

**UNIT: I - 2 MARKS****1. Define Management.**

According to **KOONTZ & WEIHRICH**, “Management is the process of designing and maintaining of an environment in which individuals working together in groups efficiently accomplish selected aims”. “Management is the art of getting things through and with people in formally organized groups”. **Ex:** Human Resource Management, Financial Management.

**2. Is Management - an art or science?**

Managing as practice is an art; the organized knowledge underlying the practice is a science.

**3. What are the essential skills of Managers?**

The major skills required or expected out of managers are:- **Technical skills** – Pertaining to knowledge and proficiency in activities involving methods and procedures; **Human skills** – Ability to work effectively with other persons and to build up cooperative group relations to accomplish organizational objectives; **Conceptual skills** – Ability to recognize significant elements in a situation; and to understand the relationship among those elements; and **Design skills** – Ability to solve problems in ways that will benefit the enterprise.

**4. Define Scientific Management.**

“Scientific Management is concerned with knowing exactly what you want men to do and then see in that they do it best and cheapest way”.

**5. List the principles of Scientific Management.**

The principles of Scientific Management are:-

- ☐ Separation of planning and working
- ☐ Functional foremanship
- ☐ Job analyzers

**6. List the contributions of Fayol towards Management.**

Henry Fayol is a French industrialist whose contributions are termed as operational management or administrative management. He followed „The Classical Approach“ to the evolution of management thought. His contributions are given as follows:-

- Grouping of activities of an industrial organization into six groups, namely- Technical, commercial, financial, security, accounting and managerial;
- Identified six types of qualities of a manager are- Physical, mental, moral, educational, technical and experience;
- Fourteen principles of Management namely- Division of Work, Authority and responsibility and so on; and
- Five elements/functions of management- **Planning, organizing, commanding, coordinating and controlling.**

**7. List out the Functions of management**

- Planning
- Organizing
- Staffing
- Leading or Direction or Coordination
- Controlling

**8. List out the Management level.**

- Top-level management
- Middle level management
- Lower level management

**9. What are the roles played by a Manager?**

Interpersonal roles

Informational roles

Decision roles

- 8) Centralisation
- 9) Scalar chain
- 10) Order
- 11) Equality.
- 12) Stability
- 13) Initiative
- 14) Esprit de corps

**10. What is authority?**

It is the power given to a person to get work from his subordinates.

**11. What is responsibility?**

It is the amount of work expected of a man by his superior.

**12. Comment: Management is both – A science and an art.**

Management is a science because it contains general principles. It is also an art because it requires certain personal skills to achieve desired result.

**13. What is centralization?**

The organisation is centralized when the power is concentrated with one person.

**14. What is decentralization?**

If the power is fully distributed to the subordinates of the organisation.

**15. What is scalar chain?**

The instruction and orders should be sent from the top management to the lower management.

**16. What are management levels?**

- 1) Top-level management.
- 2) Middle level management
- 3) Lower level management

**17. Write some important functions of top management.**

- 1) To formulate goals and policies of the company.
- 2) To formulate budgets
- 3) To appoint top executives

**18. Write any two functions of middle level management.**

- 1) To train, motivate and develop supervisory level.
- 2) To monitor and control the operations performance.

**19. What are essential skills needed for the manager?**

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

**20. Write the function of management.**

- 1) Planning
- 2) Organising
- 3) Staffing
- 4) Coordinating
- 5) Controlling

**21. What is social responsibility?**

Society is the part of the management to initiate actions either to protect social interest of the society.

**22. List out the groups' responsibilities of management.**

- 1) Shareholders
- 2) Employees
- 3) Customers
- 4) Creditors
- 5) Suppliers

**23. What is ethics?**

All individuals in business or non-business activities are concerned with some standardized form of behaviour are known as ethics.

**24. What is ethics in management?**

- 1) Business ethics deals with morality of the business environment.
- 2) Business ethics relate to the behaviour of a businessman in a situation.

**Part-B - 16Marks****1. Explain the different Business organization.****Business Organization**

An Organization is a group of people working together to achieve a common goal. Organization exists to achieve goals that individuals cannot achieve on their own. Organization is grouping of activities and putting under different departments according to their functions. The Organization brings men and material resources together for fulfilling the goals of enterprises.

