

Principles Of Management

1. _____ refers to doing the task correctly and with minimum cost. (2024)

- (A) Effectiveness
- (B) Coordination
- (C) Process
- (D) Efficiency

Ans. (D) Efficiency

2. State any four characteristics of management. (2024)

Ans. Characteristics of management are: (Any four)

- (i) Management is a goal-oriented process as it unites the efforts of different individuals in the organisation towards achieving these goals.
- (ii) Management is all pervasive function as its activities are common to all organisations whether economic, social or political.
- (iii) Management is multidimensional/complex as it involves: Management of work, Management of people and Management of operations.
- (iv) The process of management is a series of continuous, composite but separate functions that are simultaneously performed by all the managers all the time.
- (v) Management is a group activity as it requires team work and coordination of individual efforts in a common direction towards fulfilling the common organisational goal.
- (vi) Management is a dynamic function and has to adapt itself to the changing environment.
- (vii) Management is an intangible force that cannot be seen but its presence can be felt in the way the organisation functions.

3. State any four functions performed by Top Level Management. (2024)

Ans. Functions performed by Top Level Management are: (Any four)

- (i) Their basic task is to integrate diverse elements and coordinate the activities of different departments according to the overall objectives of the organisation.
- (ii) They are responsible for the welfare and survival of the organisation.



(iii) They analyse the business environment and its implications for the survival of the firm.

(iv) They formulate overall organisational goals and strategies for their achievement.

(v) They are responsible for all the activities of the business and for its impact on society.



Previous Years' CBSE Board Questions

2.1. Principles of Management - Concept and Significance

MCQ

1. The principles of management are guidelines to action but do not provide readymade straitjacket solutions to managerial problems.

The feature of principles of management discussed above is:

- (a) Universal applicability (b) General guidelines
(c) Flexible (d) Mainly behavioural.
(Term-1, 2021-22)

2. The application of principles of management is dependent upon the prevailing situation at a particular point of time.

The characteristic of principles of management reflected in the above statement is:

- (a) Universal applicability (b) Cause and effect relationship
(c) Flexible (d) Contingent.
(Term-1, 2021-22)

3. 'Management principles help in thoughtful decision making. They emphasise logic rather than blind faith. This statement describes the following point of significance of Principles of Management:

- (a) Fulfilling social responsibility
(b) Scientific decisions
(c) Meeting changing environment requirements
(d) Optimum utilisation of resources and effective administration.
(Term-1, 2021-22)

4. The principles of management are said to be flexible as:

- (a) they aim at influencing behaviour of human beings.
(b) they are general guidelines to action, but do not provide ready made solutions to management problems.
(c) they can be modified by the manager when the situation so demands.

(d) their application is dependent upon the prevailing situation at a particular point of time. (2020 C)

VSA (1 mark)

5. Principles of management equip the managers to foresee the cause and effect relationships of their decisions and actions so that the wastages associated with a trial and error approach can be overcome.

Identify the point of significance of principles of management highlighted here. (Foreign 2019)

SA II (4 marks)

6. Explain any four points of importance of principles of management. (Delhi 2016)

7. An environmentally conscious multinational company "AXN Ltd." follows certain well defined business principles that result to minimise the employee turnover. Following are some of the important environmental factors followed by 'AXN Ltd:

I. Honour the law of every country in which it operates.

II. Respect the culture and customs of all nations.

III. Provides clean and safe products to enhance the quality of life throughout the world.

IV. Develop a culture in the company that enhances individual creativity and teamwork while honouring mutual trust and respect between management and labour.

From the above,

(i) identify and state any one general principle of management and any one dimension of business environment.

(ii) also identify any two values which the above guiding principles and environmental factors are conveying to the society.

(Delhi 2015 C)

8. 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. The demand of lanterns was increasing day by day, so the company decided to increase production to generate higher sales. For this, they decided to employ people from the nearby villages 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.

(i) Identify and explain the objectives of management discussed above.

(ii) State any two values which the company wanted to communicate to the society. (Delhi 2014)

LA (5 marks)

9. Explain any five points of significance of Principles of Management. (NCERT, Delhi 2019)

10. Explain how principles of management help the managers:

(i) in taking scientific decisions and

(ii) in providing the managers with useful insights into real world situations. (Delhi 2019)

ET (6 marks)

11. Explain 'Cause and effect of relationship' as a feature of principles of management,

(i) Meeting changing environment requirements; and

(ii) Management training, education and research as significance of principles of management.

(2023)

12. Explain any four characteristics of principles of management. (Delhi 2016)

2.2 Fayol's Principles of Management

MCQ

13. Sangeeta visited 'Smile Dental Clinic' for treatment of toothache. She observed that the receptionist was seated at the reception desk, the place fixed for her. Dental instruments were laid neatly in dental instrument trays and the used instruments were placed in the sterilisation area. There was a fixed place for everything and it was present there. There was no hindrance in the work of the dentist and she was working with her maximum efficiency.

The principle of management followed at the 'Smile Dental Clinic' was

(a) Equity

(b) Discipline

(c) Order

(d) Initiative.

(2023)

14. Each participant in a formal organisation should receive orders from one and only one boss and be responsible to only one superior.

The principle of management discussed above is:

- (a) Authority and Responsibility (b) Unity of command
(c) Esprit de corps (d) Unity of direction
(Term-1, 2021-22)

15. 'Good Health Care' ensures that no doctor provides less favourable treatment to patients on account of gender, religion, occupation, language, caste, belief or nationality. They do their utmost to ensure that all patients are treated as fairly as possible. Identify the principle of management being followed by 'Good Health Care'!

- (a) Stability of personnel (b) Initiative
(c) Order (d) Equity
(Term-1, 2021-22)

16. Identify the principle of management given by Fayol according to which 'The intent of this principle is to produce more and better work with the same effort.'

- (a) Division of work (b) Unity of direction
(c) Scalar chain (d) Equity
(Term-1, 2021-22)

17. 'This principle will give rise to a spirit of mutual trust and belonging ness among team members. Which principle of management stated by Fayol is highlighted by this statement?

