

Q What is the nature or characteristics of management?

A) Intro: Management is essential for any group activity. It is a primary force within the group or organisation which tends to lead it forward the group goal. Management is required to plan, organise, coordinate & control, the affairs of the organisation.

Def 1) According to Harold Koontz, "management is getting things done through the people who formally organized groups. Koontz emphasized that management is getting the work done in an organization.

2) According to Henry Fayol "to manage is to forecast, plan, to organise, to command & coordinate & control

3) According to F.W. Taylor "Management is the art of what you want to do, in best and cheapest way.

Feature, Nature, Characteristics

1) Multi disciplinary: Management has developed as a separate discipline, but it draws knowledge and concepts from other disciplines, such as sociology, psychology, economics and statistics.

This management takes help of these disciplines and integrates ideas to improve the efficiency of organisations.

2) Management is a group activity: Individual cannot achieve all his desires by himself. He has to mingle with his fellow beings and work with organic group to achieve what he cannot do individually.

3) Management is goal oriented: Management aims at achieving economic & social objectives with the help of group efforts of management. They are always directed to achieve some predetermined goals.

4) Management is a factor of production: Just as land, labour, capital, Management is also considered as factor of production while co-ordinates other factors of production to reach organisation goals.

5) Management is universal in character: This is applicable for every type of organisation or wherever there is human activity, organisations maybe related to business, social, religious, cultural, sports, educational, political and military areas.

6) Management is a social process: It is mainly related with human beings it consists of getting things done through other human beings who are directed, coordinated & regulated by management to achieve desired results.

7) Management is a system of authority: In real sense management is rule making and rule enforcing activity, which is possible only if authority and responsibility is seen at various levels of management.

8) Management is a dynamic function: It plays an important role in moulding the enterprise as an ever changing environment continuously. It is never ending function for the success of the enterprise.

9) Management is art as well as science: Management depends on the skill and knowledge of managers in this sense. It is an art management. Management is science because it has developed certain principles which are universally applicable.

10) Management is a profession: It has systematic and specialised body of knowledge consisting of principles, techniques & laws and can be taught as separate discipline or subject. This is entrusted in the hands of professional managers.

What are the differences between administration & management?

	Administration	Management
1) Nature of work.	It is a thinking function which determines the objectives & policies.	It is a doing function which involves implementation of plans & policies.
2) Scope	It is wider than management.	It is narrower in scope.
3) Level of authority	It is top management function.	It is a lower level management function.
4) Status	It consists of senior officers of an enterprise.	It consists of managerial persons with specialities & knowledge.
5) Nature of organisation	Generally it is used in relation to govt, military, education & religious organisation.	It is used mainly in business firms which has economic motive.
6) Influence	It is influenced by external factors such as economic, social, political, legal etc.	They are influenced by internal factors such as values, beliefs & opinions.

Q) What is the importance of management?

A) Management is the art of securing maximum prosperity with a minimum of efforts in the words of Harold Koontz and D. Donel there is no more important area of human activity than management. Since its task is that of getting things done through others.

1) Achievement of group objectives: It is a management which makes people to come together group activities to achieve group objectives. It brings the human and material resources to mobilise ppl to achieve objectives.

2) Optimum utilization of resources: Business activity can be undertaken only with 5 factors of production such as land, labour, capital, enterprise and management. Four factors may be, ineffective without the fifth i.e. management. It is a management which utilizes the resources maximum.

3) Minimization of cost: The business enterprise can survive only when it produces quality goods at minimum cost. Through better planning, organising & control, management can reduce the cost & face the threat of competition, achieve what the cost do face individually.

2) Increased profits: Profits can be increased only through increase in revenue or reduction of cost. Management helps in reduction of cost through optimum utilization of resources & provides opportunities for future growth & development.

3) Smooth running of business: Management ensures efficient and smooth running through better planning sound organization, effective control and various other tools used by management.

4) Provides innovations: Management provides new ideas, imagination & vision to the organization & research & development to innovate new products, equipment, technology & market.

5) Change of growth: Management moulds the enterprise in changing environment. It allows in such a way that to succeed it orders to meet the complexity & automation. There is every need of management for growth & development of enterprise.

6) Special benefits: Management is not only helps during enterprise but acts as a whole. It provides good quality products at low cost. It makes 'standards' & luxury & make optimum utilization of resources.

which promote peace, prosperity in society.

7) Special importance of management in India's in-developing economy: It is most suitable for India where the productivity & resources are limited, it is said that there are no under developed countries but there are only under managed ones.

Q. What are the levels of Management?

A. There are three levels of Management. They are Top level, Middle level & Lower level.

1) Top level: Top level of Management of the company consist of Board of Directors, Chief executives (CEO's), Chief Managers, owner's etc.

Functions:-

- 1) To analyze the external environment of the company.
- 2) To formulate & approve the master budget or department budget.
- 3) To frame policies and organizational goals.
- 4) To design an organizational structure.
- 5) To appoint departmental heads.
- 6) To represent the company to the outside world.

≡ To decide about distribution of profits.

2) Middle Level Management: It comprises of departmental heads and section officers. Ex: production manager, sales manager and finance manager.

Functions: 1) To explain the plans and policies from top management to the subordinates.

2) To maintain and control operating performance.

3) To train, motivate and develop the personnel working in the firm.

4) To lay down rules & regulations to the supervisors.

3) Lower Level Management: Lower level management consists of supervisors, workers etc.

Functions: 1) To plan day to day production within the goals laid down by higher authorities.

2) To assign jobs and to make arrangement for their development.

3) To issue orders and instructions to the workers.

4) To arrange material & tools.

5) To maintain machinery.

6) To maintain discipline & human relations among workers.

7) To report feedback information & workers problem at the higher authorities.

Q Discuss management as art, science & profession.
A Art

Introduction: An art is ^{often} regarded as systematic application of a skill or knowledge in effecting accomplishment of desired results. The function of art is to effect change and accomplish results ^{also} through deliberate efforts. The main elements of art are ① personal skills, ② practical knowledge, ③ result oriented, ④ regular practice, ⑤ creativity.

① Personal skills: Like any other art, manager also uses his knowledge & skill in coordinating the activities of people to accomplish desired results in the organisation.

② Practical knowledge: Management is concerned with publication of knowledge & skill and managerial principles are used for making the things.

more effective & better. Management is result oriented because it is concerned with accomplishment of objectives at lower cost.

1. Management always tries to attain higher and higher goal in order to reach absolute perfection which is attained through ~~and~~ regular practice.

2. Management is one of the most creative art as it is concerned with getting work done through others by motivating them to work & coordinate or coordinating their activity.

II Management as Science

The word science literally means knowledge which is a systematized body of knowledge acquired by mankind through observation and experimentation and which is capable of verification. And implies knowing and science is concerned with knowing why?

1. Systematized body of knowledge: Management is treated as a science as it is organized body of knowledge built up by management generalizations, thinkers and philosophers over a period of time.

2. Continued observation: The knowledge of management has been acquired through continuous and vigorous efforts of many practitioners through continuous observation over a period of time.

3. Universal application: Scientific principles represent basic truths can be applied in all situations at all times, i.e. they have universal application.

4. Cause & effect relationship: Scientific principle has established cause & effect relationship between various factors. Example: poor planning & planned layout cause low productivity.

5. Validity & predictability: The principles of management have been put to several tests and found to be valid. For example: Subordinate to control put under one cause will show better results than a subordinate who has to follow two or more bosses.

III Management as Profession:

The term management profession has been defined in a variety of meanings by diff. authors.

In the broad sense it refers to any occupation by which a person earns a livelihood. Def. Flood & Johnson; Profession is a vocation requiring some significant body of knowledge is applied with high degree of consistency in the service of some relevant segments of society.

