progress.  Meetings that lack purpose or structure.  Members coming to meetings unprepared  **Usefulness of teams:**  **More resources for problem solving.**  **Improved creativity and innovation.**  **Improved quality of decision making.**  **Greater commitments to tasks.**  **Higher motivation through collective action.**  **Better control and work discipline.**  **More individual need satisfaction.** | **(10)** |