**Types of Organization**

1. Sole proprietorship / Individual
2. Partnership
3. Joint stock Company - Private Ltd Company & Public Ltd Company
4. Cooperative Enterprises
5. Public Enterprises / State ownership

**Sole proprietorship** - the individual entrepreneur supplies the entire capital, employs labor and machines. Individual uses his own skill in the management of affairs and is solely responsible for the good or bad result of its operation and working

**Merits**

1. Simplest form of business
2. Least legal complication
3. Quick decision
4. Maximum Profit
5. Personal Care
6. Quality product
7. Minimum wastage
8. Flexible business

**Partnership** - two or more persons come together and start a business with their own funds, the parties agree to share the profits as well as bear the losses in the agreed proportion. The formation and management of partnership organization is governed by the Indian Partnership Act, 1932.

### **Merits**

1. Has larger financial resources
2. greater personal contacts of the partners gives more customer base and benefits
3. Persons of different skills and abilities can work for betterment of Organization
4. Less expenditure per partner is involved in forming partnership Organization
5. Loss will be divided among the partners

**Joint Stock Company** - Capital is contributed by a large number of people in the form of shares of different values.

**Private Ltd Company** - can be established with two to fifty members. The maximum number of membership is limited to 50. When this type of Organization expands beyond certain limit, it can restrict its liability by registering the firm as a limited company. The company is registered under Indian Company act 1956.

**Public Ltd Company** - the minimum number of members required are 7 and there is no upper limit. Such companies offer shares to general public. Public Ltd companies are supervised and controlled by the Government to protect the interest of Share holder public. The company is governed by an elected body called board of directors.

### **Merits**

- The shareholders bear no risk as the liability is limited
- Large scale business can be undertaken
- Take advantage of economies of scale in production because

management can employ specialized labor, can use latest machinery and thus can achieve large scale production at low cost.

**Co-operative Enterprises** - Co-operation is a form of Organization where persons irrespective of caste, creed and religion, voluntarily associate together as human beings. It is based on the democratic principles and functions for the welfare of the public at large. It protects the interest of consumer as well as that of small producers.

### **Features**

- Voluntary Organization
- Open Membership
- Common purpose I Interest
- Democratic Management
- Not profit oriented

## **2. Is Management Profession-discuss?**

The essential attribute of a profession

1. A well-defined and organized body of knowledge
2. Learning and Experience
3. Entry restricted by qualification
4. Recognized national body
5. Ethical code of conduct
6. Dominance of service motive

**Mgt cannot be a fully fledged profession due to the following shortcomings**

- Skills not fully developed
- No uniform method of entry
- Objective is monetary rather than service

- Ethical code is not strict
- Associations are not statutory bodies

## **Levels of Management**

### **1. Top Level Mgt-**

- To analyze, evaluate and deal with the environmental forces
- To establish overall long term goals and broad policies of the company including the master budget
- To appoint departmental and other key executives
- To represent the company to the outside world
- To coordinate the activities and efforts of different department

### **2. Middle Level Mgt -**

- To interpret and explain the policies framed by top management
- To compile and issue detailed instruction regarding operations
- To cooperate among themselves so as to integrate various parts of the division or a department
- To motivate supervisory personnel to work for Organization goals
- To develop and train supervisory and operative personnel.



**3. Supervisory / Operating / Lower Level Mgt-**

- Topplan day to day production within the goals lay down by higher authority
- Toassign jobs to workers and to make arrangement for their training and development
- Tosupervise and control workers and to maintain personal contact with them.

**Roles of a manager (Mint berg)****1. Interpersonal Role - Interacting with people inside and outside the Organization**

- **Figurehead** - as a symbolic head of an organization, the manager performs routine duties of a legal nature
- **Leader** - Hiring, Training, motivating and guiding subordinates
- **Laison-** Interacting with other managers outside the organization to obtain favors and information

**2. Informational Role - Serving as a focal point for exchange of Information**

- **Monitor** - Seeks and receive information concerning internal and external events so as to gain understanding of the Organization and its environment.
- **Disseminator** - Transmits information to subordinates, peers and superiors within the Organization
- **Spokesperson** - Speaking on behalf of the Organization and transmitting information on Organization plans, policies and actions to outsiders.

**3. Decisional Role-** Makes important decision

- **Entrepreneur** - Initiating changes or improvements in the activities of the Organization on
- **Disturbance handler**- Taking charge and corrective action when Organization faces unexpected crises
- **Resource allocator** - Distributing Organization's resources like money, time, equipment and labor
- **Negotiator** Representing the Organization in bargaining and negotiations with outsiders and insiders.