1) Body of specialized knowledge & techniques:
It is an organized body of knowledge built up by management practitioners, thinkers & philosophers over the period of years.

2) Formalized method of acquiring training & experience:
Management science is fully equipped with formalized methods of acquiring the body of knowledge in theory & practice. Business houses prefer to recruit managerial personnel who have obtained degree from some recognized institution.

3) Establishment of professional association: The main function of this association is to manage and coordinate the research work in various areas of management. This helps to regulate the behaviour of members and create code of conduct.

4) Code of conduct: In traditional profession such as law & medicine they exist standard code of conduct. But in management there is uniform code of conduct. Code provides rules & regulations, norms of honesty, integrity & professional morality.

5) Priority of service over economic consideration:
When applied to management, although there is no standard code of conduct, we find increasing emphasis on social responsibility of managers. Management gives importance to serve the interest of workers, consumers, society & nation at large.

3 Administration is management.

A Administration is a part of management:

Management is a generic term for the total process of executive control involving responsibility for effective planning & guidance w.r. to operation of an enterprise. Administration is a part of management which encompasses the establishment of procedures & development of rules with instructions for the progress of programs and communication for the progress of division.

Management & Administration are ^{not the} synonymous terms. Administration is the guidance, leadership & control of the efforts of a group of individuals towards some common goals. In general practice, administration is used more in government or industrial organisations while 'management' is used in the business world. All managers are the leaders of performance level. Functions of

4 What are the various functions of management.

A Introduction to stating the most useful

According to stating managerial function is method of classifying the activity of planning, to group them around the activity of planning, organising, setting, directing and controlling. The functions are so related with each other that none of them can be performed without the others.

Functions

① Planning: Planning is most basic primary function of management. It involves either direction because a manager plans before he acts. The planning process involves:

- (i) Gathering information
- (ii) Defining clear objectives
- (iii) Defining the premises, course of action
- (iv) Examining alternative action patterns
- (v) Establishing limitation
- (vi) Reviewing limitation
- (vii) Implementation of plans

The plans are categories

- 1) short term
- 2) medium term
- 3) long term

Eg. Single use plans, strategic plans, schemes, plans, operating etc.

② Organising :

It is the process of establishing relationship among the members of the enterprise. It is the function of creating a structure of duties and responsibilities.

The following are process of organising

- 1) Determining the Goals
- 2) Grouping the activities into logical and consistent method.
- 3) Assigning the duties to the subordinates.
- 4) Delegating the authority to subordinates.
- 5) Defending and fixing responsibility for performance of duty.
- 6) Establishing horizontal and vertical authority.

Types of Organising

- 1) Line organising
- 2) Functional Organisation or staff.
- 3) Line & staff Organisation

③ Staffing : The managerial function of staffing involves the managerial organisational structure through proper and effective selection of persons which are designed to the structure. Staffing includes

- 1) Man power planning
- 2) Recruitment & selection
- 3) Placement & Orientation.
- 4) Promotion training transfer & appraisal
- 5) Employee remuneration & Benefit.

④ Directing : It is a managerial function of guiding, supervising, motivating and leading people towards the attainment of goals. Direction initiates organisational action and sets the whole organisation. Directing involves the following activities

- 1) Supervision
- 2) Motivation
- 3) Leadership
- 4) Communication

① Supervision : It means looking after subordinates to give instructions to do the work properly. Supervision can be made more effective through good organisation. Supervision involves

- 1) Planning & allocation of work.
- 2) Providing instructions to the subordinates.
- 3) Maintenance of discipline.

2. Motivation: It is a process of stimulating people to take the desired activities. It involves inspiring & encouraging subordinates to work hard and to achieve the objectives at all levels.

3. Communication: It is the process of passing information. It is the two-way process from the subordinate to manager. It takes place through writing, speaking or body gestures.

4. Leadership: It is a process of influencing the behaviour of people in the desired manner, it involves guiding the subordinate to work with zeal. It is the process by which a manager influences the work of others.

5. Controlling: It is the process of ensuring that the organisation is making its desired advancement and that process is made towards achievements of planned goals. The process of control involves the following steps:

- ⇒ establishment of standard of performance
- ⇒ Measuring actual performance
- ⇒ Comparing actual performance with the standard
- ⇒ Finding deviation
- ⇒ Taking corrective measure

6. Coordination: It is the most important function of management which channelized the activities to reach common goals. Coordination creates the team spirit & helps in achieving group goals. Coordination is a process whereby an executive develops an orderly pattern of group of action in pursuit of common purpose. There are 2 types of coordinators.

- i) Vertical - Hierarchical
- ii) Internal - External

7. Cooperation: This indicates the willingness of individual to help each other. Cooperation is essential for achievement of coordination but it is not a substitute for coordination.

4Q ^{What are different types of plans?}

Ans ① Multiple plans (or) standing plans:

- i, Objectives
- ii, Strategies
- iii, Policies
- iv, Procedures
- v, Rules

② Single Use plans

- i, Programs
- ii, Budgets
- iii, Schedules
- iv, Methods
- v, Project

Multiple plans are those plans which act as guide for recurring problems which come again and again. Single use plans are those which are used only one and then they are discarded. It is designed to meet the demands of specific situations.

1, Multiple plans:-

i, Objectives

Objectives are the ends towards the activities of an organisation. Objectives are known by different names such as goals, aim, targets etc. -- objectives are established to guide the efforts of an organisation.

ii, Strategies:-

The term strategies began to be used in the business with an increase in competition and complexity of operations. A strategy may be defined as an administrative action designed to achieve success in phase of difficulty. It is a complex plan for bringing the organisation from a given position to a desired position in future period of time.

iii, Policies :-

Policy is a general guide for thinking and action, defines the limits where decision can be made to achieve organisation objectives. Policies are general statements which guide in-taking decision by subordinates.

iv, Procedure:-

A Procedure is a chronological sequence of steps to be taken to attain objectives. It lays down the specific manner in which a particular activity is to be performed. Business Procedures are generally established for purchase of raw material, processing order (or) placing an order, selection of employees, conducting meetings etc--- Procedures are generally laid down for repetitive work.

v, Rules:-

Rules are rigid and definite plans that specify what is to be done or what not to be done in the given situation. A Rule provides no scope for judgement. It is a guide to conduct or act. A rule generally lays down penalty for violation. Rules facilitate uniformity of action and avoid the need for repeated approval from higher level for routine matters.

2, Single Use Plans:-

i, Programs:-

A program is a concrete scheme of action design to accomplish the given task. It specifies the steps to be taken, resources to be used, time limit for task etc--- It is a sequence of action to implement a policy and to achieve an object. Thus a program is a combination of objectives, policies and procedures.

ii, Budget:

A Budget is a statement of expected results in numerical terms for definite period of time in the future. Budget serves as a means of coordination and control. They also serve as standards of measuring.

Actual performance where we can know the vari. Budgets may be prepared for various group of activities such as production, sale, cash.

3, Schedule:-

A schedule specifies the time limit within which the activity is to be completed. It is a process of establishing ^a time sequence for the work to be done. Schedules are essential for avoiding delay & for ensuring continuity of operation. A schedule lays down a table for starting and finishing the different activities.

4, Project

A project is a one where the planning is done for a temporary period of time when the project is completed, plan is also completed. A new plan for every new projects.

eg:- Construction like, bridge, dam, metros etc--

5. Methods:-

Methods provide a detail information by which a particular action will be carried on. Method may be defined as manual or mechanical for performing particular operations. It is considered as simplest way to do the work.

Q what are the different types of decisions?

