

Principles of Management

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1.1 INTRODUCTION

Dear friends, in XI standard, we have studied that management is everywhere. In every type of business organisation, non-business organization and even in social life; management is required. Management is the key to success in achievement of goal. Management is considered as one of the required sources of business organization like machines, materials and money. For establishing coordination between all other sources of organization, one needs to know about management. Therefore, it is observed that the importance of management is growing rapidly. Various management thinkers have introduced different management theories as per their field observation and systematic study. There are various principles, theories and techniques of management which give results in same direction. But its use is varying from organization to organization, situation to situation and person to person.

In brief, management sets the strategic goals in accordance with the vision-mission of the organization and makes decisions on how the overall organization will operate. Management is often included as a factor of production. It harmonizes all functions of business organization such as planning, organizing, staffing, coordinating and controlling, which are termed as functions of management.

1.2 MEANING AND DEFINITION

While achieving goal of an individual or an organization, it is always important to use different systems or techniques. Some of these techniques are accepted universally, hence, they are called as principles. It provides guideline to manager to conduct all organizational activities on specific bases. It helps the manager to take effective decisions and to achieve organizational goal.

"Principle is defined as a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or for a chain of reasoning."

In simple words, techniques or systems which give one directional result are called as principles. These principles are universal and applicable everywhere. Due to the basis of principles, managers need not to work on trial and error basis. For Example, in cricket or in any other game, total play is designed and divided between the players according to their qualities and capabilities. In terms of management, it is called as division of work which is one of the principles of management.

1.3 NATURE OF PRINCIPLES OF MANAGEMENT

Management principles are formed to guide and influence the behavior of employees. These principles insist on improving efficiency of organizational resources in terms of profit. These principles also focus on best coordination between superior, subordinates and all the members of organization.

The nature of management principles is given below:

1) Universal application:

The principles of management are universal in nature. That means they can be applied to all types of organizations, irrespective of their size and nature. Their results may vary and application may be modified but these are suitable for all kinds of organizations. Similarly, they are applicable to all levels of management.

2) General guidelines:

Management principles provide general guidelines in tackling the organizational situations wisely as well as in solving the problems. They are not rigid. Which management principles are to be applied depends upon the situation, size and nature of organisation. For example, when we say fair remuneration, then the term 'fair' can vary as per the nature, size and financial condition of the organisation.

3) Principles are formed by practice and experiments:

The management principles are developed gradually with thorough research work. Systematic observations and experiments are conducted before developing them. The results of such experiments have been developed as a principle after its practice in organizations.

4) Flexibility:

Management principles are flexible in nature. It means they can be changed or modified according to the situation. Managers can be flexible while implementing principles to suit the requirement. The business situations keep on changing. Management principles can be adjusted or modified and can be used in the organisation according to its need.

5) Behavioral in nature:

Management is group activity. Management aims at achieving certain goal through a group of human being. Management principles are designed to influence human beings. These principles control a group of persons and direct them to achieve the objectives.

6) Cause and effect relationship:

Principles of management are the base for taking decisions. They determine the cause or reason for particular effect. For example, payment of good wages and incentives helps in increasing the output of workers or making effective advertisement increases the sale of a product.

7) All principles are of equal importance:

All principles of management are of equal importance. Those are to be practiced simultaneously to get best results in the form of achievement of predefined goals. If any specific principle is focused more and others are not followed with same focus, then it affects the working of organization. Management principles are the principles of social science. The nature of principles of management is not absolute like pure sciences i.e. Chemistry, Mathematics etc. With some modifications according to requirement, organization needs to apply the principles of management.

1.4 SIGNIFICANCE OF MANAGEMENT PRINCIPLES

As we have discussed the nature of principles of management, it can be said that management principles are applicable everywhere. They are in the form of pre-determined solutions for the problems which are recurring. They are guiding the manager so it is important for every manager to know them. In every type of organization or in group activity, one needs to apply principles according to nature, size and requirement of the organization. These principles are tested and practiced worldwide from many years. Therefore, it is important to study the significance or importance of management principles with the help of the following facts:

1) Provides useful insight to managers:

The principles of management help the manager to understand the organisation. The study of the principles helps to improve the understanding of the situations and problems. It further helps the manager to find out the solutions to the problems and handle situations. Management principles are an outcome of the experience of various professional people. The use of these principles is helping managers about the manner in which he should act in different situations. This type of timely guidance reduces the wastage of resources and the goals can be achieved in appropriate manner.

