

Case study on chapter-1

Question 1:

Ashutosh Goenka was working in 'Axe Ltd.', a company manufacturing air purifiers. He found that the profits has started declining from the last six months. Profit has an implication for the survival of the firm, so he analysed the business environment to find out the reasons for this decline.

1. Identify the level of management at which Ashutosh Goenka was working.
2. State three other functions being performed by Ashutosh Goenka.

Answer:

Ashutosh Goenka was working at top level of management. The three functions being performed by him at this level are outlined below:

1. He is responsible for formulating the overall organizational goals and strategies.
2. He is responsible for all the business activities and its impact on society.
3. He has to coordinate the activities of different departments in pursuit of common goals.

Question 2:

Rishitosh Mukerjee has recently joined AMV Ltd, a company manufacturing refrigerators. He found that his department was under-staffed and other departments were not cooperating with his department for smooth functioning of the organisation. Therefore, he ensured that his department has the required number of employees and its cooperation with other departments is improved.

1. Identify the level at which Rishitosh Mukerjee was working.
2. Also, state three more functions required to be performed by Rishitosh Mukerjee at this level.

Answer:

Rishitosh Mukerjee is working at middle level of the management. The three more functions that he has to perform at this level are stated below:

1. He has to assign duties and responsibilities to the people in his department.
2. He has to motivate the people in his department to achieve the desired objectives.
3. He has to interpret the policies framed by top management.

Question 3:

Sridhar's father is working as a section in-charge in a government office. Identify the level of management at which he is working? State any five functions that he has to perform at this level.

Answer:

Sridhar's father is working as a section in-charge in a government office. He is working at the lower level of management.

He has to perform the following functions at this level of management:

1. He has to directly oversee the efforts of the workforce.

2. He has to serve as a link between the workers and middle level managers.
3. He has to ensure sufficient availability of resources and good quality of output.
4. He has to provide guidance and training to workers.
5. He has to ensure that good working conditions are provided to the workers.

Question 4:

Mega Ltd. manufactured water-heaters. In the first year of its operations, the revenue earned by the company was just sufficient to meet its costs. To increase the revenue, the company analysed the reasons behind the less revenues. After analysis, the company decided:

1. to reduce the labour costs by shifting the manufacturing unit to a backward area where labour was available at a very low rate.
2. to start manufacturing solar water-heaters and reduce the production of electric water-heaters slowly.

This will not only help in covering the risks but also help in meeting other objectives.

1. Identify and explain the objectives of management discussed above.
2. State any two values which the company wanted to communicate to society.

Answer:

1. The objectives of management discussed above are:
 - Organisational objectives: An organisation strives to achieve multiple organizational objectives in the interest of its stakeholders like owners, employees etc. The main organizational objectives are survival, profit and growth.
 - Social Objectives: It is the obligation of every organisation to undertake such activities which will benefit the society at large like using eco-friendly methods, contributing towards weaker sections of the society, generating employment opportunities, promoting literacy etc.
2. The two values that the company wanted to communicate to the society are:
 - Rural development
 - Environment sustainability

Question 5:

XYZ Power Ltd. set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks. As the demand of lanterns was increasing day-by-day, the company decided to increase production to generate higher sales. For this/they decided to employ people from a nearby village as very few job opportunities were available in that area. The company also decided to open schools and creches for the children of its employees.

1. Identify and explain the objectives of management discussed above.
2. State any two values which the company wanted to communicate to the society.

Answer:

1. The objectives of management discussed above are:
 - Organisational objectives: An organisation strives to achieve multiple organizational objectives in the interest of its stakeholders like owners, employees etc. The main organisational objectives are survival, profit and growth.
 - Social Objectives: It is the obligation of every organisation to undertake such activities which will benefit the society at large like using eco-friendly methods, contributing towards weaker sections of the society, generating employment opportunities, promoting literacy etc.
2. The two values that the company wanted to communicate to the society are:
 - Rural development
 - Promoting literacy

Question 6:

Your grandfather has retired as the Director of a manufacturing company. At what level of management was he working? What functions do you think he was performing at that level?

State any two,

Answer::

Since he has retired from the post of Director of a manufacturing company, he was working at the top level of management.

The main functions that he was performing at this level are outlined below:

1. He was responsible for the success and failure of the organization.
2. He was responsible for all the business activities and its impact on society.
3. He had to coordinate the activities of different departments in pursuit of common goals.

Question 7:

Ritu is the manager of the northern division of a large corporate house. At what level does she work in the organisation? What are her basic functions?

OR

Your grandfather has retired from an organisation in which he was responsible for implementing the plans developed by the top management. At which level of management was he working?

State one more function performed at this level.

OR

Deepak's father has retired as a purchase manager of a company. At what level of management was he working? What function do you think he was performing at that level of management?

OR

Dheeraj is working as an Operations Manager in Tifco Ltd. Name the managerial level at which he is working. State any four functions he will perform as the Operations Manager in this company.

OR

Rajat is working as a Regional Manager in Tifco Ltd. Name the level at which he is working. State any four functions he will perform as the Regional Manager in this company.

Answer::

Ritu / grandfather / Deepak's father / Deeraj / Rajat, all of them are working at the middle level of management.

The four functions that he will have to perform at this level are stated below:

1. He has to ensure that his department has the necessary staff.
2. He has to assign duties and responsibilities to the people in his department.
3. He has to motivate the people in his department to achieve the desired objectives.
4. He has to co-operate with the other departments for ensuring smooth functioning of the organization.

Question 8:

Vaibhav Garments Ltd/s target is to produce 10,000 shirts per month at a cost of ₹150 per shirt. The production manager could achieve this target at the cost of ₹160 per shirt. Do you think the production manager is effective? Give reasons for your answer.

Answer:

Yes, the production manager of Vaibhav Garments Ltd. is effective as he could achieve the target to produce 10,000 shirts in a month.

Question 9:

Mr. Nitin Singhania’s father has a good business of iron and steel. He wants to go to the USA for his MBA but his father thinks that he should join the business. On the basis of emerging- trends, do you think that Mr. Singhania should send his son to the USA? Give any three reasons in support of your answer.

