**GE3751-PRINCIPLES OF MANAGEMENT**

**PART-B**

**UNIT I: INTRODUCTION TO MANAGEMENT AND ORGANIZATIONS**

**1. Define Management. Explain its characteristics and importance in organizations.**

**Answer:** **Definition:** Management is the process of planning, organizing, leading, and controlling organizational resources to achieve specific goals effectively and efficiently.

**Characteristics of Management:**

1. **Goal-Oriented** – Achieves objectives.
2. **Universal** – Applicable to all types of organizations.
3. **Social Process** – Involves people and group dynamics.
4. **Continuous Process** – Ongoing activity.
5. **Multidisciplinary** – Uses economics, sociology, psychology, etc.
6. **Dynamic Function** – Adapts to environment.

**Importance:**

* Helps in achieving group goals.
* Increases efficiency.
* Creates a dynamic organization.
* Develops society and economy.
* Provides leadership and guidance.

**2. Compare and contrast Manager vs Entrepreneur.**

**Answer:**

| **Criteria** | **Manager** | **Entrepreneur** |
| --- | --- | --- |
| Objective | Implements plans and policies | Creates and initiates business ideas |
| Risk | Risk-averse | Risk-taker |
| Innovation | Follows established processes | Introduces innovation |
| Rewards | Salary | Profits from business |
| Role | Employee | Owner/founder |
| Decision Making | Within the limits set by others | Independent and strategic decisions |

Both roles are essential for organizational success, but entrepreneurs focus on opportunity creation while managers focus on efficient execution.

**3. Explain the evolution of management thought.**

**Answer:** **1. Classical Approach:**

* *Scientific Management* (F.W. Taylor): Time study, work standardization.
* *Administrative Theory* (Henry Fayol): 14 principles of management.
* *Bureaucratic Approach* (Max Weber): Formal hierarchy, rules.

**2. Behavioral Approach:**

* Focus on human relations, motivation, leadership.
* Elton Mayo’s Hawthorne Experiments emphasized the social aspect of work.

**3. Quantitative Approach:**

* Use of mathematical models, statistics for decision making.

**4. Modern Approaches:**

* *Systems Theory*: Organization as an open system.
* *Contingency Theory*: No one best way; depends on situation.

**4. Discuss types of business organizations.**

**Answer:**

1. **Sole Proprietorship**: Owned by one person. Easy to form but limited capital.
2. **Partnership**: Two or more owners share profit and liability.
3. **Joint Stock Company**: Separate legal entity, limited liability. Shares are freely transferable.
4. **Co-operative Society**: Voluntary association for mutual benefit.
5. **Public Sector Enterprises**: Owned and operated by government (e.g., BSNL, ONGC).
6. **Private Sector Enterprises**: Owned by private individuals (e.g., Infosys, Reliance).

Each type has its own merits and limitations in terms of ownership, liability, taxation, and control.

**5. Explain organizational culture and environment.**

**Answer:** **Organizational Culture:**

* Shared values, beliefs, and practices in an organization.
* Types: Clan, Adhocracy, Market, Hierarchy cultures.
* Impacts employee behavior, performance, and motivation.

**Organizational Environment:**

* **Internal Environment**: Employees, policies, company structure.
* **External Environment**:
  + *Micro*: Customers, suppliers, competitors.
  + *Macro*: Political, Economic, Social, Technological (PEST).

Both influence how strategies are made and how businesses operate in dynamic conditions.

**UNIT II – PLANNING**

**1. Define Planning. Explain its nature, importance, and types.**

**Answer:** **Definition:** Planning is the process of setting objectives and deciding in advance the appropriate actions to achieve them.

**Nature:**

* Goal-oriented
* Pervasive
* Future-focused
* Continuous
* Flexible

**Importance:**

* Provides direction
* Reduces uncertainty
* Facilitates decision-making
* Improves resource utilization

**Types:**

1. **Strategic Planning** – Long-term, by top management.
2. **Tactical Planning** – Medium-term, departmental.
3. **Operational Planning** – Short-term, day-to-day activities.
4. **Contingency Planning** – For unexpected situations.

**2. Explain the steps involved in the planning process.**

**Answer:**

1. **Setting Objectives** – What the organization wants to achieve.
2. **Developing Premises** – Assumptions about the future.
3. **Identifying Alternatives** – Different courses of action.
4. **Evaluating Alternatives** – Assess pros and cons.
5. **Selecting the Best Alternative** – Based on feasibility and resources.
6. **Implementing the Plan** – Allocate resources and responsibilities.
7. **Follow-up and Monitoring** – Review progress and make changes.

