

# Assignment

[BM]

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Q.1 Define Management. What are levels of Management?

Ans: MANAGEMENT

Management is the art of getting work done out of other, working in a group.

Management is an art of making people work in an effective and effective manner.

The art of management lies in inducing people to work to the best of their efforts and emerges for the most efficient realism of common objectives. Management is the creation of an informed environment in an enterprise.

Management is what management does.

### LEVELS OF MANAGEMENT

Except for a tiny enterprise, there is a need for a number of managers to manage the affairs of an enterprise in an efficient way. Managers with different grades of authority ranging from the highest to the lowest, could be a number concurred of as forming a management levels hierarchy.

There are 3 broad levels of Managements are:

- 1) The upper level of management or the top level of management
- 2) The middle level of management or the operating level or the supervisory level of management

## \* Top level of management

Top level of management derives its power or authority directly from the owners of the enterprise who constitute the uppermost administration of the enterprise. In a corporate enterprise, the owners collectively called as the body of members elect the top level of management, called the Board of Directors. The Board of Directors usually is headed by a chief Executive for managing the corporate enterprise at the highest level of management.

### Functions

- i) Setting out the fundamental objectives of the enterprise.
- ii) Designing strategies for the attainment of such fundamental objectives
- iii) Policy formulation for guiding the decision-making by Subordinates to help the attainment of fundamental objectives
- (iv) Designing the organisational set-up at a macro level.
- (v) Appointment of key managerial personnel at the middle & lower levels of management.
- (vi) Development of master plans in areas of finance, human resource, technology, marketing and other spheres of the functioning of the enterprise.

(vii) To provide outstanding leadership to the whole enterprise, to care for coordination throughout the enterprise and to exercise an overall control over the actions of people performing throughout the enterprise.

#### \* The Middle Level of Management

The middle level of management usually consist of functional departmental managers like the production Manager, the finance Manager, the personal Manager, the Marketing Manager, the Account Manager and similar other Managers.

#### \* The Lower Level of Management

The lower level of management is called the operating level of management, because this is the level where actual operational work for the enterprise in the areas of production, finance, marketing, personnel, accounting etc. is performed by operators. It is also called the supervisory level of management because the main job of managers here consist in overseeing the work of the rank and file. The operating level of management consist of managers like the Supervisor, the foremen, the sales officers, the accounts officers, the Sectional manager and the like.

**Q:2 Explain the System Approach to Management ?**

### System Approach to the Study of Management

The term System is very old. But the concept of its recent application to the study of business and business management is new.

#### features

- (i) The term System is very comprehensive in nature.  
It provides a widest perspective to study of any phenomenon.
- (ii) The entire System is applied to the study of complex phenomena.
- (iii) The term System provides only a technique of analysis.  
It is just a viewpoint of looking at things.  
A System might be defined as one whole, consisting of parts parts which are interrelated or independent and arranged in a particular order according to some definite scheme, making for the whole.

Classification of System:- On the basis of interaction of system with environment, Systems may be -

- closed Systems.

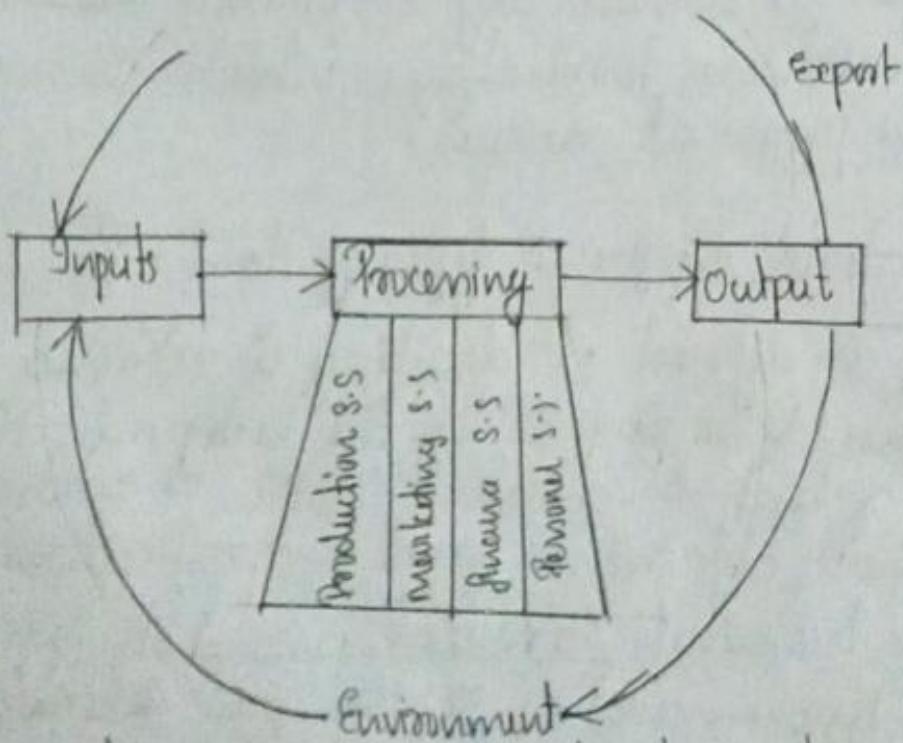
- Open System.

Closed Systems do not interact with the environment while open System interact with the environment. Business Structure and business management belong to the category of open System. According to modern management authorities no System is absolutely open or absolutely closed.

## Working of an Open System

Working of an open system with which are particularly concerned could be depicted as under. The figure is explained as, the business import input i.e., raw material, machinery, technology, finances, information, manpower etc. from the environment. Inputs are transformed or processed into output through functioning of business sub-sys. of production, marketing, finance, personnel etc.