Answer:

Yes, according to me, Mr. Singhania should send his son to USA for his MBA because management is being recognised as a profession to a great extent because of the following reasons:

1. Well defined body of knowledge: Management is considered to be a well-defined body of knowledge that can be acquired through instructions. As a separate discipline, it contains a set of theories and principles formulated by various management experts. Moreover, it is taught in various schools and colleges all over the world.
2. Ethical code of conduct: Management, in practice, like other professions, is bound by a code of conduct which guides the behaviour of its members. Therefore, acquiring a degree in management will equip him with the good managerial,, skills and approach.
3. Service motive: A good management course will provide him an insight into the multiple goals that an organisation should pursue. This knowledge will help him to serve both the objectives of profit maximization and social welfare effectively for his company.

ADDITIONAL QUESTIONS

Question 1:

Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executive” A typical day at work in Jay ant’s life consists of a series of interrelated and continue functions. He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of action for his team members is laid out well in advance. The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The

executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their individual performances in order to ensure that they are in accordance with the standards set and takes corrective actions whenever needed.

In context of the above case:

1. Identify the concept being referred to in the following line, “He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives.”
2. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.

Answer:

1. The concept of management is being referred to in the following line, “He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives.”
2. The various functions of the management concept mentioned in the above paragraph are listed below:
 - **Planning:** It is the function of determining in advance what is to be done and who is to do it.
“He decides the targets for his department which are in line with the objectives of the organization as a whole. The future course of actions for the team members are laid out well in advance.”
 - **Organising:** Organising is the process of bringing together human, physical and financial resources and establishing productive relations among them for the purpose of achieving the desired goals efficiently and effectively.
“The various resources required by the relationship managers like an iPad with GPS system, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them.”
 - **Staffing:** The managerial function of staffing involves manning the organisational structure in order to fill in the roles designed into the structure.
“Jayant works in close coordination with the human resource manager in order to ensure that he is able to create and maintain a satisfactory and satisfied workforce in his department.”
 - **Directing:** Directing involves leading, influencing and motivating employees to perform the tasks assigned to them.
“Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs.”
3. **Controlling:** Controlling is the management function of ensuring that events conform to plans.” Moreover, he keeps a close watch on their individual performances in order to ensure

that they are in accordance with the standards set and takes corrective actions whenever needed.”

Question 2:

Sooraj works as a salesman in a company selling pet accessories and food. He has been given a target of selling 1200 units of the food packets in a month by offering a maximum of 10% discount to his customers. In order to meet his monthly sales target, on the last two days of the month, he offers 15% discount to his customers.

In the context of the above case:

Is Sooraj effective in his work? Explain by giving a suitable reason in support of your answer.

Answer:

Yes, Sooraj is effective in his work as he has been able to meet his monthly sales target of selling 1200 units of the food packets.

Question 3:

Sujata works as a designer in an export house. As per the terms of an order received by the export house, she has to get 1000 units of denim jackets made in 15 days @ ₹ 2000 per jacket. She is able to complete her target production in 20 days because in order to complete the order in 15 days she would have made the workers work over time. As a result, the cost of production per jacket may have increased by ₹ 100.

In the context of the above case:

Is Sujata efficient in her work? Explain by giving a suitable reason in support of your answer.

Answer:

Yes, Sujata is efficient in her work as she has been able to get 1000 units of denim jackets made @ ₹ 2000 per jacket.

Question 4:

Anju and Manju are good friends. Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest. Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realize its objective related to providing employment to specially abled persons. Both of them have to perform a series of continuous, composite, but separate functions. On some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an employee's problem. Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them. The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.

In context of the above case:

Identify the various features of management highlighted in the above paragraph by quoting lines from it.

Answer:

The various features of management highlighted in the above paragraph are stated below:

1. Management is all pervasive: “Considering the fact that the activities involved in managing an enterprise are common to all organizations, after completing their masters in business management, both of them take up a job at managerial level in different organizations as per their individual areas of interest.”
2. Management is a goal-oriented process: “Anju takes up a marketing job in a retail company and strives to increase sales whereas Manju joins an NGO and works diligently to realize its objective related to providing employment to specially abled persons.”
3. Management is a continuous process: “Both of them have to perform a series of continuous, composite, but separate functions. Like on some days, Anju may spend more time in planning a future display layout and on another day, she may spend time in sorting out an employee’s problem.”
4. Management is a group activity: “Both Anju and Manju make conscious efforts to build a feeling of team spirit and coordination among diverse individuals with different needs who work under them.”
5. Management is an intangible force: “The effect of their management is noticeable in their respective departments as the targets are met according to plans, employees are happy and satisfied, and there is orderliness in its functioning rather than chaos.”

Question 5:

Real Alliance Ltd. is a well-known cement company in India. It is able to earn adequate revenues to cover costs. Its capital base, number of employees and production turnover has increased manifolds over the years. The rate of profitability of the business is also creditable. The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc. As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it.

In the context of the above case:

1. Identify and explain the various types of objectives of management being fulfilled by Real Alliance Ltd by quoting lines from the paragraph.
2. List any two values that Real Alliance Ltd. wants to communicate to the society.

Answer:

The various objectives of management being fulfilled by Real Alliance Ltd are stated below:

1. Organisational objectives: An organization strives to achieve multiple organisational objectives, mainly:
 - Survival: “It is able to earn adequate revenues to cover costs.”
 - Growth: “Its capital base, number of employees and production turnover has increased manifolds over the years.”
 - Profit: “The rate of profitability of the business is also creditable.”
2. Personal objectives: These objectives relate to the needs of the employees of the organization which must be given due consideration. “The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc.”

3. Social objectives: It is expected that every organization should undertake certain initiatives for the welfare of the society at large.
“As a part of its moral obligation, the company has taken many initiatives for providing employment to specially abled persons and promoting literacy in the villages adopted by it.”
4. The two values that Real Alliance Ltd. wants to communicate to the society are:
 - Social welfare
 - Respect for their employees

Question 6:

Esha works as the cost and risk management head of a company in power sector. As a result of her excellent managerial competence, the company is able to reduce costs and increase productivity. The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge. She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective. In the process of fulfilling her duties for the growth of the organisation, she helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large.