- (a) Initiative (b) Esprit de Corps
(c) Equity (d) Remuneration of Employees
(Term-1, 2021-22)

18. Pioneer Ltd. is dealing in fruit Juices and hair oils. To ensure unity of action and coordination, it has made two separate divisions for each product. Each division has its own incharge, plans and execution resources. Thus, both the divisions are moving towards the same objectives through focused efforts. Identify the Principle of management followed by Pioneer Ltd. in the above case.

- (a) Esprit de corps (b) Equity
(c) Unity of Direction (d) Authority and Responsibility
(Term-1, 2021-22)

19. The Fayol's principle of _____ emphasises on kindness and justice in the behaviour of managers towards workers.

(a) Equity

(b) Discipline

(c) Esprit de Corps

(d) Scalar Chain

(Term-1, 2021-22)

VSA (1 mark)

20. Appliances India Ltd. is engaged in manufacturing and distribution of home appliances since 1987. It has a good name in the market as the company is producing good quality appliances. It has separate departments for manufacturing, finance, sales, maintenance services and technical services to achieve specialisation.

Since the areas of operations of the company have increased and customers have become more demanding, the company decided to modify the existing principle of management to meet the changing requirements of the environment.

State the general principle of management which the company wants to modify to meet the changing requirements.

(Delhi 2019)

SA I (3 marks)

21. Vibhu joined as a Chief Executive Officer (CEO) of 'Mega Marut Ltd., a firm manufacturing cars. On the first day he addressed his subordinates saying that organisations should have a chain of authority and communication that runs from top to bottom and should be followed by managers and subordinates. He also added that for routine matters a worker can not directly contact the CEO but in an emergency he/she may contact directly.

Vibhu discussed an important principle of management. Identify and explain the principle with the help of an example.

(2023)

22. Vaibhav Sharma was working as the Production Manager in Crescent Pharmaceuticals Pvt. Ltd. To get his son admitted in school he wanted to take leave from the office but on the same day, an important meeting with the Chief Executive Officer (CEO) of the company was scheduled to discuss about some new medicines to be manufactured. Considering the significance of the meeting, he did not take leave. The CEO appreciated his exemplary behaviour as he gave priority to the organisational interest over his personal interest.

Name and explain the principle of management being followed by Vaibhav Sharma in the above case.



(2020 C)

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

24. Voltech India Ltd. is manufacturing LED bulbs to save electricity and is running under heavy losses. To revive from the losses, the management thought of shifting the unit to a backward area where labour is available at a low cost. The management also asked the workers to work overtime without any additional payment and promised to increase the wages of the workers after achieving its mission. Within a short period, the company started earning profits, because both the management and the workers honoured their commitments.

(a) State the principle of management described in the above para.

(b) Identify any two values that the company wants to communicate to the society. (Delhi 2014 C)

25. ABC Ltd. is engaged in producing electricity from domestic garbage. 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.

(a) State the principle of management described in the above para.

(b) Identify any two values which the company wants to communicate to the society.

(Delhi 2014 C, Delhi 2014)

26. Telco Ltd. is manufacturing files and folders from the old clothes to discourage 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 the cost reduction but it was not welcomed by the production manager. Another employee gave some suggestion for improvement in design, but it was also not appreciated by the production manager.

(a) State the principle of management described in the above para.

(b) Identify any two values that the company wants to communicate to the society. (AI 2014 C)

SA II (4 marks)

27. 'Aapka Vidyalaya' believes in 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 members supported each other. With mutual trust and belongingness the programme was systematically planned and executed. Kartik, one of the prefects, realised that unknowingly the group had applied one of the principles of management while planning and executing the programme. He was so inspired by the success of the function that he asked his father to apply the same principle in his business. His father replied that he was already using this principle.

- (a) Identify the principle of management applied for the success of the programme.
- (b) State any two features of management highlighted in the above para.
- (c) Identify any two values which 'Aapka Vidyalaya' communicated to the society. (Delhi 2015)

ET (6 marks)

28. Explain the following principles of management:

- (i) Equity
- (ii) Authority and Responsibility
- (iii) Stability of Personnel

(2023)

29. Explain the following principles of management:

- (a) Subordination of individual interest to general interest.
 - (b) Development of each and every person to his or her greatest efficiency.
- (AI 2015)**

2.3 Taylor's Scientific Management - Principles and Techniques

MCQ

30. Which principle of scientific management called for complete mental revolution on the part of management and workers?

- (a) Science, not rule of thumb
- (b) Harmony, not discord
- (c) Cooperation not individualism
- (d) Development of each and every person to his/her greatest efficiency and prosperity

(Term-1, 2021-22)



31. 'Heyday Productions' is a big factory having 3000 workers. Management of this factory wants that workers should not go on strikes for their unreasonable demands. There should be almost equal division of work and responsibility between workers and management and both of them have to realise that they need each other. To replace the competition by cooperation, management must give importance to those constructive suggestions made by employees which should result in reduction of cost. Identify the Taylor's principle of management applied by 'Heyday Productions':

- (a) Initiative
 - (b) Cooperation, not individualism
 - (c) Development of each and every person to his/her greatest efficiency and prosperity
 - (d) Subordination of individual interest to general interest
- (Term-1, 2021-22)**

32. In the technique of Functional Foremanship advocated by Taylor, the four personnel who work under Planning incharge are:

- (a) Disciplinarian, Instruction Card Clerk, Time and Cost Clerk, Route Clerk
 - (b) Speed Boss, Gang Boss, Repair Boss, Inspector
 - (c) Route Clerk, Time and Cost Clerk, Inspector, Instruction Card Clerk
 - (d) Speed Boss, Gang Boss, Repair Boss, Disciplinarian
- (Term-1, 2021-22)**

33. Reema is working as a Production Manager' in a company manufacturing different types of products of milk. Now she is planning to launch packaged Kheer in packs of 250 grams for which she requires to reduce a few lines of products which are not profitable. She knows that it will result in savings of cost of labour and machines.

