1. **How does MIS affect the efficiency and effectiveness of an organisation? Explain and discuss with the help of the organisational example you have come across or, known to you. Briefly describe the essential details of the organisation, you are referring to, along with basic components of the MIS and reporting relationships currently existing in the organisation.**

A management information system (MIS) is a system that provides information needed to manage organizations effectively. Management information systems are regarded to be a subset of the overall internal controls procedures in a business, which cover the application of people, documents, technologies, and procedures used by management accountants to solve business problems such as costing a product, service or a business-wide strategy. Management information systems are distinct from regular information systems in that they are used to analyze other information systems applied in operational activities in the organization. Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e.g. Decision Support Systems, Expert systems, and Executive information systems.

An 'MIS' is a planned system of the collection, processing, storage and dissemination of data in the form of information needed to carry out the management functions. In a way, it is a documented report of the activities that were planned and executed. According to Philip Kotler "A marketing information system consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers."

Applications of MIS ---With computers being as ubiquitous as they are today, there's hardly any large business that does not rely extensively on their IT systems. However, there are several specific fields in which MIS has become invaluable.

- Strategy Support While computers cannot create business strategies by themselves they can assist management in understanding the effects of their strategies, and help enable effective decision-making.
- MIS systems can be used to transform data into information useful for decision making. Computers can provide financial statements and performance reports to assist in the planning, monitoring and implementation of strategy.
- MIS systems provide a valuable function in that they can collate into coherent reports unmanageable volumes of data that would otherwise be broadly useless to decision makers. By studying these reports decision-makers can identify patterns and trends that would have remained unseen if the raw data were consulted manually.

- MIS systems can also use these raw data to run simulations - hypothetical scenarios that answer a range of 'what if' questions regarding alterations in strategy. For instance, MIS systems can provide predictions about the effect on sales that an alteration in price would have on a product. These Decision Support Systems (DSS) enable more informed decision making within an enterprise than would be possible without MIS systems.

Data Processing

Not only do MIS systems allow for the collation of vast amounts of business data, but they also provide a valuable time saving benefit to the workforce. Where in the past business information had to be manually processed for filing and analysis it can now be entered quickly and easily onto a computer by a data processor, allowing for faster decision making and quicker reflexes for the enterprise as a whole.

Management by Objectives

While MIS systems are extremely useful in generating statistical reports and data analysis

they can also be of use as a Management by Objectives (MBO) tool.

MBO is a management process by which managers and subordinates agree upon a series of objectives for the subordinate to attempt to achieve within a set time frame. Objectives are set using the SMART ratio: that is, objectives should be Specific, Measurable, Agreed, Realistic and Time-Specific.

The aim of these objectives is to provide a set of key performance indicators by which an enterprise can judge the performance of an employee or project. The success of any MBO objective depends upon the continuous tracking of progress.

In tracking this performance it can be extremely useful to make use of an MIS system. Since all SMART objectives are by definition measurable they can be tracked through the generation of management reports to be analyzed by decision-makers.

Benefits of MIS

The field of MIS can deliver a great many benefits to enterprises in every industry. Expert organisations such as the Institute of MIS along with peer reviewed journals such as MIS Quarterly continue to find and report new ways to use MIS to achieve business objectives.

1. Core Competencies

   Every market leading enterprise will have at least one core competency - that is, a

function they perform better than their competition. By building an exceptional management information system into the enterprise it is possible to push out ahead of the competition. MIS systems provide the tools necessary to gain a better understanding of the market as well as a better understanding of the enterprise itself.

2. Enhance Supply Chain Management

Improved reporting of business processes leads inevitably to a more streamlined production process. With better information on the production process comes the ability to improve the management of the supply chain, including everything from the sourcing of materials to the manufacturing and distribution of the finished product.

3. Quick Reflexes

As a corollary to improved supply chain management comes an improved ability to react to changes in the market. Better MIS systems enable an enterprise to react more quickly to their environment, enabling them to push out ahead of the competition and produce a better service and a larger piece of the pie.

4. Significant cost benefits, time savings, productivity gains and process re- engineering opportunities are associated with the use of data warehouse for information processing.