In context of the above case:

Identify the various reasons that have made management so important by quoting lines from the paragraph.

Answer:

The various reasons mentioned in the above paragraph that have made management so important are stated below:

1. Management increases efficiency as it leads to reduction in costs due to optimum utilisation of resources.
“As a result of her excellent managerial competence the company is able to reduce costs and increase productivity.”
2. Management creates a dynamic organisation so that it is able to incorporate the corresponding changes in its working with any change in its business environment.
“The company belongs to infrastructure sector, wherein regular amendments are made in the government regulations and policies. She holds regular meetings to ensure that people in her department are not only aware of the related changes but are also able to adapt to these changes effectively. This helps the company to maintain its competitive edge.”
3. Management helps in achieving personal objectives of the employees in the organisation.
“She motivates and leads her team in such a manner that individual members are able to achieve personal goals while contributing to the overall organisational objective.”
“The employees of the company are happy and satisfied with their remuneration, working conditions, promotion policy etc.”
4. Management helps in the development of society by contributing effectively towards it in multiple ways.”In the process of fulfilling her duties for the growth of the organization, she helps in providing competitive services, adopting new technology, creating more employment opportunities etc. for the greater good of the people at large.”

Question 7:

Ramarjuna joins an IT firm as a system analyst after completing his masters in Computer Science. As the nature of his work demands he has to work in very close coordination with all the departmental heads in the firm, very soon Ramarjuna realizes that each departmental head has own individual style of working. They differ greatly in their day-to-day approach to work. They tend to deal with a given situation, an issue or a problem through a combination of their own experience, creativity, imagination, initiative and innovation.

In the context of the above case:

Identify and explain the nature of management highlighted in the above case.

Answer:

In the above case, management is being considered as an art.

Art is the skillful and personal application of existing knowledge to achieve desired results. The evaluation of management as an art is given below:

1. Existence of theoretical knowledge: Art presupposes the existence of certain knowledge. Management fulfills this criterion as there exist a number of theories and principles on management which have been formulated by various management experts.
2. Personalised applications: Art is a personalised concept. Management fulfills this criterion as a good manager works through a combination of his own experience, creativity, imagination, initiative and innovation to carry out the assigned work.
3. Based on practice and creativity: All art is practical. Management fulfills this criterion as a person becomes a better manager with constant practice and experience. This also leads to emergence of different styles of management.

S.No	Features of Art	Evaluation of Management as an Art
1.	Existence of theoretical knowledge	Fulfills this criterion
2.	Personalized applications	Fulfills this criterion
3.	Based on practice and creativity	Fulfills this criterion

Question 8:

Dharam is a well-known businessman in the field of publishing. He owes the success of his business to his own education in business management and his team of certified management consultants. Therefore, he decides to send both his children Danush and Damini abroad to acquire a degree in business management in their individual area of expertise. He feels that all over the world there is marked growth in management as a discipline, but still it is not considered

to be a full-fledged profession for certain reasons.

In the context of the above case:

1. Explain the reasons because of which Dharam considers management as a discipline.
2. Critically examine the various reasons because of which management is not considered to be a full-fledged profession.

Answer:

1. Dharam considers management as a discipline because there exist a number of theories and principles on management which have been formulated by various management experts. It is taught in various schools and colleges, all over the world, as a separate subject of study.
2. Management is not considered to be a full-fledged profession because of the following reasons:
 - Restricted entry. Unlike management, the entry to the other professions is restricted through an examination or eligibility criteria like specific percentage in a particular degree or diploma. However, management as profession does not fulfill this criterion as anyone can be called a manager regardless of his/her academic qualifications.
 - Professional association: Unlike managers, all working professionals have to be a member of an affiliated professional association which regulates their entry, grants certificate of practice and formulates and enforces code of conduct. For example, the practicing lawyers have to be a member of Bar Council of India, the practicing doctors should have membership of All India Medical Association etc. However, in case of management, although there exist several management associations like the AIMA (All India Management Association), neither does it have any statutory backing nor is it mandatory for the practicing managers to be a member of such associations.

Question 9:

Kartik joins a garment factory as a plant supervisor in Lucknow. He observes that the output of some workers is very low as compared to the standards set for their performance. On analyzing the reasons for the same, he finds out that a lot of time of the workers is wasted in getting the requisite materials issued from the store. Whereas on asking, the store keeper complains that there is no harmony in the working of the production department as a whole. Everyday the workers approach him at the last minute to procure different kinds of threads, laces, mirrors, buttons etc. If it is not available in the store then he has to place an order with the purchase officer. As a result, a lot of time of the workers is wasted. So, in order to integrate the various production activities, henceforth, Kartik ensures, that the store keeper is informed well three days in advance about the requisite material. Consequently, the store keeper is able to keep the materials ready for the workers every morning in accordance with their requirements.

In context of the above case:

1. Identify and explain the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers.
2. State briefly any two points highlighting the importance of quality of management identified in part (a).

Answer:

1. Coordination is the quality of management that Kartik has introduced in the working of the production department as a corrective measure to control the output of the workers. Coordination is the process which helps to integrate the efforts of different individuals with diverse needs to secure a unity of action in the pursuit of common goals.
2. The two points highlighting the importance of coordination are stated below:
 - Growth in the size: With the growth in the size of an organisation, there is a proportionate increase in the number of its employees. So there is a greater need to unify the efforts of diverse individuals towards the realisation of organisational goals.
 - Functional differentiation: As a result of functional differentiation in an organization, its people and activities get divided into small departments on the basis of functions like marketing, finance etc. Since each such department tends to formulate its own objectives, policies etc., there is a need to reconcile the goals pursued by each of such departments with the goals of the organization as a whole.