2) Helpful in efficient utilization of resources:

In every organization two types of resources are used i.e. physical resources (material, machines, money etc.) and human resources (manpower). The basic function of management is to make proper balance between these resources by putting them to optimum use and control on wastage of resources. While maintaining discipline and healthy working environment, management always uses techniques and principles. It helps in establishing cordial relationship between management and employees which increases the efficiency level of employees and also affects the effective administration. For example, Use of standard tools and machinery helps in increasing quality or productivity as well as in increasing level of efficiency of human resources.

3) Scientific decisions:

In business organization, a scientific decision means systematic or balanced decision. Principles train the managers to handle critical situations tactfully otherwise the managers have to work always with trial and error method. With the use of various management principles, one can get an idea about how to analyze the situations, to search alternative options and their results.

4) Understanding social responsibility:

Management principles are based on every aspect of organization. They are not developed only from view point of handling the resources effectively but they guide management in understanding social responsibility of organization. So that they can focus on providing

quality products at reasonable prices, avoiding artificial monopolistic situations in market, fair competition, fair remuneration, change in environment, healthy working place, standard tools and machinery etc.

5) Encourages Research and Development (R and D):

Principles of management are dynamic. Their nature goes on changing along with the changes in the business world. Over the years they have developed to suit the current need. It enables the managers to bring consistent improvement in them. Management adopts new trends at working place automatically. These guidelines help management to make comparison of used principles with its expected outcome. If needed, management can modify the principles according to situation as the management is having liberty to take the decisions at their own. This training helps in developing scientific approach towards research and development and growth and development of organisation. For example, Rand D department always works on finding new techniques in the field of production, finance, marketing, human resources etc.

6) Helps to coordinate and control:

Management principles are the guidelines for better coordination and control. It is very challenging to create coordination and cooperation among different employees working in different departments. It is also difficult task for manager to keep control on the performances of employees. Management principles offer suitable systems while establishing coordination and control.

7) Develops objective approach:

With the help of various principles of management, one can develop an objective approach. Managers can identify the business opportunities, root causes of the problems in correct manner and can provide appropriate solutions on it. It builds confidence in the minds of the managers.

1.5 THEORIES OF MANAGEMENT

Management theories are the set of general rules that guide the managers to manage an organization. Theories are an explanation to assist employees to effectively relate to the business goals and implement effective means to achieve the same.

Various management thinkers have introduced theories which are based on different approaches. Management thinkers such as Fredrick Winslow Taylor, Elton Mayo, Henry Fayol etc. have introduced the theories which are based on different approaches. These theories are applicable in all type of organizations. With appropriate modifications, every manager can use these theories by adding some innovative techniques and strategies. It means these old theories are the basis of modern management theories.

Organizations, workforce and society are facing some common problems such as centralization of authority, stress, low motivation, environmental issues, behavioral problems, health problem, work-life balance, accountability etc. Theories of management definitely provide solution in such issues to the management people.