### **3. Discuss the contribution of Henry Fayol Management.**

**Father of Management - Henry Fayol (1841- 1925) Henry Fayol contributed 14 principles to Mgt which is widely applied in the entire Organization**

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

**4. Discuss the contribution of F.W. Taylor to management.**

Taylor defined management as, "the art of knowing exactly what you want men to do and seeing that they do it in the best and cheapest way." The objective of management should be to secure the maximum prosperity for both the employer and the employees. Taylor stated that best management was a true science based upon certain clearly defined principles. He exhorted both managers and workers to substitute scientific investigation and knowledge in place of individual involvement and experience in all matters relating to the work alone in and organization. Taylor's theory came to be called 'scientific management'. His ideas are available in his book 'Principles of scientific management' published in 1911.

**Taylor's principles of scientific management are as follows;** Development of a true science for each element of a man's job to replace the old rule of thumb method.

- Scientific selection, training and development of workers for every job
- An almost equal division of work and responsibility between management and workmen, management entrusted with the planning of work and workmen to look after execution of plans.
- Close co-operation between management and workers to ensure that work is done in accordance with the principles of the science, which has been developed.
- Maximum output in place of restricted output.

**Techniques of scientific Management**

Taylor developed several techniques these techniques provide the mechanism for implementing his principles. Some of these techniques are given below:

1. Separation of planning and doing:
  - Taylor suggests the separation of planning and doing.
  - Taylor says that supervisor should be done the planning.
  - The workers only concentrate on doing the work.

## 2. Functional foremanship:

- Taylor developed a theory called functional foremanship based on specialization of function.
- In this system eight foreman were involved to direct and control the activities of the workers.

## 3. Job analysis -'

- Time Study: Time Study or work measurement is designed to establish the standard time required to carry out a job under specified conditions. It involves analysis of a job into its constituent elements and recording the time taken in performing each element. Taylor suggested the use of time study to lay down "a fair day's work "so as to avoid guesswork and certainty in the effort and productivity expected of each worker.
- Motion Study: It is a systematic and critical study of the movements of both the worker and the machine so as to identify and eliminate unnecessary and wasteful movements. Motion study helps to develop the best way of doing a Job.
- Fatigue study: Employees are both physical as well as mental fatigue easily.
- Fatigue study indicates the amount and frequency of rest required in completing the job. Taylor suggests a fair day's work requiring certain movements and rest periods to complete it.

## 4. Standardization:

Under scientific management, predetermined standards are laid down regarding the task, materials, methods, time, quality and cost and working conditions. Standardization helps to simplify work, to ensure interchangeability of parts, to ensure uniformity of operations and to facilitate comparisons of efficiency.

## 5. Scientific selection and training:

- Taylor suggested that workers should be selected on scientifically.
- A worker should be physically and technically most suitable.

**5. Is Management Art or Science. Comment.****Management as an Art**

- Art involves the practical application of personal skills and knowledge to achieve concrete results
- It is a practical way of doing specific things
- Art is a personalized process and every artist has his own style. Art is essentially creative and the success of an artist is measured by the results he achieves
- Art is a practice based and perfection in it requires continuous practice over a long period of time.

The main elements of an art are -

- a. Personal Skills
  - b. Practical know-how
  - c. Result orientation
  - d. Creativity
- constant practice aimed at perfection

**Management is basically an art because of the following reasons -**

- A manager applies his knowledge and skills to coordinate the efforts of people
- Mgt seeks to achieve concrete practical result
- Mgt is creative. It brings out new situation and converts into output
- Effective Mgt lead to realization of Organizational and other goals. Mastery in Mgt requires a sufficiently long period of experience in, managing.

**Management as Science****The essential elements of Science**

- is a systematized body of Knowledge

- Contains underlying principles and theories developed through continuous observation, experimentation and research.
- Universal applicability
- Organized body of knowledge can be taught and learnt in class room and outside.

- Mgt is a science because it contains all the essential of science. Thus, the theory (Science) and practice (art) of Mgt go side by side for the efficient functioning of an organization.

### Techniques of scientific Management

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- **Time Study:** Time Study or work measurement is designed to establish the standard time required to carry out a job under specified conditions. It involves analysis of a job into its constituent elements and recording the time taken in performing each element. Taylor suggested the use of time study to lay down “a fair day’s work “ so as to avoid guesswork and certainty in the effort and productivity expected of each worker.
- **Motion Study:** It is a systematic and critical study of the movements of both the worker and the machine so as to identify and eliminate unnecessary and wasteful movements. Motion study helps to develop the best way of doing a job.
- **Scientific Task Planning:** It is the technique of forecasting and picturing ahead every step in a long series of separate operations, each step to be taken in the right place, of the right degree and at the right time, and each operation to be performed at the optimum efficiency. It provides answers to question like what work is to be done, how its is to be due where it is to be done, and when it is to be done. More efficient routing systems and work scheduling were developed for effective planning of work.

