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Class 12 commerce Sub. BST. Date 03.05.2021 Teacher name – Ajay Kumar Sharma PRINCIPLES OF MANAGEMENT

Question 1:

Explain the Principles of Scientific management given by Taylor.

ANSWER:

Scientific management implies knowing exactly what is to be done and devising the best ways of doing it. This term was given by Frederick Taylor (1856-1915) in 1911. It suggests that work should be done 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. That is, scientific management improves the effectiveness and efficiency of work.

The following are the principles of scientific management.

- 1. Science, not a rule of thumb: Before Taylor developed the Principles of Management, Rule of Thumb was a widely used concept. Under rule of thumb, each manger handled a situation or problem as and when they arose using the trial and error method. It was an easily applicable process but was a very vague and inaccurate technique of determining solutions to the problems. Taylor fostered the introduction Scientific methods. He believed that for every work there is only one best method of doing it. He wanted managers to take decisions on the basis of logic and science rather than rule of thumb. He proposed that various traditional methods used by the managers should be studied and the best method/solution among them should be adopted and followed by all the managers in the organisation. With such scientific management he was able to increase efficiency to a large extent.
- 2. *Harmony, not Discord*: Taylor emphasised that the managers and the workers should maintain a harmonious work environment. They should realise their interdependence and work in amity. He was well acquainted with the fact that friendly working environment will help in developing the relations between them. He introduced this principle to maintain a peaceful kinship between people. Often it is found that if the workers are deprived of their wishes or demands they generally go on strike. This affects the productivity and the working environment. To dismiss such a situation Taylor was ardent about a mental revolution. It implies a change in the thinking of both the workers and managers. For example, if a worker is having problem with the working hours, he should talk to the manager about it, instead of letting it effect the production

(by going on a strike). Similarly, the managers should listen to the worker's suggestions and demands rather than ignoring them.

- 3. *Cooperation, not Individualism*: This principle emphasised cooperation among the managers and workers over individualism. This principle was an elongation of the principle of 'Harmony, not discord'. According to it, the workers and the manager should work with mutual understanding of each other. The manager should take care of the labourers. He should share the company gains with the workers; awarding them with sufficient incentives to work. Similarly, the labourers should willingly work, giving their best contribution to the company. This will build up mutual trust and belongingness within both of them. Work and resposibility should be equally divided and a sense of cooperation and coordination should be established.
- 4. *Personnel Development*: Any organisation should focus on the development of its workers along with the company's growth. This is because if the workers will have higher proficiency, then they will be able to increase their contribution to the organisation's development. They should introduce ways and incentives to build up their competitiveness. Efforts towards increasing the efficiency should begin at the very first step i.e. while hiring the workers. Employees should be recruited in a scientific manner. They should be assigned works according to their mental/physical qualities. For increasing the efficiency the workers should be given a proper training.

Question 2:

Explain the following Principles of management given by Fayol with examples:

- (a) Unity of direction
- (b) Equity
- (c) Espirit de corps
- (d) Order
- (e) Centralisation and decentralisation
- (f) Initiative

ANSWER:

(a) *Unity of Direction*- According to this principle, each unit of the organisation should work towards a common objective. According to it, units having same goals should have a single head and plan. This principle helps in eliminating the overlapping of work. For example, if an organisation is engaged in the manufacturing of two products, then each should have its own separate department and divisions with their respective heads and plans

- (b) *Equity* This principle focuses on treating each employee fairly equally. That is, it states that each employee should be equal in the eyes of the manager. Although this principles calls for kindliness in the behaviour of the manager, however sometimes force can also be used to set an example for other employees. In addition the workers should be regarded as equal grounds of religion, language, caste, etc. This helps in building an amiable environment. For example- if workers from different religions or nationalities are working in the same organisation then no discrimination should be done against any.
- (c) *Espirit de Corps* This principle recommends that employees should work in unity with each other. They should work as a team. In other words, team spirit should be promoted by the manager. Each employee should have a sense of belongingness. This proves useful especially in large organisations where without team work, achievement of objectives would become difficult. Team sprit increases coordination and mutual understanding among the employees and thereby improves efficiency.
- (d) *Order*-Orderliness principle focuses on 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. For example, if files are kept in a certain order then this will help in locating the file easily when required. Violation of this principle leads to chaos and delay in work.
- (e) *Centralisation and Decentralisation* Centralisation refers to the consolidation of power and authority to one or only few hands. Here, the decision making power gets reserved to the centre point of an organisation. On the other hand, decentralisation refers to the delegation of authority to more than one level. According to Fayol, the involvement of the employees with the higher authority should be balanced by decentralising the authority to the managers. For example, if the CEO of a company is responsible for decision making for the entire organisation then, this is centralisation of power. On the other hand, if the decision making power is delegated to managers at the middle and lower level then, this will be called decentralisation.
- (f) *Initiative* According to this principle, workers should be given enough motivation and incentive to work. They should be inspired to come up with suggestions for regarding the work. Although initiatives should be encouraged, but they should be in line with the practices and rules of the organisation. For example, the managers can ask the workers for their inputs over how to increase efficiency. Also, good suggestions can be rewarded.