**UNIT-2**

**PRINCIPLES OF MANAGEMENT**

**LONG ANSWERS QUESTION**

**1. What is a management principle?**

**2. Explain the features of management principles?**

**3. Explain the need and importance of management principles.**

**4. Explain the 14 principles of management given by Henry Fayol.**

**5. Difference between unity of command and unity of direction.**

**6. What is scientific management?**

**7. Explain the principles of scientific management given by F.W Taylor.**

**8. Explain the elements or techniques of Scientific Management.**

**9. Explain the benefits of Scientific management.**

**10. Explain the limitations of scientific management.**

**11. Distinguish between Taylors Scientific management and Henry Fayol principles of management.**

**12. Difference between Time Study and Motion Study.**

**13. Explain in brief the study of Gang Plank.**

**14. Difference between Traditional and modern management.**

**15. Explain any six reason as to why proper understanding of management principles is necessary.**

**16. Explain the principles of Scalar Chain with an example.**

**17. Discuss in brief Taylors principle of**

**A. Science not rule of thumb**

**B. Harmony not Discard.**

**18. Explain in brief the principles of Discipline and Equity.**

**19. Write a note on Taylors Functional Foremanship.**

**20. Explain the principle of Unity of Command and Unity of direction.**

**21. Explain Method Study and Motion Study as techniques of Scientific Management.**

**22. Explain the following principles of management**

**A. Stability of tenure of personnel**

**B. Unity of Command**

**23 Explain the concept of Taylors Differential Piece Rate System.**

**24. Discuss the contribution of Taylors in the context of management.**

**ANSWER**

**1. What is a management principle?**

**Ans- A principles is a basic statement that provides understanding and guidance to thinking and actions. It refers to a fundamental truth that explains relationship between two or more sets variables under a given situation. The principle of management provides guidance for managerial decision making action.**

**2. Explain the features of management principles?**

**Ans- The features of management principles of are-**

**I. Management principles are stated in the form of general statements.**

**II. These principles are flexible in nature ass it can be modified so that they can be adopted and applied according to the needs of changing situation.**

**III. Managements principles are universal in nature as it is applicable to all type of organizations.**

**IV. The principles indicate cause and effect relationship because each principle is applied and directed towards the attainment of a specific objective.**

**V. All the principles have equal importance in real life, business and non business situations.**

**3. Explain the need and importance of management principles.**

**Ans- The need and importance of management principles are as follows-**

**I.** **Providing managers with useful insights into reality: Management principles guide managers to take right decision at right time by improving their knowledge, ability and understanding of various managerial situations and circumstances.**

**II. Direction and training of managers- The principles are helpful in identifying the area of management in which existing and future manager should be trained.**

III. **Scientific decisions: Decisions based on management principles tend to be more realistic, balanced and free from personal bias.**

**IV. Guide to research in management- The body of management principles indicate the line on which research should be undertaken to make management practice more effective.**

**V. Increase in Efficiency- Practice of management principles is helpful in improving managerial efficiency. Principles are guidelines for managers in taking decisions and solving problems.**

**4. Explain the 14 principles of management given by Henry Fayol.**

**Ans- The 14 principles of management given by Henry Fayol are as follows-**

**1. Division of Work: Division of work implies dividing the work into compact jobs and allocating these compact jobs to different individuals. When an individual does the same job on repetitive basis, he specializes in his task and thus acquires speed and accuracy in the performance.**

**2. Parity of Authority and Responsibility: According to the principle of parity of authority and responsibility, there must be parity between authority and responsibility. If a person is given authority without corresponding responsibility, there may be arbitrary and unmindful use Of authority; Similarly if a person is given some responsibility without adequate authority, such person will be ineffective.**

**3. Discipline: Discipline means obedience, proper conduct in relation to other members of organisation and complying with the rules and regulations of the organization. It is required for the smooth running, of the organisation. It must be enforced throughout the organization.**

**4. Unity of Command : According to this principle, a subordinate should receive order from one superior only and should be accountable to that superior from whom he received order. In other words every employee should have only one boss.**