- **Standardization and Simplification:** under scientific management, predetermined standards are laid down regarding the task, materials, methods, time, quality and cost and working conditions. Standardization helps to simplify work, to ensure interchangeability of parts, to ensure uniformity of operations and to facilitate comparisons of efficiency.
- **Differential Piece rate System:** Stressing the need for scientific determination of remuneration for workers, Taylor suggested that a direct link should be created between remuneration and productivity for motivating workers. For this purpose, he developed the differential piece rate system of wage payment. Under this system two pieces rates are laid down: one, low rate for those failing to achieve the standard output and the second higher rate for those achieving or exceeding the standard output. Suppose, the two-piece rates are Re.1 and RS.150 respectively. Standard daily output lay down through time and motion studies in 10 units. The daily wages of two workers A and B who produces 8 and 12 units respectively will be calculated as under:

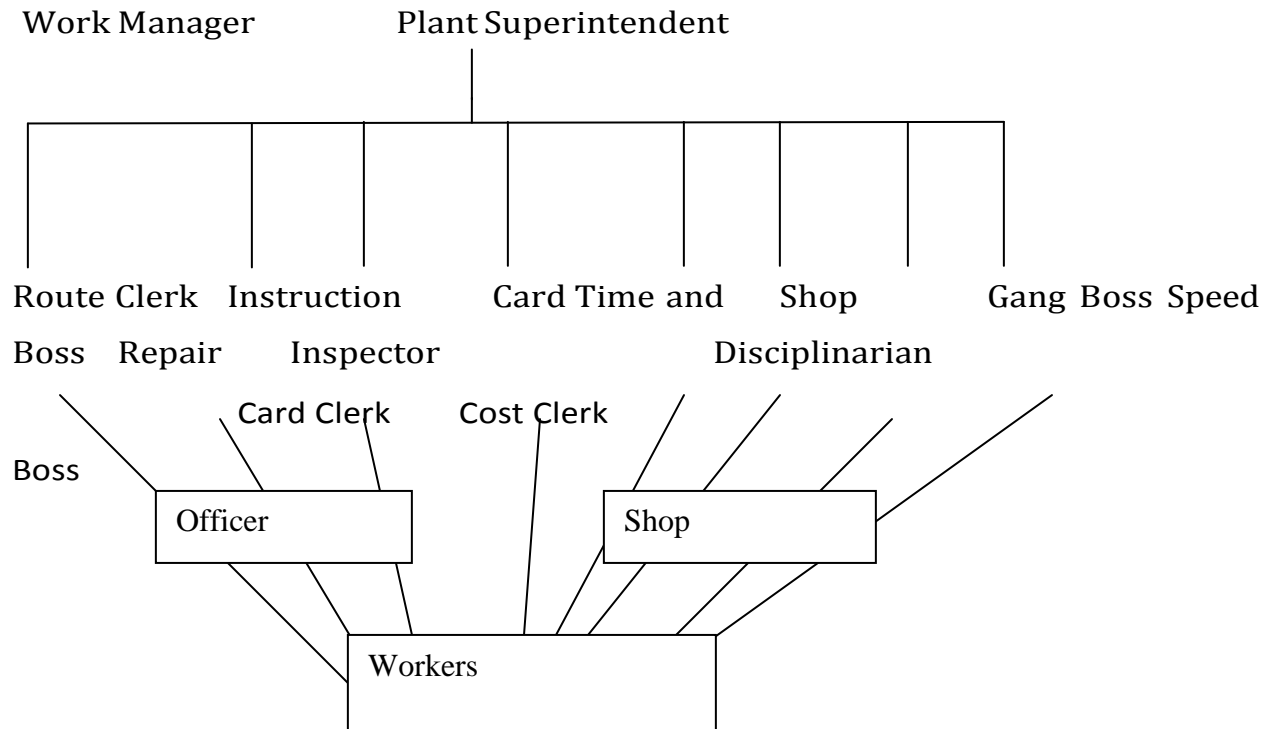
A's Wages = 8 units x Rs 1 = Rs.1

B's Wages = 12 units x Rs 1.50 = Rs 18

Due to Significant difference in wages, A and other inefficient workers will be under pressure to reach the standard output. B and other efficient workers will be encouraged to keep their output above standard. Differential piece rate system is thus better than the straight piece rate system under which the rate per pieces is the same for all workers.