5. Data can easily be accessed and analysed without time consuming manipulation and processing.

6. Decisions can be made more quickly and with confidence that the data are both time-relevant and accurate.

7. Integrated information can be also kept in categories that are meaningful to profitable operation
Further information about MIS can be found at the Bentley College Journal of MIS and the US Treasury's MIS handbook, and an example of an organisational MIS division can be found at the Department of Social Services for the state of Connecticut.

MIS in Banking Sector (AXIS BANK)

Axis Bank, previously called UTI Bank, was the first of the new private banks to have begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted jointly by the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation Ltd., National Insurance Company Ltd., The New India Assurance Company, The Oriental Insurance Corporation and United Insurance Company Ltd. UTI-I holds a special position in the

Indian capital markets and has promoted many leading financial institutions in the country. For example, using MIS strategically can help a company to become a market innovator. By providing a unique product or service to meet the needs of customers, a company can raise the cost of market entry for potential competitors and thus gain a competitive advantage.

Another strategic use of MIS involves forging electronic linkages to customers and suppliers. This can help companies to lock in business and increase switching costs. Finally, it is possible to use MIS to change the overall basis of competition in an industry. For example, in an industry characterized by price wars, a business with a new means of processing customer data may be able to create unique product features that change the basis of competition to differentiation.

Relevance of Data Warehousing and Data Mining for banks in India.

Banking being an information intensive industry, building a Management Information System within a bank or an industry is a gigantic task. It is more so for the public sector banks which have a wide network of bank branches spread all over the country.

At present, banks generate MIS reports largely from periodic paper reports/statements submitted by the branches and regional/zonal offices. Except for a few banks which have been using technology in a big way, MIS reports are available with a substantial time lag. Reports so generated have also a high margin of error due to data entry being done at various levels and the likelihood of varying interpretations at different levels. Though computerization of bank branches has been going on at a good pace, MIS requirements have not been fully addressed to. It is on account of the fact that most of the Total Branch Computerization (TBC) software packages are transaction processing oriented. They have been designed primarily for day-to-day operations at the branch level and day-end balancing of books

Need for building MIS

The need for building MIS at the corporate level has increased considerably during the last few years because of the following reasons:

- Regulatory requirements indicated by the RBI for preparation of Off-site Monitoring Surveillance (OSMOS) Reports on a regular basis in electronic format
- Regulatory requirement of filing of statutory returns such as the one under Section 42 of the Reserve Bank of India Act, 1934 for working out Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) obligations in electronic format
- Asset Liability Management (ALM) guidelines for banks being implemented by the RBI w.e.f. April 1, 1999 with the stipulation that the banks should capture 100 percent of their business through the ALM system by April 1, 2000.
- Need for timely submission of Balance Sheets and Profit$\varpi$ & Loss Accounts
- Focus on transaction costing and a need for relating the service charges levied on the customers to be based on cost of servicing
- Need for Inter-Branch Reconciliation of Accounts within a definite time frame

- Need to meet the stipulations made by the Central Vigilance Commission (CVC) to computerise at least 70 percent of banking business by January 1, 2001.
- Need to undertake risk management strategies and for this purpose build up appropriate sets of data and market intelligence reports

Application of data warehousing and data mining techniques

Implication of adopting such technology in a bank would be as under

1. All transactions captured at the branch level would get consolidated at a central location. Such a central location could be called the Data Warehouse of the concerned bank

2. For banks with large number of branches, it may not be desirable to consolidate the transaction details at one place only. It can be decentralised by locating the services on regional basis.

3. By way of data mining techniques, data available at various computer systems can be accessed and by a combination of techniques like classification, clustering, segmentation, association rules, sequencing, decision tree (described in detail at Annexure-15), various ALM reports such as Statement of Structural Liquidity, Statement of Interest Rate Sensitivity etc. or accounting reports like Balance Sheet and Profit & Loss Account can be generated instantaneously for any desired period/date

ORGANISATION COMPUTING RESOURCES SOFTWARE RESOURCES

RisKompass : A software system for derivatives valuation and risk management, RisKompass enables clients to manage derivative trades in a further controlled way from the front to back office. Supporting the industry standard FpML (Financial Product Markup Language) protocol, it can manage valuation and risk management of a broad range of derivatives instruments. The system will handle derivatives such as interest rates and foreign exchange for Bank.