**Necessity: Unity of command principle is necessary:**

**(a) to avoid conflict among superiors regarding how the work should be accomplished**

**(b) to avoid confusion among subordinates regarding whose instructions should be followed;**

**(c) to fix responsibility for mistakes;**

**(d) to maintain discipline.**

**Benefits:**

**Adoption of this principle results in the following benefits:**

**(a) Subordinates will get exact orders and instructions.**

**(b) Fixing of responsibility will be easier.**

**(c) Orders and instructions of every superior will be honoured.**

**(d) It avoids conflict among superiors regarding how the work should be accomplished**

**(e) It avoids confusion among subordinates regarding whose instructions should be followed.**

**5. Unity of Direction- According to this principle, there should be one head and one Plan for a group of activities having the same objectives. This principle emphasises the importance of common goals being pursued by all in a group activity under the direction of one head.**

**6. Subordination of Individual Interest to General Interest: According to this principle, individual interests of members of an organisation must be subordinated to the overall interests of the organisation. It means that the selfish attitude of an individual should be surrendered if it affects the interests of the enterprise. This is essential for the welfare of the organisation and its members.**

**7 Fair Remuneration: Remuneration and the methods of payment in an organisation should be fair. It should bring about high productivity for the organisation and satisfaction to the personnel.**

**8. Centralisation and Decentralisation- Centralisation of authority refers to relative concentration of authority for decision-making especially at top managerial level. Decentralisation of authority refers to relative dispersal of authority especially among the lower managerial levels to facilitate operational decision-making. There should be proper combination and balance between centralisation and decentralisation in an organization.**

**9. Scalar Chain- In an organization, the formal lines of authority, from highest to lowest level of all superiors and subordinates, are known as scalar chain. The principle of scalar chain suggests that there should be a clear line of authority from top to bottom, linking superiors and subordinates at all levels. The scalar chain serves as a chain of command as well as communication. In normal circumstances, the formal communication is required to be made by following this chain.**

**10. Order- Order refers to systematic arrangement of materials and placement of people in the organization. Material order requires that there should be specific place for each material and each material must be in its allotted place. Social order requires that there should be specific place of work for each employee and each employee must be in his assigned place of work.**

**11. Equity-Equity refers to fair treatment to all the workers in an organization. Fair treatment involves kindness and justice on the part of superiors while dealing with their subordinates.**

**12. Stability of tenure of personnel- According to this principle, worker should have stability of tenure and should be given sufficient time to show their performance. Moreover, frequent transfers or rotations should also be avoided. According to Fayol, “Employee Turnover should be minimized to maintain organisational efficiency”. In an organisation the employees should be selected and appointed after following a due and rigorous procedure. Once they are appointed they should be kept at their positions for a minimum fixed period.**

**13. Initiative- Initiative means eagerness to initiate action in work related matters without being asked to do so. An organization should encourage desire and initiative among its managers and employees by extending opportunities and freedom to contribute their best.**

**14. Esprit de Corps- It refers to team spirit. Managers must take steps to develop a sense of belonging among the members of a work group. This principle emphasizes the need for team work.**

**5. Difference between unity of command and unity of direction.**

**Ans-**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl No.** | **Points** | **Unity of Command** | **Unity of direction** |
| **1** | **Meaning** | **It means that a subordinate should receive orders and instructions from one boss only.** | **It advocates ‘one head, and one plan‘ for a group of activities having the same objectives. The activities should be directed towards the common goals.** |
| **2** | **Guiding Principle** | **One Subordinates and one boss** | **One head and one plan** |
| **3** | **Necessity** | **It is necessary to fix responsibility** | **It is necessary for sound organisation** |
| **4** | **Purpose** | **The main purpose of unity of command is to avoid confusion and fix up the responsibility of the employee.** | **The purpose of unity of direction is to direct the efforts of employees of one department in achieving the main objective of that department.** |
| **5** | **Implications** | **It affects an individual employee.** | **It effects the entire organisation** |