Ans ⇒ Programed & Non programed decisions:

① Programed decisions

Programed decisions are of routine nature and are made for recurring process. Program decision should be made with much care and intelligence so that lower level executives can take decisions without involving higher managerial executive. These decisions remain ^{stable} constant for a long period of time.

ii, Non-programed decisions

These decisions are taken for unique and non-repetitive problems. Non programed decisions are usually made for unstructural problems which keep on changing from time to time.

Differences between Programmed and Non Programmed:-

Programmed Decisions	Non-programmed Decisions
Programmed decisions solve date to date problems of repetitive nature	Non programmed decisions are not repetitive and solve unique problems
Rules and regulations are needed to take these decisions	Every decision is to be take separately by analysing to be and evaluating the problem.
These decisions are relatively for long period of time and consistent	There is no consistency in these decisions.
These decisions are taken to solve simple and complex problems	These decisions are taken only to solve complex problems.
There is no need for judgement	Such decisions required judgement in each case

② Strategic and Tactical Decisions:-

→ Strategic decision: It relate to policy matters and need development and analysis of alternatives. This influences organisational structure, objectives, working conditions, finance etc... Strategic decisions are taken at the top managerial level.

Eg:- selection of new product, new technology, location etc...

→ Tactical Decisions:-

It is considered with routine and repetitive matters in the working of an organisation. These are taken lower level of management. They are more specific, functional and have short term implications. This refers to rules, procedures etc...

Strategic Decision

- ① These decisions are taken at top management.
- ② These decisions have long term implications.
- ③ These decisions are related to growth development and profitability of an organisation.
- ④ More judgement and skills are required to take these decisions.

Tactical Decisions

- ① These decisions are taken at lower level management.
- ② These decisions have short term implications.
- ③ These decisions are considered with simple routine and repetitive problems.
- ④ These decisions are taken according to predetermined rules procedures and required judgement.

③ Individual and Group Decision

Individual Decisions:

These decision taken by one person is known as individual decision. In a small concern normally the owner takes most of the decisions, in a bigger concern the routine decisions may be left to a particular manager. All managers whether at top level or at lower level take decisions for carrying out their activities.

Group Decisions:

When decisions are taken by 2 or more persons these are known as group decisions. These decisions of board of directors or committees come under their category. Group decisions have long term implications.

Eg. Introducing a new product, shifting to latest technology etc...

Q ^{long} what do you mean by ^{what are the advantages and Disadvantages?} Management by objectives (MBO's)?

Ans: Introduction:-

MBO is one of the techniques which helps in the achievement of organisational objectives. It was introduced in the year 1954 by Peter Ducker to measure the performance of the managers in an organisation.

Definition:

According to Koontz and Weihrich, "Management by objectives is a comprehensive managerial system. Many key managerial activities in a systematic manner and that is consciously directed of organisational and individual objectives."

Objectives by MBO are measuring the performance increase in the growth of subordinates, encouraging, efficiency, relating, individual performance to organisational goals, basic for deciding salary, improving communication and control.

Unit-3- PLANNING

Q1) What do you mean by planning? Write about its nature / characteristics?

Meaning:- Planning is the management function of anticipating the future. It involves forecasting also in order to plan.

Definition:- According to Fayol- "Planning means to assess the future and make provision for it". The plan of action is one and at the same time the results envisaged the line of action to be followed to go through and the method to use.

Significance of Planning:- Planning is the most important concept both for an organisation & economy. Sound plans are essential to effective management because these serve as guidelines to all.

Characteristics:-

① Planning is an intellectual process - Planning is an intellectual process which deals with mental work. The facts relevant to situation are related to managers' experience & knowledge. A planner has to think what, how, when and by whom the work is to be done. Planning is a combination of knowledge & power to achieve the objective of the organisation.

② Primacy of Planning - Planning is the first funtⁿ of any type of organisation. Then follows directing, staffing, co-ordinating & control without planning no other funtⁿ can be performed. Controlling is the one funtⁿ which should go side-by-side with planning, one is incomplete without the other.

③ All managers plan - Every manager in an organisation has a planning function to perform. Planning at top level will be fundamental, broad far reaching and basic. The middle and ~~lower~~ level managers also plan for various activities in the departments. All managers plan in the organisation irrespective of their rank in the hierarchy.

④ Planning a rational approach - An action is rational if it is objectively & intelligently decided the main aim of management is to reach the goals with the application of appropriate resources. Planning helps in taking rational decisions for achieving goals of the enterprise.

⑤ Focus on objectives - Every organisation has certain objectives to achieve. Planning concentrates on the goals & it forces on the members of the organisation to achieve the objectives.

⑥ Leads to efficiency and economy — Planning facilitates optimum utilization of available resources and make it possible for things to occur. A good plan not only optimises productivity but provide satisfaction. A planned activity is more efficient than an unplanned activity.

⑦ Limiting factors — A planner should consider the limiting factors such as men, material, money, market, etc. The planning should start only after considering limiting factors.

⑧ Helps in co-ordination — Planning helps to harmonious working of the organisation. The activities & efforts of various departments can be harmonised with the help of over all plan.

⑨ Flexibility — Planning process should be adopted to the change in circumstances. It should be easily changable to ~~will~~ meet the emergency which arises.

⑩ Realistic — Planning is based on future forecast. Though the future is always uncertain but the prediction should be as realistic as possible.

⑪ Planning is continuous — Planning should

1. be a continuous process then ^{only} we can reach the objectives, in this way we can adopt the changes in various business situations and over come problems faced in the market.

Q.2) What are the ^(importance) advantages & disadvantages of planning?

Intro - 1st Q.

Advantages :-

- ① Attention on objectives - The whole attention of management is given towards achievement of these objectives which are very important from the organisation point of view. Other activities will follow planning which is given 1st priority.
- ② Minimize uncertainties - Planning is done for future. Business environment is always changing. Planning helps to minimize future uncertainties based on past experience & present situations.

③ Best utilization of resources -

are 1st identified and then are put to best possible use.

④ Economy in operation — The operations which are being selected are better among possible alternatives, ∴ we can see economy in operations. The economy is possible in all the departments whether it is production, sales, purchase, finance etc.

⑤ Better co-ordination — All the efforts are made to co-ordinate the activities of all the departments to reach the objectives. Planning will lead to better co-ordination in organisation which will ultimately lead to better results.

⑥ Flexibility and innovation — A better planning system should encourage for innovation, creativity and flexibility. The managers should try to implement new things while planning.

⑦ Management by exception possible — Mgt. should not involve in each & every activity. Top mgt. should think of core areas & leave the other areas for middle & lower level mgt. Top mgt. should interfere only when things are not going well.

⑧ Facilitates control — Planning helps to lay down ~~planning~~ performance standards & will help the mgt. to check the performance of subordinates. It also helps in taking remedial measures to control natural, human & financial resources. Planning & control are inseparable.

⑨ Facilitate delegation — Planning process facilitate delegation of authority. This is necessary for getting the things done in time without wastage of cost & authority.

Disadvantages :-

① Lack of reliable data — Planning depends upon the facts and figures supplied to the planners. If a data provided is not reliable then the decision taken on such information will also be unreliable.

② Time consuming — Planning is time consuming process and the delay in result in loss of opportunity. When time is an essence then advance planning losses its utility.

③ Expensive — analysis to great amt "the cost of excess of judgement expense of preparing

④ External only internal factors & economic, national effect plan

⑤ Sudden planning need of can not

⑥ Resistant phenomenon the people than for able

③ Expense - Gathering of information & analysis to be done on planning involve great amt of money. According to Hainman, "the cost of planning should not be in excess of its contribution, wise managerial judgement is necessary to balance the expense against the benefit derived from preparing the plan".

④ External factors may reduce utility - Not only internal factors but also external factors adversely affect planning, such as economic, social, political, technological, legal, national and international climate will effect planning.

