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Class 12 commerce Sub. BST. Date 01.05.2021 Teacher name – Ajay Kumar Sharma PRINCIPLES OF MANAGEMENT

Question 1:

How is the principle of 'Unity of Command' useful to management? Explain briefly.

ANSWER:

The principle of 'Unity of Command' states that any person should be answerable to just one boss. If an individual receives command from two or more people then, this principle is violated. According to Fayol, this principle plays an important role in management. If this principle is violated then, it leads to confusion in the mind of the employee which leads to instability and disturbance. For example, suppose A(sales manager) gives B a task that has to be completed in 5 days. On the other hand, C (finance manager) asks B to complete the same task in 3 days. This will lead to confusion in terms of targets.

Question 2:

Define Scientific Management. State any three of its principles.

ANSWER:

The term 'Scientific management' was developed by Frederick Taylor (1856-1915) in 1911. It refers to the classical outlook of management which focussed on devising the best ways of doing the work and thereby increasing the effectiveness and efficiency of work. Scientific management implies working according to standardised techniques and tools and with the help of specialised personnel so as to improve the quantity as well as the quality of the product and the same time reducing the costs. Scientific management is also known as Taylorism.

The Following are three principles of scientific management.

i. *Harmony, Not Discord*: According to this principle, the managers and the workers should maintain a harmonious work environment. They should realise that they are dependent on each other. Only if they work in amity, will they be able to perform better. Taylor emphasised on complete mental revolution. That is, the workers should change their attitude and each one should realise others importance. Management should take care of the needs of the workers and workers on the other hand should work to their best efficiency. Both should work in harmony towards the common goals of the organisation.

ii. *Science, Not Rule of Thumb*: According to Taylor, instead of rule of thumb scientific management practices should be followed. Under the rule of thumb, each manger handles a situation as and when they arise. They used the trial and error method to find solutions to a problem. Taylor proposed that instead of this management practices should be scientific. He suggested that a study of various traditional methods should be done and the best method/solution among them should be adopted and followed by all the managers in the organisation. Such a scientific management greatly reduces the costs and improves efficiency.

iii. *Personnel Development*: Overall efficiency of the organisation depends on the individual competencies of the employees. Scientific management aimed at improving the working capabilities of the employees to their maximum level. It focussed on the training and development of the labourers to raise their productivity.

Question 3:

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?

ANSWER:

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.

Question 4:

Explain any four points regarding significance of Principles of Management.

ANSWER:

Principles of management play an important role in managerial practices. They guide the managers in taking actions and decisions. The following points highlight the significance of Principles of Management

1. *Insights to Reality*: Principles of Management are based on years of experimentation and experience. Thus, these principles guide the managers, when they face the real world problems. Managers can use them in different situations to solve the recurring problems.

2. *Logistic Decisions*: Decisions regarding management should be taken carefully. They should be based on reasons and proofs rather than beliefs and ignorance. As principles of management were developed from real life problems so, they stand the test of logic and reasoning. Thus,

principles of management help the managers in taking logical decisions that are free from personal bias.

3. *Basic Education of Management*: These principles form the basic roots of management education. Without them management as a discipline could not have been developed. That is, they form an important part of management curriculum. In addition, they also form the basis of further research on management techniques and methods.

4. *Optimal use of Resources*: Principles of management help in the optimum utilisation of the available resources. With principles of management the exact cause and effect relationship of the decisions of the managers can be predicted. Thereby, the wastages of resources that may be associated with the hit and trail method can be avoided.

Thus, by following the principles of management, best possible usage of resources becomes possible such that maximum benefit can be derived with minimum possible cost.:

Question 5:

Explain the principle of 'Scalar Chain' and gang plank.

ANSWER:

Scalar Chain refers to a pre-defined, formal path of authority and communication in the order of highest to the lowest. For example- if A is the CEO of an organisation and he has two paths of authorities under him. One, A-B-C and the other A-D-E. Everybody in the organisation follows this chain of authority for communication. For example, If C wants to contact with E then he will have to follow this formal path, as $C \rightarrow B \rightarrow A \rightarrow D \rightarrow E$. That is, C has to first contact the higher authorities ($C \rightarrow B \rightarrow A$) over him who then transverse the communication to E ($A \rightarrow D \rightarrow E$).

However, in case of emergency C may directly contact E through 'Gang Plank'. Gang plank is a shorter emergency route through which the workers lower in the authority chain can directly contact the persons of higher authority or those working in other scalar chains.