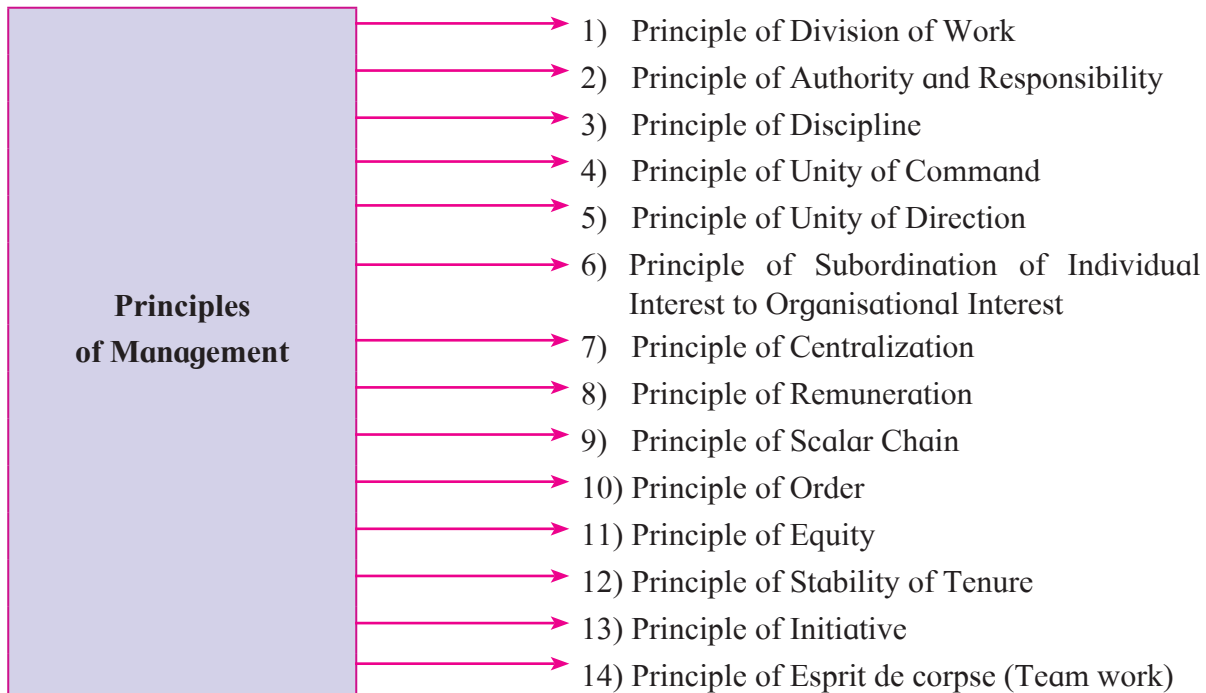
1.6 HENRY FAYOL'S ADMINISTRATIVE THEORY OF MANAGEMENT



Henry Fayol (1841-1925) was a French mining engineer who turned a leading industrialist and a successful manager. He started his career as a mining engineer in a French mining company and rose to the position of the Chief Managing Director.

After conducting many experiments and observations in organization, Fayol proposed 14 principles of management which are explained in his famous book 'General and Industrial Administration'. Due to his contribution in development of managerial thoughts he is called as '**Father of Modern Management**'. Fayol suggested 14 principles of management. These statements serve as a guideline for decision-making and management actions.

14 principles are summarized as follows:



1) Principle of Division of Work:

According to this principle, the work is divided into different kinds such as technical, financial, commercial, security operations, accounting and managerial. It is assigned to employees as per their qualities and capabilities. It helps in improving efficiency and expertise of employees which ultimately turns into expected productivity level.

2) **Principle of Authority and Responsibility:**

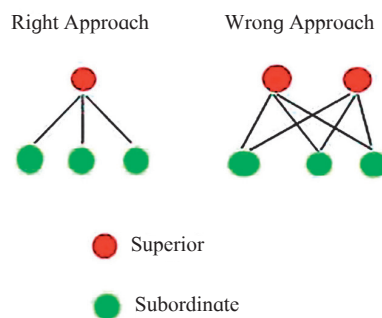
Authority is the right to take decisions. It is necessary to get the things done appropriately from subordinates. Authority always comes with the responsibility. If the manager is given the authority to complete a task within a given time, he should be held responsible if he does not complete the work in given time. Manager should have proper authorities to take managerial decision on his own in respect to the goal.

3) **Principle of Discipline:**

According to Fayol, discipline is the most essential thing in the organisation. Employees must obey and respect the rules that govern the organisation. Discipline helps to achieve the goals in the organisation. Good discipline is the result of effective leadership. There must be a clear understanding between the management and workers regarding the organisation's rules. Basic discipline should be observed at all levels of management.

