

## Higher Order Thinking Skills (HOTS)

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**[1 mark]**

**Q.1. 'Identifying and dividing the work' is the first step in the process of one of the functions of management. Identify the function.**

**Ans.** Organising function of management.

**Q.2. Name the functions of management which co-ordinates the physical, financial and human resources and establishes productive relations among them for achievement of specific goals.**

**Ans.** Organising function of management.

**Q.3. Name the organisation which has the benefit of 'Easy to Fix Responsibility'.**

**Ans.** Formal organisation.

**Q.4. Formal organisation has the limitation of 'Delay in Work'. Comment.**

**Ans.** Under it every activity is bounded by rules which causes unnecessary delay in work.

**Q.5. Name the organisation which has the advantage of 'Effective Communication'.**

**Ans.** Informal organisation.

**Q.6. Name the organisation which has the limitation of 'resisting Change'.**

**Ans.** Informal organisation.

**Q.7. Give the reason of why all organisations do not have similar type of organisation structure.**

**Ans.** Because of different nature of all the organisations.

**Q.8. What is the main cause to adopt the divisional organisation structure?**

**Ans.** To provide equal weightage to all products is the main case of adopting it.

**Q.9. Distinguish between functional structure and divisional structure on the basis of 'formation'.**

**Ans.**

<b>Basis of Difference</b>	<b>Functional Structure</b>	<b>Divisional Structure</b>
<b>Formation</b>	On the basis of work.	On the basis of products.

**Q.10. State the essence of authority.**

**Ans.** Its essence is to get decisions implemented.

**Q.11. What is the basis of delegation of authority?**

**Ans.** Division of Labour.

**Q.12. 'If we delegate authority, we multiply it by two; if we decentralise it, we multiply it by many.' Name the two concepts to which this statement is related.**

**Ans.**

- a. Delegation of authority
- b. Decentralisation.

**Q.13. 'The question is not whether there should be decentralisation, but decentralisation to what extent?' What does this statement indicate about decentralisation?**

**Ans.** It is about the importance of decentralisation.

**Q.14. Distinguish between delegation of authority and decentralisation on the basis of 'Purpose'.**

**Ans.** The purpose of delegation of authority is reduction of workload of an officer, while the purpose of decentralisation is expansion of authority in an organisation.

**[3 marks]**

**Q.1. "Organisation is a machine of management." Comment.**

**Ans.** Organisation is considered to be a machine of management. It is that machine in which no part can afford to be ill-fitting or non-functional. In other words, if the division of work is not done properly or posts are not created correctly, the whole system of management collapses.

**Q.2. Explain when and why the need is felt for having a framework, within which managerial and operating tasks are performed to accomplish desired goals. Name this 'framework' also.**

*[CBSE 2010]*

**Ans.** The need for a framework is felt by an organisation whenever the size of its activities increases. In case of large sized organisation, it is difficult to coordinate all the activities. Hence, it becomes inevitable to think over the matter that the organisation can run smoothly and face the dynamic environment boldly. Such thinking gives rise to a framework, namely, the 'organisation structure'. The organisation structure creates harmonious adjustment of various parts to accomplish desired goals.

**Q.3. Write any three differences between Responsibility and Accountability.**

**Ans.**

<b>Basis of Difference</b>	<b>Responsibility</b>	<b>Accountability</b>
<b>(i) Meaning</b>	The assigned job.	Answerable to the superior for the work performed.
<b>(ii) Delegation</b>	Responsibility (Responsibility for) or the work can be delegated to some other person	Accountability (Responsibility to) cannot be delegated to some other person.
<b>(iii) Origin</b>	Relationship between senior and subordinate.	Delegation of Authority.

**Q.4. Explain by giving any three reasons why delegation is important in an organisation.**

*[CBSE 2010]*

**Ans.** The importance of delegation of authority is clarified through the following facts:  
Refer to Points (i) to (iii) of Q. 10 (Remembering-based Questions—5 Marks)

**Q.5. “Delegation of authority provides the means whereby a manager multiplies himself.” Comment.**

**Ans.** It is very right to say that a manager can extend his capacity through the process of delegation of authority. During this process, a manager divides his work among the subordinates. To complete the work successfully the manager also gives sufficient authorities to them. Therefore, he gets himself free from many routine works. Consequently, he finds sufficient time to deal with the major problems. Now, a manager can do more work than before. In other words, it can be said that through delegation of authority a manager multiplies himself.