The output is exported to the environment and from the environment a feedback for reaction or response is obtained, which helps in correcting inputs, during the next phase of business sys. functioning.



## Evaluation of the System's Approach

### Merits:

- (i) It highlights the interrelationships of various parts of the organization.

- (i) It makes a study of the interaction between business and its external environment.
- (ii) It permits a widest analysis of business functioning so as to have analysis of business management

### Limitations

- a) System's approach is only a tool of analysis. It doesn't make management thought.
- b) It offers nothing new to management thinking, which highlights interrelationship among various part of business organization.
- c) It makes for unnecessary complicated discussion about business terminology, which is more valid in physical sciences.

**Q: 3 Illustrate Different types of Plan. ?**

Ans

Planning is defined as deciding in advance about the objectives to be pursued by the enterprise; the selection of best alternative courses of action to reach these objectives and a specification of activities - technical, financial, personnel etc. required for the implementation of the pre-selected courses of action.

(a) Major Component parts of planning:-

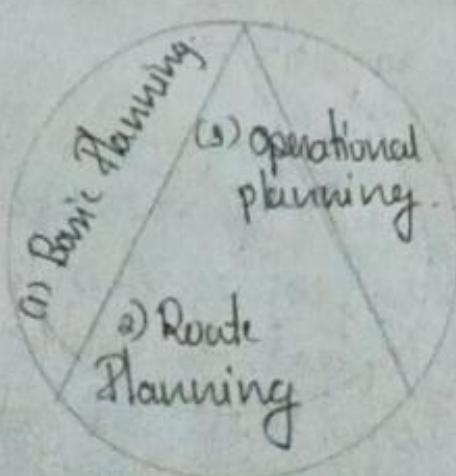
Initial (or basic) Planning: this is concerned with

selection of best alternative course of action; travelling through which the attainment of objectives is desired.

(b) Initial (or basic) Planning: this is concerned with the determination of the objectiveness

(c) Final (or operational) Planning: The planner would analyse the technical, financial, personnel and other aspects involved in implementing the pre-selected courses of action. Questions at this stage, may include:

- i) What technology is required?
- ii) How much finances are required?
- iii) Who would be responsible for the implementation of the plan.



Q:4 Explain the managerial Skills and Managerial roles of a Manager.

Ans

### MANAGERIAL SKILLS

By managerial skills, we mean the skills or qualities desired in managers, the possession of which would enable them to act better as practicing managers. The following are the broad types of managerial skills:

- 1) Technical Skill
- 2) Human Skill
- 3) Conceptual Skill.

#### D) Technical Skill :-

By technical skill it means the skill or knowledge which is required for performing an operational activity in the best possible manner. Technical skill is the technical expertise.

Technical skill is an imperative skills for management at the lower level of management, because it is actually these people who guide and supervise work of operations under their Subordination. If managers at lower level are not in adept technical matters; they would not be in a position to direct the operations of their Subordinates in the best manner; & lead them towards optimum performance quantitatively and qualitatively.

Technical Skill is also required in managers at upper and middle levels of management

### a) Human Skills.

By Human Skill it means the ability to tactfully deal with human beings and mould their behaviour at work in the desired manner to help attain the common objectives of the enterprise most effectively and efficiently. Human Skill requires an understanding of human behaviour which in turn necessitates an insight into human needs and ways and means of motivating people. Since managers at all levels in the enterprise are supposed to deal with human beings in a subordinate position, human Skill is equally needed by all managers - from the highest to the lowest authority in the management hierarchy.

### b) Conceptual Skills.

Conceptual Skills as the name suggests, is concerned with concepts ideas. The conceptual Skill means the ability to:

- a) to view the enterprise as whole in its totality, appreciating the inter-relationship among its diverse components.
- b) to analyse the implications of relevant external environmental factors - economical, social, political, technological etc. for the successful functioning of

Enterprise

(c) to consider the strength and limitations of the enterprise and.

(d) to finally take balanced and rational decisions based on an understanding of the above mentioned factors.

The Conceptual Skill is imperative for top management level, necessary for the middle management level and desirable for the lower management level.

### MANAGEMENT ROLES

Managers, especially at the top and middle management levels, perform some such functions additional to management function. However, these functions are vital and crucial for the enterprise life. These functions, therefore, are assigned the name of managerial roles. To highlight the significance and nature of work done by managers performing these roles.

Some important managerial roles are :

- (a) the figurehead role
- (b) the liaison role.
- (c) the spokesman role.
- (d) the role of a disturbance handler
- (e) the role of a negotiator.
- (f) the

### a) The figure head role:

A manager, being the head of a group of subordinates, performs the figure head role, in matter like the following:

- i) Attending the wedding ceremony of an employee of the organization.
- ii) Entertaining VIP visitors and taking them to such or dinner.
- iii) Acting as a chief guest at important social, religious and cultural functions - inside or outside the organization.

### b) The Liaison Role:

In this role, the manager maintains or helps to maintain a link of enterprise with outside parties, which is necessary for collecting useful information for the enterprise and developing good relations of enterprise with important sectors of society. Some ex: of the liaison role of the manager would be:

- i) Dealing with public grievances and complaints for betterment of public relations.
- ii) Maintaining contact with important government officials, like income-tax and sales tax officers, labour welfare inspector etc.
- iii) Keeping in touch with financial institutions for getting latest developments in areas of finance, audit & market trends.

### (c) the spokesman (or re presentation) role:

Performing such a role, the manager act as an agent of the enterprise belonged to by him.

The manager explains the viewpoint of the enterprise on significant matters of answers to queries of people.