Question 10:

Geetika is working in a private sector bank. One of her key function relates to the formulation of the overall organisational goals and strategies of the bank. Identify the level of management at which she is working? State any three other functions that she has to perform at this level.

Answer:

Geetika is working at the top level of management in the private sector bank. The three other functions that she has to perform at this level are outlined below:

1. She is responsible for the success and failure of the organisation.
2. She is responsible for all the business activities and its impact on society.
3. She has to coordinate the activities of different departments in pursuit of common goals.

Question 11:

Arundhati has been promoted to the post of Marketing Division Head of a soft drink company. Identify the level of management at which she will be working henceforth. State any four functions that she will have to perform at this level.

Answer:

Henceforth, Arundhati will be working at middle level of management.

The four functions that she will have to perform at this level are stated below:

1. She has to ensure that her department has the necessary staff.
2. She has to assign duties and responsibilities to the people in her department.
3. She has to motivate the people in her department to achieve the desired objectives.
4. She has to co-operate with the other departments for ensuring smooth functioning of the organization.

Question 12:

Ajay and Sanjay are childhood friends. Sanjay had lost his right hand in an accident in childhood. They meet after a long time in a restaurant. On being asked, Sanjay tells Ajay that he feels very discontented in managing his family business after the death of his father as it doesn't

match with his areas of interest. Ajay knows that Sanjay possess extraordinary skills in management although he hasn't acquired any professional degree in management. Therefore, he asks Sanjay to wind up his business in India and join him in his hotel business in Dubai as an Assistant Manager in Sales and Marketing Division. In context of the above case:

1. Can Sanjay be deployed at the post of Assistant Manager in Sales and Marketing Division though he hasn't acquired any professional degree in management? Explain by giving suitable justifications in support of your answer.
2. List any two values that are reflected in this act of Ajay.

Answer:

1. Yes, Sanjay can be deployed at the post of Assistant Manager in Sales and Marketing Division although he hasn't acquired any professional degree in management as management is not considered to be a full-fledged profession because of the following reasons:
 - Restricted entry: Unlike management, the entry to the other professions is restricted through an examination or eligibility criteria like specific percentage in a particular degree or diploma. However, management as a profession does not fulfill this criteria as anyone can be called a manager regardless of his/her academic qualifications.
 - Professional association: Unlike managers, all working professionals have to be a member of an affiliated professional association which regulates their entry, grants certificate of practice and formulates and enforces code of conduct. For example, the practicing lawyers have to be a member of Bar Council of India, the practicing doctors should have membership of All India Medical Association etc. However, in case of management, although there exist several management association like the AIMA (All India Management Association), neither does it have any statutory backing nor is it mandatory for the practicing managers to a member of such associations.
2. The two values that are reflected in this act of Ajay are:
 - Compassion
 - Responsibility.

Case study on chapter - 2

Question 1.

Explain 'unity of command' and 'equity' as principles of general management. (CBSE, Delhi 2017)

Answer:

1. **Unity of command:** According to Fayol, 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. **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.

Question 2.

Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop 'AromaCoffeeCan' in a famous mall in New Delhi. The speciality of the coffee shop was the special aroma of coffee and a wide variety of flavours to choose from. Somehow, the business was neither profitable nor popular. Sanchit was keen to find out the reason. He appointed Sandhya, an MBA from a reputed college, as a Manager to find out the causes for the same.

Sandhya took feedback from the clients and found out that though they loved the special unique aroma of coffee but were not happy with the long waiting time being taken to process the order. She analysed and found out that there were many unnecessary obstructions in between which could be eliminated. She fixed a standard time for processing the order.

She also realised that there were some flavours whose demand was not enough. So, she also decided to stop the sale of such flavours. As a result within a short period Sandhya was able to attract the customers.

Identify and explain any two techniques of scientific management used by Sandhya to solve the problem. (CBSE, Delhi 2017)

Answer:

The two techniques of scientific management used by Sandhya to solve the problem are: (any two)

1. **Time study:** It seeks to determine the standard time taken to perform a well-defined job. The objective of time study is to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs. By using time measuring devices for each element of task the standard time is fixed for the whole of the task by taking several readings.
2. **Simplification (Standardisation and Simplification):** Simplification aims at eliminating superfluous diversity of products in terms of varieties, sizes and dimensions. It

not only helps to reduce inventories but also save cost of labour, machines and tools. Thus it helps to increase turnover by ensuring optimum utilisation of resources.

3. **Motion study:** Motion study refers to the study of movements of limbs of a worker while doing a particular task. It seeks to divide all such movements into three categories namely;

- Motions which are required
- Motions which are unnecessary
- Motions which are incidental.

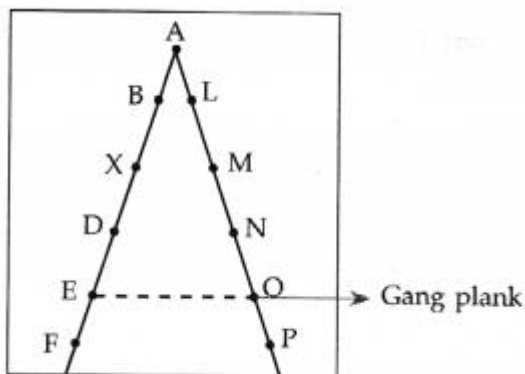
Thus, motion study helps to eliminate unnecessary movements of a work and enables him to complete the given task efficiently.

Question 3.

Explain briefly 'discipline' and 'scalar chain' as principles of general management. (CBSE, Delhi 2017)

Answer:

1. **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. .
2. **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. But they should inform their superiors about it later on.

Question 4.

Explain 'order' and 'initiative' as principles of general management. (CBSE, Delhi 2017)

Answer:

1. **Order:** According to Fayol, "People and materials must be in suitable places at appropriate time for maximum efficiency." The principle of order states that 'A place for everything (everyone) and everything (everyone) in its (her/his) place'. A sense of orderliness will lead to increased productivity and efficiency in the organization.
2. **Initiative:** Initiative means taking the first step with self-motivation. The workers should be encouraged to develop and carry out their plans for improvement. Suggestion system should be adopted in the organization.