**Q.6. “If we delegate the authority, we multiply it by two, if we decentralise it, we multiply it by many.” How? Give an example.**

**Ans.** Let us assume that a Chief Manager of a company assigns a job/responsibility to the Production Manager for appointing employees needed for his Division on salary less than ₹ 10,000 then this will be turned as delegation of authority. On the contrary, if this authority for appointing employees is delegated to every departmental head then it will be termed as decentralisation. If, departmental heads further delegate this authority to their deputy managers, it will lead to the expansion of decentralisation. In this context, it can be said that if we delegate the authority, we multiply it by two; if we decentralise it, we multiply it by many.

**[4 marks]**

**Q.1. “Organisation is the harmonious adjustment of specialised parts for the accomplishment of some common purpose or purposes.” In the light of this**

**statement explain any four points of importance of organising.**

*[CBSE 2011]*

**Ans.** The importance of organising becomes clear with the help of the following points:

- i. **Benefits of Specialisation:** Under organising all the activities are sub-divided into various works or jobs. For all the sub-works, competent people are appointed who become experts by doing a particular job time and again. In this way, maximum work is accomplished in the minimum span of time and the organisation gets the benefit of specialisation.
- ii. **Clarity in Working Relationship:** Organising clarifies the working relations among employees. It specifies who is to report whom. Therefore, communication becomes effective. It also helps in fixing accountability.
- iii. **Optimum Utilisation of Resources:** Under the process of organising, the entire work is divided into various small activities. There is a different employee performing every job. By doing so, there is no possibility of any activity being left out or any possibility of unnecessary duplicating any job. Consequently, there is optimum utilisation of all the available resources (e.g., material, machine, financial, human resource, etc.) in the organisation.
- iv. **Adaptation to Change:** Organising process makes the organisation capable of adapting to any change connected with the post of the employees. This becomes possible only because of the fact that there is a clear scalar chain of authority for the managers right from the top to the lower level. Whenever, a managerial post falls vacant, it is immediately filled up by promotion. Since every subordinate is well aware of the working of his boss, there is no difficulty for his taking up the new post.

**Q.2. “Organising is the process of defining and grouping the activities of the enterprise and establishing the authority relationship among them.” In the light of this statement explain the steps in the process of organising.**

*[CBSE 2011]*

**Ans.**

- i. **Identification and Division of Work:** The first step of organising is the identification and division of work. At this step, the total work is divided into various activities. Every activity is placed under the supervision of a separate manager.
- ii. **Departmentalisation:** At this stage, the activities of the same nature are grouped together and assigned to a particular department, e.g., purchase of raw material, purchase of manufactured parts, etc. are given to the purchase department. And production, stocking the goods, research activities are given to the production department.
- iii. **Assignment of Duties:** At this stage, the responsibility of each individual or post is decided. While assigning these duties, it is important to match the nature of the work and the capabilities of the person to whom the work is given.

- iv. **Establishing Reporting Relations:** When two or more than two persons work for the attainment of common goals their inter-relationship must be defined very clearly.

**Q.3. “If we delegate the authority, we multiply it by two, if we decentralise it, we multiply it by many.” In the light of this statement explain any four points of importance of decentralisation.** *[CBSE 2011]*

**Ans.** In the light of this statement it can be said that decentralisation results in the multiplication by many because of the following points of its importance:

- i. **Develops Initiative among Subordinates:** Under decentralisation, authorities are delegated in large amount. Authority is a kind of power which compels a person to think/contemplate or to do something new. This inculcates in him the ability to take initiative. Decentralisation not only gives authority but also makes it possible to convert great ideas into valuable creative work.
- ii. **Develops Managerial Talent for Future:** Under decentralisation, decision making authority is given even to the lower level managers. In this way, by getting opportunities to take decisions, knowledge and experience of all levels of managers increases. This develops talent in the managers to bear extra responsibility in the future.
- iii. **Quick Decision Making:** The burden of all managerial decisions is no more confined to some limited people but is distributed among many people. This not only leads to quick decision making but also results in better decision making. All the people are well aware of the problems faced by their unit or division and for this reason they are capable of taking the best possible and quick decisions.
- iv. **Relief to Top Management:** Under decentralisation authority related to take monotonous decisions is delegated to the subordinates. As a result, top management relieves itself from trivial affairs and consequently the workload is quite reduced. This saves their valuable time which is then utilized to brighten the future of the organisation and to establish coordination.