4) **Principle of Unity of Command:**

Each member of organization should receive orders from only one superior. This principle helps in managing conflicts and solving disputes among people in organization. It also helps in avoiding confusion. If an employee receives commands from more than one authority, he will get confused and will not be able to take decision about whose orders should be followed. This is wrong approach. For this organizational hierarchy should be well defined. Each employee should know his immediate superior and should receive orders from him only.



5) **Principle of Unity of Direction:**

This principle states that 'there should be one head and one plan' in every organization. Each group in the organization should have the same objective and the group should be directed by one manager using single plan.

6) **Principle of Subordination of Individual Interest to Organisational Interest:**

According to this principle the interest of an individual must be given less importance than the interest of the organisation. While taking decision in the organisation the manager should always consider the interest of the whole group rather than the interest of a single employee. Similarly the employee should protect the interest of the organisation first and his personal interest should be subordinated. For example, in every game, the players are always thinking about winning the match as a team rather than their individual records.

7) **Principle of Centralization:**

Centralization refers to the concentration of powers and authorities. In some organisations this power is vested in one hand or few hands. This situation occurs in the small organisations. But, if the size of organisation is large then there is a decentralization of the power or authority.

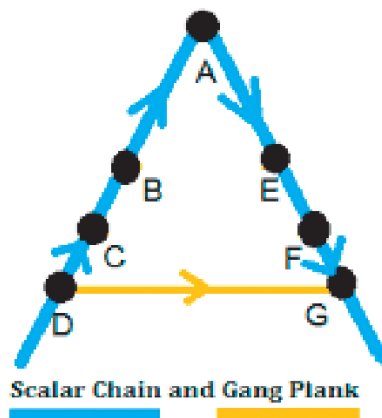
According to this principle there must be a proper balance between centralization and decentralization in the organisation. This is to be done according to the size of the organisation, nature of the activity etc.

8) Principle of Remuneration:

Appropriate remuneration to staff or employees is the principle to keep them satisfied financially as well as retain them for long span of time within the organization. The fair remuneration affects on the productivity and efficiency level in total. The remuneration should be fixed by taking into consideration the skill, expertise, knowledge, tenure, cost of living, market trend, profitability of organization etc.

9) Principle of Scalar Chain:

Scalar chain means the hierarchy of authority from the top level to the lower level for the purpose of communication. This helps to ensure the orderly flow of information and communication. Traditionally, organizations used to frame large scalar chain which is time consuming. For example, a General Manager informs the decision to respective Functional Manager, then Functional Manager will pass it to supervisor, the supervisor will inform it to Foreman and so on according to level of authority. For avoiding this longer chain and to take speedy decisions cross communication or direct communication is followed by various organizations which is known as Gang Plank. For direct communication, proper permission of the authorities is necessary.



In the above diagram, the communication between 'D' and 'P' should flow through proper hierarchy.

But to avoid delay or in emergency situation there will be direct communication. It is termed as Gang Plank.

10) Principle of Order:

This principle is based on 'A place for everything and everything in its place'. Human resources and materials should be in the right place at the right time for maximum efficiency. Human resources should be placed at right place and on right job. The principle focuses on the proper utilization of physical and human resources.

11) Principle of Equity:

Management should be fair as well as friendly to the subordinates. While dividing the work, delegating the authorities, deciding the monetary terms etc.. there should not be any discrimination between the employees. It is also suggested that the remuneration should not depend on the department but at the level on which subordinates are working. The employees

working on the same level but in different departments should be paid same wages. This equity will help in avoiding conflicts in the organisation.

12) Principle of Stability of Tenure:

At the time of recruitment of employees, the management should assure them about stability of tenure or job security. It plays very important role in creating sense of belongingness among the employees. Insecurity in job always affect the efficiency of employees adversely whereas job security minimizes employee turnover ratio.

13) Principle of Initiative:

Initiative refers to volunteering to do the work in an innovative way. The freedom to think and work on new ideas encourages employees to take initiative while working on given task. This initiative should be welcomed by the manager including thorough discussion on those new ideas. It also helps in creating healthy organizational culture.