- **Functional Foremanship:** According to Taylor, one Supervisor cannot be an expert in all aspects of work supervision. He suggested the system of functional Foremanship in which eight supervisors supervise a workers job. Four of them are concerned with the planning of work in the factory office and the other four are involved in the execution of work at the shop floor. The eight foreman and the their respective duties are give below:

- **Route clerk:** The route clerk lays down the sequence or path that each operation is to follow for the completion of a particular job. He decides the exact route through which every piece of work should travel from machine to machine. Workers are expected to do their work strictly according to the route specified by the route clerk.



- **Instruction Card Clerk:** The job of instruction card clerk is to prepare detailed instructions according to which workers have to perform their jobs. These instructions relate to matters like the speed of work, tools and fixtures to be used, technical specifications of work etc.
- **Time and Cost Clerk:** The time and cost clerk frames the timetable for doing various jobs and maintains the records of the costs of work.
- **Shop Disciplinarian:** The main function of the shop disciplinarian is to enforce rules and regulations and maintain discipline among workers .He deals with the cases of unauthorized absence from duty,



insubordination, violation of established rules and regulations etc.

- **Gang Boss:** The gang boss is concerned with all preliminary work before the actual operation. He has to assemble the necessary tools and equipment and also arrange the facilities in the plant .He is also workers and trade unions. They feared that working harder and faster might eventually lead to exhaustion of all available jobs and retrenchment. Scientific management has been criticized on the following grounds:
- i. **Mechanistic Approach:** The main criticism is that scientific management ignores the human element in production and is devoid of a human touch. It treats workers as factors of production and not as human beings. Too much emphasis is placed on technical aspects of work ignoring the human side. Therefore Taylor and his associates were ridiculed as efficiency experts and time study analysis.
- ii. **Unrealistic Assumptions:** Scientific Management is based on the assumption that people are rational and they are motivated by material gains. Taylor and his associates concentrated on physical and economic needs and overlooked the social and ego needs of people. Latter experience has revealed that financial gain is not the only things that matter. Workers also want job satisfaction, participation and recognition.
- iii. **Narrow View:** Scientific management is quite limited in scope. Taylor focused attention completely on efficiency at the shop floor. As a consequence management became the study of shop management while the more general aspects were overlooked. Scientific management has thus been described, as a theory of industrial engineering .It does not with management of the total organization.
- iv. **Impracticable:** Many ideas of Taylor are said to be infeasible in practice. For e.g. planning cannot fully be separated from doing because these are

two sides of the same job and are not different jobs. Similarly functional foremanship is likely to create problems because it violates the principle of unity of command.

- v. **Exploitation of labor:** In the name of increasing efficiency workers were forced to speed up affecting their physical and mental health. Specialization and standardization make the job dull and monotonous.

In final analysis, Taylor made a lasting contribution to making jobs and their management more efficient and productive. Scientific management was developed by engineers and scientists and their concern for efficiency led to better methods and tools. Many contributions of Taylor have stood the test of time. According to Peter Drucker Scientific management is one of the great liberating and pioneering insights. Without it a real study of human beings at work would be impossible. Taylor laid the foundations of management as science.

## 6. Explain the nature and scope of Management.

### Management Definition

Management is the art of getting things done through others. Harold Koontz Def as "Management is the process of designing and maintaining an environment in which individuals, working together in groups efficiently to accomplish selected aims"

Managers carry out their managerial function

- Applies to any kind of Organization
- Applies to managers at all organizational levels
- Aim is to create a surplus

- Concerned with productivity, implies effectiveness and efficiency
- Mgt of 4 M's in the Organization - Men, Machine, Materials & money

## **Characteristics of Management**

### **Mgt is Universal**

1. Mgt is Purposeful
2. Mgt is integrative Function
3. Mgt is a Social process
4. Mgt is a Multi disciplinary
5. Mgt is a continuous process
6. Mgt is intangible

### **Mgt is an art as well as a science Management as an Art**

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**Management as a Profession**

The essential attribute of a profession

1. A well-defined and organized body of knowledge
2. Learning and Experience
3. Entry restricted by qualification
4. Recognized national body
5. Ethical code of conduct
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## **7. Explain Functions of Management.**

Management is the art of getting things done through others. According to Harold Koontz, "Management is the process of designing and maintaining an environment in which individuals, working together in groups efficient to accomplish selected aims".

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