**6. What is scientific management?**

**Ans- The term scientific management is used to denotes the management which is based on scientifically developed principles and techniques. According to Taylor himself Scientific management means knowing exactly knowing what you want men to do and than seeing that they do it in the best and cheapest way.**

**7. Explain the principles of scientific management given by F.W Taylor.**

**Ans- The principles of scientific management given by F.W Taylor are as follows-**

**I. Science, not rule by thumb :**

**As per Taylor the work /task should not be performed by ‘hit or miss’ method, rather a logical and a rationale approach should be followed in each and every element of work.**

**II. Harmony , not discord :**

**As per this principle, there should be harmony between the management and the employees, for which there should be mental revolution. Both the parties should realize each other’s importance and work towards the profits of the firm. Conflicts should be avoided.**

**III. Cooperation , not individualism :**

**According to this principle, all the activities in the firm should be carried out by the mutual cooperation of one and all. Managers and employees should jointly determine standards and take measures to achieve them.**

**IV. Development of each and every person to his/her greatest efficiency/prosperity:**

**As per this principle each and every employee should be given importance, their efficiency should be taken care of right from the beginning, proper training to be given to increase and enhance their future prospect.**

**V. Equitable division of work & responsibility between management & Labour-**

**This principle suggests that there should be more equitable division of work and responsibility between management and workers.**

**VI. Mental revolution- This principles calls for creation of good environment where the workers may feel that the management is their well wisher, food provider, shelter giver.**

**8. Explain the** e**lements or techniques of Scientific Management.**

**Ans- The** e**lements or techniques of Scientific Management are as follows-**

**I. Separation of planning or doing- Taylor emphasized that planning function should be separated from execution and given to specialist only for better result.**

**II. Functional Foremanship- According to Taylor, it is impossible for a single worker to be master in each and every aspect of production. Therefore he insisted that eight persons should be performing the duties of a foreman and this kind of work came to be known as functional foremanship.**

**III. Method Study- It is preliminary survey of production process so as to familiarize the investigator with the tools, methods and operations in process. It aims at simplifying the production process by reducing the number of operations.**

**IV. Motion Study- It involves the study of the movement of operations of a worker. It aims at eliminating unnecessary ill- directed & inefficient motions so as to perform the work in the best possible manner.**

**V. Differential piece-rate system- Taylor’s differential piece-rate system points that the worker who exceeds the standard output within the stipulated time must be paid a high rate for high production. On the other hand, the worker is paid a low rate if he fails to reach the level of output within the standard time**

**VI. Time Study-** **It determines the standard time taken to perform a well-defined job. The objective of time study is to determine the number of workers to be employed, frame suitable incentive schemes & determine labour costs.**

**9. Explain the benefits of Scientific management.**

**Ans- The benefits of Scientific management are**

**I. Increase in production : With the use of standardised tools, equipments and With better work methods the production, there will be an increase in the volume of output.**

**II. Elimination of wastages : Scientific management helps in proper utilisation of all available resources of the enterprise to the fullest extent possible. As a result wastages will be reduced to a minimum.**

**III. Improves workers efficiency and earnings : Scientific selection of workers helps the enterprise to place the right man in the right job. So workers are placed in those jobs for which they have interest and aptitude. This in turn helps the workers to improve their working efficiency, produce more output and earn more wages.**

**III. Economy in costs : The idea behind scientific management is to eliminate wastages, remove inefficiencies of all sorts and control wasteful expenses. The cumulative effect of all these measure is reduction or economy in cost of production.**

**IV. Improvement in quality of output : Under scientific management, with use of standard tools and materials, better supervision and effective control, the quality of output also improves.**

**10. Explain the limitations of scientific management.**

**Ans- The limitations of scientific management are as follows-**

**I. Loss of jobs:**

**His theory was opposed by workers and labour unions as they felt that scientific ways would increase production but reduce the work force.**

**II. Monotony:**

**Focus on scientific ways of performing the job (standardisation), task planning etc. can make work monotonous as workers work along pre-defined lines of action and lose interest in jobs.**

**III. Unsuitable for small firms:**

**Scientific management theory is unsuitable for small firms because of their inability to invest huge funds in developing scientific methods of production.**