14) Principle of Esprit de corps: (Team work)

Henry Fayol has given emphasis on team work. Esprit de corps means union is strength. Running any organization is a group activity and human resources are the valuable asset of the organization. If all employees are working as a union and with mutual trust, the difficulties can be solved quickly. Therefore, as a leader, manager should create a spirit of team work and understanding among employees to achieve organizational goal easily.

Above 14 principles of Henry Fayol are very useful to manage the organization efficiently and effectively. These are also supportive to functions of management. These principles are very logical and therefore are applicable in modern management era.

Discuss an example of your favourite game like cricket. You will find each activity is based on-Fayol's Principles of management. Take the help of your Teacher.

1.7 FREDRICK WINSLOW TAYLOR'S SCIENTIFIC MANAGEMENT THEORY



Taylor (1856-1915) was an American who started his career as a machinist in Midvale Steelworks, Philadelphia and gradually through his hard work and progress, rose to the position of the Chief Engineer. He introduced his observations and experiments based on scientific data. Taylor's approach towards management is termed as scientific management. For this contribution in development of management thoughts, he is known as the **"Father of Scientific Management"**.

Taylor's management theory is based on scientific experiments. This theory involves the application of scientific approach to decision making and solving them at the same time. According

to Taylor, problems should be solved by scientific techniques rather than the rule of thumb and a trial and error approach.

Definition of Scientific Management by **Fredrick Taylor**: "Scientific Management consists of knowing what you (i.e. management) want men to do exactly; and seeing it that they do it in the best and the cheapest manner."

Principles of Scientific Management:

These principles are as follows:

1) Science, Not Rule of Thumb:

In order to increase organizational efficiency, the 'Rule of Thumb' method should be substituted with the methods developed through scientific analysis of work. Rule of thumb decisions are based on personal judgments of the manager. Taylor insisted upon scientific method for every small work. This principle is concerned with selecting the best way of performing a job after scientific analysis of that job and not by trial and error methods. Standard required time and standard output should be defined by the manager. This will help in saving time and human energy and will result into expected standard output. According to Taylor, even a small production activity like loading iron sheets into box cars can be scientifically planned.

2) Harmony, Not Discord:

According to this principle, there should be harmony between the employees and management. This coordination will help in minimizing conflicts between them. Perfect understanding between employees and management will be helpful in creating healthy work environment for achieving the desired goal i.e. success. Organization should think about maximum prosperity of employees also.

3) Mental Revolution:

Taylor introduced the concept of "Mental Revolution". This principle focuses on change in the attitude of employees and management towards each other. Both should realize their equal importance in organization. They should give full cooperation for achieving goal of organization. This will increase productivity and profits.

4) Cooperation, Not Individualism:

This principle emphasizes on mutual cooperation between workforce i.e. employees and management. Due to cooperation, trust, team spirit etc. internal competition will turn into healthy working environment. Management should always consider the suggestions given by employees in decision making process. Employees should be treated as an integral part of organisation in all respects. At the same time employees should resist themselves from going on strikes and making unnecessary demands from management. They should treat each other as two pillars of organization.

5) Division of Responsibility:

Proper division of work should always be accompanied with division of responsibilities between the managers and employees. Major planning is done by the top and middle level management authorities whereas employees are concentrating on its execution. The reporting is done as per the instructions given by their superiors. Managers should always help, encourage and guide the employees. It helps for best performances of managers as well as employees.

6) Development of employer and employees for greater efficiency and maximum prosperity:

Best performance of any organization always depends on the skills and capabilities of its employees to a great extent. Thus, providing training and development programmes to the employees whenever required, is very essential. It ultimately affects the profitability of the organization. Each employee should be given proper opportunity to attain greater efficiency and maximum prosperity.

Techniques of Scientific Management

Some of the major techniques of scientific management are as follows:

1) Work Study:

Before assigning the work to the available workforce, proper work study should be done by management. Work study consists of an organized, systematic and critical assessment of the various activities or functions. Work study is based on the techniques such as time study, motion study, method study and fatigue study.