Identify the technique of management applied by Reema in the above situation:

- (a) Motion study
 - (b) Time study
 - (c) Method study
 - (d) Standardisation and simplification of work
- (Term-1, 2021-22)**

34. The objective of which of the following techniques of scientific management is to determine the number of workers to be employed in an organisation?

- (a) Method study
 - (b) Motion study
 - (c) Time study
 - (d) Differential piece wage system
- (Term-1, 2021-22)**

35. 'Flavours of South' is a famous chain of South Indian restaurants. It believes in complete co-operation between the labour and management. It's management encourages the employees for their constructive suggestions. They take their employees into confidence for all important decisions.

Which principle of scientific management has been followed by 'Flavours of South'?

- (a) Science, not rule of Thumb
- (b) Harmony, not Discord
- (c) Co-operation, not individualism
- (d) Development of each and every person to his or her greatest efficiency and prosperity

(Term-1, 2021-22)

36. The _____ technique proposed by Taylor aims at eliminating unnecessary diversity of products.

- (a) Motion study
- (b) Standardisation and simplification of work
- (c) Differential piece wage system
- (d) Functional Foremanship

(Term-1, 2021-22)

37. Somesh works as a foreman in 'Lakshmi Automatives Ltd., a company manufacturing cars. He is subordinate to Ramesh, who is the Production incharge in the factory. Somesh is incharge of timely and accurate completion of job by workers working in the Production Department. There are three other foremen who work under the Production Incharge, while four other foremen work under Naresh, the Planning Incharge in the factory.

Each of the eight foremen is a specialist in his area and gives orders to the workers relating to it.

The technique of scientific management highlighted in the above case is:



- (a) Method study
- (b) Differential Piece Wage System
- (c) Functional Foremanship
- (d) Standardisation and simplification of work

(Term-1, 2021-22)

38. Vidhya Public School is a renowned school in Nagpur. The management recently appointed a new Business Studies teacher, Shweta, to teach classes XI and XII and gave her a monthly salary of ₹50,000. Shweta is not satisfied with it and said, 'The salary is not just and equitable as per the amount of work required to be done by a business studies teacher. Other schools in the city are paying 70,000 to their teachers teaching classes XI and XII!

Name the principle of management that has been violated by Vidhya Public School in the above case:

- (a) Discipline
 - (b) Remuneration of Employees
 - (c) Equity
 - (d) Esprit de corps
- (Term-1, 2021-22)

VSA (1 mark)

39. State the role of 'gang boss' in functional foremanship.
(Delhi 2016, AI 2016)

40. State the role of 'speed boss' in functional foremanship.
(Delhi 2016)

41. State the role of 'inspector' in 'functional foremanship'.
(Delhi 2016)

42. State the role of 'route clerk' in functional foremanship.
(AI 2016)

43. What is the use of 'Method Study' as a technique of scientific management?
(Delhi 2014)

44. What is determined by 'Time Study'?
(AI 2014)

SA I (3 marks)

45. Pawan is working as a 'Production Manager' in CFL Ltd. engaged in manufacturing of 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 matter, management is sharing the gains with the

workers because they believe that prosperity of the company cannot exist for a long time without the prosperity of the employees.

(a) State the principle of management described in the above para.

(b) Identify any two values which the company wants to communicate to the society. (AI 2014 C)

SA II (4 marks)

46. Sanchit, after completing his entrepreneurship course from Sweden returned to India and started a coffee shop 'Aroma Coffee Can' 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 kept 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.

(Delhi 2017)

LA (5 marks)

47. Explain the following techniques of Scientific Management:

(a) Fatigue Study and

(b) Differential Piece Wage System

(Delhi 2019)

48. Explain the following principles of scientific management:

(a) Harmony, not discord and

(b) Development of each and every person to his or her greatest efficiency and prosperity.

(Delhi 2019)

49. Explain the following techniques of scientific management:

(a) Motion study and



(b) Time Study.
(Delhi 2019)

50. With the help of a diagram explain 'Functional Foremanship' as a technique of scientific management.
(Delhi 2015)

51. 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 in the above para.
(Delhi 2014)

52. Principles of Taylor and Fayol are mutually complementary. One believed that management should share the gains with the workers, while the other suggested that employee's 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 para. (AI 2014)

ET (6 marks)

53. Explain the following principles of Scientific Management:

- (i) Harmony, not Discord
- (ii) Science, not Rule of Thumb

(2023)

54. Explain the following techniques of scientific management:

- (a) Method study
- (b) Motion study
- (c) Time study

(2021 C)

55. 'Scientific Management means knowing exactly what you want men to do and seeing that they do it in the best and the cheapest way! Taylor developed various techniques for application of Scientific Management principles and was able to achieve a threefold increase in productivity in Bethlehem Steel Company, where he worked. One of the techniques helps to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.

Another technique recognises those workers who are able to accomplish/exceed the fair day's work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers.

Quoting the lines from the above paragraph, identify and explain the two techniques of Scientific Management.

(AI 2019)

56. Karan Nath took over 'D'north Motor Company' from his ailing father three months ago. In the past, the company was not performing well. Karan was determined to improve the company's performance.

He observed that the methods of production as well as selection of employees in the company were not scientific. He believed that there was only one best method to maximise efficiency.

He also felt that once the method is developed, the workers of the company should be trained to learn that 'best method'.

He asked the Production Manager to develop the best method and carry out the necessary training. The Production Manager developed this method using several parameters right from deciding the sequence of operations, place for men, machines and raw materials till the delivery of the product to the customers. This method was implemented throughout the organisation. It helped in increasing the output, improving the quality and reducing the cost and wastage.

Identify and explain the principles and the technique of scientific management followed by the production manager in the above case.

(AI 2018)

57. Explain the following techniques of scientific management:

(i) Differential piece wage system and

(ii) Motion Study.

(Delhi 2015)

58. Explain the following techniques of scientific management:

(i) Times study and

(ii) Simplification of work.