Some ex. of such roles are:

- (i) Participation in Seminars, conferences or other meetings sponsored by trade associations or the governmental agencies.
- (ii) Explaining the major objectives, policies and programmes of the company to the members, at the general meetings of the company.
- (iii) Expressing the viewpoint of the enterprise in particular and of the business community in general, at important public functions.

### (d) the role of a disturbance-handler:

The organisational life, like the life of a layman, is full of problems and complex real-life situations. The managers frequently lies in handling such problems and situations in a manner that would lead to organisational happiness and prosperity.

Some example of situations where a manager would act as a disturbance handler might be:

- (i) Labor Strike
- (ii) Conflicts in the organisation due to difference

among Superior and Subordinates.  
(iii) at major power break-down.

### (e) The role of a negotiator:

The manager's role as a negotiator consists in settlement of terms and conditions with various parties - particularly outside the enterprise. Some e.g. of situations where a manager would perform such a role would be:-

- (i) Settlement about wages, working conditions, bonus, workers participation in management etc. with labour union.
- (ii) Bargaining with supplies of raw materials or goods.

## Q:5 Explain Classical Approach to Management.

### CLASSICAL APPROACH TO MANAGEMENT

The classical approach is also known as traditional approach, Management process approach or empirical approach.

The Main features are:

- 1) Management is viewed as a systematic w/ proven of interrelated functions. The mechanism by which these functions are performed and the interrelationship b/w these function is the core to classical approach.
- 2) Principles are developed on the basis of experiences

of practicing executives.

- 3) The functions, principles and skills of Management are universal and can be applied in different situations.
- 4) Formal Education and training such as case-study method is used to develop managerial skills.
- 5) Emphasis is placed on economic efficiency and formal organization structure.
- 6) People are motivated by Economic gains.

THE CLASSICAL APPROACH IS DEVELOPED THROUGH THREE MAIN STREAMS:

- 1) Scientific Management
- 2) Administrative Theory.
- 3) Bureaucracy.

#### 1) SCIENTIFIC MANAGEMENT

It was developed by Engineers and technicians like F.W. Taylor, known as the father of Scientific Management. Henry, Frank Gilbreth etc. viewed Management through technical viewpoint and the principles emphasized are:

- o Improving efficiency in the use of man and machines.
- o Science.
- o Creating group harmony.
- o Co-operation.

- Achieving maximum output
- Development of workers.

→ F.W Taylor's Scientific Management thoughts .

In the world of management, there is no concept of management which might be called 'Scientific Management' capable of universal application and commanding wide acknowledgement from scholars and practitioners of management

→ Taylor and his Work .

F.W. Taylor (1865-1911) was an American, who joined Midvale Steelworks, Philadelphia (U.S.A) as a machinist and gradually rose to the position of the chief engineer through hardwork and progress.

F.W. Taylor conducted his experiments in three companies viz, Midvale Steel Works, Simonich Rolling Machine and Bethlehem Steel Works.

Taylor's Scientific Management was, in fact a movement known as the 'Scientific Management Movement' pioneered by Taylor and carried on by his followers. The important publications of Taylor are all combined into one book titled 'Scientific Management'.

Scientific Management Defined : - It involves the applications of a scientific approach to managerial decision making & discarding at the same time, all unscientific

approaches like rule of the thumb, a hit or miss approach and a trial and error approach.

FW Taylor Defined Scientific Management in the Following Words:

"Scientific Management consists in knowing what you want men to do exactly, and seeing to it that they do it in the best and the cheapest Manner."

#### ⇒ PRINCIPLES OF SCIENTIFIC MANAGEMENT

- \* Science, not the rule of the thumb.
- \* Harmony, not discord.
- \* Co-operation, not individualism.
- \* Maximum production, in place of restricted production
- \* Development of each person to the greatest of his capabilities
- \* A more equal division of responsibility b/w management and workers.
- \* Mental revolution on the part of management and workers.

#### ⇒ STRUCTURE OF TAYLOR's SCIENTIFIC MANAGEMENT

Though Taylor's work and practice of it is quite comprehensive and detailed; yet the major aspects of work done by him could be summarised into the following outline structure:

- 1) Determination of a fair day's task for each worker through scientific methods (including the best way of doing a job)
  - a) Time Study
  - b) Motion Study
  - c) Fatigue Study.
- 2) Scientific Selection and training of workers.
- 3) Standardization of raw materials, tools and working conditions.
- 4) Functional Foremanship
  - i) Route clerk
  - ii) Instructions card clerk
  - iii) Time and Cost-clerk
  - iv) Shop Discipline
  - v) Young Boss
  - vi) Speed Boss
  - vii) Repair Boss
  - viii) Inspector.
- 5) Differential piece-rate System of wage-payment

⇒ MERITS OF SCIENTIFIC MANAGEMENT

- (i) More production and higher profit.
- (ii) Job Satisfaction.
- (iii) Personality development
- (iv) Higher Standard of living.

## ⇒ CRITICISM OF SCIENTIFIC MANAGEMENT

- (i) Unsuitable for the Small Employers.
- (ii) Unemployment
- (iii) Retarding human development.

## 2) ADMINISTRATIVE THEORY

Administrative Theory is also known as functional approach, developed by practitioners and thinkers like Henry Fayol, James D. Allam etc. They focused on development of managerial functions and principles of universal applications, it adopts wider prospective by attempting to improve efficiency of total organization than technical efficiency.

### Henry Fayol's Contribution to Management Thought

Henry Fayol (1841-1925) was a French mining engineer who turned a leading industrialist and a successful manager. He was a mining engineer in a French mining company and rose to the position of the chief Managing Director. In the field of managing, was reproduced in a monograph titled 'Administration Industrial and Generale'.

## Structure of Taylor's Work

Following is a brief comment on various facets of Taylor's work: Taylor's classification of business functions.