A) Time Study:

It is the technique of observing and recording the time taken by an employee to complete a given task. With the help of time study, the precise time required for each element of work is determined. It is the technique used for fixing the standard time required to do a particular task under given condition. It is useful to measure the efficiency of an employee and to control the cost of work.

B) Method Study:

There are always various methods of completing the task. For best quality and cost effectiveness, identifying the best method of doing a particular job is very important but challenging task for a manager. It helps in reducing the wastage of time, raw material and in improving the utility of all resources as per predefined objectives. It is helpful in determining the methods for handling the raw materials, transportation, inspection, storage etc.

C) Motion Study:

The study of required motion means movement of an employee as well as of machine while completing a particular task is very important. It is helpful in eliminating unnecessary motions and finding the best method of doing a particular job. It also helps in improving the efficiency of the employees. Motion technique is used to know whether some elements of a job can be eliminated or their sequence can be changed for smooth flow of task.

D) Fatigue Study:

Generally long working hours without sufficient breaks, target pressure, heavy working tools, and poor working conditions result into physical and mental stress i.e. fatigue. It has an adverse effect on the health and efficiency of the employees. The study of fatigue and steps to reduce the level of fatigue is very important to maintain the operational efficiency of the employees.

2) Standardization of Tools and Equipments:

With the result of experiments conducted at work place, Taylor advocated standardization of tools and equipments. Standardized working environment and methods of production help to reduce spoilage and wastage of material, cost of production, fatigue among the workers and it improves quality of work.

3) **Scientific Task Setting:**

Taylor emphasized the need for fixing a fair day's work. Scientific work setting is important to prevent the employees from doing work much below their capacity. By using this technique, employees will complete the task according to standards given and management can keep proper control on optimum utilization of workforce.

4) **Scientific Selection and Training:**

Management can select right persons for the right jobs by using scientific selection procedures. It needs to fix job specifications as per requirement. Employees are selected according to pre-determined standards in an impartial way. After selection, management should provide the proper training programmes to increase their efficiency. :

5) **Functional Organization:**

In this concept of Taylor, planning is separated from implementation. That means, planning is done by different people and actual work is supervised by different people. Thus, every worker will be supervised by two different sets of supervisors. He recommended total eight foremen to control the various aspects of production. They are categorized as follows:

A) At Planning Level:

1. Route Clerk- tells how work moves from one machine to other.
2. Instruction Clerk- records instructions to complete the work.
3. Time and Cost Clerk- determines time in which work should be completed and workout the cost
4. Discipline- ensures that the workers are working as per factory rules.

B) At Implementation Level:

1. Gang Boss-actually gets the work done.
2. Speed Boss- ensures that the work is completed in specified time.
3. Repair Boss- handles security and maintenance of mechanism
4. Inspector- ensures that the work is done as per the specified standards.

According to Taylor, with the help of proper division of all activities into planning and implementation; management can definitely achieve the required performance from the employees.

6) **Differential Piece-Rate Wage Plan:**

Remuneration should be fixed in such a way that average worker is motivated to attain a standard output. Taylor suggested the differential piece-wage system. Higher rates are offered to employees who complete the work more than the standard quantity under this system. On the other hand, if an employee is performing below the standard; he shall be given lower rate of wages. This technique motivate the employees to attain higher standard performance and earn wages i.e. remuneration at higher rate.

Theories of management are the bases of organizational development and of achieving success for every type of business. In this modern era of liberalization, privatization and globalization the scope of management has been widened in a greater extent. Various types of business environmental changes are responsible for increasing significance of management. These traditional theories are proving very effective in handling businesses with some modifications according to change in situations.

These changes resulted into various trends in management. Disaster Management, Supply and Logistics Management, Event Management, Stress Management, Corporate Social Responsibility, Total Quality Management etc. are some of the recent trends in management.

Summary

Definition:

"Principle is defined as a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or for a chain of reasoning."