**11. Distinguish between Taylors Scientific management and Henry Fayol principles of management.**

**Ans- Distinguish between Taylors Scientific management and Henry Fayol principles of management.**

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| --- | --- | --- | --- |
| **SL NO.** | **BASIS** | **TAYLORS SCIENTIFIC MANGEMENT** | **FAYOLS PRINCIPLES OF MANAGEMENT** |
| **1.** | **Beginning** | **Taylor began from lowest level & moved upwards** | **Fayol began from top management & proceeded downwards** |
| **2.** | **Level of Management** | **Operating Level** | **Top level** |
| **3.** | **Purpose** | **To increase the productivity of workers & eliminate all types of wastes.** | **To develop general theory of administration.** |
| **4.** | **Personality** | **Taylor is known as the father of scientific management** | **Fayol is known as the father of functional management.** |
| **5.** | **Rigidity** | **Taylors approach was relatively rigid.** | **Fayols principles were flexible in nature.** |

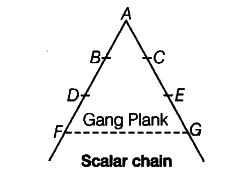
**12. Difference between Time Study and Motion Study.**

**Ans- Difference between Time Study and Motion Study.**

|  |  |  |  |
| --- | --- | --- | --- |
| **SL NO.** | **BASIS** | **Motion Study** | **Time Study** |
| **1.** | **Meaning** | **It is the study of movement of body/ machines required to perform a job.** | **Time is an art of observing & recording the time required & each detailed element of an operation.** |
| **2.** | **Purpose** | **The purpose of motion study is to identify useless motion and eliminate them to identify them to find out the best method of doing a particular job.** | **The purpose of time study is to determine the precise time required for each element of a mans work.** |
| **3.** | **Tools of study** | **It is conducted with the help of a movie camera** | **It is conducted with the help of stop watch.** |

**13. Explain in brief the study of Gang Plank.**

**Ans- Communication through the scalar chain may involve delays when two subordinates or employees at the same level want to exchange ’ information. Thus, Fayol suggested the concept of ‘Gang Plank’ to avoid delays and allow direct communication between two subordinates at the same level. Gang Plank is useful as it helps in making direct contact in case of emergency. This idea of Fayol shows that his principles are flexible and can be modified as per the situation.**

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**In the figure shown, F and G can directly communicate in case of urgency, as per the concept of Gang Plank, without following the formal lines of communication.**

**14. Difference between Traditional and modern management.**

**Ans- Difference between Traditional and modern management**

**I. Traditional style of management is like military style of management whereas modern style of management largely depends on soft skills.**

**II. Traditional organization was very casual and goal oriented whereas in modern organization emphasizes on strategic management.**

**III. Traditional management is defined as an art of getting things done through others whereas modern concept of management considers management as the process of utilization of human resources and physical resources in such a manner that organizational objectives are achieved effectively and efficiently.**

**IV. Traditional management does not give the function which a manager has to perform to get result from others whereas in modern management the functions are planning, organizing, staffing, directing and controlling.**

**V. Traditionally, management did not lay emphasis on research and innovation Whereas, modern management has given more emphasis to research and innovations.**

**15. Explain any six reason as to why proper understanding of management principles is necessary.**

**Ans- Same as question no.3**

**16. Explain the principles of Scalar Chain with an example.**

**Ans-** **In an organization, the formal lines of authority, from highest to lowest level of all superiors and subordinates, are known as scalar chain. The principle of scalar chain suggests that there should be a clear line of authority from top to bottom, linking superiors and subordinates at all levels. The scalar chain serves as a chain of command as well as communication. In normal circumstances, the formal communication is required to be made by following this chain.**

**Example: The above figure shows the scalar chain linking managers at lower levels with the top management. If D has to communicate with G, The message should ordinarily move up through C and B to A, and then down from A to E, F and G. Above mentioned chain has following disadvantages:**

**i. It causes delay in reaching communication to the required level.**

**ii.Creates the possibility of distortion of information flow as various levels are involved.**

**iii. To avoid delays and to remove hurdles in the exchange of information, concept of Gang Plank has been suggested by Fayol, shown by the dotted line joining D and G.**