According to Henry Taylor all the activities of a business enterprise could be divided into the following six groups:

- i) Technical activities (relating to production)
- ii) Commercial activities (relating to buying, selling or exchange)
- iii) Financial activities (relating to search for and optimum use of capital i.e., finances)
- iv) Security activities (relating to protection of the properties and personnel of the enterprise)
- v) Accounting activities (relating to a systematic recording of business transactions & statistics)
- vi) Managerial activities.

## Taylor's Classification of Managerial Functions:

1. Planning
2. Organising
3. Commanding
4. Co-ordinating
5. Controlling.

## Qualities required in Managers :

1. Physical
2. Mental
3. Moral
4. Education
5. Technical
6. Experience.

## Fourteen General Principles of Management

Recommended by Fayol :

- (1) Division of Work
- (2) Authority and Responsibility.
- (3) Discipline.
- (4) Unity of Command.
- (5) Unity of Direction
- (6) Subordination of individual to general interest
- (7) Remuneration of Personnel.
- (8) Centralization
- (9) Scalar chain
- (10) Orders.
- (11) Equity
- (12) Stability of Tenure.
- (13) Initiative
- (14) Esprit de corps.

### 3) BUREAUCRACY

Evolved by the German Sociologist, max Weber, who has visualized a machine model of the organization, characterized by hierarchy of authority with a web of rules, regulations and impersonal control over human being.

#### MAX Weber's Ideal Organization - Bureaucratic Management Thought

MAX Weber (1864-1920) a German Social Scientist propagated his ideal form of organization based on the concept of bureaucracy.

#### Main Characteristics of Weber's Bureaucratic Model.

- i) High degree of division of work and Specialisation.
- ii) Rules, regulations and Procedures.
- iii) Hierarchy of authority.
- iv) Reward keeping.
- v) Technical Competence.
- vi) Impersonality.

#### Evaluations of Weber's Bureaucracy Model.

##### MERITS:

- (i) Specializations.
- (ii) Democracy.
- (iii) Systematic and orderly functioning.
- (iv) Efficient functioning.

## Limitations

- i) Lack of flexibility.
- ii) Organisational Operational delays.
- iii) increased-paperwork
- iv) Lack of initiative.
- v) No plan for human consideration.

## ADVANTAGES OF CLASSICAL APPROACH

It provides a convenient framework for education & training to managers by deriving principles out of past experiences for future application. The approach concentrates on the activities of managers, highlights universal nature of Management. It provides Scientific basis for Management practice.

## DISADVANTAGES OF CLASSICAL APPROACH

- a) It offers mechanistic framework which undermines roles of human factor.
- b) The Environmental dynamics and its effect on Management are discounted.
- c) Relying too much on past Experiences.

Q:6 Differentiate Open System and Closed System?

Ans: CLASSIFICATION OF SYSTEMS.

- Open System.
- Closed System.

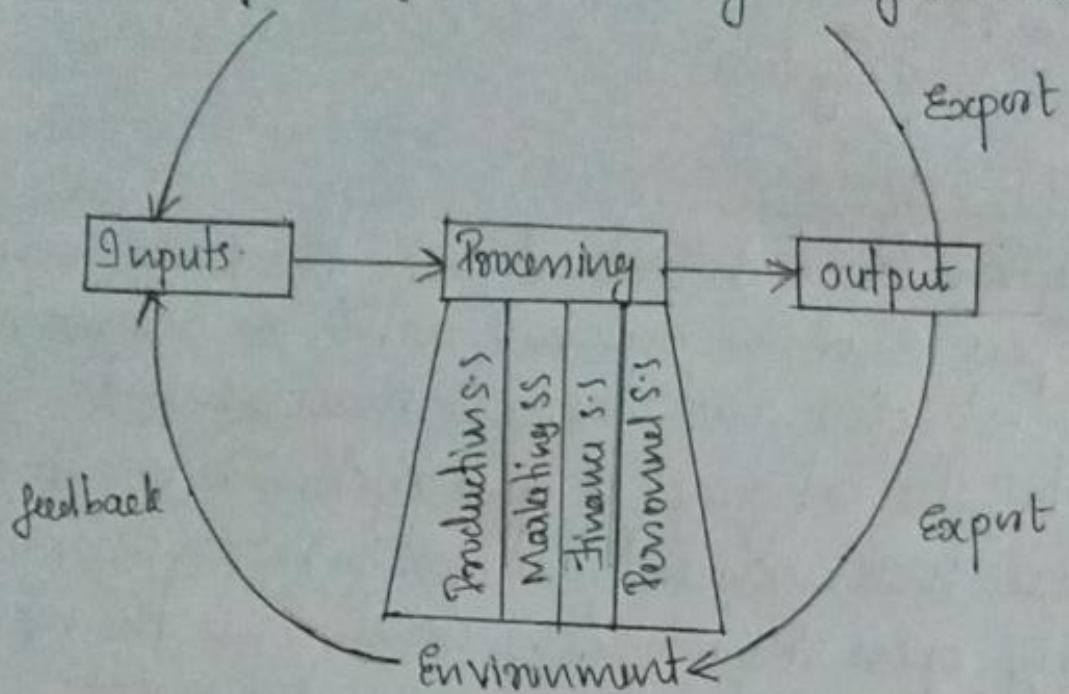
→ CLOSED SYSTEM

Closed Systems do not interact with the environment while open systems interact with the environment. Business Structure and business management belong to the category of open system. According to modern management authorities, no system is absolutely open or absolutely closed. Even the most closed system is a bit open, and the most open system is a bit closed. ∴ instead of classifying systems into absolutely open or closed categories, it must be analysed in terms of the degree to which a system is open or closed.