Nature of Principles of Management:

1. Universal application
2. General guidelines
3. Principles are formed by practice and experiments
4. Flexibility
5. Behavioral in nature
6. Cause and effect relationship
7. All principles are of equal importance

Significance of Management Principles:

1. Provides useful insight to managers
2. Helpful in efficient utilization of resources
3. Scientific decisions
4. Understanding social responsibility
5. Encourages Research and development (R and D)
6. Helps to coordinate and control
7. Develops objective approach

Theories of Management:

Management theories are the set of general rules that guide the managers to manage an organization.

1) Henry Fayol's Administrative Theory of Management (1841-1925)

Henry Fayol is called as a "Father of Modern Management."

Henry Fayol's 14 Principles of Management:

- | | |
|-----------------------|--|
| 1. Division of Work | 2. Authority and Responsibility |
| 3. Discipline | 4. Unity of Command |
| 5. Unity of Direction | 6. Subordination of individual interest into organizational interest |
| 7. Centralization | 8. Remuneration |
| 9. Scalar Chain | 10. Order |
| 11. Equity | 12. Stability of Tenure |
| 13. Initiative | 14. Esprit de corps |

2) Fredrick Taylor's Scientific Management Theory (1856-1915)

Fredrick Taylor is known as "Father of Scientific Management."

Principles of Scientific Management:

1. Science, Not Rule of Thumb
2. Harmony, Not Discord
3. Mental Revolution
4. Cooperation, Not Individualism
5. Division of responsibility
6. Development of employer and employees for greater efficiency and maximum prosperity

Techniques of Scientific Management:

1. Work Study: A) Time Study B) Method Study C) Motion Study D) Fatigue Study
2. Standardization of Tools and Equipments
3. Scientific Task Setting
4. Scientific Selection and Training
5. Functional Organization
6. Differential Piece Rate Wage Plan

Just to know

Contribution to Management

C. K. Pralhad (1942-2010):

- The first recipient of the Lal Bahadur Shastri Award for contributions to Management and Public Administration in 1999.
- In 2018, he was named the world's most influential business thinker on the Thinkers50.com list.
- He was a proactive thinker who regularly produced startling insights that managers would never have considered.
- C. K. Pralhad is famous for his contribution to the development of the Core Competence Model and Co-creation. (A Core Competency is a concept in management theory introduced by C.K.Pralhad and Gary Hamel.)

Famous Quotes by C. K. Pralhad

- "The essence of strategy lies in creating tomorrow's competitive advantages faster than competitors can mimic the ones you possess today."
- "Executives are constrained not by resources, but by their imagination."
- "Never accept silence as agreement because you'll regret it later."
- "There's a heightened awareness of the need to be, and to be seen as, a good corporate citizen."
- "If you are honest about helping others rather than showing how smart you are, things are very easy."

For detailed study, search Scholarly Articles on internet.

EXERCISE

Q.1.A) Select the correct option and rewrite the sentences.

- 1) was regarded as Father of Scientific Management.
a) Henry Fayol b) F W Taylor c) Philip Kotler
- 2) Principle of is based on 'A place for everything and everything in its place'.
a) discipline b) order c) equity
- 3) Member of organization should receive orders from
a) many superior b) one superior c) all superiors
- 4) Scalar chain means the hierarchy of from the top level to the lower level for the purpose of communication.
a) discipline b) unity c) authority
- 5) Taylor recommended total foremen to control the various aspects of production.
a) eight b) three c) two

B) Match the pairs.

| Group A | | Group B | |
|---------|---------------------------------|---------|--|
| A) | Henry Fayol | 1) | Eight Foremen |
| B) | Principle of Unity of Direction | 2) | F.W. Taylor |
| C) | Principles of Management | 3) | Proper division of all activities |
| D) | Scientific Management Theory | 4) | general guidelines |
| E) | Functional Organization | 5) | A place for everything and everything in its place |
| | | 6) | One head-one plan |
| | | 7) | Low wage rate |
| | | 8) | Harmony between the employees and management |
| | | 9) | German engineer |
| | | 10) | Modern Management |

C) Give one word/phrase/term for the following statements.