⑤ Sudden emergencies - In case of emergency planning is not the substitute where the need of the hour is quick action, planning can not be anticipated.

⑥ Resistant to change - It is a common phenomena in the business world. Most of the people have more regard for the present than for the future. ∴ Planning is not desirable because of resistance to change.

3.) What is planning process?

Intro:- Planning process involves setting up of objectives & allocation of resources for achieving them. It is the combination of information handling & decision making based on information inputs, outputs & feedback.

Steps:-

① Recognising the need for action - The 1st step in planning process is the awareness of business opportunity & the need for taking action. Present & future opportunities must be found so that planning may be undertaken for that.

② Gathering necessary information - all the information relating to operations of the business should be collected in detail. For ex: the type of customers, the price of the products should be studied in detail.

③ Laying down objectives - Objectives are the goals which the management tries to achieve. Goals are thread which bind the whole company. The tie b/w planning & objectives helps employees to understand their duties. It is essential to communicate objectives to all the members in the organisation.

④ Determining planning premises - Planning is always for uncertain future. Forecasts are essential for planning even if all may not ~~be~~ ^{prove} correct. Forecast is made generally for the following:

- (a) Expectation of demand for the product.
- (b) Volume of production.
- (c) Anticipation of costs.
- (d) Supply of labour & material.
- (e) Economic policy of govt.
- (f) Change in pattern of customer.
- (g) Technological changes & its impact.
- (h) Sources of supply of funds.

⑤ Examining alternative course of action -

There are number of ways of doing a thing. The planner should study all the alternatives and then a final selection should be made. All the pros & cons of methods should be weighed before a final selection.

⑥ Evaluation of action patterns - After choosing a course of action of next step will be to make an evaluation of those courses of action. Various factors will be weighed against each other. The evaluation process is very important for proper planning.

⑦ Determining secondary plans - Once the main plan is formulated then a no. of supportive plans are required for example once the production plan is decided other secondary plans arise such as procurement of raw material purchased of planned & equipment recruitment of personnel etc.

⑧ Implementation of plans - The last step in planning process is the implementation.

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-tion part i.e, planning should put into action to reach the business objectives. The implementation of plans is possible through framing of policies procedure strategies etc.

4.) What are the different types of plans?

or mechanical for performing particular operations.
It is considered as simplest way to do
work.

Q911

5.) What do you mean by decision making?
What are its features?

Meaning:- It is a core of planning. A
plan can not exist without making decisions.
Manager's ability is often judged by the
decisions he makes. Decision making is a
central job of all managers because they
are always concerned with the problem
like what is to be done, who is to do

when & where to do it, etc.

Definition :- According to ~~the~~ George Terry,
"Decision making is the selection based on
some criteria from 2 or more possible
alternatives".

Features :-

- 1) DM is based on rational thinking.
- 2) It is a process of selecting the best from among the alternatives.
- 3) Evaluation of various alternatives available.
- 4) DM aimed to achieve organisational goal.
- 5) It involves certain commitment.
- 6) What are the different types of decision making?

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8.) What are the merits & demerits of MBO?

MBO helps in implementing the goals, it can be applied in various areas such as performance, organisational development, long range planning, etc.

Merits:-

- (i) Better management — MBO results in improved & better management. MBO focuses on planning for results rather than planning for the objectives also acts as control & performance standards. Hence MBO is helpful in improving the management.
- (ii) Classifying organisational ~~roles~~ ^{roles} — Responsibility and authority are assigned as per the requirements of the task assigned. MBO helps in classifying organisational roles & structures. The position should build around the key results expected from ppl occurring them.
- (iii) Encouraging personnel commitment — The main advantage of MBO is, it encourages the personnel to achieve the specified objectives independently. They follow the instructions of superiors. MBO clearly defines the work of every person which gives them the opportunity to put their own ideas in setting up the final objectives.

(iv) Developing control - MBO helps in ^{effectively} control through setting standards and ^{then} finding out the deviations if any. Differences b/w the standards & actuals will help in controlling of resources i.e. financial, human or natural.

(v) Improves communication - ~~grades~~ Subordinates are associated for setting the objectives for future. There is a need for communication b/w sub-ordinates & superiors for clarification of doubts & improve their performance.

(vi) Improves efficiency - The workers will regularly interact with superiors regarding their progress of work which help them to identify their performance. Continuous consultation with the superiors improves their efficiency.

Demerits :-

i) Failure to teach MBO as philosophy - Success of MBO depends upon proper understanding of managers. When managers are clear about why? How? What is to be done? they can explain it to sub-ordinate. And this philosophy is based on self control which makes managers professional. If managers do not understand the terms of MBO, he cannot direct it on its subordinates.

ii) Failure to give guidelines to goal setters - Managers should understand the policies of the organisation so that they can give guidelines to goal setters. They should also know planning premises & assumptions for future.

iii) Difficulty in setting goals - Setting of goal requires a lot of info. for arriving at conclusion. The objectives should be ~~very~~ measurable so that the performance may be evaluated. They should be set casually otherwise it proves liability to the business.

(iv) Emphasis on short term objectives - Managers are inclined to set goals for a year or less. They should achieve short term goals in such a way that they help in the achievement of long term goals also. Emphasis should be there both on short term & long term objectives.

(v) Danger of rigidity - Normally objectives will not prove meaningful if they are changed frequently. It will also be foolish to strive for goals if they become obsolete due to revised & modified policies & objectives.

5/1/20 Unit-4 - Organisation

1) What do you mean by organising? What are the features?

Intro:- Organisation establishes relationship b/w ppl in the enterprise & co-ordinate their activities in such a way that all the resources are employed for achieving business objectives.

Definition:- According to Koontz & O'Donnell, "The establishment of authority relationship with provision for co-ordination b/w them both vertically & horizontally in the enterprise structure."

Features:-

(i) Division of work - Organisation deals with a big task of business which is divided into activities & functions. Various activities are assigned to different persons according to their specializations. Division of work increases the efficiency & commitment towards the objectives.

(ii) Co-ordination - Co-ordination of various activities is essential in each & every activity which helps in integration & harmony. Various functions in organisations depend upon one another & the performance of one influences the other.

(iii) Common objective - The goals of various segments leads to the achievement of major business goals. The organisational structure should build around common clear cut objectives.

(iv) Co-operative relationship - An organisation can not be constituted by one person. It requires atleast 2 or more persons. Organisation is a system which helps in creating meaningful relationship among the persons. It may be vertical or horizontal.

(v) Well defined authority & responsibility - An organisation consists of various positions arranged in a hierarchy with well defined authority & responsibility. There is always a central authority from which

a chain of authority stretches throughout the organisation.

2) what are the advantages of organisation?
(Importance)

i) Helps in optimal utilization of technological innovations - The test of a good organisation is its success in adjusting to the new and changing situation. The organisation should be flexible to incorporate all new requirements. There may also be a need to delegate new powers for making best utilization of technological changes.

ii) - Helps in administration - An organisation provides sound foundation for effective managerial control. The funtⁿs like co-ordination and control require proper division of various funt^{ns} & their assignment to suitable persons. Organisation provides a channel for better management.

(iii) Promotes growth and diversification - Area & activities of business grow if there is good organisation. There will be a need for more persons to be employed whenever there is expansion & diversification.

(iv) Easy Co-ordination - Every enterprise has a no. of departments and sections. These are assigned diff. duties for achieving the business objectives. A good organisation divides and sub-divides the activities in such a way that this will bring ^{automatic} a co-ordination in the business.

(v) Training and development of personnel - A good organisation offers an opportunity for training & development of personnel. There will be a sufficient scope to try new ideas in improving the working of the organisation. A well devised organisational system will provide a sufficient opportunity for the training of new trainees & development of existing staff.