Each step ensures the plan is realistic, flexible, and result-oriented.

**3. Describe Strategic Management and its process.**

**Answer:** **Strategic Management**:  
A continuous process of setting long-term goals, analyzing environment, formulating strategies, implementing, and evaluating.

**Process:**

1. **Environmental Scanning** – SWOT, PEST analysis.
2. **Strategy Formulation** – Mission, vision, objectives.
3. **Strategy Implementation** – Allocate resources, assign roles.
4. **Strategy Evaluation** – Compare actual vs planned results, take corrective actions.

Strategic management ensures the organization is proactive and competitive in a changing environment.

**4. Discuss various planning tools and techniques.**

**Answer:**

1. **Forecasting** – Predicting future trends.
2. **Scheduling (Gantt Chart, CPM/PERT)** – Time planning for tasks.
3. **Budgeting** – Financial planning and control.
4. **SWOT Analysis** – Identify Strengths, Weaknesses, Opportunities, Threats.
5. **Brainstorming** – Generating ideas and solutions.

These tools help managers make informed and efficient decisions.

**5. Explain the concept of decision-making and its types.**

**Answer:** **Decision-Making:** Process of selecting the best alternative from available options.

**Types:**

1. **Programmed Decisions** – Routine, repetitive problems.
2. **Non-Programmed Decisions** – Unique, unstructured problems.
3. **Strategic Decisions** – Long-term and organization-wide.
4. **Tactical Decisions** – Middle-level, departmental.
5. **Operational Decisions** – Daily routine operations.

Effective decision-making is essential for managerial success and achieving organizational goals.

**UNIT III – ORGANISING**

**1. Define Organising. Explain its principles and importance.**

**Answer:** **Organising** is the process of identifying and grouping work, defining roles, and establishing relationships to achieve objectives.

**Principles:**

1. **Division of Work** – Specialization improves efficiency.
2. **Authority and Responsibility** – Clear roles and accountability.
3. **Unity of Command** – One superior to report to.
4. **Scalar Chain** – Clear chain of command.
5. **Span of Control** – Number of subordinates per manager.
6. **Coordination** – Integration of activities.

**Importance:**

* Efficient use of resources
* Role clarity
* Encourages specialization
* Facilitates growth and expansion

**2. Differentiate between formal and informal organizations.**

**Answer:**

| **Feature** | **Formal Organization** | **Informal Organization** |
| --- | --- | --- |
| Formation | Deliberately planned | Spontaneously developed |
| Structure | Well-defined hierarchy | No formal structure |
| Rules & Procedures | Strictly followed | No written rules |
| Communication | Through official channels | Through social interaction |
| Leadership | Designated by management | Emerges naturally |
| Purpose | Achieve organizational goals | Satisfy social needs |

Both coexist in every organization and influence employee motivation and productivity.

**3. Explain types of organization structure with advantages and disadvantages.**

**Answer:**

1. **Line Organization**: Direct vertical relationships.
   * ✔ Simple, fast decisions
   * ✘ Overloaded managers
2. **Functional Organization**: Divided based on functions.
   * ✔ Specialization
   * ✘ Confusion due to dual reporting
3. **Line and Staff Organization**: Line managers + staff experts.
   * ✔ Expert advice + clear authority
   * ✘ Conflicts between line and staff
4. **Matrix Organization**: Dual authority (project and functional).
   * ✔ Resource sharing
   * ✘ Conflicts, confusion
5. **Project Organization**: Temporary teams for specific projects.
   * ✔ Flexibility
   * ✘ Lack of continuity

**4. Define Delegation. Explain its elements and barriers.**

**Answer:** **Delegation** is the assignment of responsibility and authority to subordinates.

**Elements:**

1. **Authority** – Right to make decisions.
2. **Responsibility** – Obligation to complete a task.
3. **Accountability** – Being answerable for outcomes.

**Barriers:**

* Manager’s unwillingness (fear of losing control)
* Lack of trust in subordinates
* Poor communication
* Inadequate training

Effective delegation boosts efficiency and prepares subordinates for higher roles.

**5. Describe HRM functions – Recruitment, Selection, Training, and Development.**

**Answer:** **1. Recruitment:**

* Attracting candidates for a job.
* *Sources*: Internal (promotion), External (ads, campus)

**2. Selection:**

* Choosing the most suitable candidate.
* *Steps*: Screening → Interview → Tests → Offer Letter

**3. Training:**

* Short-term skill improvement.
* Types: On-the-job, Off-the-job

**4. Development:**

* Long-term growth of employees.
* Focuses on leadership, attitude, and personality.

