**CHAPTER - 2**

**PRINCIPLES OF MANAGEMENT**

Q1. Fayol points out the danger and costs of unnecessary labour turnover in one of his principle .Identify the principle. (1)

(a) Remuneration of employees

(b) Equity

(c) Unity of command

(d) Stability of personnel.

Q2. Identify the principle of Fayol which emphasises that wages and salaries paid to the employees should be just and equitable. (1)

(a) Remuneration of employees

(b) Initiative

(c) Equity

(d) Stability of personnel.

Q3. The principles of management have been developed on the basis of (1)  
(a) Observation   
(b) Experimentation  
(c) Personal experiences of the manager  
(d) All of the above

Q4. Which of the following statements best defines the techniques of management? (1)  
(a) It is a set of guidelines to take decisions and actions.  
(b) It is a procedure which involves a series of steps to be taken.  
(c) They are general rules for behaviour of individuals.  
(d) None of the above.

Q5. Principles of management can be modified by the manager when the situation demands. This statement implies that the principles of management are (1)  
(a) Rigid  
(b) Contingent  
(c) Flexible  
(d) Universally applicable.

Q6. Principles of management emphasize on logical and rational decision making rather than on the basis of bias and prejudice. The given statement highlights that the knowledge of principles of management leads to (1)  
(a) Providing managers with useful insight into reality  
(b) Scientific decisions  
(c) Meeting changing environmental requirements  
(d) All of the above

Q7. The principles of management do not provide readymade straight jacket solutions to all management problems because (1)  
(a) The real business situations are complex.  
(b) The real business situations are dynamic.  
(c) The principles act as general guidelines.  
(d) All of the above.

Q8. The application of this principle of management leads to higher production and better work for the same effort. Identify the related principle of general management. (1)  
(a) Discipline  
(b) Equity  
(c) Division of work  
(d) Order

Q9. According to Henri Fayol, if this principle of general management is violated, “authority is undermined, discipline is in jeopardy, order disturbed and stability threatened.” Identify the principle. (1)

(a) Authority and responsibility  
(b) Discipline  
(c) Unity of command  
(d) Equity

Q10. Name the principle of management suggested by Henri Fayol, which advocates that, “There should be good superiors at all levels, clear and fair agreement and judicious application of penalties.” (1)

(a) Authority and responsibility

(b) Esprit De Corps

(c) Order

(d) None of the above

Q11. Eren and Mikasa are typists in a company having the same educational qualification. Eren is getting ₹30,000 per month and Mikasa ₹40,000 per month as salary for the same working hours. Which of the following principle of management is not satisfied in this case? (1)

(a) Unity of command

(b) Discipline

(c) Scalar chain

(d) Equity

Q12. “A manager should have the right to punish a subordinate for willfully not obeying a legitimate order but only after sufficient opportunity has been given to a subordinate for presenting her/his case”. Which principle is being discussed in these lines? (1)  
a) Authority and Responsibility  
b) Division of work  
c) Unity of command  
d) Discipline

Q13. If an organisation does not provide the right place for physical and human resources in an organisation, which principle is violated? What are the consequences of it? (3)

Q14. Name and explain the principle of management according to which a manager should replace ‘I’ with ‘We’ in all his conversation with workers?(3)

Q15. Name and explain the principle of management which requires judicious application of penalties by the management. (3)

Q16. Explain Fayol's principle of Centralisation and Decentralisation. (3)

Q17. What are the characteristics of Principles of management? (4)

Q18. Explain the principle of ‘Scalar Chain’ and gang plank. (4)

Q19. Write short notes on : (4)

(a) Equity

(b) Authority & Responsibility

Q20. Briefly discuss science not rule of thumb and Harmony not discord as the principles of scientific management? (4)

Q21. What are principles? What are the importance of Principles of management?