**Q.4. Distinguish between ‘Delegation’ and ‘Decentralisation’ on the basis of the following:**

- i. Purpose;
- ii. Scope;
- iii. Status; and
- iv. Nature.

*[CBSE 2013]*

**Ans.**

Basis of Difference	Delegation of Authority	Decentralisation
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<b>(i) Purpose</b>	The purpose is reduction of the workload of an officer.	The purpose is expansion of the authority in an organisation.
<b>(ii) Scope</b>	Delegation of Authority depicts limited distribution of authority, that is why its scope is limited.	This depicts broader distribution of authority that is why its scope is broad.
<b>(iii) Status</b>	This is a process done as a result of division of work.	This is a result of the policies framed by higher officials.
<b>(iv) Nature</b>	Delegation of authority is inevitable for every organisation because managers have to delegate authority to their subordinates in order to get the work done. Thus, work cannot proceed in its absence.	It is not necessary to be found in every organisation because it is not essential that senior officers distribute their authority throughout the organisation. Thus, work can proceed in its absence.

**Q.5. “Authority can be delegated but responsibility cannot.” Explain.**

**Ans.** Authority means the power to take decision. This has to be delegated to the person to whom work is assigned. It means authority can be delegated.

There are two meanings of ‘Responsibility’, *i.e.*, Responsibility for and Responsibility to. (The ‘Responsibility to’ is also known as Accountability). The ‘Responsibility for’ can be delegated but ‘Responsibility to’ is absolute and can never be delegated. In the statement given in the question, the meaning of responsibility is ‘responsibility to’ that cannot be delegated. It means the person who delegates authority remains accountable to his own boss for the work performance of his subordinate.

**Q.6. “A manager is of the view that he is not responsible for the quality of work, that he has delegated to his subordinate.” Do you agree with his view point? Justify your answer by giving proper arguments.**

**Ans.** No, I do not agree with the viewpoint of manager. Here the principle of ‘absoluteness of responsibility’ will apply (By responsibility we mean Responsibility to/Ultimate Responsibility/Accountability). As per this principle, authority can be delegated but accountability is absolute and cannot be delegated. The person who delegates authority remains accountable to his own boss for the work he has delegated to his subordinate. In brief, it can be said that the process of delegation of authority does not relieve the manager of his own accountability.

**Q.7. “Decentralisation is an extension of delegation of authority.” Explain.**

Or

**Decentralisation is extending delegation to the lowest level. Comment.**

**Ans.** It is right to say that the decentralisation is an extension of delegation of authority. It can be understood with the help of following example:

**Example:** If CEO delegates some authority to a divisional manager then this is called delegation of authority. If divisional manager delegates his authority further to his subordinate this will be called decentralisation. If the same process is repeated for two divisions then expansion of decentralisation takes place. If this process is implemented on the organisation as a whole then decentralisation will be at its peak.

**[6 marks]**

**Q.1. 'Organising involves a series of steps in order to achieve the desired goals'. Explain these steps.** *[CBSE 2014]*

**Ans.** Refer to Q. 1 (Remembering-based Questions—4 Marks)

**Q.2. With the help of any four points, explain the crucial role that organising plays in an enterprise.**  
*[CBSE 2014]*

**Ans.** Refer to Q. 2 (Remembering-based Questions—4 Marks)

**Q.3. "Informal organisation is considered better than formal organisation." Do you agree with this statement? Give reasons.**

**Ans.** Yes, I do agree with this statement. It can be clarified with the help of advantages of informal organisation and limitations of formal organisation.

**Advantages of Informal Organisation:** Following are the advantages of Informal Organisation:

- i. **Effective Communication:** In the absence of any definite course, it is an effective system of communication. Messages can be quickly conveyed from one place to another with the help of this system.
- ii. **Fulfills Social Needs:** In the informal organisation, people having similarity of thoughts and ideas form a group of their own. All the people in the group stand by one another in all the organisational or personal matters.
- iii. **Fulfills Organisational Objectives:** In the informal organisation, the subordinates put their ideas before the superiors without any fear or hesitation. It helps the superiors to understand their difficulties and immediate solution of the problem is sought out. Since the problems are easily solved it becomes easier to achieve the objectives of the organisation.

