

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

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### Additional Questions

#### Question 1.

Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialised job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part(b) of the question.

#### Answer:

1. The various principles of management that are being applied by Radhika are listed below:
  - **Principle of Division of Work:** According to Fayol, "The intent of division of work is to produce more and better work for the same effort. Specialisation is the most efficient way to use human effort." He advocates that the principle of division of work is applicable to all kinds of work both technical as well as managerial.  
"For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialised job."
  - **Principle of Centralisation and Decentralisation:** The concentration of decision-making authority is called centralisation whereas its dispersal among more than one person is known as decentralisation. According to Fayol, "There is a need to balance subordinate involvement through decentralisation with managers' retention of final authority through centralisation."  
"The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to give any further discount rests with Radhika as the final authority."
  - **Principle of Discipline:** Discipline refers to the obedience to organisational rules and employment agreement which are necessary for the working of the organisation. According to Fayol, discipline requires good superiors at all levels, clear and fair agreements and judicious application of penalties.

“Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment.”

2. The principle of management which is being violated by Radhika is Equity. According to Fayol, “Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible.” This principle emphasizes on kindness and justice in the behaviour of managers towards workers. The managers should not discriminate against anyone on account of gender, religion, language, caste, belief or nationality etc. “However, when it comes to settling the conflicts among her employees, she tends to be more biased towards her female employees.”
3. One effect of the violation of the Principle of Equity is that it may lead to job dissatisfaction among the male workers.

**Question 2.**

Rajveer works as a plant superintendent in a carpet making factory. In order to complete the export orders on time, the production manager asks him to make the workers work over time whereas the finance manager is strictly against this practice because it will increase the cost of production. Moreover, Rajveer feels that since the company is manufacturing handmade carpets as well as machine made carpets there is a lot of overlapping of activities. Therefore, there should be two separate divisions for both of them wherein each division should have its own in charge, plans and execution resources.

In context of the above case:

1. Identify and explain the principle of management which is being violated.
2. Also identify the principle of management that Rajveer feels should be implemented in the factory.
3. Give any two differences between the principle of management as identified in part (a) and part (b) respectively.

**Answer:**

The principle of management which is being violated is stated below:

1. Unity of command: There should be one and only one boss for every individual employee. Dual subordination should be avoided. Fayol felt that if this principle is violated, “authority is undermined, discipline is in jeopardy, order disturbed and stability threatened”.
2. Unity of direction: All the units of an organization should be moving towards the same objectives through coordinated and focused efforts. Each group of activities having the same objective must have one head and one plan. This will lead to unity of action and coordination.
3. The difference between the principle of Unity of Command and Unity of Direction is given below:

S.No.	Basis	Unity of Command	Unity of Direction
1.	Meaning	One subordinate should receive orders from and	Each group of activities having same objective

		should be responsible to only one superior.	must have one head and one plan.
2.	Aim	It prevents dual subordination.	It prevents overlapping of activities.
3.	Implications	It affects an individual employee	It affects the entire organization.

### Question 3.

Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family's benefit at the cost of larger general interest of the company. In such situations, he should rather exhibit exemplary behaviour as it will raise his stature in the eyes of the company. Also, for interacting with anyone in the company on official matters, he should adopt the formal chain of authority and communication. In context of the above case:

1. Identify and explain the various principles of management that Mehul is advising Neeraj to follow while doing his job.
2. List any two values that Mehul wants to communicate to Neeraj.

### Answer:

1. The various principles of management that Mehul is advising Neeraj to follow while doing his job are as follows:
  - **Subordination of Individual Interest to General Interest:** Through this principle, Fayol advocates that in all circumstances, the interests of an organisation should take priority over the interests of any one individual employee. This is essential because larger interests of the other employees and the stakeholders i.e., owners, shareholders, creditors, debtors, financiers, tax authorities, customers and the society at large cannot be sacrificed for the interest of any one person. For example, Mehul tells Neeraj that he might get tempted to misuse his powers for his or

his family's benefit and so he must display exemplary behaviour to raise his stature in the eyes of the company.