→ WORKING OF AN OPEN SYSTEM

The working of an open system, which we are particularly concerned, could be depicted as under. The figure is explained as, the business inputs like, raw materials, machinery, technology, finance, information manpower etc. from the environment. Inputs are transformed or processed into output through functioning of business sub-systems of production, marketing, finance, personnel etc.

the output is exported to the environment, & from the environment a feedback for reaction or response is obtained, which helps in correcting input, during the next phase of business systems functioning.



## Q:7 Explain Contingency Approach to Management

### CONTINGENCY APPROACH OR SITUATIONAL APPROACH.

Contingency approach is also known as situational approach, where managerial practice depends on circumstances, that is contingency or situation, it recognizes the influence of situation on organizational behavior patterns.

#### MAIN FEATURES:

1. Management is entirely situational, conditioned, complexity of the situation determines the measure of technique which is applicable and effective.

2. Management should match or fit the approaches to the requirements of a situation and effective management policies and practices are required to respond to environmental changes. That is, situational leadership style and control system should be designed.
3. Success depends on the ability to cope with environment, which needs good diagnostic skills to anticipate and comprehend the environmental changes.
4. Managers should understand there is no one best way to manage, that is need to consider principles and techniques universal.

#### DIMENSIONS OF CONTINUENCY APPROACH

- (i) Principles and technique of management which are valid in one country may not be valid in other countries, because of socio-political and cultural differences.
- (ii) In the same country, principles and techniques of management applicable to business enterprises may be less relevant for non-business enterprises.
- (iii) In the business sector itself, principles and techniques of management applicable to industrial enterprises may not be equally applicable to commercial enterprises.
- (iv) Whether in business or non-business sector, principles and techniques of management suitable for big enterprises may be unsuitable for small enterprises.

- (v) In the same enterprise itself, principles and techniques adopted at upper management levels may differ considerably from those adopted at lower management levels.
- (vi) In any enterprise, in any country, at any management level; there are day-to-day contingencies.

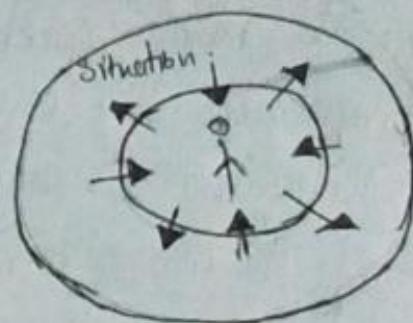
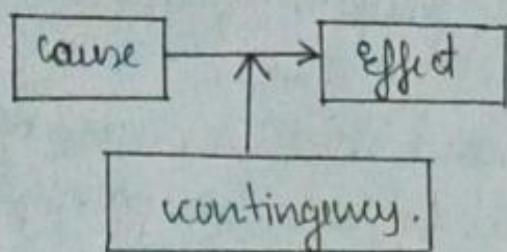


Fig:- Effect of Contingency plans on Situations.

### Evaluation of Contingency Approach: Merits & Limitations

MERITS : \* Practical approach  
 \* Motivational device.  
 \* Managerial Development.

LIMITATIONS : \* Just Common Sense.  
 \* Not fully applicable.

### Q:8 Explain Different Management Functions.

#### MANAGEMENT FUNCTION

Comprehensive and well accepted logical definition of management, defining it as management is what management does; leads us to consider what managers do,

during the course managing. What managers do really refers to the job of a manager which could best be analysed in terms of the functions of a manager.

### CLASSIFICATION OF MANAGERIAL FUNCTIONS

- (i) Planning.
- (ii) Organizing
- (iii) Staffing.
- (iv) Directing (influencing)
- (v) Controlling including co-ordination as the essence of Management.

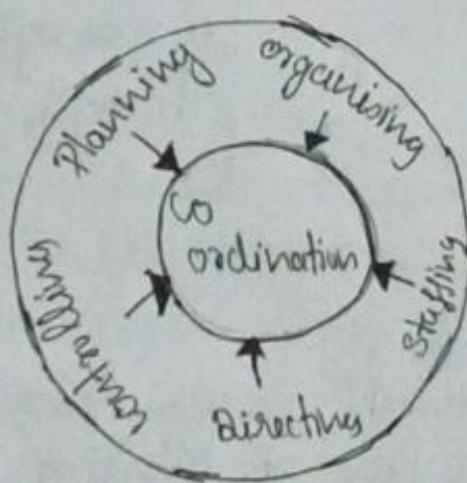


Fig :  
Structural  
classification  
of Management

Management Functions	Placement in the Structural classification
(i) Innovation (ii) Forecasting }	Planning .

- (iii) Budgeting
- (iv) Commanding
- (v) Communicating
- (vi) Leading
- (vii) Motivating
- (viii) Rewarding
- (ix) Evaluating
- (x) Investigation
- (xi) Decision-making

Planning and Controlling.

Directing

Controlling

A part of Every managerial function; because whatever a manager does he does through decision making

### I. PLANNING

Planning is a mental exercise done by a manager, through which a line of thinking and a course of action is chalked out in advance, before committing the precious scarce resource of the enterprise to use.

The conceptual framework of planning consists of the following aspects:

- (a) Determination of rational objectives for the whole enterprise, and for each of its units or subunits and
- (b) Selection of best alternative courses of action for the most efficient and economical.

## 2. ORGANIZING

At the stage of performing the organising function, the management is concerned with the determination of the total work-load which is necessary for the attainment of objectives and a suitable division of such work among individuals - managers and subordinates. tied to one another through clearly defined authority-responsibility relationship.