HRM ensures that the right people are placed in the right jobs and continue to grow.

**UNIT IV – DIRECTING**

**1. Define Directing. Explain its features and importance.**

**Answer:** **Directing** is the process of instructing, guiding, motivating, and leading employees to achieve organizational goals.

**Features:**

* Continuous process
* Executed at all levels
* Involves communication and leadership
* Human-centric

**Importance:**

* Initiates action
* Integrates efforts
* Motivates employees
* Ensures discipline and coordination

It is the heart of management because it activates plans.

**2. Explain Motivation theories in detail.**

**Answer:** **1. Maslow’s Hierarchy of Needs:**

* Physiological → Safety → Social → Esteem → Self-actualization

**2. Herzberg’s Two-Factor Theory:**

* *Hygiene factors* (salary, policy): Prevent dissatisfaction
* *Motivators* (recognition, growth): Create satisfaction

**3. McGregor’s Theory X and Theory Y:**

* Theory X: Workers are lazy → Need strict control
* Theory Y: Workers are responsible → Need empowerment

These theories help managers understand and improve employee motivation.

**3. Define Leadership. Explain different leadership styles.**

**Answer:** **Leadership** is the ability to influence people towards achieving goals.

**Styles:**

1. **Autocratic** – One-way control; fast decisions.
2. **Democratic** – Two-way communication; encourages participation.
3. **Laissez-faire** – Minimum interference; suitable for skilled teams.

**Situational Leadership** varies depending on team maturity and task complexity.

**4. Discuss the process and barriers of communication.**

**Answer:** **Process:**

1. Sender
2. Encoding
3. Channel
4. Receiver
5. Decoding
6. Feedback

**Barriers:**

* Language issues
* Poor listening
* Cultural differences
* Noise/interference
* Emotional distractions

Overcoming barriers ensures smooth information flow and reduces misunderstandings.

**5. Differentiate between formal and informal communication.**

**Answer:**

| **Type** | **Formal Communication** | **Informal Communication (Grapevine)** |
| --- | --- | --- |
| Structure | Hierarchical, official channels | Spontaneous, casual |
| Direction | Vertical, horizontal | All directions |
| Speed | Slower | Faster |
| Reliability | High (documented) | Low (rumors possible) |
| Example | Memos, reports | Gossip, chat |

Both are important – formal for authority, informal for bonding.

**UNIT V – CONTROLLING**

**1. Define Controlling. Explain its process.**

**Answer:** **Controlling** ensures actual performance matches planned objectives.

**Process:**

1. **Set standards** – Define measurable goals.
2. **Measure performance** – Collect actual data.
3. **Compare** – Identify deviations.
4. **Analyze deviations** – Find reasons.
5. **Take corrective action** – Adjust actions or plans.

It helps managers stay on track and make improvements.

**2. Explain types of control: Feedforward, Concurrent, and Feedback.**

**Answer:**

1. **Feedforward Control** – Anticipates problems before they occur.
   * Example: Safety training before machine use.
2. **Concurrent Control** – Monitors during the process.
   * Example: Supervisor on production floor.
3. **Feedback Control** – After the activity is done.
   * Example: Customer feedback survey.

Using all three ensures proactive and reactive control.

**3. Discuss the concept and steps of Budgetary Control.**

**Answer:** **Budgetary Control** is using budgets to monitor and control business activities.

**Steps:**

1. Prepare budgets (sales, production, expenses)
2. Communicate and implement
3. Monitor performance
4. Compare actual vs budgeted
5. Analyze variances
6. Take corrective action

It ensures efficient use of resources and cost control.

**4. Describe Productivity and methods to improve it.**

**Answer:** **Productivity** = Output / Input

**Methods to improve:**

* Use of technology
* Employee training
* Incentive systems
* Lean management
* Better working conditions

High productivity means more output with the same or fewer resources.

**5. Explain techniques of control in management.**

**Answer:**

1. **Financial Controls** – Budget, Ratio Analysis
2. **Non-Financial Controls** – Quality control, Performance appraisal
3. **Internal Audit** – Independent review of operations
4. **Management by Exception (MBE)** – Focus on significant deviations
5. **Break-even Analysis** – Cost-volume-profit relationships

Control techniques help measure and maintain organizational efficiency.