(Delhi 2015)

59. Explain the following principles of management

(a) Science, not rule of thumb

(b) Discipline

(AI 2015)



60. Explain the following principles of management:

- (a) Scalar chain
 - (b) Harmony, not discord.
- (NCERT, AI 2015)

CBSE Sample Questions

2.2 Fayol's Principles of Management

MCQ

1. Name the principle of management given by Fayol which when applied would mean that the workers and management both honour their commitments without any prejudice towards one another.

- (a) Discipline
 - (b) Mental Revolution
 - (c) Remuneration of employees
 - (d) Scalar chain
- (Term-1, 2021-22)

2. The principle of management given by Fayol which aims at preventing overlapping of activities is:

- (a) Division of work
 - (b) Unity of Command
 - (c) Unity of Direction
 - (d) Order
- (Term-1, 2021-22)

3. The CEO of Radhe Cycles Pvt Ltd. Mr. Kumar wants to get maximum output from the employees at a competitive cost. On the other hand, Ramakaant, an employee of the company wants to get the maximum salary while working the least. The principle of management given by Fayol being violated by Ramakaant is _____.

- (a) Remuneration
- (b) Equity
- (c) Discipline
- (d) Subordination of individual interest to general interest.

(Term-1, 2021-22)

4. In Shalleen Pvt Ltd. there is one head Shalleen who has two lines of authority under her. One line consists of Sara-Rajat-Abhishek-Ismail-Chris. Another line of authority under Shalleen is Lata-Rupa-Geet-Hussain-Preeti. According to a Principle of Management given by Fayol, if Ismail has to communicate with

Hussain who is at the same level of authority, then illustrate the route he will have to traverse.

- (a) Ismail-Abhishek-Rajat-Sara-Shalleen-Lata-Rupa-Geet-Hussain
- (b) Hussain-Geet-Rupa-Lata-Shalleen-Sara-Rajat-Abhishek-Ismail
- (c) Ismail-Chris-Shalleen-Preeti-Hussain
- (d) Ismail-Abhishek-Rajat-Sara-Lata-Rupa-Geet-Hussain

(Term-1, 2021-22)

ET (6 marks)

5. Briefly explain any three of the following principles of management given by Henry Fayol:

- (a) Unity of command
- (b) Equity
- (c) Remuneration
- (d) Initiative

(2022-23)

2.3 Taylor's Scientific Management - Principles and Techniques

MCQ

6. Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. Identify the principle of Scientific management being discussed above:

- (a) Harmony, not discord
- (b) Science, not rule of thumb
- (c) Development of each and every person to his or her greatest efficiency and prosperity
- (d) Cooperation not individualism

(Term-1, 2021-22)

7. The technique of Scientific Management given by Taylor, which aims to establish interchangeability of manufactured parts and products is _____

- (a) Method Study
- (b) Motion study
- (c) Standardisation
- (d) Differential Piece wage system.

(Term-1, 2021-22)

8. Taylor proposed eight specialists from whom each worker will have to take orders from as part of the technique of Functional Foremanship specified by him.

Those with technical, mastery, intelligence and grit may be given _____ work.
Those with energy and good health may be assigned _____ work.

- (a) Planning, Execution (b) Execution, Planning
(c) Production, Planning (d) Implementation, Production
(Term-I, 2021-22)

9. According to the technique of Scientific management “Differential Piece Wage system” How much more will a worker making 60 units earn as compared to a worker making 49 units? If the standard output per day is 50 units and those who make standard output or more than standard get Rs. 75 per unit and those below get Rs. 65 per unit.

- (a) Rs. 4500 (b) Rs. 3185
(c) Rs. 1315 (d) Rs. 3250
(Term-I, 2021-22)

ET (6 marks)

10. Briefly explain any three of the following techniques of Scientific Management as given by F.W. Taylor:

- (a) Method study (b) Functional foremanship
(c) Standardisation (d) Differential piece wage system
(2022-23)

11. Explain ‘Science, not rule of thumb’, ‘Harmony, not discord’, and ‘Development of each and every person to his or her greatest efficiency and prosperity’ as principles of Scientific Management given by F.W. Taylor.
(2020-21)

ANSWERS

Previous Years' CBSE Board Questions

- (b): Principles of management act as guidelines and are considered to be the general premises for decision making but they do not provide straitjacket solutions to problems.
- (d): Contingent - The application of principles of management is dependent upon the prevailing situation at a particular point of time.
- (b): The significance of management principle that emphasises on logic rather than blind faith is ‘scientific decisions’.
- (c): They can be modified by the manager when the situation so demands.



5. The point of significance of principles of management highlighted here is that 'Management principles help in optimum utilisation of resources and effective administration'.

6. Importance of principles of management are:

(i) Providing managers with useful insights into problems by improving the manager's ability to locate problems and opportunities in business situations leading to better managerial decision making.

(ii) Scientific decisions: Management principles help in thoughtful decision making. They are based on logic and objective assessment of the situation.

(iii) Fulfilling the social responsibility: Management principles help the managers to fulfill their social responsibility e.g, principles of remuneration recommend payment of adequate salary to employees.

(iv) Meeting the needs of the changing business environment: Principles of management are flexible, i.e., they can be modified according to the changes taking place in the environment. Thus, they help the managers in meeting the needs of changing business environment.

7. (i) Principle of management: Cooperation not individualism and the company are open to employee's suggestion and creativity is encourage.

Dimension of business environment: The Company follows legal environment of every country.

(ii) Values followed: (a) Team spirit (b) Concern for the environment.

8. The objectives of management referred to are:

(i) Social Objectives: These objectives are intended to do socially useful things in the areas of health, safety, environment, etc. such as:

(a) Generation of employment opportunities in rural areas.

(b) Providing jobs to physically disabled people, etc.

(ii) Two values which the company wanted to communicate to the society are:

(a) Community development by taking decision to open schools and creches for the children of it's employees.

(b) Increase in employment opportunities in rural/ backward areas.

9. The points of significance of Principles of Management are given as follows:

(i) Insights to reality: As management principles are based on years of experimentation and experience, they guide the managers in facing real-world problems in a more effective manner.