**17. Discuss in brief Taylors principle of**

**A. Science not rule of thumb**

**B. Harmony not Discard.**

**Ans- A. Science not rule of thumb**

**Science, not rule by thumb :**

**As per Taylor the work /task should not be performed by ‘hit or miss’ method, rather a logical and a rationale approach should be followed in each and every element of work.**

**B. Harmony not Discard.**

**As per this principle, there should be harmony between the management and the employees, for which there should be mental revolution. Both the parties should realize each other’s importance and work towards the profits of the firm. Conflicts should be avoided.**

**18. Explain in brief the principles of Discipline and Equity.**

**Ans- Discipline- It means obedience proper conduct in relation to others members of organization and employing with the rules and regulations of the organization. It is required for the smooth running of the organization. It must be enforce throughout the organization.**

**Equity-Equity refers to fair treatment to all the workers in an organization. Fair treatment involves kindness and justice on the part of superiors while dealing with their subordinates.**

**19. Write a note on Taylors Functional Foremanship.**

**Ans- According to Taylor, it is impossible for a single worker to be master in each and every aspect of production. Therefore he insisted that eight persons should be performing the duties of a foreman and this kind of work came to be known as functional foremanship. The following roles were included in this kind of job:**

**1. Instruction Card Clerk: This instructor gives instructions to workers regarding their work.**

**2. Route Clerk: His role was to mention the route of production**

**3. Time and Cost Clerk: His role was to arrange the time and costs sheet**

**4. Disciplinarian: His role was to maintain discipline in the production facility and in the factory**

**These four role comes under the planning supervisor**

**The other four persons who work under the production supervisor are:**

**1. Speed Boss: Maintains the time record for the job assigned to the worker. Checks if the job is completed timely.**

**2. Gang Boss: The main responsibility of this person is to keep machines in a ready state for work.**

**3. Repair boss: He takes the responsibility to keep machines and tools in proper working condition.**

**4. Inspector: The responsibility of quality of work is taken care by this inspector.**

**20. Explain the principle of Unity of Command and Unity of direction.**

**Ans- Principle of Unity of Command-**

**According to this principle an individual employee should have only one superior from whom he should receive orders and to whom he should be responsible. If an employee receives orders from more than one person at a time it creates confusion and conflict. Thus principle of unity of command avoids confusion and leaves no option for conflict on the part of employees.**

**Advantages of following this principle:**

**(i) It helps in preventing the conflict regarding tasks to be done.**

**(ii) Harmonious relations between superior and subordinates.**

**(iii) Improves efficiency.**

**(iv) It helps in fixations of responsibility.**

**Disadvantages of violating this principle:**

**(i) Authority is undermined.**

**(ii) Lack of discipline in the organisation.**

**(iii) It will result in disturbance and lack of stability.**

**Unity of direction-**

**According to this principle, activities having the common goal must have one head and one plan. This helps in bringing unity of action and coordination in an organisation. For example, if a company is manufacturing two different products, it should have two separate divisions or departments for both the products. Each division or department should have their separate incharge, plans and resources.**

**Advantages of following the principle of Unity of Direction:**

**(i) It helps in preventing overlapping of activities.**

**(ii) It ensures unity of action and focused efforts.**

**(iii) It promotes coordination.**

**21. Explain Method Study and Motion Study as techniques of Scientific Management.**

**Ans- Method Study- It is preliminary survey of production process so as to familiarize the investigator with the tools, methods and operations in process. It aims at simplifying the production process by reducing the number of operations.**

**Motion Study- It involves the study of the movement of operations of a worker. It aims at eliminating unnecessary ill- directed & inefficient motions so as to perform the work in the best possible manner.**

**22. Explain the following principles of management**

**A. Stability of tenure of personnel**

**B. Unity of Command**

**Ans- A. Stability of tenure of personnel-**

**According to this principle, worker should have stability of tenure and should be given sufficient time to show their performance. Moreover, frequent transfers or rotations should also be avoided. According to Fayol, “Employee Turnover should be minimized to maintain organisational efficiency”. In an organisation the employees should be selected and appointed after following a due and rigorous procedure. Once they are appointed they should be kept at their positions for a minimum fixed period.**