(4)

Q22. Differentiate between Unity of Command and Unity of Direction. (4)

Q23. Explain the technique of ‘Functional Foremanship’ and the concept of ‘Mental Revolution’ as enunciated by Taylor. (6)

Q24. Discuss the following techniques of scientific work study: (6)  
(a) Time study  
(b) Motion study  
(c) Fatigue study  
(d) Method study  
(e) Simplification and standardisation of work

Q25. Ambitions limited was engaged in the business of food processing and selling its products under a popular brand. Lately the business was expanding due to good quality and reasonable prices. Also with more people working the market for processed food was increasing. New players were also coming to cash in on the new trend. In order to keep its market share in the short run the company directed its existing workforce to work overtime.  
But this resulted in many problems. Due to increased pressure of work, the efficiency of the workers declined. Sometimes the subordinates had to work for more than one superior resulting in declining efficiency. The divisions that were previously working on one product were also made to work on two or more products. This resulted in a lot of overlapping and wastage. The workers were becoming undisciplined. The spirit of teamwork, which had characterised the company, previously was beginning to wane. Workers were feeling cheated and initiative was declining. The quality of the products was beginning to decline and market share was on the verge of decrease.  
Actually the company had implemented changes without creating the required infrastructure.

Identify and explain any six principles of management (out of 14 given by Henry Fayol) that were being violated by the company. (6)

Q26. Explain the following principles of scientific management :- (6)

(a) Harmony, Not Discord

(b) Cooperation, Not Individualism

(c) Development of Every Personnel to his Greatest Efficiency

**Answers**

Ans 1. (d) Stability of personnel

Ans 2. (a) Remuneration of employees

Ans 3. (d) All of the above

Ans 4. (b) It is a procedure which involves a series of steps to be taken.

Ans 5. (c) Flexible

Ans 6. (b) Scientific decisions

Ans 7. (d) All of the above

Ans 8. (c) Division of work

Ans 9. (b) Discipline

Ans 10. (d) None of the above

Ans 11. (d) Equity

Ans 12. (a) Authority and Responsibility

Ans 13. In the stated situation, the Principle of Order is violated. As per the Principle of Order, there should be right arrangement of things. Everything and everyone should be at their respective places, in short 'right people at right place and at right time'. This helps in carrying out the tasks smoothly. If this principle is violated, then it leads to chaos and delay in work. For instance, if the files are not kept in a certain order, then it will lead to difficulty in locating a file when required. This will further lead to delay in the work.

Ans 14. Esprit de corps It is the principle of management, according to which a manager should replace ‘I’ with ‘We’ in all his conversation with workers. Literally speaking, the phrase ‘esprit de corps’ means the spirit of loyalty and devotion which unites the members of the group. According to Fayol, management should promote a team spirit of unity and harmony among employees. A manager should replace ‘I’ with ‘We’ in all his conversation with workers to foster team spirit. This will give rise to a spirit of mutual trust and belongingness among team members.

Ans 15. Discipline: According to Fayol, discipline is obedience, application and outward mark of respect. It is the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. According to Fayol, discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties.

Ans 16. Centralisation means concentration of authority at the top level of management. While its dispersal among many levels is called decentralsation. Fayol suggests that an appropriate balance should be maintained between centralisation and decentralisation. The degree of centralisation and decentralisation will depend upon several factors such as size of the organisation, competence of top managers, ability of subordinates, etc.

Ans 17. Following are features of principles of management -

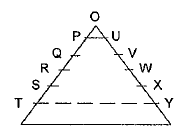
1.Principles of Management are Universal: Management principles are applicable to all kinds of organizations - business & non business. They are applicable to all levels of management.

2.Principles of Management are Flexible: Management principles are dynamic guidelines and not static rules. There is sufficient room for managerial discretion i.e. they can be modified as per the requirements of the situation.

3.Principles of Management have a Cause & Effect Relationship : Principles of management indicate cause and effect relationship between related variables. They indicate what will be the consequence or result of certain actions. Therefore, if one is known, the other can be traced.

4.Principles of Management - Aims at Influencing Human Behavior: Human behavior is complex and unpredictable. Management principles are directed towards regulating human behavior so that people can give their best to the organization.

Ans 18. Scalar chain refers to the chain of superiors ranging from the ultimate authority to the lowest level in the organisation. It should be short-circuited and not carried to the extent it proves detrimental to the organization, this concept is known as Gang-Plank. In this figure if T wants to communicate with Y, usually message will move from T to O via S, R, Q and P and from O it will come down to Y through U, V, W and X. But if it is essential to communicate immediately a Gang-Plank (dotted line) may be created between T and Y without weakening the chain of command.



Ans 19. (a) Equity:- The working environment of any organization should be free from all forms of discrimination (religion, language, caste, sex, belief or Basis Unity of Command Unity of Direction nationality) and principles of justice and fair play should be followed. No worker should be unduly favoured or punished.