- a) Determination of the total workload which is necessary for the attainment of objectives
- b) classification of such work-load into groupings & sub groupings.
- c) Assignment of each grouping and sub grouping of activities to a distinct manager.
- d) Provision of necessary authority and facilities to each manager, who, in turn, would divide the work assigned to him among his group of subordinates.
- e) Establishment of clear-cut authority responsibility relationship among managers and subordinates working in different capacities throughout the enterprise.

## 3. STAFFING

Staffing implies the selection and placement of a most able and competent person on each position provided for in the organisational structure. The essence of Staffing is the placement of the right man on the right job and at the right time.

#### 4. DIRECTION

Directing might be defined as the actual management performance function. It is the stage in the performance of managerial functions where the manager is concerned with guiding his subordinates towards the best attainment of common objectives.

There are 4 aspects of the managerial function of directing:-

- (a) Leadership
- (b) Motivation
- (c) Communication
- (d) Supervision.

#### 5. CONTROLLING

Controlling, briefly, implies that the actions of people working throughout the enterprise are in conformity with the intentions of plans, and directly and positively contribute to the best attainment of the planned objectives.

- a) Determination of the standards of performance.
- b) Measurement of the actual performance of individuals.
- c) Comparison of actual performance with standards.
- d) Locating deviations and analysing their causes.
- e) Undertaking the necessary corrective action to ensure that Performance of individuals is in conformity with the pre-determined standards.

## PART-B

**Q:1 Explain 14 principles derived by Fayol**

**1) DIVISION OF WORK**

Fayol had applied the principle of division of work, in the management of business enterprises. Division of work leads to Specialisation results in increased human efficiency; as through the application of this principle, much more production is possible with the same amount of human efforts. Fayol recommends the application of this principle at both the levels in an organization operational and managerial.

**2) AUTHORITY AND RESPONSIBILITY :**

Authority in management, is the key to a managerial job is the power inherent in a managerial position which enables a manager to command Subordinates to work towards the attainment of enterprise objective. Responsibility is the reverse of authority whose essence is an obligation owned by Subordination to the Superior for the proper performance of the job for which authority is granted to the former.

**3) DISCIPLINE**

Means obedience to the rule of the organization, on the part of both managers and Subordinates. Discipline is necessary in an organization, if the organisation to the function properly and proper and grow.

#### (4) UNITY OF COMMAND.

Unity of command, is one of the most useful & significant principles of management advised by Taylor. According to this principle, a subordinate must get orders and instructions, only from one superior at a time. The obvious reason for the application of this principle is to avoid confusion on the part of a subordinate regarding whose orders the must obey. Fixation of responsibility in an exact manner on a subordinate by the superior issuing orders and instructions is facilitated.

#### (5) UNITY OR DIRECTION;

Unity of direction might be referred as 'similarity of guidance'. Unity of direction implies that for each group of activities having the same objective, there must be 'one head and one plan'. or similar activities must be guided in similar ways. In eg, if in a industrial enterprise there are 10,000 workers. Unity of direction is essential for achieving unity of action, in the pursuit of common objectives by group of persons.

#### (6) Subordination of Individual to general interest

The basic management philosophy, that in a group endeavour, the individual objectives of people are subordinate to the common group objectives.

There arises a conflict b/w individual and group objectives, the management must help in arriving

at reconciliation b/w the 2 set of objectives

#### (7) REMUNERATION OF PERSONNEL:

Remuneration of personnel is the price paid or payable to people both managers and workers for their services rendered towards the attainment of the enterprise objectives. Remuneration is of vital importance for a smooth functioning of organizational life, making for good or bad industrial relations. Good remunerations that the sum of remunerating personnel must be such as affords maximum satisfaction to both employees and employers.

#### (8) CENTRALIZATION

It means a rightful compromise b/w centralization and decentralization. 'Centralization' refers to a reservation of decision of authority at top levels of management. 'Decentralization' It means dispersal of authority from the central point to middle to lower levels of management. It is required to strike out a balance b/w centralization and decentralization; a rightful compromise b/w the 2 is required so to yield, most efficient and smooth functioning of the enterprise.

#### (9) SCALAR CHAIN

It might be defined as the chain of superior with grades of authority ranging from the

highest to lowest. The following simple figure illustrates the above concept. In the Scalar chain, each upper link is Superior; each lower links a Subordinate. For eg: in the above figure as b/w B & C, B is a Superior and C his Subordinate, as b/w C & D, C is a Superior and D his Subordinate and so on for all other links in the Scalar chain. The uppermost link of the Scalar chain represents the manager of the higher rank the lowermost link represents the manager of the lowest rank.

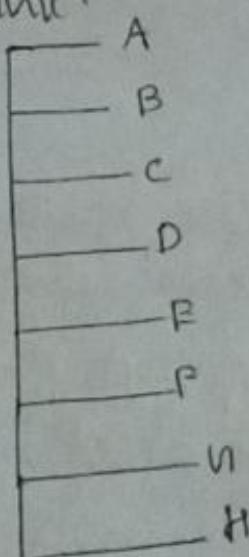


Fig: Scalarchain

#### (10) ORDER.

The principle of order implies a systematic arrangement of things and personnel. Order is classified by Fayol into 2 types of order as:

- (a) Material order (or Physical order)
- (b) Social order (or Human order)

Material order is described as a place for everything

and everything in its place'. Social order in a similar town might be described as a place for everyone and everything one is his/her place.

### (11) EQUITY

The concept of equity implies a sense of fairness & justice to all working in an enterprise. Observance of equity, alone would make personnel loyal & devoted to the organization made through a combination of kindness and justice, on the part of managers while dealing with their subordinates.

### (12) STABILITY OF TENURE

The efficiency of organization and management is related to the personnel must stay in the organization for as longer a period as possible. This might be called the principle of the stability of tenure. A minimum rate of labour turnover is inevitable, for reasons of retirement, death and other permanent incapacity of personnel and also for reasons of coping with the requirements of growth and expansion of the enterprise.

