

Unit-2

Principles of Management

1. What do you mean by principles of management?

Ans.: Principles of Management are broad and general guidelines which provide proper understanding and guidance to thinking and action. It refers to a fundamental truth that explains relationship between two or more sets of variables under a given situation. It acts as guidelines for taking managerial actions and decisions.

2. Briefly explain the nature/ characteristics of principles of management.

Ans: The main features/ characteristics/ nature of Principles of management are :

- i) **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.
- ii) **General Guidelines:** Management principles are not static or absolute statements. These cannot be applied blindly in all the situations. Management principles give guidelines to solve the problems. These principles do not provide readymade solution for all the problems.
- iii) **Flexibility:** Management principles are flexible in nature. These can be modified and changed with the change in environment of a business.
- iv) **Cause and effect relationship:** There is a cause and effect relationship in management principles. For examples the principle of division of labour leads to specialization and increase in efficiency. So division of labour is the cause and efficiency is an effect.
- v) **Formed by practice and experiment:** The management principles are developed only after deep and through research work. They are not developed overnight or they are not the personal feelings of any person.

3. Explain the importance/ significance/ need of management principles.

Ans: The importance / significance of management principles arises from the following consideration:-

- i) **To Guide Managers:** - Management principles act as guidelines for the managers. These principles improve knowledge, ability and understanding of managers under various managerial situations. These principles guide managers to take right decision at the right time.
- ii) **To develop the science of management:** The principles of management make use of scientific methods for observation. They have helped to develop the science of management.
- iii) **To optimum utilization of resources :-** The management principles insist on planned activities and systematic organization of men and materials which helps in making optimum use of human and other resources.

- iv) **To Train Management:** Management principles are also needed to train managers. In the absence of principles the training of managers depends upon trial and error methods.
- v) **To fulfill social objectives :-** Management principles not only act as guidelines for achieving organizational objectives but these principles also guide managers to perform social responsibilities.
- vi) **Proper Decision Making:** Management principles provide guidelines for taking decisions scientifically and systematically under different situation.

4. When & where Fayol was born?

Ans: Henry Fayol was born in France in 1841.

5. Who is known as father of principles of management?

Ans: Henry Fayol is known as father of Principles of management.

6. Who was the writer of book titles General and Industrial Management.

Ans: Henry Fayol was the writer of the book titled General and Industrial Management.

7. Briefly describe the 14 management principles given by Henry Fayol.

Ans: Fayol suggested 14 principles of management for running the business efficiently. These principles are given below:-

- i) **Division of work (specialization):** Division of work implies division of the total task in order to lighten the total burden and promote specialization in such a way that one person does only one thing rather doing everything himself. Fayol said not only the factory work but technical, managerial should also be divided small units for specialization.
- ii) **Parity between authority and responsibility:** - Authority means power to take decision. Responsibility means obligation to complete the job assigned on time. According to this principle there must be balance or parity between authority and responsibility.
- iii) **Discipline:** Discipline means obedience, respect of authority and observance of the established rules. Discipline is essential for smooth running of business and without it no business can prosper. Fayol insists that discipline is required at all levels of management.
- iv) **Unity of Command:** This principles states that one person should receive orders from only one superior. In other words, one person should be accountable to only one boss. If he received orders from more than one boss then he will get confused and will not be able to understand that whose order must be executed first.
- v) **Unity of Direction:** According to this principle, there should be one head and one plan for a group of activities having the same objectives. In other words, each department and a group having common objective must have one plan and must be under the control of one manager or superior. If this principle is applied, it leads to co-ordination.

- vi) **Subordination of individual interest to General interest:** According to this principle the interest of organization must always prevail over individual interest. This principle implies harmony of personal interest and common interest.
- vii) **Fair Remuneration to workers:** – According to this principle employees in the organisation must be paid fairly or adequately to give them maximum satisfaction. The employees should be paid fair wages and salaries, which would give at least a reasonable standard of living.
- viii) **Centralization and Decentralization:** Centralization refers to concentration of authority or power in few hands at the top level. Decentralization means evenly distribution of power at every level of management. According to Fayol a company must not be completely centralized or completely decentralized but there must be combination of both depending upon the nature and size of the organization.
- ix) **Scalar chain:** Scalar chain means line of authority or chain of superiors from highest to lowest rank. Fayol insists that this chain must follow strictly in the organization however; a 'Gang-plank' may be created by passing the established line of authority to facilitate with communication.
- x) **Order:** In this principle order does not mean command but it refers to orderly arrangement of men and material, that is a fixed place for everything and everyone in the organization. The principle of order implies right man in the right job and right material in the right place.
- xi) **Equity:** Equity refers to kind, fair, and just treatment to employees. Employees will put their maximum efforts only when they are treated with kindness and justice. If a management is biased in dealing with employees then employees will get dissatisfied.
- xii) **Stability in the tenure of personal:** It refers to no frequent termination and transfer. According to this principle the management must provide the feeling of job security among the employees because with the feeling of insecurity, the employees cannot contribute their maximum.
- xiii) **Initiative:** Initiative refers to chalking out the plan and then implementing the same. Fayol suggested that employees in the organization must be given an opportunity to take some initiative in making and executing a plan.
- xiv) **Esprit-De-Corps:** Esprit-De-Corps means union is strength. Fayol emphasized on the team work. He suggested that every employee in the organization must consider him as a part or member of a team and try to achieve the team goal because team contribution is always better and more than individual contribution.