**Limitations of Formal Organisation:**

- i. **Delay in Work:** Every activity is bound by rules which causes unnecessary delay in the completion of work.
- ii. **Lack of Initiative:** In this organisation, the employees have to do what they are asked to do and they do not have a chance of some independent thinking. This, therefore, kills initiative.
- iii. **Mechanisation of Relations:** The relationship of all the people are defined. This leaves no chance of any mutual interplay and thus the knowledge of other people and their experience cannot be exploited.

**Q.4. “Formal organisation is considered better than informal organisation.” Do you agree with this statement? Give reasons.**

**Ans.** Yes, I do agree with this statement. It can be clarified with the help of advantages of formal organisation and limitations of informal organisation.

**Advantages of Formal Organisation:**

- i. **Easy to Fix Accountability:** Since the authority and responsibility of all the employees have been already fixed, inefficient employees can easily be apprehended and in this way their accountability can be fixed.
- ii. **No Overlapping of Works:** In the formal organisation, everything moves in an orderly manner. Therefore, there is no possibility of any work being left out or unnecessarily duplicated.
- iii. **Unity of Command Possible:** It is possible to observe the principles of unity of command in view of the presence of scalar chain of authority.

**Limitations of Informal Organisation:** Following are the limitations of Informal Organisation:

- i. **It creates Rumours:** All the persons in an informal organisation talk carelessly and sometimes a wrong thing is conveyed to the other person which may bring in horrible results.
- ii. **It resists Change:** This organisation resists change and lays stress on adopting the old techniques.
- iii. **Pressure of Group Norms:** In this organisation, people are under pressure to observe group norms. Sometimes the people assembled in informal group lose sight of their objective and all decide to oppose their superiors unanimously. Such a situation adversely affects productivity.

**Q.5. How is a functional structure disparate from a divisional structure?**

**Ans.**

<b>Basis of Difference</b>	<b>Functional Structure</b>	<b>Divisional Structure</b>
<b>(j) Formation</b>	On the basis of work.	On the basis of products.
<b>(i) Specialisation</b>	Specialisation of job.	Specialisation of product.

<b>(iii) Responsibility</b>	It is cumbersome to ascertain departmental responsibilities. (No department will take responsibility for adverse results.)	It is easier to ascertain divisional responsibilities. (Divisional Manager cannot shirk responsibility for adverse results.)
<b>(iv) Managerial Development</b>	Department Manager is specialised in doing one kind of job only. So limited development takes place.	Divisional manager is versatile as he looks after many varied jobs. So immense development is possible.
<b>(v) Cost</b>	Since there is no duplication of jobs, cost incurred is less.	Since there is duplication of jobs, cost incurred is high.
<b>(vi) Coordination</b>	All departmental heads work as per their discretion so it becomes difficult to establish coordination.	Whole Division is headed by one Divisional Head, who controls all the divisional activities. So coordination is implicitly established.

**Q.6. 'Delegation is the entrustment of responsibility and authority to another and the creation of accountability for performance.' In the light of this statement identify and explain the essential elements of delegation.**

[CBSE 2012]

**Ans.** The three elements of Delegation of Authority, i.e., Responsibility, Authority and Accountability are as follows:

- i. **Responsibility:** Responsibility is the obligation of a subordinate to properly perform the assigned duty. When a superior assigns a job to his subordinate, it becomes the responsibility of the subordinate to complete that job. This means that the word responsibility comes into play only after the job has been assigned. Thus, to assign job can be called to assign responsibility.  
**Features:**
  - a. Responsibility can be assigned to some other person.
  - b. The essence of responsibility is to be dutiful.
- ii. **Authority:** Authority means the power to take decisions. Decision can be related to the use of resources, and to do or not to do something.**Features:**
  - a. Authority can be assigned (delegated) to some other person.
  - b. It is related to the post (with the change of post, even authorities change).
- iii. **Accountability:** Accountability means the answerability of the subordinate to his superior for his work performance.**Features:**
  - a. Accountability cannot be delegated to some other person.

- b. It is only towards the delegators.