ORGANISATION COMPUTING RESOURCES

1. The implementation will provide the bank with an automated system that reduces manual effort to streamline its operations.
2. The benefit envisaged by the bank is that everybody being on the same system, it can be accessed by anyone on the different locations of the bank.
3. The users at the bank would include traders, dealers and risk managers.
4. The solution will result in smoother deal processing, with verifying and online risk monitoring mechanism.
5. It will streamline all operations and the risk mechanism can be monitored centrally

•Electronic Clearing Service (ECS Credit)

ECS Credit is an electronic clearing system that facilitates paperless transaction through an offline system. Bank facilitates ECS Credit at all ECS designated locations. We accept the electronic file and arrange abstention of settlement date (date of credit to beneficiary account) from RBI/SBI/Local Clearing House as the case may be. The funds gets debited from a centralized account and credit is accorded to the respective beneficiaries as per settlement cycle. A detailed MIS about the transactions is provided to the customer.

NEFT

To establish an Electronic Funds Transfer System to facilitate an efficient, secure, economical, reliable and expeditious system of funds transfer and clearing in the banking sector throughout India. The customer willing to avail the NEFT facility offered by us shall submit an "NEFT Application Form" authorising the sending bank to debit the sender's account and transfer funds to the beneficiary specified in the NEFT Application Form. The Beneficiary's account will be credited on the same day by crediting the specified account of the beneficiary or otherwise placing funds at the disposal of the beneficiary.

Centralised Service Desk

A dedicated service desk has been started at our Centralised Collection and Payment HUB (CCPH) to ensure that your queries are resolved quickly and efficiently. The Customers can contact CCPH regarding any query about the MIS or the process flow.

• Web CMS Web CMS provides you with all the information at a click. Detailed MIS Like location wise collection and return, product-wise pooling, pooling in pipeline (due credit report) etc. can be viewed and downloaded from web interface through internet Comprehensive MIS We provide comprehensive MIS reports like daily report, transaction report future credits reports and cheque returned unpaid report. On the payments side we provide daily paid - unpaid status for the demand drafts, cheques or warrants issued by your Organisation.

Mobile Alert Service

The CMS clients availing our collection products now have the facility to subscribe to Mobile Alert Service for receiving alerts on registered mobile phone numbers instantly after the funds are pooled. To avail this facility, please visit nearest CMS designated branch or log on to our Web CMS to download the form online and send it to our branch where your account is maintained.

**2. Compare and evaluate the relevance and suitability of various decision making models in different organisational set ups and situations. Explain the decision making model decision making which is / was predominately suitable in an organisation, you are aware of or familiar**

**with and why? Briefly describe basic details of the organisation, you are referring to, for better understanding of the context and hierarchical structure.**

The many decision making models that exist nowadays means that you even have to make a decision as to which one to use! There are rational models, intuitive models, rational-iterative models as well as 5, 6, 7 and even 9 step decision models.

Most, however, move through each of the basic <u>stages in decision making</u>.

RATIONAL DECISION MAKING MODELS

Decision matrix analysis, <u>Pugh matrix</u>, SWOT analysis, Pareto analysis and decision trees are examples of rational models and you can read more about the <u>most popular here</u>.

This type of model is based around a cognitive judgement of the pros and cons of various options. It is organized around selecting the **most logical and sensible alternative** that will have the desired effect. Detailed analysis of alternatives and a comparative assessment of the advantages of each is the order of the day.

<u>Rational decision models</u> can be quite time consuming and often require a lot of preparation in terms of information gathering. The <u>six step decision making process</u> is a classic example in this category and you can read about the <u>9 step model here</u>.

The <u>Vroom-Jago decision model</u> helps leaders decide how much involvement their teams and subordinates should have in the decision making process.

SEVEN STEP DECISION MAKING MODEL

<u>The seven step model</u> was **designed for choosing careers** and may be classed as a rational decision making model. The seven steps are designed to firstly identify the frame of the decision. Based on the information available, alternatives are generated. Further information is then gathered about these alternatives in order to choose the best one.

ut what happens when there's **too much information?** How do you separate the useful from the worthless? And then, of course, the world is changing so rapidly that the information is also changing rapidly. But waiting for things to stabilize may cause a delay in decision making which may, in turn, lead to missed opportunities.

Many think the way forward involves reharnessing the power of our intuition.