### (13) INITIATIVE

Initiative, in the managerial context refers to the freedom to think out a plan & its execution. Role of an intelligent employee is to have initiative in matters relating to his work.

#### (14) ESPRIT DE CORPS

Esprit de corps referred as union is strength is a simple common proverb. which refers to the strength or power associated with a group. When the members of the group work whole-heartedly in full co-operation with one another. As a principle of management, esprit de corps indicates a lesson to management to take steps for promoting team spirit among the group as it will greatly facilitate the most effective attainment of common objectives.

Q: 2 Explain the major contribution of Taylor to Scientific Management

#### F.W. Taylor's Scientific Management Thought

In the world of management, there is no concept of management which might be called 'Scientific Management' capable of universal application and commanding wide acknowledgement from scholars and practitioners of management.

#### Structure of Taylor's Scientific Management

Though Taylor's work and practice of it is quite comprehensive and detailed; yet the major aspects of work done by him could be summarised into the following outline structure.

(1) Determination of a fair day's task for each worker through Scientific Methods :-

In determining a fair day's task for each worker, Taylor recommended the use of Scientific methods involving the conduct of the following 3 types of work studies :-

- (a) Time Study
- (b) Motion Study
- (c) Fatigue Study.

An average worker is first selected for conducting the above work-studies. In case otherwise, the standards of work fixed would be either too high or too low. The above 3 work-studies are to be considered together to arrive at a fair day's task.

(2) Scientific Selection and training of Workers.

This aspect of Scientific management is the staffing angle of it. The workers under Scientific management must be properly selected by adhering to a carefully designed selection procedure. The selected workers must be imparted training in best methods of performing a job.

(3) Standardization of raw materials, tools and working condition.

(1) Raw materials, tools, machines and other facilities of work must be of a reasonably good quality, so that the quality of production is reasonable.

(iii) Another variety of standardisation which Taylor refers to is uniformity in providing work facilities and work conditions to all workers, doing a similar type of job.

#### (4) Functional Foremanship:

The scheme of functional foremanship recommended by Taylor is in fact an introduction of managerial specialisation at the shop level.

In the scheme of functional foremanship recommended by Taylor; there is a provision for 8 foremen of the following types:

(i) Route clerk: The route clerk is a foreman who would lay down the route of raw materials from the raw-material stage to the finished product stage, passing through different process & machines.

(ii) Instructions Card Clerk: The instructions card clerk is a foreman who would determine the detailed instructions for handling a job; and prepare a card containing such instructions.

(iii) Time and Cost Clerk: The time and cost clerk is a foreman who would record the time taken by a worker in completing a job; and would also compute the cost of doing that job.

(iv) Shop Disciplinarian: The shop disciplinarian would take after the maintenance of discipline in the

workshop and deal with cases of absenteeism, misbehaviour and other aspects of indiscipline.

(v) Wary Boss: The wary boss is the supervisor proper. He would see to it that all work-facilities are made available to workers and they start their work as per the instructions imparted to them.

(vi) Speed Boss: The Speed Boss is a foreman who would determine the optimum speed at which machines are to be operated. So that both over Speeding and under Speeding of machines are avoided.

(vii) Repair Boss: The repair Boss is a foreman, who would look after and take care of the repair & maintenance of machines.

(viii) Inspectors: The inspector is a foreman who would look after the quality of production.

### (5) Differential Piece-Rate System of Wage Payment

To motivate workers - positively as also negatively to produce the standard output, Taylor devised a scheme of wage payment known as the Differential piece-rate system of wage payment.

- (i) A standard op for each worker is determined in advance - through Scientific work Studies.
- (ii) Two rates of wage-payment are established

- (a) A higher rate per unit of O/P and  
(b) A lower rate per unit of O/P.
- (iii) Workers who produce the Standard O/P or exceed the Standard are paid according to the high rate for all the units produced by them. Those workers who are unable to come up to the Standard are paid according to the lower rate for all the units produced by them.

**Q:3 Explain the Various Step involved in planning with an Example .**

#### STEPS IN PLANNING.

Plans are made in all types of enterprises - business & non business. Plans made at different level of management over different functional areas like production, finance, Marketing, personnel etc. Because of such unique features associated with the managerial function of planning. Some basic steps of planning are:

- ↳ Being Watchful
- ↳ Setting objectives
- ↳ Establishment of planning premises
- ↳ Development of alternatives
- ↳ Critical evaluation of alternatives
- ↳ Selection of the best alternative
- ↳ Making derivative plan
- ↳ Implementation of the plan.

⇒ Follow-up-action.

⇒ Restarting the planning cycle.

### (i) Being Watchfull.

Being watchfull of opportunities for gain is technically not a step in planning. It is referred to as a pre-step in planning or a desirable pre-condition for making a successful plan. A progressive management must always be on the alert; being watchful to opportunities appearing in the environment to maximally exploited

### (ii) Setting Objectives

The real starting point of planning commences from setting objectives for the plan. Setting objectives for the plan is not only the beginning point of planning, but also the most crucial step in the planning process.

### (iii) Establishment of Planning Premises

After delimitation of rational objectives for the plan, the next step in planning process is the establishment of planning process. After establishment of planning premises, the revision of 'objectives' set in the light of forecasting must make the objectives more compatible with the established planning premises.

### (iv) Development of alternative course of action.

- there must be a search, on the part of management, for the best alternatives in view of its experience and expertise
- other than maximizing the no: of alternatives;

as large no. of alternative might become a prob.