Question 5.

Explain briefly 'Unity of Direction' and 'Order' as principles of general management. (CBSE, OD 2017)

Answer:

1. **Unity of direction:** According to Fayol, each group of activities having same objective must have one head and one plan. It prevents overlapping of activities. For example if a company is manufacturing handmade carpets as well as machine made carpets there is likely to be 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.
2. **Order:** According to Fayol, "People and materials must be in suitable places at appropriate time for maximum efficiency." The principle of order states that 'A place for everything (everyone) and everything (everyone) in its (her/his) place'. A sense of orderliness will lead to increased productivity and efficiency in the organization.

Question 6.

Explain briefly 'Initiative' and 'Esprit de Corps' as principles of general management. (CBSE, OD 2017)

Answer:

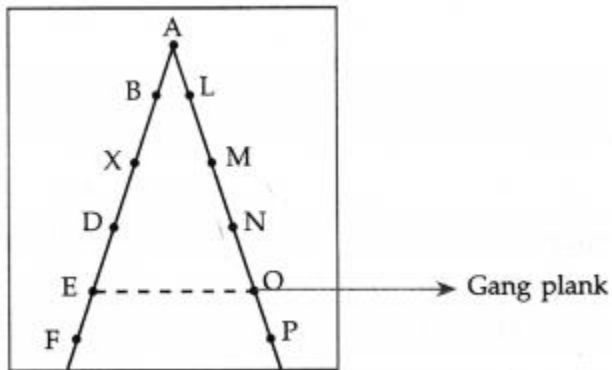
1. **Initiative:** Initiative means taking the first step with self-motivation. The workers should be encouraged to develop and carry out their plans for improvement. Suggestion system should be adopted in the organization.
2. **Esprit de corps:** According to Fayol, 'Management should promote a team spirit of unity and harmony among employees.' A manager should replace I with 'We' in all his conversations with workers to promote teamwork. This approach will give rise to a spirit of mutual trust and belongingness among team members. It will also reduce the need for using penalties.

Question 7.

Explain briefly 'Remuneration of Employees' and 'Scalar Chain' as principles of general management. (CBSE, OD 2017)

Answer:

1. **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.
2. **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.

Question 8.

What did Taylor want to communicate through mental revolution? (CBSE, Sample Paper, 2017)

Answer:

Through the concept of mental revolution Taylor emphasized that there should be complete transformation in the outlook of the management and workers towards each other. Managers should share surplus with workers and the workers should work with full devotion instead of indulging in any form of class conflicts.

Question 9.

Briefly explain work study techniques that help in developing standards to be followed throughout the organization.

Answer:

The various work study techniques that help in developing standards to be followed throughout the organization are described below:

1. **Time study:** It seeks to determine the standard time taken to perform a well-defined job. The objective of time study is to determine the number of workers to be employed, frame suitable incentive schemes and determine labour costs. By using time measuring devices for each element of task, the standard time is fixed for the whole of the task by taking several readings.
2. **Motion study:** Motion study refers to the study of movements of limbs of a worker while doing a particular task. It seeks to divide all such movements into three categories namely;
 - Motions which are required
 - Motions which are unnecessary
 - Motions which are incidental.Thus, motion study helps to eliminate unnecessary movements of a worker and enables him to complete the given task efficiently.
3. **Method study:** The objective of method study is to find out one best way of doing the job among the various methods available of doing the job. This can be done by taking into consideration several related parameters.
4. **Fatigue study:** It seeks to determine the amount and frequency of rest intervals that should be provided to the workers for completing a task. This technique helps in increasing productivity as the rest intervals will help a person to regain stamina and work again with the same capacity.

Question 10.

Nutan Tiffin Box service was started in Mumbai by the Mumbai Dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at the right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently, they have started online booking system through their website 'mydabbawala.com'. Owing to their tremendous popularity amongst the happy and satisfied customers and members, the Dabbawalas were invited as guest lecturer by top business schools. The Dabbawalas operate in a group of 25-30 people along with a group leader. Each group teams up with other groups in order to deliver the tiffins on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade—no alcohol during working hours; no leaves without permission; wearing white caps and carrying ID cards during business hours.

Recently, on the suggestion of a few self-motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.

1. State any one principle of management given by Fayol and one characteristic of management mentioned in the above case.
2. Give any two values which the Dabbawalas want to communicate to society. **(CBSE, Sample Paper 2016)**

Answer:

1. The relevant principle of management given by Fayol is:
 Stability of Personnel: The employee turnover should be minimized to maintain organizational 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. (The other correct answers are principle of Discipline / Initiative / Espirit de corps) The characteristic of management mentioned in the above case is:
 Management is goal oriented as it seeks to integrate the efforts of different individuals towards the accomplishment of both organizational and individual goals. (The other correct answers are management is intangible/ group activity/dynamic)
2. The two values that Dabbawalas want to communicate to society are:
 - Concern for poor/ Humanity
 - Responsibility

Question 11.

‘Aapka Vidyalaya’ believes in the holistic development of students and encourages team building through a mix of curricular, co-curricular and sports activities. On its Founder’s Day, a stage performance had to be put up. A committee of ten prefects was constituted to plan different aspects of the function. They all decided to use recycled paper for decoration. There was a spirit of unity and harmony and all the members supported each other. With mutual trust and a sense of belonging, the programme was systematically planned and executed. Kartik, one of the prefects, realised that the group had unknowingly applied one of the principles of management while planning and executing the programme. He was so inspired by the success of this function that he asked his father to apply the same principle in his business. His father replied that he was already using this principle.

1. Identify the principle of management applied for the success of the programme.
2. State any two features of management highlighted in the above paragraph.
3. Identify any two values which ‘Aapka Vidyalaya’ communicated to society. (CBSE, Delhi 2015)

Answer:

1. The principle of management applied for the success of the programme is Espirit De Corps.
2. The two features of management mentioned in the above paragraph are as follows:
 - Management is goal oriented as it seeks to integrate the efforts of different individuals towards the accomplishment of both organizational and individual goals.
 - Management is pervasive as it is applicable to all types of organizations, (economic, social, political) all sizes of organizations (small, medium, large) and at all levels of management (top, middle and lower).
3. The two values that ‘Aapka Vidyalaya’ communicated to society are:
 - Responsibility
 - Sustainable development.