INTUITIVE DECISION MAKING MODELS

Some people consider these decisions to be unlikely coincidences, lucky guesses, or some kind of new-age hocus-pocus. Many universities are still only teaching rational decision

models and suggest that if these are not used, failure results. Some researchers are even studying **the logic behind the intuitive decision** making models!

The groups who study intuitive decision models are realizing that it's not simply the opposite of rational decision making.

In military schools the rational, analytical models have historically been utilized. It is also long been recognized, however, that once the enemy is engaged the analytical model may do more harm than good. History is full of examples where battles have more often been lost by a leader's failure to make a decision than by his making a poor one.

> "A good plan, executed now, is better than a perfect plan next week."
>
> - General George S. Patton, Jr.

The military are educating the soldiers of every rank in how to make intuitive decisions. Information overload, lack of time and chaotic conditions are poor conditions for rational models. Instead of improving their rational decision making, the army has turned to intuitive decision models. Why? Because they work!

RECOGNITION PRIMED DECISION MAKING MODEL

Psychologist Dr. Gary Klein has been studying decision making for many years and he suggests that people actually use an **intuitive approach 90% of the time**. His recognition primed decision making model describes that in any situation there are cues or hints that allow people to **recognise patterns**. Obviously the more experience somebody has, the more patterns they will be able to recognise. Based on the pattern, the person chooses a particular course of action. They mentally rehearse it and **if they think it will work, they do it.**

If they don't think it will work, they choose another, and mentally rehearse that. As soon as they find one that they think will work, they do it. Again past experience and learning plays a big part here.

There is **no actual comparison of choices**, but rather a cycling through choices until an appropriate one is found.

Obviously people become better with this over time as they have more experiences and learn more patterns.

**Decision making at HAIER TELECOM**

Decision-making increasingly happens at all levels of a business. The Board of Directors may make the grand strategic decisions about investment and direction of future growth, and managers may make the more tactical decisions about how their own department may contribute most effectively to the overall business objectives. But quite ordinary employees are increasingly expected to make decisions about the conduct of their own tasks, responses to customers and improvements to business practice. This needs careful recruitment and selection, good training, and enlightened management.

**Types of Business Decisions**

**1. Programmed Decisions** These are standard decisions which always follow the same routine. As such, they can be written down into a series of fixed steps which anyone can follow. They could even be written as computer program

**2. Non-Programmed Decisions.** These are non-standard and non-routine. Each decision is not quite the same as any previous decision.

**3. Strategic Decisions.** These affect the long-term direction of the business eg whether to take over Company A or Company B

**4. Tactical Decisions.** These are medium-term decisions about how to implement strategy eg what kind of marketing to have, or how many extra staff to recruit

**5. Operational Decisions.** These are short-term decisions (also called administrative decisions) about how to implement the tactics e.g. which firm to use to make deliveries.