(ii) Suitability to dynamic environment: The application of management principles depends on the situation and the manager's creativity. These principles can be moulded as per the requirements and are thus flexible.

(iii) Social responsibility: By taking care of customers' values and business dealings, management principles help the managers and the entire organisation in fulfilling their social responsibilities.

(iv) Optimum utilisation of resources: Management principles provide an exact cause-and-effect relationship of the manager's decisions, thereby minimising the risk of wastages of resources that may be associated with the trial-and-error method.

(v) Logical decisions: Management decisions should be based on reason and proof rather than beliefs and intuitions. As the principles of management were developed from experiments on real-life problems, they stand the test of logic and reasoning.

10. Principle of Management helps in:

(i) Scientific Decisions - Management decisions should be based on reason and proof rather than beliefs and intuitions. As the principles of management were developed from experiments on real-life problems, they stand the test of logic and reasoning.

(ii) Insights to reality - As management principles are based on years of experimentation and experience, they guide the managers in facing real-world problems in a more effective manner.

11. Cause and effect relationships: The principles of management are intended to establish relationship between cause and effect, so that they can be used in similar situations in a large number of cases. As such, they tell us if a particular principle was applied in a particular situation, what would be its likely effect.

The principles of management are less than perfect since they mainly apply to human behaviour. In real life, situations are not identical. So, accurate cause and effect relationships may be difficult to establish. However, principles of management assist managers in establishing these relationships to some extent and are therefore useful. In situations of emergencies, it is desirable that someone takes charge and others just follow. But in situations requiring cross-functional expertise, such as setting up of a new factory, more participative approach to decision-making would be advisable.

(i) Meeting changing environment requirements: Although the principles are in the nature of general guidelines but they are modified and as such help managers to meet changing requirements of the environment. Management principles are flexible to adapt to dynamic business environment.



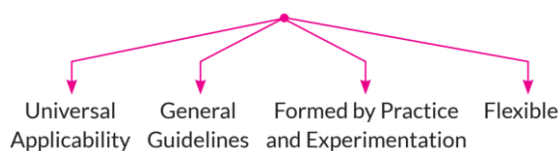
For example, management principles emphasise division of work and specialisation. In modern times, this principle has been extended to the entire business whereby companies are specialising in their core competency and divesting non-core businesses.

In this context, one may cite the decision of Hindustan Lever Limited in divesting non-core businesses of chemicals and seeds. Some companies are outsourcing their non-core activities like share-transfer management and advertising to outside agencies.

(ii) Management training, education and research: Principles of management are at the core of management theory. As such these are used as a basis for management training, education and research. These principles provide basic groundwork for the development of management as a discipline. Professional courses such as MBA (Master of Business Administration), BBA (Bachelor of Business Administration) also teach these principles as part of their curriculum at the beginner's level.

These principles enable refinement of management practices as well by facilitating the development of new management techniques. Thus, we see those techniques like Operations Research (OR), cost accounting, 'Just in Time', 'Kanban' and 'Kaizen' have developed due to further research on these principles.

12. Characteristics of 'Principles of Management'



(i) Universal applicability: The principles of management are intended to apply to all types of organisations, business as well as non-business; small as well as large, public as well as private sector, manufacturing as well as services sector at all levels and at all times.

(ii) General guidelines: The principle of management are general guidelines to managerial functioning. They do not provide readymade solutions to managerial problems because real business situations are very complex and dynamic and are a result of many factors.

(iii) Management principles are formed by:

(a) Observation and experimentation.

(b) Personal experience of the managers.

(iv) Flexible: Management principles 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.

13. (c): Order

14. (b): Unity of command.

15. (d): The principle of management being followed by Good Health Care' is Equity.

16. (a): Division of work. According to Fayol, "The intent of division of work is to produce more and better work for the same effort".

17. (b): The principle of 'Espirit De Corps' gives rise to the spirit of mutual trust and belongingness among team members.

18. (c): The principle of management that is being followed by Pioneer Ltd. is 'Unity of Direction'.

19. (a): The Fayol's principle of 'Equity' emphasises on kindness and justice in the behavior of managers towards workers.

20. The principle of management that the company wants to modify is 'division of work'.

21. Vibhu discussed "Scalar Chain Principle of Management".

Scalar Chain: An organisation consists of superiors and subordinates. The formal lines of authority from highest to lowest ranks are known as scalar chain.

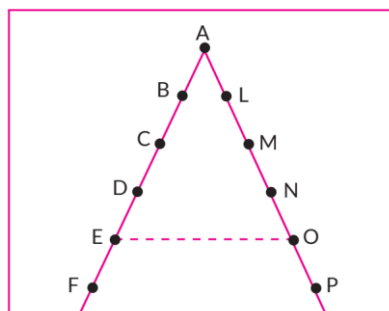


Fig. : Fayol's Scalar Chain

Let us consider a situation where 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. According to Fayol, this chain should not be violated in the normal course of formal communication. However, if there is an emergency then 'E' can directly contact 'O' through 'Gang Plank' as shown in the diagram.



This is a shorter route and has been provided so that communication is not delayed.

22. Subordination of individual interest to General Interest.

(i) This principle states that the interests of an organisation should take priority over the interests of any one individual employee.

(ii) This is so because larger interests of the workers and stakeholders are more important than the interest of any one person.

23. Order and Initiative are parts of Fayol's Principles of Management.

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. Essentially, it means orderliness. If there is a fixed place for everything and it is present there, then there will be no hindrance in the activities of business/factory. This will lead to increased productivity and efficiency.

Initiative - According to Fayol, workers should be encouraged to develop and carry out their plans for improvements. Initiative means taking the first step with self-motivation. It is thinking out and executing the plan. It is one of the traits of an intelligent person. Initiative should be encouraged. But it does not mean going against the established practices of the company for the sake of being different. A good company should have an employee suggestion system whereby initiatives suggestions which result in substantial cost/time reduction should be rewarded.

24. (a) Principle of cooperation.

(b) Values that the company wants to communicate to the society:

(i) Development of backward area,

(ii) Determination to revive profits commitment to promises.