8. Mention three major contributions of Fayol's principles of management.

Ans: Fayol's major contribution was:-

- i) To identify and classify business activities.

- ii) To classify functions of management into five elements.
- iii) To develop universal principles of management.

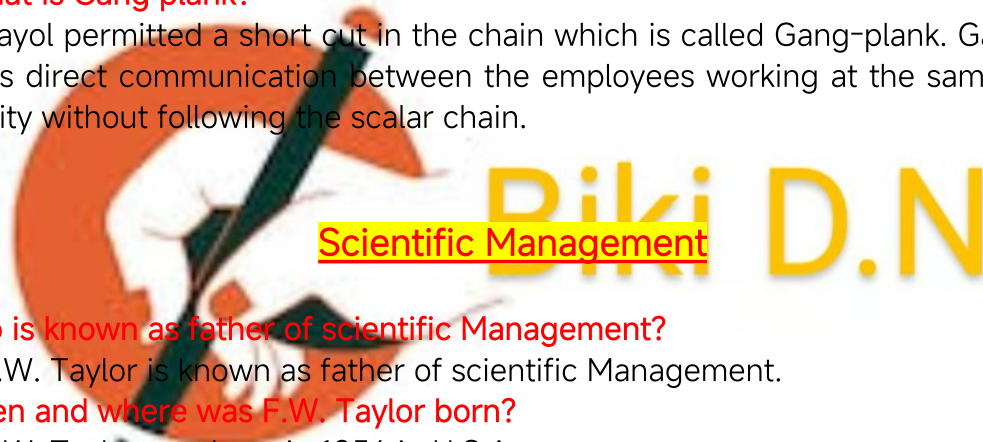
9. Distinguish between unity of command and units of direction.

Ans: Following are the differences between unity of command and units of direction:

Unity of command	Unity of Direction
This principle insists on one Boss on one subordinate.	This principle insists on one unit /division on one plan
The main purpose is to avoid confusion and fix up responsibility on the employee.	The purpose is to direct the efforts of Employees of one department in achieving the main objective of that department.
This principles concerned with the functioning of people	This principle is related to the activities.

10. What is Gang plank?

Ans: Fayol permitted a short cut in the chain which is called Gang-plank. Gang plank permits direct communication between the employees working at the same level of authority without following the scalar chain.



1. Who is known as father of scientific Management?

Ans: F.W. Taylor is known as father of scientific Management.

2. When and where was F.W. Taylor born?

Ans: F.W. Taylor was born in 1856 in U.S.A.

3. What do you mean by scientific Management?

Ans: Scientific management implies the application of science to the management of a business concern. In other words, scientific management is the art of knowing exactly what is to be done and the best way of doing it.

According to F.W.Taylor, "scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way."

4. Write two features of scientific management.

Ans: Main features of scientific management are:

- i) It is a systematic, analytical and objective approach to solve industrial problems.
- ii) It attempts to discover the best method of doing a work at the cheapest cost.

5. Brief explains the principles of scientific management.

Ans: Taylor formulated four principles of scientific of management which are explain

below:-

- i) **Science, not rule of thumb:** Taylor wanted to replace old methods of doing work. He insisted that each job performed in the organization should be based on scientific enquiry and not on experience.
- ii) **Harmony, not discord:** This principle states that there should be complete co-operation between management and workers. Taylor wants that there should be a mental revolution which means complete change of attitude and outlook for each other.
- iii) **Co-operation, not individualism:** - According to this principle work must be carried on in cooperation with each other, with mutual confidence and understanding for each other. Workers and managers must work in co-operation.
- iv) **Development of workers:** Industrial efficiency depends upon the efficiency of workers. Workers' efficiency depends upon proper training and their selection. Taylor insisted due care should be taken while selecting the employees and after selection they must be given job according to their qualification.