## Figure 1: Levels of Decision-Making

```
┌──────────────┐                ┌──────────────┐
│  STRATEGIC   │ <=========>    │ OWNERS / BOARD│
│  DECISIONS   │                │ OF DIRECTORS │
└──────┬───────┘                └──────┬───────┘
       ▼                               ▼
┌──────────────┐                ┌──────────────┐
│   TACTICAL   │ <=========>    │   MANAGERS   │
│  DECISIONS   │                │              │
└──────┬───────┘                └──────┬───────┘
       ▼                               ▼
┌──────────────┐                ┌──────────────┐
│ OPERATIONAL  │ <=========>    │    MOST      │
│  DECISIONS   │                │  EMPLOYEES   │
└──────────────┘                └──────────────┘
```
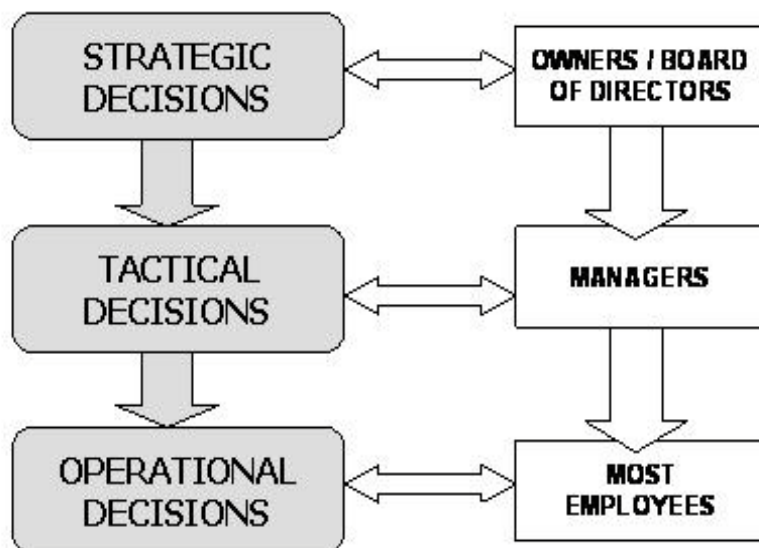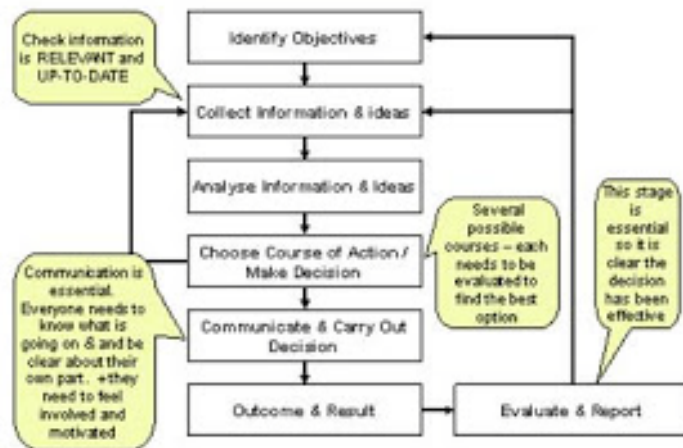
Figure 2: The Decision-Making Process



The model in Figure 2 above is a normative model, because it illustrates how a good decision ought to be made. Business Studies also uses positive models which simply aim to illustrate how decisions are, in fact, made in businesses without commenting on whether they are good or bad.

**Linear programming**

models help to explore maximising or minimising constraints eg one can program a computer with information that establishes parameters for minimising costs subject to certain situations and information about those situations.

**Spread-sheets are widely used for 'what if' simulations.**

A very large spread-sheet can be used to hold all the known information about, say, pricing and the effects of pricing on profits. The different pricing assumptions can be fed into the spread-sheet 'modelling' different pricing strategies. This is a lot quicker and an awful lot cheaper than actually changing prices to see what happens. On the other hand, a spread-sheet is only as good as the information put into it and no spread-sheet can fully reflect the real world. But it is very useful management information to know what might happen to profits 'what if' a skimming strategy, or a penetration strategy were used for pricing.

The computer does not take decisions; managers do. But it helps managers to have quick and reliable quantitative information about the business as it is and the business as it might be in different sets of circumstances. There is, however, a lot of research into 'expert systems' which aim to replicate the way real people (doctors, lawyers, managers, and the like) take decisions. The aim is that computers can, one day, take decisions, or at least programmed decisions (see above). For example, an expedition could carry an expert medical system on a lap-top to deal with any medical emergencies even though the nearest doctor is thousands of miles away. Already it is possible, in the US, to put a credit card into a 'hole-in-the-wall' machine and get basic legal advice about basic and standard legal problems.

**Intuitive decision making models**

Some people consider these decisions to be unlikely coincidences, lucky guesses, or some kind of new-age hocus-pocus. Many universities are still only teaching rational decision making models and suggest that if these are not used, failure results. Some researchers are even studying the logic behind the intuitive decision making models!

The groups who study intuitive decision making models are realising that it's not simply the opposite of rational decision making. Carl Jung pointed out that it is outside the realm of reason.

In military schools the rational, analytical models have historically been utilised. It is also long been recognised, however, that once the enemy is engaged the analytical model may do more harm than good. History is full of examples where battles have more often been lost by a leaders? failure to make a decision than by his making a poor one.

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**Recognition primed decision making model**

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Obviously people become better with this over time as

**Constraints on Decision-Making**

**Internal Constraints**
These are constraints that come from within the business itself.
- **Availability of finance.** Certain decisions will be rejected because they cost too much
- **Existing Business Policy.** It is not always practical to re-write business policy to accommodate one decision
- **People's abilities and feelings.** A decision cannot be taken if it assumes higher skills than employees actually have, or if the decision is so unpopular no-one will work properly on it.