(b) Authority and responsibility :- Authority means power to take decisions and responsibility means obligation to complete the job assigned on time. Authority and responsibility should go hand in hand. Mere responsibility without authority, makes an executive less interested in discharging his duties. Similarly giving authority without assigning responsibility makes him arrogant and there is fear of misuse of power.

Ans 20. Science, not the Rule of Thumb- This rule focuses on increasing the efficiency of an organisation through scientific analysis of work and not with the 'Rule of Thumb' method. Taylor believed that even a small activity like loading paper sheets into boxcars can be planned scientifically.

Harmony, not Discord- According to this principle, there should be complete harmony between management and workers and there should be a transformation in the thinking of both parties, called mental revolution.

Ans 21. Principles of management are broad and fundamental truths that establish a relation between cause and their effects. These principles serve as guidelines for managerial decision-making and their course of action. It is through principles that management predicts the result of their actions. Importance: (any three)

1. Providing Managers with Useful Insights into Reality: Through principles of management, managers get insights of real work situations. Use of principles will increase their knowledge, ability and understanding of various managerial situations and circumstances.

2. Optimum Utilisation of Resources and Effective Administration: Optimum utilisation of resources means maximum benefit with minimum cost. The principles have been developed from experience of various experts so as to improve managerial efficiency. The principles guide managers to work in a systematic way without wastage of time and resources so as to avail maximum benefit.

3. Scientific Decisions: Decisions must be based on facts, and should be justified in terms of intended purpose. They should be realistic, practical, and able to be measured and evaluated. Principles are free from bias and prejudice.

4. Meeting the Changing Environmental Requirements: Principles of Management are flexible and dynamic in nature and thus help the organisation to achieve its goal even in the changing business environment.

Ans 22.

|  |  |  |
| --- | --- | --- |
| Basis | Unity of Command | Unity of Direction |
| Meaning | The meaning of Unity of Command is that all small groups are ordered from one boss or commander. | The meaning of Unity of Direction is that all the small groups should be directed in the same direction. |
| Emphasis of Control | On each specific task and activity in a business unit. | On all tasks and activities of a business unit. |
| Purpose | To avoid dual subordination. | To avoid wastage and  duplication of efforts |
| Example | Workers work to take orders from a foreman to manufacture steering wheels and do not take orders from a foreman managing the frame of a car. | Workers responsible for manufacturing steering wheels are responsible for brakes or tyre car |

Ans 23. Functional Foremanship : It is an extension of principle of division of labour, resulting in specialisation. According to Taylor, a single worker or supervisor cannot be expected to be an expert in all aspects. Thus, he advocated the appointment of eight foremen to guide workers, under planning and production departments. Under the planning incharge, there are four personnel:

(i) Route clerk- He is responsible to specify the route of production.

(ii) Instruction card clerk- He is responsible to give instructions to the workers.

(iii) Time and cost clerk- He is responsible to prepare time and cost sheets.

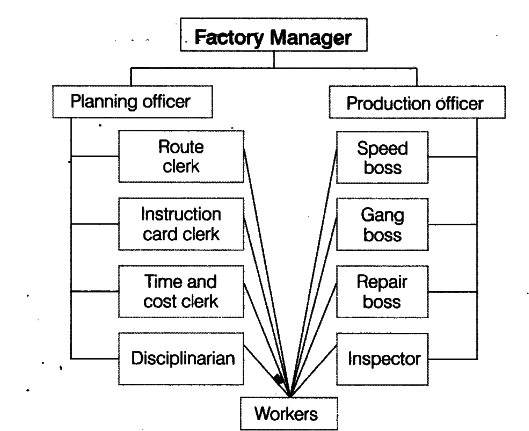
(iv) Disciplinarian- He is responsible to maintain discipline among workers.

Under the production incharge, there are four personnel:

(i) Speed boss- He is responsible for timely completion of job.

(ii) Gang-boss -He is responsible for keeping machines and tools ready for work.

(iii) Repair boss- He is responsible to keep machines and tools in proper working condition.



(iv) Inspector He is responsible to maintain quality of work.