25. (a) Cooperation not individualism by F.W. Taylor is the principle of management described in the given paragraph.

(b) Values which the company wants to communicate to the society:

(i) Environment friendliness and optimum utilisation of resources.

(ii) Empathy towards workers and cooperation.

26. (a) Initiative: Initiative means eagerness to initiate action without being asked to do so. According to Fayol, "employees should be allowed to think and execute plans, to bring about improvements in work related matters".

(b) Two values that the company wants to communicate to the society.



- (i) Conservation of resources by recycling.
- (ii) Increase in employment opportunities in backward areas.

27. (a) Principle of management applied - Esprit de corps.

(b) Features of management - highlighted here are:

- (i) Harmony, Not discord.
- (ii) Cooperation, Not Individualism.
- (c) Values being communicated to the society are:

- (i) Concern for the environment.
- (ii) Holistic development of children.
- (iii) Teamwork.

28. (i) Equity: Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible,” according to Fayol. This principle emphasises kindness and justice in the behaviour of managers towards workers. This will ensure loyalty and devotion. Fayol does not rule out use of force sometimes. Rather he says that lazy personnel should be dealt with sternly to send the message that everyone is equal in the eyes of the management

(ii) **Authority and Responsibility:** According to Fayol, “Authority is the right to give orders and obtain obedience, and responsibility is the corollary of authority. The two types of authority are 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. Managers require authority commensurate with their responsibility.

(iii) **Stability of Personnel:** “Employee turnover should be minimised to maintain organisational efficiency”, according to Fayol. Personnel should be selected and appointed after due and rigorous procedure. But once selected they should be kept at their post/position for a minimum fixed tenure.

They should have stability of tenure. They should be given reasonable time to show results.

29. (a) Subordination of individual interest to general interest. Managers should try to bring convergence between organisation's objectives and objectives of the people working in the organisation. The objectives of the individuals should be in the same direction as that of the organisation. Positive effects of this principle: (i) achievement of organisational goals and (ii) Aspirations of individual workers met.

Consequences of violation of this principle: (i) non achievement of organisational goal and (ii) employees are de-motivated.

(b) Development of each and every person to his or her greatest efficiency: Industrial efficiency depends upon the efficiency and competency of individual workers. Employees should be scientifically selected. Then work should be allotted to them on the basis of their physical, mental and intellectual capabilities. They should be trained to learn the best methods to perform work. This will ensure efficiency and prosperity for both company and workers.

30. (b) Harmony, not discord principle of scientific management is called for complete mental revolution on the part of management and workers.

31. (b) Cooperation, not individualism, is applied by 'Heyday Productions!'

32. (a) Under planning in charge as per functional foremanship, foremen are: Disciplinary, instruction card clerk, Time and Cost clerk, Route clerk.

33. (d): Standardisation and Simplification of work is the technique applied by Reema.

34. (c): The objective of time study is to determine the number of workers to be employed in an organisation.

35. (c): The principle of management that is being discussed here is cooperation, not individualism".

36. (b) The standardisation and simplification of work technique proposed by Taylor aims at eliminating unnecessary diversity of products.

37. (c) The technique of Scientific management discussed in the case here is 'Functional Foremanship'.

38. (b): The principle 'Remuneration of Employees' has been violated by Vidya Public School.

39. Role of 'Gang Boss' in functional foremanship is to ensure that workers and the machines are fit enough for production and the material required for their use is available to them.

40. Speed Boss reports to production incharge and is responsible for timely and accurate completion of the work. He rectifies the situation if schedules are not met.

41. Inspector comes under production incharge and is responsible for checking the quality of work.

42. Route clerk reports to planning incharge and is responsible for specifying the sequence of doing the different tasks for the day.



43. The objective of method study is to find out one best way of doing the job.
44. Time Study is a technique, which is used to determine the standard time taken by a workman of reasonable skills and ability to perform a well-defined job.
45. (a) Principle of Harmony not discord is described in the given paragraph.
- (b) Values which the company wants to communicate to the society are:
- (i) Concern for employees and society.
- (ii) Social responsibility and prosperity of one and all.
46. The techniques of scientific management used by Sandhya to solve the problem are:
- (a) Standardisation and Simplification of Work Simplification aims at eliminating superfluous varieties, sizes and dimensions while standardisation implies devising new varieties instead of the existing ones. Simplification aims at eliminating unnecessary diversity of products. It results in savings of cost of labor, machines and tools. It implies reduced inventories, fuller utilisation of equipment and increasing turnover.
- (b) Time study: It determines the standard time taken to perform a well-defined job. Time measuring devices are used for each element of task. The standard time is fixed for the whole of the task by taking several readings. The objective of time study is to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.
47. Techniques of Scientific Management:
- (a) Fatigue Study: Fatigue study studies the requirement of rest or a break while performing a task. The study identifies the intervals required while completing a task and suggests standard break timings for improving the workers' performance.
- (b) Differential piece wage system: Under this technique, wages are decided according to a set standard. The workers who perform better than the set standards get higher wages than the workers who perform below the standards. Taylor introduced this system to differentiate the efficient workers from the inefficient ones and reward them accordingly.
48. The principles of scientific management are explained as follows:
- (a) Harmony, not discord: According to this principle, the managers and the workers should maintain a harmonious work environment. They should realise that they are dependent on each other. Only if they work in amity, they will be able to perform better. Taylor emphasised on complete mental revolution. That is, the workers should change their attitude and each one should realise others



importance. Management should take care of the needs of the workers and workers on the other hand, should work to their best efficiency. Both should work in harmony towards the common goals of the organisation.