**External Constraints**
These come from the business environment outside the business.
- **National & EU legislation**
- **Competitors' behaviour,** and their likely response to decisions your business makes
- **Lack of technology**
- **Economic climate**

**3. What are the essential pre-requisites and significant key considerations in effecting effective delegation of authority in an organisational set up and why? Critically evaluate with examples, known to you by way of working in an organisation or having acquaintance with. Briefly explain the situation/s and the organisation being referred by you.**

A manager alone cannot perform all the tasks assigned to him. In order to meet the targets, the manager should delegate authority. Delegation of Authority means division of authority and powers downwards to the subordinate.

Delegation is about entrusting someone else to do parts of your job. Delegation of authority can be defined as subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.

Delegation of authority is one vital organizational process. It is inevitable along with the expansion and growth of a business enterprise. Delegation means assigning of certain responsibilities along with the necessary authority by a superior to his subordinate managers. Delegation does not mean surrender of authority by the higher level manager. It only means transfer of certain responsibilities to subordinates and giving them the necessary authority, which is necessary to discharge the responsibility properly. Delegation is quite common in all aspects of life including business. Even in the college, the principal delegates some of his authority to the vice-principal.

Elements of Delegation

1. Authority - in context of a business organization, authority can be defined as the power and right of a person to use and allocate the resources efficiently, to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well- defined. All people who have the authority should know what is the scope of their authority is and they shouldn't misutilize it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else doesn't imply escaping from accountability. Accountability still rest with the person having the utmost authority.

2. Responsibility - is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should not give explanations or excuses. Responsibility without adequate authority leads to discontent and dissatisfaction among the person. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it. If he performs the tasks assigned as expected, he is bound for praises. While if he doesn't accomplish tasks assigned as expected, then also he is answerable for that.

3. Accountability - means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still rest with 'A'. The top level management is most accountable. Being accountable means being innovative as the person will think beyond his scope of job. Accountability, in short, means being answerable for the end result. Accountability can't be escaped. It arises from responsibility.

For achieving delegation, a manager has to work in a system and has to perform following steps:

1. Assignment of tasks and duties
2. Granting of authority
3. Creating responsibility and accountability

Delegation of authority is the base of superior-subordinate relationship, it involves following steps:-

1. Assignment of Duties - The delegator first tries to define the task and duties to the subordinate. He also has to define the result expected from the subordinates. Clarity of duty as well as result expected has to be the first step in delegation.

2. Granting of authority - Subdivision of authority takes place when a superior divides and shares his authority with the subordinate. It is for this reason; every subordinate should be given enough independence to carry the task given to him by his superiors. The managers at all levels delegate authority and power which is attached to their job positions. The subdivision of powers is very important to get effective results.

3. Creating Responsibility and Accountability - The delegation process does not end once powers are granted to the subordinates. They at the same time have to be obligatory towards the duties assigned to them. Responsibility is said to be the factor or obligation of an individual to carry out his duties in best of his ability as per the directions of superior. Responsibility is very important.

Therefore, it is that which gives effectiveness to authority. At the same time, responsibility is absolute and cannot be shifted. Accountability, on the others hand, is the obligation of the individual to carry out his duties as per the standards of performance. Therefore, it is said that authority is delegated, responsibility is created and accountability is imposed. Accountability arises out of responsibility and responsibility arises out of authority. Therefore, it becomes important that with every authority position an equal and opposite responsibility should be attached.

Therefore every manager, i.e., the delegator has to follow a system to finish up the delegation process. Equally important is the delegate's role which means his responsibility and accountability is attached with the authority over to here.

Objectives of Delegation of Authority

1. To reduce the excessive burden on the superiors i.e., executives and managers functioning at different levels.

2. To provide opportunities of growth and self development to junior executives.

3. To create a team of experienced and matured managers for the Organisation. It acts as a technique of management and human resource development.

4. To improve individual as well as overall efficiency of the Organisation.
Process of Delegation of Authority at American Express

It is an assortment of such experiences that, for over a thousand employees at Amex India, make the company a great place to work. This is reflected in the long tenures that employees have at Amex. There are many factors that influence employees' decision to stay in a job market or create jobs by turning entrepreneurs. Working for large corporations has its own advantages. Apart from the assurance and security of a good salary every month end, there is also a pride attached to working in reputed companies. In the financial services sector, Amex, which has over a thousand employees in India, its largest employee base anywhere outside the US, presents a good opportunity. The company also scores high on employee freedom at work front.