**B. Unity of Command-**

**According to this principle an individual employee should have only one superior from whom he should receive orders and to whom he should be responsible. If an employee receives orders from more than one person at a time it creates confusion and conflict. Thus principle of unity of command avoids confusion and leaves no option for conflict on the part of employees.**

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**(i) Authority is undermined.**

**(ii) Lack of discipline in the organisation.**

**(iii) It will result in disturbance and lack of stability.**

**23 Explain the concept of Taylors Differential Piece Rate System.**

**Ans- Taylor’s Differential Piece-Rate System was introduced by F.W. Taylor, who believed that the workers should be paid on the basis of their degree of efficiencies. Under this method, with the help of Time and Motion Study, the standard time for the completion of a job is fixed on the basis of which the performance of the workers is evaluated. Taylor’s differential piece-rate system points that the worker who exceeds the standard output within the stipulated time must be paid a high rate for high production. On the other hand, the worker is paid a low rate if he fails to reach the level of output within the standard time**

**24. Discuss the contribution of Taylors in the context of management.**

**Ans- Taylor’s contribution can be summed up as under:**

**1. Application of scientific principles to the problems of manage­ment.**

**2. “He was the first to state that it was the duty of management to tell the workers what was expected of them”**

**3. “He was the first to specify the way in which the job is to be performed”**

**4. Ushering in of mental revolution on the part of employers and employees both.**

**5. He was the first man in the history of management thought to use systematic experiments of time and motion study.**

**6. Planning of work separated from its execution was first intro­duced by him.**

**7. “Functional foremanship” concept was first coined and introduced by Taylor in management thought.**

**SHORT ANSWERS QUESTION**

**1. Who is called the father of Scientific Management?**

**Ans- Henry Fayol**

**2. Who author book the principles and method of scientific management.**

**Ans- F.W Taylor**

**3. Who introduced the differential piece rate system?**

**Ans- F.W.Taylor**

**4. Who is called the father of administrative management theory.**

**Ans- Henry Fayol**

**5. Name the book authored by Henry Fayol?**

**Ans- Industrial and general administrative.**

**6. Who introduced the concept of Gang Plank?**

**Ans- Henry Fayol.**

**7. What is the main objective of fatigue study?**

**Ans- The main objective of fatigue study is to determine the amount and frequency of rest needed by the worker.**

**8. Which principle state one plan one boss and one head and one plan.**

**Ans- The principles unity of command state one plan one boss and unity of direction state one head and one plan.**

**9. Which technique of scientific management does provide for eight specialized foreman over workers?**

**Ans- Functional Foremanship**

**10. What is required to ensure harmony among workers and managers.**

**Ans- Mental Revolution**

**11.Why did Fayol introduce the concept of Gang Plank?**

**Ans- Fayol introduce the concept of gang plank because it allows direct link between two employees of different department for quick communication.**

**12. Why are principles of management called flexible?**

**Ans- Principles of management are called flexible because it can be modify and changed with the changes in environment of a business.**

**13. Which principles of management is violated if a subordinate asked to received from two or more superiors?**

**Ans- Unity of Command.**

**14. Which principles of management prompts team spirit?**

**Ans- Espirte De Corps**

**15. Which technique of scientific management describe one best way to perform a task?**

**Ans- Scientific Task Setting**

**16.Why is it said that management principles are universal in application.**

**Ans- Management principles are universal in application because it can be successfully applied in different organization at different place.**

**17. Who gave functions and principles of management?**

**Ans- Henry Fayol**

**18. Name the device which permits direct communication between employees working at same level?**

**Ans- Gang Plank**

**19. Which principles of management insists in orderly arrangement of man and material.**

**Ans- Order.**

**20. Which principle of Taylor advocate scientific enquiry and oppose hit and trial method.**

**Ans- Science not rule of thumb.**