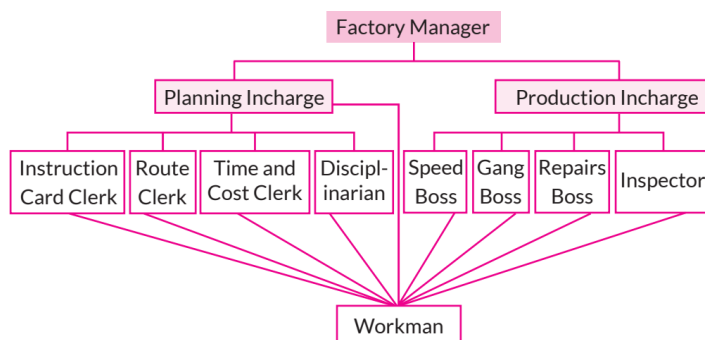
(b) Development of each and every person to his or her greatest efficiency and prosperity: Personnel development aims at improving the capabilities of the employees to the maximum. This will in turn enhance the overall efficiency of the organisation as it depends on the individual competencies. Scientific management aimed at improving the working capabilities of the employees to their maximum level. It focused on the training and development of the labourers to raise their productivity.

49. The techniques of scientific management are explained as follows:

(a) Motion Study - Motion study refers to the study of motion (or movements) of a worker involved in a given task. The study aims at identifying the unwanted actions or motions and eliminating them so that the work can be completed in less time.

(b) Time Study - Time study emphasises setting a standard time limit for completing a particular job. The time taken for completing the job is measured for setting the standard time limit. This helps decide the number of workers to be employed for a particular task, determine their wages, etc.

50. Functional foremanship: In order to apply specialisation at the supervisory level, Taylor developed the concept of functional foremanship. He divided the work of the factory into two sub-departments: Planning department and production department. Further, to define the role of a foreman, he identified a list of qualities. But he realised that, a single foreman/supervisor cannot be expected to be an expert in all aspects of work and cannot have all qualities (like education, intelligence, judgment, tact, conceptual clarity etc.) and therefore, he suggested appointment of eight supervisors to give instructions to a worker. Out of them, four would work under the planning incharge and would be responsible for planning and the other four would work under the production incharge and would be responsible for executions.



Specialists under the planning incharge:

(i) Route clerk: To lay down the sequence of operations.

(ii) Instruction card clerk: Would draft instructions for workers, in handling their jobs.

(iii) Time and cost clerk: Would fix - (a) dates for starting and completing work; and (b) cost sheet to determine expenses for material, labour and other overheads.

(iv) Disciplinarian: Would ensure systematic performance of job by following rules and regulations. Specialists under production incharge:

(i) Gang boss: Would do all preliminary work keeps material, machines, tools etc. ready for workers.

(ii) Speed boss: Would ensure timely and accurate completion of jobs.

(iii) Inspector: Would check quality of work done by the workers.

(iv) Repairs boss: Would ensure that each worker keeps his machine in good order.

51. Cooperation, not individualism of Taylor says: there should be cooperation between workers and management. Cooperation is based on mutual faith; managers should be opened to constructive suggestions by employees. They should be rewarded when their suggestions result in economic benefits.

The principle of Fayol referred to as 'initiative'; The principle of initiative implies that the managers of an undertaking should encourage the subordinates to take initiative in thinking out and executing plans. There should be employee suggestion system whereby initiatives to suggest will result in substantial cost/time reduction which should be rewarded.

52. Following principles of Fayol and Taylor are referred in the given para.

Remuneration of Employees-Fayol: According to this principle, the remuneration payable to employees should be fair, reasonable and rewarding of effort. Wages should be determined on the basis of work assigned, cost of living, financial position of the enterprise and average wage rates for similar work in the industry. It should ensure a reasonable standard of living to workers and at the same time be within the paying capacity of the firms.

Harmony, not discord-Taylor: This principle of scientific management aims at removing differences between the management and the workers. This would contribute to the overall gain for the organisation. The management should share the gains of the company with the workers.

53. (i) Harmony, Not Discord: Factory system of production implied that managers served as a link between the owners and the workers. Since as managers they had the mandate to 'get work done' from the workers, it should not be difficult for you to appreciate that there always existed the possibility of a kind of class-conflict, the managers versus workers. Taylor recognised that this conflict helped none, the workers, the managers or the factory owners. He emphasised that there should be complete harmony between the management and workers. Both should realise that each one is important. To achieve this state, Taylor called for complete mental revolution on the part of both management and workers.

(ii) **Science, not Rule of Thumb:** Taylor pioneered the introduction of the method of scientific inquiry into the domain of management practice. We have already referred to the limitations of the rule of thumb approach of management. As different managers would follow their indigenous rules of thumb, it is but a statement of the obvious that all would not be equally effective. Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. The method so developed should substitute 'Rule of Thumb' throughout the organisation. Scientific method involved investigation of traditional methods through work-study, unifying the best practices and developing a standard method, which would be followed throughout the organisation.

54. (a) Method Study: It is a study to find out one best way of doing the job and includes all activities from procurement of raw materials till the final product is delivered to the customer. It helps to minimize the cost of production and maximize quality and satisfaction of the customer.

(b) **Motion Study:** It is a technique to study the movements that are necessary for doing a well-defined job. It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently.

(c) **Time Study:** It is a technique to determine the standard time taken by a worker of reasonable skill and efficiency to perform a well-defined job. It helps in deciding the number of workers to be employed, frame suitable incentive schemes and determine labour costs.

55. The two scientific techniques of management discussed above are:

(a) **Differential piece wage system :** Under this technique, wages are decided according to a set standard. The workers who perform better than the set standards get higher wages than the workers who perform below the standards. Taylor introduced this system to differentiate the efficient workers from the inefficient ones and reward them accordingly.

Line: 'technique recognises those workers who are able to accomplish/exceed the fair day's work and is based on the premise that efficiency is the result of the joint efforts of the managers and the workers'.

(b) Time study: Time study emphasises setting a standard time limit for completing a particular job. The time taken for completing the job is measured for setting the standard time limit. This helps decide the number of workers to be employed for a particular task, determine their wages, etc.

Line: One of the techniques helps to determine the number of workers to be employed; frame suitable incentive schemes and determine labour costs.

56. In the above case, Principles of Scientific management followed by production manager is:

(i) Science, not rule of thumb: Like Taylor, Karan Nath also believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. That's why, production manager developed this method using several parameters. Scientific method involves investigation of traditional methods through work study, unifying the best practices and developing a standard method, which would be followed throughout the organisation. This can result in saving of human energy as well as wastage of time and materials.