(vi) Encourage initiative - A good organisational structure will provide sufficient scope for taking initiative. Persons are allowed to try new ideas for improving their work through the policies and procedures laid

down by management.

(ii) Better human relations - Human relations improve in a good organisational setup. An organisation consists of human beings and their satisfaction will help in improving human relations. A clearly defined work, authority, responsibility, accountability will enable individuals to work in a free atmosphere. This will give job satisfaction to the employees.

3) What are the principles of organisation?

Ans ✓

Intro:- Organisation is the one which involves the assignment of responsibility and delegation requisite authority for carrying out the assigned task efficiently and systematically.

On the basis of past experiences of Taylor, Fayol & Urvick these principles are framed.

(i) Principle of Objective - There must be an objective for every organisation. In the absence of the common aim various departments will setup their own goals. There is also a possibility of conflicting objectives b/w various departments.

(ii) Principles of specialisation - Every individual should be assigned a duty according to his skill and ~~so~~ qualification, which increases

the production in organisation.

(iii) Principle of co-ordination - The aim of the concern can only be achieved through proper co-ordination in diff. departments. There should be an agency in every organisation to co-ordinate the activities in the department.

(iv) Principle of authority and responsibility - Authority flows downwards in the line organisation. Every individual is given authority to get the work done. Though authority can be delegated but responsibility lies with the man who has been given the work.

(v) Principle of definition - The scope of authority and responsibility should be clearly defined. Every person should know his work with definiteness. If the duties are not clearly assigned everybody's responsibility becomes no body's responsibility.

(vi) Span of control - It means how many subordinates can be supervised by a superior.

The no. of subordinates should be such that the supervisor should be able to control their work efficiently & effectively. There should be proper communication in span of control.

(vii) Principle of balance — If some person is over worked & the other is under worked then the work will suffer in both the situation. The work should be done in such a way that everybody should give their best.

(viii) Principle of continuity — The organisation should be amenable according to the changing situation. There are changes in methods of production, technology, etc.

The organisation should be dynamic & not static.

(ix) Principle of uniformity — Each officer should be in charge of his respective area so as to avoid dual sub-ordination & conflicts.

(x) Principle of unity of command — A person should be answerable to one boss only. If a person is under the control of ~~an~~ more than one person then there is a chance for confusion & conflicts. The command should be from top to bottom for making the organisation

sound & clear.

(xi) Principle of exception - This principle says that the top management should interfere only when everything goes wrong. If the things are done as per the plans then there is no need for interference of top management.

This principle allows top management ~~can~~ to concentrate on planning & policy formulation rather than wasting time on supervision.

(xii) Principle of simplicity - The organisational structure should be simple so that it is easily understood by each & every person. A complex organisational structure will create doubts and conflicts among persons.

(xiii) Principle of efficiency - The organisation should be able to achieve enterprise objective @ minimum cost. The organisation should also enable the attainment of job satisfaction to various employees.

(xiv) Scalar principle - This principle refers to the vertical placement of supervisors starting

from top, going to the lower level. This scalar chain principle is necessary for effective & efficient organisation.

4) Is organisation an art or a science?

Definition:- Organisation is an art, Given by T.L. Massie, "In any activity that is classed as an art the emphasis is on applying skills & knowledge & accomplishing an end through deliberate efforts."

It is thus concerned with the application of knowledge & skills. In this sense a business organisation is an art which is used in solving complicated problems of business to achieve the entrepreneur. It was more so in ancient times, when it was felt that the skills of organising business cannot be codified or communicated.

Organisation as a science: It is a systematised body of knowledge acquired by mankind through observation & experimentation & which is capable of verification. It establishes relationship b/w cause & effect. Science has 3 basic features.

(i) It is a systematised body of knowledge that uses scientific ~~measur~~ methods for observation.

- (ii) Principles are evolved on the basis of continuous observation.
- (iii) The principles have universal applicability without any limitation.

Organisation is viewed as a science as it is an organised body of knowledge built up by management practitioners, thinkers & philosophers over a period of years. Thus we can say that organisation is a soft science or behavioural science.

5) What are the objectives of organisation?

- (i) To help management - The organisation helps management to have a control over various business funtⁿs. The work is divided properly and control centres are established. The authority is delegated & responsibilities are fixed. It helps management in co-ordination.
- (ii) To increase production - The duties are assigned according to the principle of division of labour. The efficient system of organisation encourages every employee to make his best contribution in raising output. Increase of

production will increase the profitability of the concern.

(iii) Co-operation of employees - The organisational structure will succeed only if employees co-operate with others. The manager introduces various incentive schemes & gives monetary & other benefits to the employees so that they work in a team spirit.

b) What are the different types of organisational structure?

(i) Line Organisation - It is a basic frame work for the whole organisation. It represents a direct vertical relationship through which authority follows. This is a simplest & oldest, known as chain of command or scalar principle. The authority flows from top to bottom levels. Every person is in charge of all the persons under him & he himself is accountable to his superiors.

Definition: J.H. Lundy, "it is characterised by direct lines of authority flowing from the top to the bottom of the organisational hierarchy & lines of responsibility flowing in an opp. but equally direct manner".

(ii) Functional or Staff Organisation - As the organisation grows in size, line organisation becomes unsuitable because line managers are overburdened with work & there is no specialisation. F.W. Taylor suggested functional organisation as an enterprise which is divided into certain key functions such as production, marketing, finance, etc.

Features:-

- ① The whole task of the enterprise is divided into specialised functions.
- ② Each function is performed by a specialist.
- ③ Specialist has the authority over all the employees.
- ④ Specialist operate with considerable independence.

(iii) Line & Staff Organisation - Both line & staff organisations suffer from some drawbacks. Line organisation is autocratic & staff organisation on the other hand has to lose control. Both line & staff personnel have important roles to play. It is mainly implemented in Army.

where a commander in the field is assisted by staff officers in planning & executing his strategies.

Staff Officers are experts in their fields. They are attached to line managers to advise them in the field of their specialisation. Staff officers may be asked to suggest solutions to various problems encountered by line officers. Staff elements are those which have responsibility which have responsibility & authority for providing advice & service in the attainment of objectives.

4) What do you mean by span of supervision or span of control?

Meaning:- The principle of span of control implies that no superior should have more no. of supervisors under their control. The no. of subordinates who report directly to a superior or superiors is known as span of supervision or control. There are 3 types of relationship b/w superiors & subordinates.

① Direct Single Relationship - These relationships

Arise from the direct & individual interaction of the superiors with sub-ordinates. If 'X' has 2 sub-ordinates A & B, the relationships are X with A & X with B.

② Group relationship - These relationships arise b/w the manager & the sub-ordinates in his all possible combinations. Eg: X with A & B, X with B & A.

③ Cross relationship - These relations arise among the sub-ordinates working under a common superior. Eg: - (i) A with B & B with A

(ii) $n \left(\frac{2^n}{n} - 1 \right)$ $n = \text{no. of subordinates}$

No. of Sub.	No. of Relationship
1	1
2	4
3	18
4	44

Unit 5 - Authority and Responsibility

1. What do you mean by authority, responsibility and accountability?

Authority -

Meaning - Management assigns task to diff. persons in the organisation. In order to complete the task, the persons need authority to direct their sub-ordinates for undertaking the work. Authority is delegated to lower levels to complete the assigned works.

Def - According to Simon, "authority may be defined as the power to make decisions which guide the action of others."

According to Henry Fayol, "authority is the right to give orders and the power to extract obedience."

Characteristics -

- (i) Existence of right - There is an existence of right in authority. The right to get things done is given by superior to the sub-ordinate.
- (ii) Authority not unlimited - Authority is never unlimited. The person is required to use authority as per rules & regulations of organisation.