Question 12.

Telco Ltd. manufactures files and folders from old clothes to discourage the use of plastic files and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for cost reduction but it was not welcomed by the production manager. Another employee gave some suggestions for improvements in design, but it also was not appreciated by the production manager.

1. State the principle of management that is violated in the above paragraph.
2. Identify any two values that the company wants to communicate to the society. (CBSE, OD 2014)

Answer:

1. The principle of management that has been violated in the above case is Initiative. Initiative means taking the first step with self-motivation. The workers should be encouraged to develop and carry out their plans for improvement. Suggestion system should be adopted in the organization.
2. The two values that the company wants to communicate to the society are
 - Concern for environment
 - Providing job opportunities

Question 13.

Pawan is working as a Production Manager in CFL Ltd. which manufactures CFL bulbs. There is no class-conflict between the management and workers. The working conditions are very good. The company is earning huge profits. As a policy, the management shares the profits earned with the workers because they believe in the prosperity of the employees.

1. State the principle of management described in the above paragraph.
2. Identify any two values which the company wants to communicate to society. (CBSE, OD 2014)

Answer:

1. The principle of management described in the above paragraph is 'Harmony, not Discord'. Taylor emphasised that there should be complete harmony between the management and workers instead of a kind of class-conflict, the manager versus workers. To achieve this state, Taylor called for complete mental revolution on the part of both management and workers. The prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and vice versa. He advocated paternalistic style of management should be in practice.
2. The two values that the company wants to communicate to the society are:
 - Prosperity
 - Sharing

Question 14.

Voltech India Ltd. is manufacturing LED bulbs to save electricity. However, it is running under heavy losses. To revive from the losses, the management shifts the unit to a backward area where labour is available at a low cost. The management also asks the workers to work overtime without any additional payments and promises to increase the wages of the workers after achieving its mission. Within a short period, the company starts earning profits because both the management and workers honour their commitments.

1. State the principle of management described in the above paragraph.
2. Identify any two values that the company wants to communicate to the society. **(CBSE, Delhi 2014)**

Answer:

1. The principle of management described in the above paragraph is 'Discipline'.
Discipline- It refers to the obedience to organizational rules and the employment agreement. It is necessary for the systematic working of the organization. It requires good superiors at all levels, clear and fair agreements and judicious application of penalties.
2. The two values that the company wants to communicate to the society are:
 - Trust
 - Sustainable development

Question 15.

ABC Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibilities between workers and the management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behaviour of the management is very good.

1. State the principle of management described in the above paragraph.
2. Identify any two values which the company wants to communicate to society. **(CBSE, Delhi 2014)**

Answer:

1. The principle of management described in the above paragraph is 'Cooperation, Not Individualism'.
This principle is an extension of principle of 'Harmony, Not Discord'. There should be complete cooperation between the labour and the management instead of individualism. Competition should be replaced by cooperation and there should be an almost equal division of work and responsibility between workers and management. Also, management should reward workers for their suggestions which results in substantial reduction in costs. At the same time, workers should desist from going on strike and making unreasonable demands on the management
2. The two values that the company wants to communicate to the society are:
 - Participation
 - Sustainable development

Question 16.

The principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers while the other suggested that employees' compensation should depend on the earning capacity of the company and should give them a reasonable standard of living.

Identify and explain the principles of Fayol and Taylor referred to in the above paragraph. (CBSE, Delhi 2014)

Answer:

The principles of Fayol and Taylor referred to in the above paragraph are 'Remuneration of employees' and 'Harmony, Not Discord'.

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.

Harmony, Not Discord: Taylor emphasised that there should be complete harmony between the management and workers instead of a kind of class-conflict, the managers versus workers. To achieve this state, Taylor called for complete mental revolution on the part of both management and workers. The prosperity for the employer cannot exist for a long time unless it is accompanied by prosperity for the employees and vice versa. He advocated paternalistic style of management should be in practice

Question 17.

The principles of Taylor and Fayol are mutually complementary. One believed that management should not close its ears to constructive suggestions made by the employees while the other suggested that a good company should have an employee suggestion system whereby suggestions which result in substantial time or cost reduction should be rewarded.

Identify and explain the principles of Taylor and Fayol referred to in the above paragraph. (CBSE, Delhi 2014)

Answer:

The principles of Fayol and Taylor referred to in the above paragraph respectively are 'Initiative' and 'Cooperation and Not Individualism'.

Initiative: Initiative means taking the first step with self-motivation. The workers should be encouraged to develop and carry out their plans for improvement. Suggestion system should be adopted in the organization.

Cooperation and Not Individualism: This principle is an extension of principle of 'Harmony, Not Discord'. There should be complete cooperation between the labour and the management instead of individualism. Competition should be replaced by cooperation and there should be an almost equal division of work and responsibility between workers and management. Also, management should reward workers for their suggestions which result in substantial reduction in costs. At the same time, workers should desist from going on strike and making unreasonable demands on the management.

Question 18.

Nikita and Salman completed their MBA and started working in a multinational company at the same level. Both of them worked hard and were happy with their employer. Salman had the habit

of back-biting and wrong reporting about his colleagues to impress his boss. All the employees in the organisation knew about it. At the time of performance appraisal, the performance of Nikita was judged to be better than Salman. Even then their boss, Mohammed Sharif, decided to promote Salman stating that being a female, Nikita would not be able to handle the complications of a higher post.

1. Identify and explain the principle of management which was not followed by this, multinational company.
2. Identify the values which are being ignored quoting the lines from the above paragraph. (CBSE, OD 2013)

Answer:

1. The multinational company didn't follow the Principle of Equity. It emphasizes kindness and justice in the behaviour of managers towards workers. No discrimination should be made by them on the basis of caste, creed, gender or otherwise.
2. The two values which are being ignored in the given case are:
 - **Honesty:** "Wrong reporting about his colleagues to impress his boss."
 - **Justice:** "At the time of performance appraisal, the performance of Nikita was judged better than Salman. Even then their boss, Mohammad Sharif, decided to promote Salman."