The hallmark of any good corporate is the extent of decentralisation of power and authority. "At Amex, we have a four-stage development plan that employees get to create.

When employees set their own goals, they are more likely to achieve it," says Rai, talking about the company's four-stage development plan that employees help make, getting a greater say in shaping company policy and direction.

At Amex, individual leadership is given to junior managers, executional leadership rests with middle managers and strategic leadership roles are vested with vice presidents. Visionary leadership functions rest with the global heads. So the company has a clear function and well distributed authority at all levels. "Such clear distribution eliminates the need for much supervision, management of day to day employee affairs and also guarantees employee freedom," adds Rai.

Delegation process involves four distinct stages. The process of delegation moves through these stages. The following figure shows the stages in the process of delegation of authority.

Advantages / Importance of Delegation of Authority

1. Relieves manager for more challenging jobs: Delegation makes it possible for the managers to distribute their workload to others. Thus, managers are relieved of routine work and they can concentrate on higher functions of management like planning, organising, controlling, etc.

2. Leads to motivation of subordinates: Subordinates are encouraged to give their best at work when they have authority with responsibility. They take more initiative and interest in the work and are also careful and cautious in their work. Delegation leads to motivation of employees and manpower development.

3. Facilitates efficiency and quick actions: Delegation saves time enabling tile subordinates to deal with the problems promptly. They can take the decisions quickly within their authority. It is not necessary to go to the superiors for routine matters. This

raises the overall efficiency in an Organisation and offers better results in terms of production, turnover and profit.

4. Improves employee morale: Delegation raises the morale of subordinates as they are given duties and supporting authority. They feel that they are responsible employees. The attitude and outlook of subordinates towards work assigned becomes more constructive.

5. Develops team spirit: Due to delegation, effective communication develops between the superiors and subordinates. The subordinates are answerable to superiors and the superiors are responsible for the performance of subordinates. This brings better relations and team spirit among the superiors and subordinates

6. Maintains cordial relationships: The superiors trust subordinates and give them necessary authority. The subordinates accept their accountability and this develops cordial superior-subordinate relationships.

7. Facilitates management development: Delegation acts as a training ground for management. It gives opportunity to subordinates to learn, to grow and to develop new qualities and skills. It builds up a reservoir of executives, which can be used as and when required.
Delegation creates managers and not mere messenger's development.

**4. Present a comparative brief of various leadership styles. Explain in detail the leadership style you are currently faced with in the organisation you are working for or you are aware of. Which leadership style/s, in your opinion, boosts efficiency of the organisation and commitment of the employees towards the organisational goals, in general, and why? Substantiate your answer with suitable organisational examples along with describing its essential features.**

Here are the six leadership styles Goleman uncovered among the managers he studied, as well as a brief analysis of the effects of each style on the corporate climate:

1. The pacesetting leader expects and models excellence and self-direction. If this style were summed up in one phrase, it would be "Do as I do, now." The pacesetting style works best when the team is already motivated and skilled, and the leader needs quick results. Used extensively, however, this style can overwhelm team members and squelch innovation.

2. The authoritative leader mobilizes the team toward a common vision and focuses on end goals, leaving the means up to each individual. If this style were summed up in one phrase, it would be "Come with me." The authoritative style works best when the team needs a new vision because circumstances have changed, or when explicit guidance is not required. Authoritative leaders inspire an entrepreneurial spirit and vibrant enthusiasm for the mission. It is not the best fit when the leader is working with a team of experts who know more than him or her.

3. The affiliative leader works to create emotional bonds that bring a feeling of bonding and belonging to the organization. If this style were summed up in one phrase, it would be "People come first." The affiliative style works best in times of stress, when teammates need to heal from a trauma, or when the team needs to rebuild trust. This style should not be used exclusively, because a sole reliance on praise and nurturing can foster mediocre performance and a lack of direction.