(iii) Authority influences behaviour - Authority influences behaviour. Authority influences the behaviour of sub-ordinates. ^A Superior can direct sub-ordinate through his instructions.

(iv) Key to managerial job - Authority is the power for getting things done and also helps in co-ordination of various activities.

(v) Objectivity of authority - Authority is always ^{obj.} objective. But its existence is always subjective.

(vi) Authority can be delegated - A manager may delegate his authority to a sub-ordinate. But for that he should possess an authority for himself.

Responsibility - ^{✓ short imp}

Meaning - Responsibility is an obligation to do something. Authority & responsibility go side by side. When authority is delegated then some responsibility for getting the assigned task is also fixed. ~~Accor~~

Def - According to George Terry, "defines responsibility as an obligation to carry out assigned activities to the best of his abilities."

Features -

(i) Responsibility can be assigned to human beings

- only.
- (ii) It arises from superior sub-ordinate relationship.
 - (iii) It arises from the duty assigned. It may be continuous or restricted to only one task.
 - (iv) Responsibility may be defined in terms of funt^{ns}, targets or goals.
 - (v) The responsibility of a sub-ordinate is an obligation to perform the assigned task.
 - (vi) Responsibility cannot be delegated. A sub-ordinate may perform the assigned duty by himself & get it done from his workers. But he remains responsible for the work.
 - (vii) ~~It~~ Responsibility always flows upwards i.e. from sub-ordinates to superiors.
 - (viii) Responsibility arises out of delegation of authority.

III Accountability —

Meaning — Accountability is an obligation of an individual to formally report to his superior about the work he has done. To discharge his responsibility. When a sub-ordinate reports about his performance, success or failure, to his superior he discharges his accountability.

Definition — Louis Allen — "As the obligation to carry out responsibility & exercise the authority

in terms of performance standards established.

Features -

- (i) Cannot be delegated - Accountability cannot be delegated to anybody else even though the work may be done by a sub-ordinate.
 - (ii) Always ~~upwards~~ upwards - Authority always goes downwards and Accountability always goes upwards. A sub-ordinate remains accountable to the boss above him.
 - (iii) Unitary - Accountability is always unitary. A sub-ordinate should be accountable only to one boss. In case he is made accountable to more than one boss there will be a confusion & friction.
 - (iv) Accountability standards - The responsibility & accountability should be precisely fixed so as to see whether the assigned task is completed or not. There should be specific standards for judging the accountability.
- 2) What are the difference b/w Authority & Responsibility?

Title	Authority	Responsibility
1. Meaning	It is the right of the superior to command the sub-ordinates.	It is the obligation of a sub-ordinate to perform an assigned task.
2. Basis	It normally arises either from legal provisions & formal contract.	It arises from superior-sub-ordinate relationship.
3. Delegation	Can be delegated from superior to sub-ordinate	It cannot be delegated.
4. Duration	It may continue for a long time.	It is over when the assigned task is completed.

3) What do you mean by delegation? What are its characteristics & elements?

Meaning:- A manager cannot perform all the work assigned to him. ∴ he entrusts a part of his work to his sub-ordinates and give them necessary authority to do the work and hold them responsible for their performance.

Definition:- "Delegation takes place where one person give another the right to perform work on his behalf and ⁱⁿ his name and the second person accepts the corresponding

duty to do what is required of him." Given by Oshiner.

Features of delegation:-

1. Delegation takes place when a manager grants some of his rights to his sub-ordinates.
2. Manager can not delegate authority unless he himself possesses.
3. A manager never delegates ^{his} entire authority but only a part of it to the sub-ordinates.
4. Delegation does not imply reduction in the status of the manager.
5. No manager can avoid his own responsibility by delegating his authority to the sub-ordinates.

Elements of delegation:-

- ① Assignment of responsibility - The 1st step of delegation is assignment of responsibility. The superior assigns the work to the sub-ordinates to perform in a given period of time.
- ② Grant of authority - Superior grants

authority to the sub-ordinates so that the task is accomplished. It is a power to command, to enable the sub-ordinates to discharge his responsibility. There should be a balance b/w authority & responsibility.

③ Creation of accountability - Accountability is the obligation of ^{gr} sub-ordinate to perform the duties assigned to him. When the work is assigned & authority is delegated, the accountability will be bi-product of this process.

Authority flows downwards, accountability flows upwards.

4) What is the importance of delegation?
_{or merits}

Intro:- Delegation is universally accepted principle which is under taken by various organisations such as govt., legislative bodies, business undertakings, industrial undertakings, families, etc.

1) Relief to top executive - Top executives cannot perform each & every work, they are engaged in performing important aspects such as planning & controlling. So, delegation helps the top executives to get relieved from

• routine work which is done by sub-ordinates.

(2) Improved functioning — Work is divided among various persons through delegation in such a way that it is done in an effective manner, so that nobody is overburdened and no work is left unattended.

(3) Use of specialists — Delegation enables the use of specialists for taking up diff. funct^{ns} which improves the quality of work.

(4) Helps in employee development — When employees are given independent assignments according to their experience & skill, they work with confidence & interest which will enhance their knowledge & efficiency.

(5) Helps in expansion & diversification — Expansion & diversification need the services of more persons. Assignment of task to subordinates will make them ~~prepared~~ prepared for new challenges which will lead to expansion & diversification.

5) what do mean by Centralization? what are its merits & demerits?

Intro:- Centralization of authority refers to the concentration of authority i.e decision making. It means all imp. executive & operational decisions are made at higher levels of organisation. Centralization points out a degree of retention of authority & responsibility by the top mgt. This is suitable for small organisations.

Def:- According to Henry Fayol, "centralisation is that organisation where the role of sub-ordinates is reduced."

"Centralisation is the systematic and consistent reservation of authority at central points in the organisation." — Louis Allen.

Advantages:-

① Standardisation of process — Centralisation enables smooth working in the organisation through standardisation of procedures & systems. The consumer service will also improve if standard policies are used.

② Facilitate evaluation — When same policies

are used for all the segments of the enterprise their performance can easily be evaluated. It also helps in comparing the results of diff. departments & bring a sense of competition among them.

(3) Economies - There will be a centralised buying & selling which will enable bulk buying resulting in discounts and savings in transportation expenses. When sales are done in large quantities then customers are offered better quality goods @ low prices.

(4) Co-ordination of activities - In the absence of centralisation, diff. segments may pursue their independent policies. This may result in disunity & disintegration. Diff. segments may emphasise their own goals only without bothering about organisational objectives. Centralisation will help in ~~quo~~ co-ordinating the work of various departments in such a way that organisational goals are

achieved.

Disadvantages:-

① Destroy individual initiative - Centralization revolves around one person only. One man takes all the decisions and decides the modes of implementing them. It destroys the initiative of sub-ordinates.

② Over burden - This system gives all responsibilities to few persons in the organisations. They remain over burdened with routine work while sub-ordinates do not have sufficient work. The centralization of all the powers do not allow the chief executives to devote sufficient time for important task of planning, co-ordinating and motivating.

③ Slows down the operations - The operations of enterprise are slowed down under centralised setup. All decisions are taken only by one person & his unavailability keeps the matters pending.

④ Distance from customers - The customers do not come into contact with policy makers. They meet only those officials who do not have the powers to take decisions.

This also comes in the way of intimate understanding of market situations by the chief executive.

⑤ No scope for specialization—Centralization does not offer any scope for specialization. All decisions are taken by one person & he may not be a specialist in all the areas. In the present competitive world, there is a need for employing the services of specialist.

6) What do you mean by decentralization? What are the merits & demerits?