Question 19.

Hina and Harish are typists in a company having the same educational qualifications. Hina gets Rs.3,000 per month and Harish gets Rs.4,000 per month as salaries for the same working hours. Which principle of management is being violated in this case? Name and explain the principle. (CBSE, Delhi 2006)

Answer:

The principle of Equity has been violated in this case. It emphasises kindness and justice in the behaviour of managers towards workers. No discrimination should be made by them on the basis of caste, creed, gender or otherwise.

Additional Questions

Question 1.

Radhika opens a jewellery showroom in Jaipur after completing a course in jewellery 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 should be responsible to only one superior.	Each group of activities having same objective 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.
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Question 3.

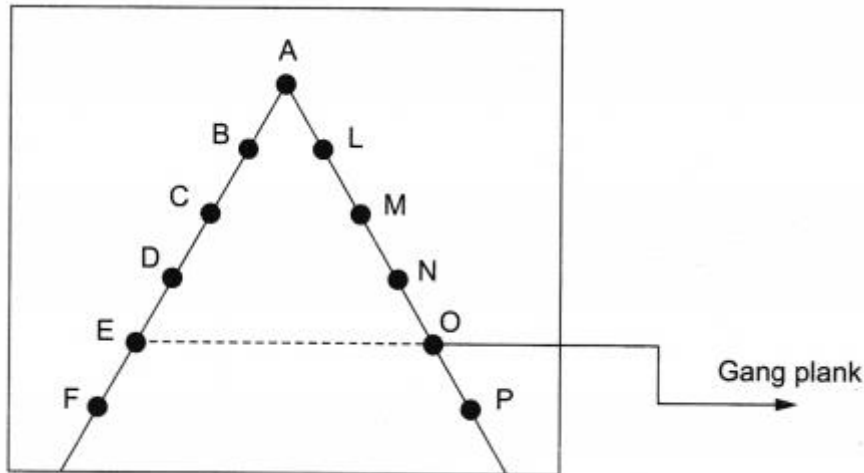
Neeraj is selected for the post of software developer in an IT Company. On the first day of his joining Mehul, his project manager tells Neeraj that during the course of his work he will come across many such opportunities which may tempt him to misuse his powers for individual or family’s benefit at 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.

Question 6.

After finishing her BBA degree course, Tanya gets a job of Assistant Manager in a retail company through the reference of her cousin Taruna who works in the same company as a Senior Manager. Taruna decides to guide Tanya through her experience by making her aware of the important facts about management in practice. She tells her that neither the principles of management provide any readymade, straitjacket solutions to all managerial problems nor they are not rigid prescriptions, which have to be followed absolutely.

In context of the above case :

1. Identify the two features of principles of management mentioned in the above paragraph by quoting lines from the paragraph.
2. Why do the principles of management not provide readymade, straitjacket solutions to all managerial problems?

Answer:

1. The two features of principles of management mentioned in the above paragraph are as follows:
 - **General guidelines:** The principles of management are guidelines to action. Since the real business situations are very complex and dynamic and are a result of many factors, these principles do not provide readymade, straitjacket solutions to all managerial problems. But the importance of principles cannot be underestimated because even a small guideline may help to solve a given problem.
 - **Flexible:** The principles of management are not rigid prescriptions which have to be followed absolutely. They are flexible and can be modified by the manager when the situation so demands. They give the manager enough discretion to decide which principle should be used under what circumstances as individual principles are like different tools serving different purposes.
2. As the real business situations are very complex and dynamic and are a result of many factors, the principles of management not provide readymade, straitjacket solutions to all managerial problems.

Question 7.

Raj and Simran are both qualified eye surgeons and good friends. After obtaining a certificate of practice, they decide to pursue a career of their own choice. Raj starts an eye care centre in the city whereas Simran joins a government hospital in a small village. They meet after a long time in a party. Raj invites Simran to visit his eye care centre and she accepts his invitation. She observes at his clinic that there is a fixed place for everything and everyone and it is present there so that there is no hinderance in the activities pf the clinic. Also, Raj always tends to replace T with 'We' in all his conversations with the staff members. Later on Raj shares with her that he always deals with lazy staff sternly to send the message that everyone is equal in his eyes.

In context of the above case:

1. Identify and explain the various principles of management that Raj is applying for the successful management of his eye care centre.
2. List any two values that Simran wants to communicate to the society by taking up a job in a village.

Answer:

1. The various principles of management that Raj is applying for the successful management of his eye care centre are described below:
 - **Order:** According to Fayol, “People and materials must be in suitable places at appropriate time for maximum efficiency.” The principle of order states that ‘A place for everything (everyone) and everything (everyone) in its (her/his) place’. A sense of orderliness will lead to increased productivity and efficiency in the organization.
 - **Espirit De Corps:** According to Fayol, “Management should promote a team spirit of unity and harmony among employees.” A manager should replace I with ‘We’ in all his conversations with workers to promote teamwork. This approach will give rise to a spirit of mutual trust and belongingness among team members. It will also reduce the need for using penalties.
 - **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.
2. The two values that Simran wants communicate to the society by taking up a job in a village are:
 - Humanity
 - Concern for poor

Question 8.

Hritik is desirous of setting up a small factory to manufacture different kinds of eco-friendly packaging materials. He proposes to adopt a logical approach to his business rather than hit and trial method as he knows that this can result in tremendous saving of human energy as well as wastage of time and materials. He plans to adopt paternalistic style of management in practice in order to avoid any kind of class-conflict that may emerge between him and the workers. Moreover, he plans to seek the opinion of his workers before taking any important decisions and also offers incentives to them for providing valuable suggestions for the business. In context of the above case:

1. Identify and explain the various principle of scientific management that Hritik plans to apply in his business.
2. List any two values that he wants to communicate to the society by offering eco-friendly packaging material.