#### (v) Critical Evaluation of Alternatives:

After the development of alternative courses of action for the plan, the next logical step, in the planning process would be undertake a critical evaluation of each alternative developed by the Management.

#### (vi) Selection of the best alternative:

Having evaluated all alternatives the next step, in the planning process is the Selection of one best alternative course of action.

#### (vii) Formulation of derivative plans:

A major plan, has a no. of derivative plans; plans derived from the main plan. Derivative plans might also be called supporting or minor or 2<sup>o</sup> plans.

#### (viii) Implementation of the Plan:

(a) Communicate the plan to those who are supposed to initiate action according to it.

(b) provide necessary instructions to operation.

(c) Arrange for all the facilities- material, machines, technology etc.

(d) See to it that people have actually started working according to the plan.

#### (ix) Follow-up Action

(a) Necessary corrective action could be taken in time &

(b) Better planning done in future, in the light of the consequences observed.

**Q:4 Explain the Process of MBO in detail.**

### MANAGEMENT BY OBJECTIVES (MBO)

The term management nor the term objectives is new, only new about those term is a distinct philosophy of management built around these terms; The credit for developing this philosophy of MBO is upon Peter F. Drucker.

#### CONCEPT OF MBO

- (i) MBO is distinct philosophy of management.
- (ii) MBO is short term management programme.
- (iii) MBO is based on principles of democratic Management.
- (iv) Verify is the key to MBO.
- (v) MBO is complete philosophy of managing. It is both a technique of planning and a technique of controlling.

#### PROCESS OF MBO

- (i) Preliminary setting of objectives at the top management level.
- (ii) Clarification of organisational roles.
- (iii) Setting individual objectives.
- (iv) Matching goals with resources.
- (v) Recyclying objectives.
- (vi) Performance appraisal.

#### MERITS OF MBO

- (i) Overall improvement in organisational performance.
- (ii) Specific Planning

- (iii) Eliots commitment
- (iv) Better Controlling.

#### LIMITATIONS:-

- (i) Failure of teach philosophy of MBO
- (ii) tug-of War phenomenon.
- (iii) Over-quantification of Management
- (iv) Over-Emphasis on Short-run goals
- (v) Wastage of time.

**Q:5 Explain SWOT Analysis and its importance .**

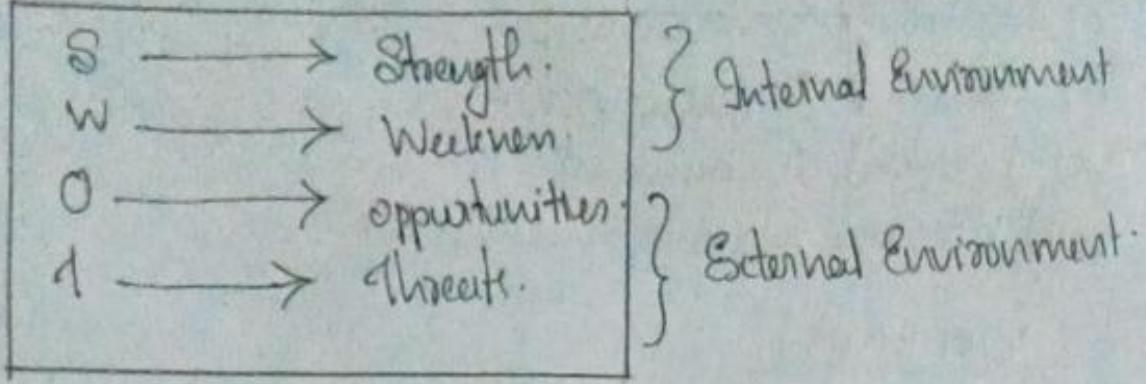
#### SWOT ANALYSIS

SWOT analysis is a key concept in the world of corporate planning, strategy formulation and other practical spheres of management. SWOT is also called TOWS by some management people.

#### Purpose of SWOT Analysis:

- (i) To capitalize the strengths of the company.
- (ii) To overcome the weaknesses of the company.
- (iii) To exploit fully the opportunities available in the external environment.

To manage successfully the threats posed by the external environment.



### INTERNAL ENVIRONMENT ANALYSIS

- (i) Philosophical Environment
- (ii) Managerial Environment
- (iii) Structural Environment
- (iv) Production Environment
- (v) Marketing Environment
- (vi) Personnel Environment
- (vii) Financial Environment
- (viii) Human Relations Environment

### EXTERNAL ENVIRONMENT ANALYSIS

- (i) External Environment is unlimited.
- (ii) By and large, external environment is beyond the control of management
- (iii) External Environment is very complex
- (iv) External Environment is highly volatile and turbulent.
- (v) External Environment is subject to perception values.

### STRENGTHS

- (i) Philosophical Environment
- (ii) Managerial Environment
- (iii) Structural Environment
- (iv) Production Environment

- (v) Marketing Environment
- (vi) Personnel Environment
- (vii) Financial Environment
- (viii) Human relations Environment

### WEAKNESSES

- (i) Philosophical Environment
- (ii) Managerial Environment
- (iii) Structural Environment
- (iv) Production Environment
- (v) Marketing Environment
- (vi) Personnel Environment
- (vii) Financial Environment
- (viii) Human relations Environment

### OPPORTUNITIES

- (i) Political factor
- (ii) Social - religious Cultural factor
- (iii) Competitive factor
- (iv) Technological factor
- (v) General Economic factor
- (vi) Financial factor
- (vii) Natural Environmental factor

### THREATS

- (i) Political factor
- (ii) Legal factor
- (iii) Social - religious Cultural factor
- (iv) Competitive factor
- (v) Technological factors

- (vi) General Economic factors.
- (vii) Financial factors.
- (viii) Natural Environmental factors.