- **Scalar Chain:** According to Fayol, the formal lines of authority from highest to lowest ranks are known as scalar chain. He suggests that "The organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and the subordinates." However, in order to ensure speedy communication during emergencies, Gang Plank is a shorter route that has been provided. However, the superior has to be informed later on.

For example, in the following case, there is one head 'A' who has two lines of authority under her/him. One line consists of B-C-D-E-F. Another line of authority under 'A' is L-M-N-O-P. If 'E' has to communicate with 'O', who is at the same level of authority, then she/he has to traverse the route E-D-C-B-A-L-M-N-O.

This is due to the principle of scalar chain being followed in this situation. However, if there is an emergency, then 'E' can directly contact 'O' through 'Gang Plank' as shown in the diagram.

2. The two values that Mehul wants to communicate to Neeraj are:
  - Honesty
  - Self restraint

#### Question 4.

Davinder is a class twelfth commerce student in a reputed school in Punjab. Satinder is his elder brother who is doing his Masters in Hospital Administration from Delhi after completing his B.Sc course. During vacations when Satinder comes home, Davinder shows him the business studies project that he is preparing on the topic 'Principles of Management'. Satinder tells him that these principles are also a part of MBA course curriculum at the beginner's level as they form the core of management in practice. But he finds these principles different from those of pure science.

In context of the above case:

1. Outline the concept of principles of management.
2. Why does Satinder find the principles of management different from those of pure science?
3. Why do the principles of management form the core of management in practice? Explain by giving any two points highlighting the importance of principles of management.

#### Answer:

1. The principles of management serve as a broad and general guideline for the managerial decision making and action.
2. Satinder finds the principles of management different from those of pure science because the management principles are not as rigid as principles of pure science. This is due to the fact that they deal with the human behaviour and thus, need to be applied creatively in the light of given situation.

3. The importance of principles of management is described below:
- **Providing managers with useful insights into reality:** The principles of management provide the managers with useful insights into real world situations and help them to enrich their knowledge, ability and understanding of the diverse managerial situations and circumstances. It also enables the managers to learn from past mistakes and conserve time by solving recurring problems quickly.
  - **Optimum utilisation of resources and effective administration:** The knowledge of management principles enables the managers to foresee the cause and effect relationships of their decisions and actions. As a result, it leads to optimum utilisation of scarce resources by avoiding wastage associated with a trial-and-error approach. Principles of management limit the boundary of managerial discretion so that their decisions may be free from personal prejudices and biases. This facilitates effective administration within the organisation.

### Question 5.

Gurpreet is running a retail mart in Varanasi to provide various types of products of daily use under one roof to the buyers. The employee turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on adhoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity among the employees and they tend to leave the job very quickly. However, he is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living.

In context of the above case:

1. Identify and explain the principle of management which Gurpreet is unable to apply and is perpetually on a look out for new staff.
2. "He is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living." Name and explain the relevant principle of management will has been brought into effect by Gurpreet.

### Answer:

1. **Stability of Personnel:** Stability of personnel is principle of management which Gurpreet is unable to apply and is perpetually on a look out for new staff. According to Fayol, "Employee turnover should be minimised to maintain organisational efficiency". Personnel should be selected and appointed after due and rigorous procedure. After placement, they should be kept at their post for a minimum fixed tenure so that they get time to show results. Any adhocism in this regard will create instability/insecurity among employees. They would tend to leave the organisation.
2. **Remuneration of Employees:** According to Fayol, the overall pay and compensation should be fair and equitable to both employees and the organisation. The employees should be paid fair wages so that they are able to maintain at least a reasonable standard of living. At the same time, it should be within the paying capacity of the company. This will ensure pleasant working atmosphere and good relations between workers and management.