Meaning:- Dispersal of decision making power to the lower level of the organisation. It implies the distribution of managerial authority of planning, directing, co-ordinating, controlling, etc. among the executives at all the levels of organisation. Under decentralization the major decision making authority is given to the departmental heads.

Def:- Given by Koontz & O. Donnell, "decentralization of authority is the fundamental phase of delegation to the extent that the authority is not delegated."

Merits:-

- ① Reduces the burden of top executives — Centralization of authority over burdens the top executives & they are left with no time for planning. In decentralization decision making power is delegated to the lower levels relieving the top executives of some of their burden.
- ② Quick decisions — Because of decentralised system decision making powers are also divided which increases the speed of decision making at various levels.
- ③ Facilitate diversification — With the expansion and diversification of activities there will be a need to delegate authority at departmental level. Decentralisation gives enough authority to diversify & add new products by setting up ~~new~~ more units.

④ Motivation of sub-ordinates - Decentralisation gives sub-ordinates opportunity for taking decisions independently. This fulfils the human need for power independence & status. They will try to put their maximum efforts so that their performance improves.

⑤ Sense of competition - Under decentralization different departments are made separate profit centres. The employees of diff. departments will compete with each other to show better results which indirectly improves the performance of all the departments.

⑥ Provides product or market emphasis - The changing taste and fashion require prompt decisions. The decentralised system which is scattered will respond immediately to the changing situations.

⑦ Division of risk - The enterprise is divided into a no. of departments where the risk is also divided under decentralised system.

⑧ Effective control & supervision— With the delegation of authority span of control maybe effective. Since executives at lower levels have the full authority to take important decisions, they will recommend awards or punishments as per their performance.

Demerits:-

① Lack of co-ordination— Under decentralization, each department enjoys substantial powers. They have powers to formulate their own policies & programmes. It becomes difficult to co-ordinate the activities of various segments.

② Difficulty in control— Top mgt. will not be able to exercise effective control because it doesn't remain in touch with day to day activities of various segments.

③ Costly— Every decentralised division has to be self sufficient for its activities like production, marketing, etc. These persons are paid high salaries involving huge cost.

④ Lack of able managers— Decentralized system will succeed only if competent

1 persons are employed to manage various jobs in diff. segments. The system will fail if competent persons are not available.

4) What are the ^{various} sources of authority?

Introduction - A number of theories exist about the sources of authority.

1 Some persons are of the ~~view~~ ^{view} that it flows upwards to downwards, others feel that it goes bottom to top because of its acceptance

2 by those on whom it is to be used, The theories of authority are discussed as follows

① Legal or formal authority - According to this theory, authority is based upon rank or position of the person & this authority may be given by law or by social rules & regulations protected by law. The board of directors delegates its powers to the chief executives who delegates it to the managers and so on. These persons follow authority since their roles are defined by the rules and regulations framed by such bodies.

② Traditional authority - It has evolved from a social order and communal relationship in the form of suzerain & obedient subjects. Generally these decisions are based on ethnic equity and justice. Eg: the authority passes from father to son. The traditional authority is generally followed in Indian family system. It is the father who guides the activities of the family and others obey out of respect & tradition.

③ Acceptance theory - The authority of the superior has no meaning unless it is accepted by the subordinates. If the subordinates do not accept the orders of a superior there will be no use of exercising authority.

Subordinates will accept an order if he understands it well, he believes it to be compatible with his own interest, ~~is~~ he is mentally & physically able to comply with it. The acceptance theory though supporting the behavioural approach to mgt, presents many problems in the organisation.

④ Competence theory - There is also a feeling that authority is generated by personal

-1 Competence of a person. A person may get his orders accepted not due to formal authority but because of his personal qualities. The advice of some persons may be accepted even if they do not have a formal authority. Eg: when a doc. gives advice to a person, he accepts his advice because of doctors knowledge & not coz of his formal authority. So the knowledge or competency of a person gives him a status where his authority is accepted by others.

⑤ Charismatic authority - It rests on the personal charisma of a leader who commands respect of his followers. The personal traits such as good looks, intelligence, integrity influence others & people follow the dictates of their leaders coz of such traits. Eg: John Kennedy Kennedy of America was a political leader who could command respect of the people because of his charismatic

personality. Film actors & actresses have been successful in ~~persuade~~ raising huge funds for calamities because of their charismatic personalities. Even the political leaders influence their followers through their charismatic personalities.

18/12/19

Unit-2 Principles of Management

Q What are 14 Fayol's principles of management?

Ans Introduction:-

Fayol ~~had~~ has developed 14 principles of management which are universal in character. These are flexible guidelines and should not be treated as rigid rules.

① Division of Work (or) Specialisation :-

Division of work (or) specialisation of labour belongs to the natural order and it helps the person to acquire accuracy of work. Division of work will make the person responsible for the work allotted ~~workers~~ and burden is shared among the workers equally. This can be applied at all the levels in the organisation.

② Authority and Responsibility:-

Authority and Responsibility ^{should} go side by side for certain activities. If authority is given without responsibility it leads to misutilisation of power. When responsibility is given without authority it leads to inefficiency.

③ Discipline :-

Discipline means obedience and respect of authority and ~~since~~ observance of established rules. Discipline is essential for smooth running of the enterprise which depends upon the good supervision. Clear & fair rules built in the system of rewards and punishments helps the enterprise to maintain discipline.

④ Unity of Command:-

Every subordinate should receive orders from only one superior. If a subordinate receives orders from more than one superior it leads to confusion and ~~chaos~~ chaos in the management.

⑤ Unity of Direction:-

According to this principle, each group of activity is having the same objective and should have one head, one plan. The principle of unity of direction seeks to ensure unity of action.

⑥ Subordinate Interest with group or organisational interest:-

Efforts should be made to reconcile individual interest with organisational interest. When there is a conflict between the two, organisational interest is given priority.

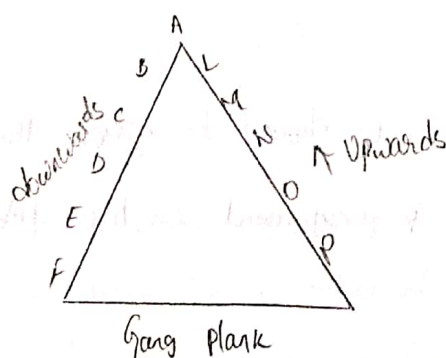
⑦ Fair Remuneration to workers

The amount of remuneration and the method of payment should be fair and justified. It should provide maximum satisfaction to both the employer and employee. The rate of wages depends upon the number of factors such as cost of living, demand for labour, economic conditions etc...

⑧ Centralisation:-

It means concentration of authority in the hands of few, that is top management. But balance should be maintained between centralisation & decentralisation to attain best results. The degree of concentration of authority should be based on optimum utilisation of resources.

⑨ Scalar chain:-



It refers to the chain of superiors and inferiors subordinates from the highest authority to the lowest level in the organisations. The communication show flow through the each position of authority along the scalar delay chain. FP is a gang plank which minimises the delay in the communication from top to bottom or bottom to top.

(10) Order:-

This principle is concerned with the arrangement of things and placement of people in material order there should be a place for every thing and every thing should be in a place for everyone and everyone should be in his appointed place. Right man in the right job and the right material to the right man place will ensure effective utilization of resources.

(11) Equity:-

Equity implies that employee should be treated with justness and kindness. Managers should follow ~~important~~ ~~imposed~~ principles with their subordinates. Equity help to create cardinal relations between management which are very much essential for successful functioning.

(12) Stability of tenure:-

Employees cannot work efficiently unless there is job security. Stability is more required for an employee to get use to working succeeded in doing job to secure loyalty of workers it is very essential to provide security of service to the work.