Mental Revolution: It involves change in the attitude of workers and management. Both should realise the importance of the other and should cooperate with each other. Both should aim to increase the size of surplus. Managers should share their gains with workers, while workers should contribute to increase profits. This attitude will bring prosperity to both, the company as well as the workers.

Ans 24. (a) Time study : It reduces the amount of time it takes to execute a specific task. For each step of the task, time-keeping devices are used. Various readings are used to determine the standard time for the full task. The duration of the time study will be determined by the task's frequency and volume, as well as the process's cycle time and time measurement costs.

(b) Motion study : Motion study is the study of actions such as placing objects, lifting, changing positions and sitting that occur when doing a routine task. Random motions are encouraged to be reduced so that the job can be completed in less time.

(c) Fatigue study : If a person does not relax while working, he or she will get emotionally and physically exhausted. Rest periods will aid in the recovery of vitality and the ability to work at the same level again. As a result, the potency will be increased. The goal of fatigue study is to determine the amount and frequency of rest intervals required to complete a task.

(d) Method study : It refers to identify the most suitable way to do a particular activity. To conduct this study, process chart and operation research techniques are used. The main objective of this study is to minimise the cost of production and maximise the quality and level of consumer satisfaction.

(e) Simplification and standardisation of work :  Standardisation of work means that the processes of work are well-integrated, specified or programmed. Standardisation of work attempts to eliminate spoilage and wastage or resources. Accordingly, standardisation of work during production involves consistent form, size, composition, methods, and quality maintained for all products/services. Alternatively, simplification of work means processes involved are consistent in terms of effort, costs and time. Simplification of work complements standardisation by creating, consistency in products/processes in terms of sizes, weights, types, qualities, etc. Simplification of work aims at restricting production of products to limited qualities or types that facilitate efficiency in resources utilised in the business. It attempts to eliminate useless and disadvantageous diversity and variety.

Ans 25. Following principles were violated by Ambitions limited : (any six)

(i) Division of Work- As per the case work is not divided among the workers as per their specialisation. As specialisation is the most efficient way to use human efforts and produces more and better work.  
(ii) Unity of Command - In the case subordinates had to work for more than one superior. This results in declining efficiency. As per Fayol’s principle of unity of command there should be one boss and if it is violated it results in authority is undetermined, discipline is in jeopardy, order distributed and stability threatened. Same we are observing in the above case.  
(iii) Unity of Direction -The units of an organisation should be moving towards the same objective. Each group must be having same objective must have one head one plan. But in case first the producers are working on one product then moved to two or more group. Thus, this principle is also violated.  
(iv**)**Discipline - In the case, there is a lack of formalised control as the workers are working beyond there abilities. There is no rules and regulations as well as lack of employment agreement.  
(v) Subordination of Individual Interest to General Interest - Every individual is working better only when the organisation is giving priority to their general

interest. In the case, company in only focusing over its objective not on employees.  
(vi) Order- People and materials must be in suitable places at appropriate time for maximum efficiency. But in case they are not following the order of anything,  
(vii) Initiative- It implies that workers should be self motivated, suggestions should be taken from the employees. It results in substantial cost and time reduction but here they are taking no feedbacks, no suggestions.  
(viii) Remuneration- The workers should get the fair wages but in case workers are performing day and night but they are not getting a fair amount for the same. This results that they are feeling cheated.

Ans 26. (a) Harmony, not discord: According to this principle, Taylor emphasised that there should be complete harmony between the management and workers and there should be the transformation in thinking of both parties, called the mental revolution. It implies that management should share the gains with workers and workers should work hard for the betterment of the business. It also emphasises that the prosperity of the employer cannot exist for long if it is not accompanied by the prosperity of its employees, and vice-versa.

(b) Cooperation, not individualism: This principle is an extension of the principle of harmony, not discord. According to this principle. 'Competition should be replaced by cooperation. Management and workers both should realise that they need each other'. For this, management should entertain and reward the constructive suggestions of employees and follow a paternalistic style of management At the same time. workers should also cooperate with management, resist from going on strikes and making unreasonable demands to the management.

(c) Development of Every Personnel to his Greatest Efficiency: 'Each person should be scientifically selected and then assigned work as per their specialisation and in any case, if training is required, then impart training to them as efficient employees would produce more and earn more'. Worker training is essential to learn the 'best method' developed as per the scientific approach. This would ensure the greatest efficiency for both, workers and the organisation.