Answer:

1. The various principle of scientific management that Hritik plans to apply in his business are described below:
 - **Science, not Rule of Thumb:** Taylor believed that there was only one best method to maximise efficiency and it could be developed through scientific study and analysis. This is because if the managers rely on personal judgment in attending to the work related problems, it may suffer from the limitation of a trial and error approach. Therefore, it is important for them to know what works and why does it work. For this, they should adopt scientific method to substitute the ‘Rule of Thumb or hit and trial method’ throughout the organisation.
 - **Harmony, Not Discord:** In the paternalistic style of management, the employer takes care of the needs of employees like a father. Taylor said that any kind of class conflicts between the workers and the managers were not good; rather they must realise that each one is important. Therefore, he emphasised that there should be complete harmony between the management and workers. To achieve this, Taylor called for complete mental revolution on the part of both management and workers by transforming their thinking. The management should share the gains of the company, if any, with the workers and at the same time, workers should work hard.
 - **Cooperation, Not Individualism:** Through this principle, Taylor suggests that there should be complete cooperation between the workers and the management instead of individualism. This principle is an extension of principle of ‘Harmony, Not Discord’. Both should realise the importance of each other. In order to replace the feeling of competition with cooperation, the management should not close its ears to any constructive suggestions made by the employees. Rather, the workers should be rewarded for any of their valuable suggestions which results in substantial saving in costs. Also, the workers should be taken into confidence by the management whenever any important decisions are to be taken.
2. The two values that Harit wants to communicate to the society by offering eco-friendly packaging material are:
 - Concern for environment
 - Sense of responsibility

Question 9.

‘Study Buddy Pvt. Ltd.’ is company dealing in stationery items. In order to establish standards of excellence and quality in materials and in the performance of men and machines, the company adheres to benchmarks during production. Moreover, its products are available in limited varieties, sizes and dimensions thereby eliminating superfluous diversity of products. Identify the technique of scientific management which has been adopted by ‘Study Buddy Pvt. Ltd.’

Answer:

Standardisation and Simplification of Work is the technique of scientific management which has been adopted by ‘Study Buddy Pvt. Ltd.’

Standardisation implies devising new varieties instead of the existing ones. It refers to the process of setting standards for every business activity; it can be standardisation of process, raw material, time, product, machinery, methods or working conditions. These standards are the benchmarks which must be adhered to during production. It helps to reduce a given line or product to fixed types, sizes and characteristics, establish interchange ability of manufactured

parts and products, determine standards of excellence and quality in materials and of performance of men and machines.

Simplification aims at eliminating superfluous diversity of products in terms of varieties, sizes and dimensions. It not only helps to reduce inventories but also to save cost of labour, machines and tools. Thus it helps to increase turnover by ensuring 'optimum utilisation of resources. Most large companies like Samsung, Toyota and Microsoft etc. have successfully implemented standardisation and simplification.

Question 10.

Anshul owns a small scale factory where utility items are prepared from waste material like paper mache items, paper and cloth bags, decorative material etc. Over the past few weeks, he was observing that the productivity of one of his very efficient worker, Ramdas, is going down. So he decides to probe into the matter and confronts Ramdas one day. On being asked, Ramdas shares with Anshul that he has deliberately slowed down in his work as many of the less efficient workers often pull his leg saying that there is no need for him to be more efficient when everybody is being paid at the same rate. Taking a lesson from this insight, Anshul decides to implement an incentive bonus plan so as differentiate between efficient and inefficient workers. In context of the above case:

1. Name and explain the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.
2. State any two values that Anshul wants to communicate to the society by setting up a special type of business.

Answer:

Differential Piece Wage System is the incentive bonus plan that Anshul may implement so as differentiate between efficient and inefficient workers.

Differential Piece Wage System is a performance based wage system which was introduced by Taylor so as to distinguish between the workers who were able to achieve the standard or performed above standard from those who performed below standard. For example, it is determined that standard output per worker per day is 10 units and those who made standard or more than standard will get Rs. 40 per unit and those below will get Rs. 30 per unit. Now an efficient worker making 11 units will get $11 \times 40 = \text{Rs. } 440$ per day whereas a worker who makes 9 units will get $9 \times 30 = \text{Rs. } 270$ per day. According to Taylor, the difference of Rs. 170 should be enough for the inefficient worker to be motivated to perform better.

Question 11.

Swaraj is running an office furniture showroom. Most of his clients are businessmen and they prefer to buy goods on credit. Keeping this in mind, he has given the power to the sales manager, Mr. Bhardwaj, to offer a credit period of only 20 days, while negotiating a deal with a buyer. On a specific day, Mr. Bhardwaj finds that if he can offer a credit period of 30 days as an exception to a prospective buyer, he is likely to finalise a highly profitable deal for the business. So Mr. Bhardwaj requests Swaraj to grant him additional authority for offering a credit period of 30 days in the interest of the business. But Swaraj refuses to extend his authority and as a result, the deal is not finalized.

In context of the above case:

1. Can Mr. Bhardwaj be held responsible for loss of the deal? Why or why not ? Give a suitable reason in support of your answer.
2. Also, explain the related principle.

Answer:

1. No, Mr. Bhardwaj cannot be held responsible for loss of the deal in the above case as he was not given the necessary authority to carry out his responsibility. There is an imbalance in authority and responsibility.
2. The name of the related principle is Authority and Responsibility.
Authority is the right to give orders and obtain obedience by the virtue of one's position in the organization. Responsibility is the obligation of a person to carry out the assigned task to the best of one's abilities and skills. There are two types of authorities, namely the official authority, which is the authority to command, and personal authority, which is the authority of the individual manager. Authority is both formal and informal. According to Fayol, there should be balance between the authority given and responsibility entrusted to an employee so that he is able to carry out the assigned task. Any kind of imbalance in authority and responsibility is not good for the organisation. If the authority granted to an employee is less than what is required, he will be ineffective in doing his work. On the other hand, if the authority delegated to an employee is more than what is required, he may tend to misuse it.