**Q.7. Why is delegation considered essential for effective organising?**

**Ans.** Delegation or delegation of authority is considered essential for effective organising because of the following reasons:

- i. **Effective Management:** Effectiveness means successful accomplishment of an objective. Delegation of authority reduces the workload of a manager. Managers who practice delegation of authority are definitely better decision makers than those managers who do not delegate authority. The former ones get the benefit of the skills of their subordinates.
- ii. **Employee Development:** The mental growth of a person takes place only when he has authority to take decisions. The process of delegation of authority provides authority to take decisions to subordinates. With the given authority, managers take decisions contingent to the situations. As a result, in future they become more able to take extra responsibility.
- iii. **Motivation of Employees:** In the process of delegation of authority, both authority and responsibility are delegated to the subordinates. This situation provides liberty to work and take decisions on part of subordinates. Gaining through this, they exhibit their talent and skill. With better performance the subordinates create a niche for themselves in the organisation. Consequently, they get job satisfaction and feel motivated to perform ever better.
- iv. **Facilitation of Growth:** Delegation of authority does not only develop only one person or division but facilitates the development of organisation as a whole. As adequate number of able employees are available in an organisation to take decisions Expansion, Modernisation and Diversification of a business can be done with full confidence.
- v. **Basis of Management Hierarchy:** Management hierarchy is inevitable to run a business organisation successfully. Only because of this hierarchy, the superiors and subordinates come in contact with each other and get an opportunity to understand one another. This hierarchy is established through the process of delegation of authority. Under this, authority flows from top level to the bottom level. As a result, senior and subordinate links are established from top to bottom.
- vi. **Better Coordination:** Delegation of authority is a process to establish relation among responsibility, authority and accountability. Through this, employees get clarification with regard to their powers, duties and accountability for work performance. Thus, a clear picture is delineated for all the jobs performed at various levels, which automatically establishes better coordination.

**Q.8. Explain, with the help of any four points, the importance of 'Delegation' in an organisation.**

*[CBSE 2014]*

**Ans. Importance of Delegation of Authority:** Refer to Points (i) to (iv) of Q. 7 above.

**Q.9. “Delegation of authority is based on the elementary principle of division of labour.” Explain this statement.**

**Ans. Delegation of Authority:** Delegation of authority means to provide for needed authorities to the subordinates for the successful completion of their job or responsibility. Authority means the power to take decisions. Accountability originates when authority is given for fulfilling a responsibility. Accountability refers to answerability of a subordinate towards his senior officer for work performance.

**Division of Labour:** Often, no officer is capable to the extent that he himself will perform all the activities. For the successful completion of a job an officer divides the whole work. Thus, work is divided into many small jobs and each job is then assigned to a particular person. This whole process is known as division of labour. Its basis is specialisation.

**Conclusion:** Authority comes into picture after division of labour. Without assigning duties, authority is non-existent. Thus, it can be said that delegation of authority is based on division of labour.

**Q.10. Decentralisation is an optional policy. Explain why an organisation would choose to be decentralised.**

**Ans.** For an organisation to follow the policy of decentralisation is not compulsory. Even then organisations are following it. Following are the main reasons of it:

- i. **Develops Initiative among Subordinates:** Under decentralisation, authorities are delegated in large amount. Authority is a kind of power which compels a person to think/contemplate or to do something new. This inculcates in him the ability to take initiative. Decentralisation not only gives authority but also makes it possible to convert great ideas into valuable creative work.
- ii. **Develops Managerial Talent for Future:** Under decentralisation, decision making authority is given even to the lower level managers. In this way, by getting opportunities to take decisions, knowledge and experience of all levels of managers increases. This develops talent in the managers to bear extra responsibility in the future.
- iii. **Quick Decision Making:** The burden of all managerial decisions is no more confined to some limited people but is distributed among many people. This not only leads to quick decision making but also results in better decision making. All the people are well aware of the problems faced by their unit or division and for this reason they are capable of taking the best possible and quick decisions.
- iv. **Relief to Top Management:** Under decentralisation authority related to take monotonous decisions is delegated to the subordinates. As a result, top management relieves itself from trivial affairs and consequently the workload is quite reduced. This saves their valuable time which is then utilized to brighten the future of the organisation and to establish coordination.

- v. **Facilitates Growth:** Under decentralisation full liberty is given to the subordinates to take decisions. This situation inculcates a sense of responsibility among the subordinates. Thus, they make effort to achieve/show better results. This thinking gives origin to departmental competitiveness. In such a situation, everybody tries to perform better than the other. As a result, development of an organisation is made possible.
- vi. **Better Control:** Decentralisation helps to decisively evaluate the work performance at all levels and even makes possible to fix accountability. Contribution of every department for the attainment of an objective can be ascertained. This situation is just like a challenge for every department. Management adopts a good controlling policy to face this challenge.