- 1) The study of movement of an employee as well as machine while completing particular task.
- 2) The technique of observing and recording the time required by an employee to complete a given task.
- 3) Study consists of an organized, systematic and critical assessment of various activities.
- 4) The principle which deals with 'to do work with innovative way'.
- 5) The principle which is based on 'a place for everything and everything in its place'.

D) State whether following statements are true or false.

- 1) The principles of management are universal in nature.
- 2) Management principles are applied differently under different situations.
- 3) Only some principles of management are important.

- 4) Henry Fayol has given different techniques of management.
- 5) F W Taylor has proposed 14 principles of management.
- 6) Each member of organization should receive orders only from one superior.

E) Find the odd one.

- 1) Principle of Authority and Responsibility, Motion Study, Principle of Division of Work, Principle of Discipline.
- 2) Fatigue Study, Principle of Unity of Command, Work Study, Motion Study.

F) Answer in one sentence.

- 1) What is principle of unity of command?
- 2) What is standardization of tools and equipments?
- 3) What is differential wage rate?
- 4) What is Subordination of individual interest into organizational interest?
- 5) What is the meaning of principle?

G) Correct the underlined word and rewrite the following sentences.

- 1) Security in job always affects adversely on the efficiency of employees.
- 2) Esprit de corps means 'division is strength'.
- 3) Each member of organization should receive orders from only one subordinate.
- 4) Decentralization means concentration of powers and authorities at a specific position.
- 5) Management techniques are applied differently under different conditions.

Q.2. Explain the following terms/concepts.

- 1) Motion Study 2) Differential Piece Rate System 3) Fatigue Study 4) Time Study

Q.3. Study the following case/situation and express your opinion.

- 1) Mr. Harshad is an entrepreneur and engaged in production of eco-friendly utensils. Both male and female workers are working in his factory. All male employees are directly working on machines whereas female employees are working in Packaging Department. Mr. Sharath is working as Finance Manager while Mrs. Naina is working as HR Manager who is responsible for recruiting employees in the factory. On this basis:
 - i) Identify any one principle of management in above case.
 - ii) What is the designation of Mrs. Naina in this organization.
 - iii) Who is responsible for overall planning of the organisation?
- 2) In 'Fine Diamonds Ltd.' 200 employees are working in three shifts. In first shift 60 employees, in second shift 60 employees and in third shift 80 employees are working without sufficient breaks except lunch break and shift change break. No employee is able to complete the work in designated time due to inappropriate time management which results into delay for next shift employees.
 - i) Identify which scientific principle needs to be followed by the company.
 - ii) Suggest two scientific techniques which can be used for smooth flow of work in 'Fine Diamonds Ltd. '
 - iii) Why the work is not being completed in time?

Q.4. Answer in brief.

- 1) Explain any five principles of management of Henry Fayol.
- 2) Describe any four techniques of scientific management.

Q.5. Justify the following statements.

- 1) Principles of management are flexible in nature.
- 2) Management principles are helpful in optimum utilization of resources.
- 3) Principle of equity is important.
- 4) Taylor emphasized on standardization of tools and equipment.
- 5) Differential piece wage rate plan is necessary.

Q.6. Attempt the following.

- 1) Explain in detail any five Henry Fayol's principles of management given by Henry Fayol.
- 2) Describe different techniques of scientific management.
- 3) Elaborate principles of scientific management.
- 4) Explain nature of principles of management.

Q.7. Answer the following.

- 1) What are the techniques of scientific management? Explain in detail.
- 2) Explain 14 principles of Henry Fayol in detail.

Answer Key

- Q.1.(A) 1. F W Taylor 2. order 3. one superior 4. authority 5. eight.
(B) A-10 , B-6 , C-4, D-2 , E-1.
(C) 1. Motion Study 2. Time Study 3. Work Study 4. Principle of Initiative
5. Principle of Order
(D) True-1,2,6 False-3,4,5
(E) 1. motion study 2. Principle of Unity of Command
(G) 1. Insecurity 2. Unity 3. Superior 4. Centralization 5. principles

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