6. Explain the elements or techniques of scientific management.

Ans: Taylor and his associates suggested the following techniques/ elements for scientific management:

- i) **Functional foremanship:** In order to ensure specialization at supervisory level, Taylor suggested Functional foremanship. Under this scheme there should be eight specialist or functional bosses to supervise the activities of each worker. Out of these four will be in the planning office and other four will be in the workshop.
- ii) **Standardization and simplification of work:** Standardisation and simplification are vital components of scientific management. Standardization does not mean only quality standard but it refers to setting up standards for size, type, weights, measures and quality of product. Simplification emphasizes on elimination of unnecessary diversity of products, size and types.
- iii) **Work study:** Work study is the detail analysis of an activity with an objective to remove inefficiency and find out one best way of performing it. Work study eliminates wasteful and unnecessary operation, reduces effort and increases productivity. Work study includes the following techniques:
 - a) **Method study:** This technique is conducted to find out the one best method or way of performing the job.
 - b) **Time study:** It involves a study to determine the time needed to complete a job.
 - c) **Motion study:** This technique is conducted to determine the movements of workers when they are working and for cutting down

unproductive and wasteful movements.

- d) **Fatigue study:** This technique is conducted to find out the frequency, the duration and the number of rest intervals.
- iv) **Differential piece wage system:** Taylor was of the view that differential wage rates should be paid to efficient and inefficient workers. In this method, a wage rate is fixed for standard work. A worker producing standard output will get the standard wage rate, A worker producing more than standard will be paid higher wage rate and a worker producing lower than the standard will be paid lower wage rate.
- v) **Scientific selection and training:** In this Taylor suggested that the selections are made as per the predetermined standard. After selection, the worker should be given appropriate training.
- vi) **Mental Revolution:** Taylor stressed/focused that there is need to change the attitude of workers and management. Instead of suspecting the intention of each other, they both should co-operate among themselves.

7. Write two points of distinction between time study and motion study.

Ans: Differences between time study and motion study are:

Basis	Time Study	Motion Study
<i>Meaning</i>	It is related to the measurement of time requirement for a particular job.	It is related with matching and recording of movement of a work.
<i>Purpose</i>	The purpose is to find out standard time to fix a fair day's work for the workers.	The purpose is to eliminate wasteful and unproductive movements of workers.
<i>Methods for conduct</i>	It is done with the help of stop watch.	A movie camera is used to record the movements of workers.

8. Write advantages / benefits/significance/importance of scientific management.

Ans: Advantages of scientific management are:

- i) **Increase in production:** With the use of standardized tools, equipments and with better work methods of the production, there will be an increase in the volume of output.
- ii) **Reduction in cost of Production:** Scientific management ensures avoiding of all types of wastages and losses. This leads to reduction in cost of production.
- iii) **Proper selection and training of workers:** One of the essential elements of scientific management is proper selection, placement and requirement of workers. Misfits are avoided and right man is given a right job.
- iv) **Better Quality products:** Standardisation is an essential element of

- scientific management which ensures better quality product.
- v) **Better working condition:** Scientific management provides better working condition to the workers viz., proper working hours, rest pause, lighting, safety etc.

9. Write three disadvantages / limitations of scientific management.

Ans: Three disadvantage / limitations of scientific management are:

- i) **Loss of initiative:** It leads to loss of initiative of the workers as they are reduced to the position of machines as the work methods and operations are standardized. They cannot suggest better methods of work.
- ii) **Possibility of unemployment:** Worker feels that adoption labour saving devices under scientific management will lead to create unemployment.
- iii) **It involves heavy capital investment:** Application of the principles of scientific management calls for heavy amount of investment which may not be possible on the part of all firms more particularly the small one.

10. Distinguish between Taylor's scientific management and Fayol's principles of management

Ans: Distinguish between Taylor's scientific management and Fayol's principles of management are:

Basis	Principles of Management	Scientific Management
<i>Focus</i>	Fayol focuses on the function of the managers	Taylor focuses on the problems of the shop floor.
<i>Concern</i>	It is concerned with the management efficiency.	It is concerned with the efficiency of workers.
<i>Applicability</i>	It is universal applicable.	It is applicable to specialized situation.
<i>Emphasis</i>	Fayol emphasis on improving managerial function.	Taylor emphasis on specialization of work.
<i>Philosophy</i>	Fayol's philosophy is called general theory of management.	Taylor's philosophy is called scientific management.

11. Write three similarities between Taylor & Fayol (Relevance)

Ans: Similarities between Taylor and Fayol are:

- i) The main aim of Taylor's as well as Fayol's principles is to maximize the efficiency.
- ii) Both insist on co-operation between employees and employers.
- iii) Both suggested direction of work for specialization.