4. The coaching leader develops people for the future. If this style were summed up in one phrase, it would be "Try this." The coaching style works best when the leader wants to help teammates build lasting personal strengths that make them more successful overall. It is least effective when teammates are defiant and unwilling to change or learn, or if the leader lacks proficiency.

5. The coercive leader demands immediate compliance. If this style were summed up in one phrase, it would be "Do what I tell you." The coercive style is most effective in times of crisis, such as in a company turnaround or a takeover attempt, or during an actual emergency like a tornado or a fire. This style can also help control a problem teammate when everything else has failed. However, it should be avoided in almost every other case because it can alienate people and stifle flexibility and inventiveness.

6. The democratic leader builds consensus through participation. If this style were summed up in one phrase, it would be "What do you think?" The democratic style is most effective when the leader needs the team to buy into or have ownership of a decision, plan, or goal, or if he or she is uncertain and needs fresh ideas from qualified teammates. It is not the best choice in an emergency situation, when time is of the essence for another reason or when teammates are not informed enough to offer sufficient guidance to the leader.

Which **leadership** style is superior?

For people wanting to stand out within their workplace and gain new responsibilities, few things accelerate their careers like demonstrating superior leadership skills. Traditionally, leadership skills were considered hard to teach and harder to measure, but this is beginning to change in the era of the Internet and its many online leadership and management programs and articles.

Now that we can compile huge numbers of corporate statistics, it's possible to break down the most popular leadership styles and compare their outcomes. As it turns out, it *is* situational... but the same situations tend to come up over and over.

So, ultimately, the best leadership style may the one that's the most adaptable – a leader who's willing to move and bend his style to best fit into the situation. Remember, in business, ultimately only results matter – even if you prefer not to adopt a certain style in your everyday business, sometimes different measures are called for.

**Different Leadership Styles for Frequently-Encountered Situations**

*When Times Are Good*...

**Be Democratic.** If things are going well, and there are several different potential paths to your overall goals, have some sit-downs with your employees. Talk things out. See who has the most to contribute in the most areas. If you're riding high for the moment, you have time to sit and take stock of your assets before committing to a new plan.

**Be a Visionary.** If you're the one with the plan, sell everyone else on it! Be the one who's already doing price projections and tossing around pitches with your sales crew. If you can articulate a clear plan for the future of your firm, it infects those around you, creating a rising tide that carries you highest of all.

**Be a Coach.** In truth, sometimes the best course of action is to simply stay the course. Resist the lure of implementing new plans just to be doing something, and wait for the *best* time to arrive. Until then, it's time for performance reviews, group discussions, reorganizations, and other attempts to get your efficiency up further. Focus on the human level – maintain those person-to-person connections to keep your team focused, even during tranquil stretches of quiet growth.

*In Times of Crisis...*

**Be an Autocrat.** When events are changing rapidly and there's no time to wait for papers to wind their way through bureaucracy, you need to have the ability to take control and just give orders. Most employees lack the vision to perceive even the contours of a crisis, so knowing there's a firm hand on the proverbial wheel will give them hope. Just remember to relax your grip afterward. Long periods of autocracy wear down a workforce, increasing burnout and decreasing productivity.

**Be a Delegator.** Sometimes, changes are coming fast enough that no one person can keep on top of them. In that case, you need to be able to quickly identify the best and the brightest beneath you who will be able to handle authority. As the threat grows, the need for you to focus on the Big Picture grows as well. These delegations are vital for you to keep your focus, so choose wisely.

**Be a Pacesetter.** When morale is particularly low or your crew is doing their best but still teetering on the edge, be the one who steps up and gives it that *extra* push. If the boss is putting in 110%, no one else has any excuse. Like Autocracy, this style can lead to burnout or worse, deliberate interpersonal sabotage if taken far enough. Just reduce the pace once the crisis is past.

*In Detail-Oriented Fields*...

**Be a Bureaucrat.** Bureaucracy bogs down most businesses, making it a poor leadership style for most situations. However, when large amounts of money are involved, or matters such as human health and safety are on the line, "Better safe than sorry" *does* become a valid rule. However, even as a bureaucrat, don't forget to keep tabs on the people below you. Bureaucracy also breeds petty autocrats in the mid-levels.

**Key Takeaway:**

Today's 21$^{st}$ Century leader needs to be adaptable, flexible, and able to utilize a variety of leadership styles to be able to keep up with the modern corporate pace!