(13) Initiative:-

Employee at all the levels should be given the opportunity to take initiative & exercise the p. judgement in the formulation & execution of plans.

①④ Esprit-de-corps [unity]:-

This principle implies that there should be cooperation and team work among the members of the organisation. Literally speaking esprit-de-corps means the spirit of loyalty & devotion to the group which he belongs. This refers to harmony & mutual understanding among the members of an organisation. Unity of staff will increase their strength & leads to success in the organisation.



2Q. What are the need for principles of management?

Ans A principle is a fundamental truth that provides a guide to thought or action. Management of business has become very complex these days. Managers are expected to deal with a number of problems in their day to day working. Some guidelines or principles are needed which will help managers to run their concerns smoothly and efficiently. According to Terry "principles of management are to a manager as a table of strengths of materials is a civil engineer".

The following points further highlights the need for principles of management.

① To Increase managerial efficiency:-

Principles of management have been developed from experiences of various professional people. These principles provide guidelines as to how to managers should function in different situations which in turn increase their efficiency.

② 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.

In the absence of principles of management, it would not have been possible to develop the organised body of knowledge by management practitioners, thinkers and philosophers.

③ To Train Managers:-

Management principles are also needed to train managers. In the absence of principles, the training of managers depends upon trial and error methods. Formalised methods of acquiring training are possible only when there exists a systematised body of specialised knowledge, techniques or principles.

④ To Co-ordinate Material and Human Resources:-

The principles of management help us to co-ordinate the material and human resources in order to achieve the desired goals (or) common objectives. Without principles of management, there would be a lot wastage of resources. The principles of management make optimum utilisation of natural resources possible.

⑤ To Improve Resources:-

The principles of management have helped in increase of knowledge and carrying out of further research in the field of management. These have provided new ideas, imagination and visions to be organisation.

⑥ To Attain social ~~office~~ objectives:-

Development of management principles have helped to attain the social goals by increasing efficiency in the use of scarce resources, providing good quality products and services at the lowest possible costs.

Q8 what are the benefits of scientific management?

Ans Scientific management aims to develop each man to his greatest efficiency and prosperity. It enables to increase production and productivity, reduce cost of production and maximise prosperity.

The main advantages arising out of scientific management are as follows:

① Increase in Production and Productivity:

The scheme of scientific management involves planning of task and scientific methods of doing work. This results in the increase of production and the output per worker and per machine because of increased efficiency.

② Reduction in cost of Production:

Scientific management ensures avoiding of all types of wastages and losses. There is planned production and production-time is minimised. This leads to reduction in cost of production. The economies of large scale production further reduce cost per unit of production.

③ Better Quality Products:

Standardisation, which is an essential element of scientific management ensures better quality products.

④ Benefits of division of labour:

The principle of specialisation adopted under scientific management enables to attain the benefits of division of labour. The work is simplified and carried in the most economical manners.

⑤ Mutual Cooperation between labour and management.

Scientific management is concerned with changing the attitude of management and the workers. It is instrumental in developing healthy cooperation between workers and management, thereby it removes the cause of industrial disputes.

⑥ Paper selection and Training of workers:

One of the essential elements of scientific management is proper selection, placement and recruitment of workers. Mistakes are avoided and right man is given a right job.

⑦ Better working conditions:

Scientific management provides better conditions of work to the workers in proper working hours, rest pauses ventilation, lighting, floor space, safety etc...

⑧ Better utilisation of resources:

By elimination of unnecessary movements of men and machines, elimination of wastages, motivating labours to work efficiently and effective supervision of all types of resources, scientific management enables the optimal use of all resources.

⑨ Increased wages:

Under the scheme of scientific management, efficient workers get increased wages due to differential wage - incentive plans as suggested by the propounders of scientific management. The increased wages improves the standard of living of the workers.

⑩ Gains to consumers:

Consumers are benefited by the richer quality products made available at cheaper prices due to the benefits of scientific management. This enables them to attain higher standards of living.

⑪ Gains to Community & Nation:

Scientific management provides many benefits to the community at large. It ensures industrial peace, increased production, maximum prosperity, increase in national income, higher standards of living, rapid industrial development etc...

② Gains to Owners/Investors:

Increased productivity, large scale production and reduction in costs lead to increase in profits to the investors or the owners.

Qd Explain the criticism of scientific management?

Ans Inspite of so many benefits, scientific management has evoked certain criticism from various quarters. It has been severely criticised by the workers the employers and the industrial psychologist. The main criticism against scientific management are discussed below:

① Speeding up of workers:

Workers feel that scientific management is nothing but a device to force workers to a greater speed without much regard for their health and safety. It creates a lot of physical and mental strain upon them.

② Loss of worker's skill and initiative:

Workers allege that under scientific management they are reduced to the position of machine as the work methods and operations are standardised. The worker has to work according to the instructions of the foreman. This leads to loss of initiative from the workers and they cannot suggest better methods of work. They further allege that too much of standardisation for scientific management leads to higher productivity only in the short run, but in the long run, due to loss of workers initiative it results into lower productivity.

③ Monotony:

Under scientific management the function of planning is separated from that of doing. Every worker is expected to perform his small part of a job due to specialisation. This makes the work monotonous and the worker tends to lose interest in his job.

④ Unemployment:

Scientific management reduces the number of processes and motions of workers, increase the hourly or daily output per worker. Increases their efficiency by standardisation and division of labour, thereby it creates unemployment by requiring lesser number of workers.

⑤ Exploitation of workers:

The workers allege that, under a scheme of scientific management, there is an exploitation of workers. The gains of increased productivity are not shared appropriately with the workers. The major portion of increased profits is taken away by the investors and only an insignificant benefit is given to the workers by way of increase in wages and bonus.

⑥ Discrimination between workers:

Under the scheme of scientific management, efficient workers get more wages as compared to the inefficient ones due to the differential wage incentive scheme as suggested by Taylor. This, according to workers, brings discrimination between workers.

⑦ Undemocratic in Nature:

Workers object that scientific management is undemocratic in nature as it gives absolute control over workers to the functional bosses. The workers have to follow the instructions of the bosses without thinking on the part of the workers.

⑧ Expensive:

The introduction of scientific management involves too heavy expenditure on account of standardisation of materials, equipment, tools and working conditions. Further, expenses are incurred on conducting time, motion and fatigue studies. The extra cost involved in the planning department also adds to the excessive expenditure in the scheme of scientific management.

9) Mechanical in Nature:

The most important criticism advanced against scientific management by the industrial psychologists is that it is mechanical in approach. The workers have to work strictly in accordance with the instructions given to them. This results in a loss of workers skill and initiative. The workers are merely reduced to the position of machines.

Q. What are features (or) Nature of scientific management?

Ans. The careful study of the definitions given above would enable us to draw the following are the important features of scientific management:

1. Systematic Approach:

Scientific management is a systematic and analysed approach for solving industrial problems.

2. Mental Change:

Scientific management brought a complete mental change of workers and employers with respect to their mutual relations and work efforts. Both the parties started thinking of better production targets and resulting in higher profits.

3. Discards old methods of work:

F.W. Taylor wanted to replace old methods of doing work. The approach of learning through trial and error was discarded and modern techniques were adopted for improving production and bringing efficiency among workers.

4. Best Methods of Doing work:

There may be a number of methods for doing the same work. Taylor wanted to use the best method for doing the work.

5. Strict observance of Rules:

Taylor emphasised the strict observance of rules and regulations because these are formed after proper deliberations and their application in the interest of the organisation.

6, Proper selection and training of workers:

Taylor introduced scientific methods for recruitment and training of workers so that suitable persons are employed various jobs.

7, Weightage to specialisation:

Scientific management is based on dividing them into small parts and assigning it to those who have specialisation for it.

It improves productivity and efficiency.