(ii) Development of each and every person to his or her greatest efficiency and prosperity: Taylor was of view that each person should be scientifically selected. Worker training was essential to learn 'best method' developed through scientific approach. Some are followed in this case. Technique of scientific management followed by production manager is "Method Study". As the objective of Method study is to find out one best way of doing the job from procurement of Raw materials till the final product delivery, every activity is part of Method study. Ultimate objective of this exercise is to minimise cost of production and maximise the quality and satisfaction of customer.

57. (i) Differential piece wage system: Differential piece wage system is a technique which differentiates between efficient and less efficient workers. It rewards the efficient workers and motivates the less efficient ones to improve their efficiency.

In this plan, there are two-piece rates - one for those workers who produce the standard output or more and the other for those who produce less than the standard output.

Example: Standard output (per worker per day) = 10 units.

Wage rate I = ₹50 per unit (for output < 10 units)

Wage rate II = ₹80 per unit (for output \geq 10 units)

Particulars	Worker A	Worker B
Actual output	9 units	11 units
Total wage (in ₹)	9 × ₹50 = ₹450	11 × ₹80 = ₹880

Difference in units produced = 2

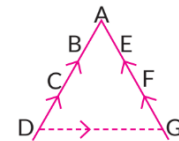
Difference in wages = ₹ 430

The glaring difference in wages motivates the inefficient worker to produce the standard output.

(ii) Motion study: It is a technique to study the movements of a worker which are undertaken by him while doing a well-defined job. The movements could be productive, incidental and unproductive. It seeks to eliminate unnecessary and wasteful movements so that it takes less time to complete a job efficiently.

It is useful in designing suitable equipment and tool and in increasing daily productivity.

58. (i) Time study: Time study is a technique used to measure the time that may be taken by an average worker of reasonable skill and efficiency to perform a job. It helps to determine: (a) standard time required to do a job; (b) to determine the number of employees to be employed; and (c) to determine labour cost and to frame suitable incentive schemes.



(ii) Simplification of work: It aims at eliminating superfluous varieties, sizes and dimensions. It results in saving of cost of labour, machines and tools. It leads to reduced inventories, fuller utilization of equipment and increased turnover leading to economic gains.

59. (a) Science, not rule of thumb: This principle was advocated by Taylor. This principle encourages 'thinking before doing.' It involves cross-checking traditional methods through work study and unifying the best practices to develop a standard method that can be followed throughout the organisation.

(b) Discipline: Discipline means obedience to the rules of the organisation on the part of both superiors and subordinates. Every member must conduct himself properly towards other members of the organisation, irrespective of his level or position in the organisation.

According to Fayol, discipline requires good superiors at all levels. No organisation can operate without proper discipline.

60. (a) Scalar chain: Scalar chain is the chain of superiors and subordinates. The chain also represents the line of authority and communication. This suggests that

there should be a clear line of authority from top to bottom linking managers at all levels and this should not be violated.

The figure shows a scalar chain linking managers at lower levels with the top management. If D has to communicate with G, the message should ordinarily move up through C and B to A and then down from A to E, E to G.

In case of emergency or an urgent matter, direct communication can be established between two people working at the same level with the help of gang plank – shown by the dotted line joining D and G.

(b) Harmony, not discord: “Harmony, not discord”. According to this principle, there should be complete harmony and proper understanding between the management and the workers. Management should share the gains of the company and at the same time workers should work hard and be willing to accept changes as they come. This requires a ‘Mental Revolution’ on the part of both the management and the workers and develop a positive feeling for each other for harmony.

Fatigue study: It refers to determine the duration and frequency of rest intervals to complete a particular job. Rest between duty hours refreshes the workers and are important for his/her to continue for the full day’s work.



CBSE Sample Questions

1. (a): Discipline
2. (c): Unity of direction
3. (d): Subordination of individual interest to general interest.
4. (a): Ismail-Abhishek-Rajat-Sara-Shalleen-Lata-Rupa-Geet-Hussain
5. Principles of Management given by Henry Fayol:

(a) **Unity of Command:** According to Fayol there should be one and only one boss for every individual employee. If an employee gets orders from two superiors at the same time the principle of unity of command is violated. The principle of unity of command states that each participant in a formal organisation should receive orders from and be responsible to only one superior. Fayol gave a lot of importance to this principle. He felt that if this principle is violated “authority is undermined; discipline is in jeopardy, order disturbed and stability threatened”. The principle resembles military organisation. Dual subordination should be avoided. This is to prevent confusion regarding tasks to be done. Suppose a sales person is asked to clinch a deal with a buyer and is allowed to give a 10% discount by the marketing manager. But the finance department tells her/ him not to offer more than a 5% discount. Now there is no unity of command. This can be avoided if there is coordination between various departments.

(b) **Equity:** Good sense and experience are needed to ensure fairness to all employees, who should be treated as fairly as possible,” according to Fayol. This principle emphasises kindness and justice in the behavior of managers towards workers. This will ensure loyalty and devotion. Fayol does not rule out use of force sometimes. Rather he says that lazy personnel should be dealt with sternly to send the message that everyone is equal in the eyes of the management. There should be no discrimination against anyone on account of sex, religion, language, caste, belief or nationality etc. In practice, we can observe that now a days in multinational corporations people of various nationalities work together in a discrimination free environment. Equal opportunities are available for everyone in such companies to rise.

(c) **Remuneration of Employees:** The overall pay and compensation should be fair to both employees and the organisation. The employees should be paid fair wages, which should give them at least a reasonable standard of living. At the same time, it should be within the paying capacity of the company. In other words, remuneration should be just and equitable. This will ensure a congenial atmosphere and good relations between workers and management.

Consequently, the working of the company would be smooth.



(d) Initiative: Workers should be encouraged to develop and carry out their plans for improvements according to Fayol. Initiative means taking the first step with self-motivation. It is thinking out and executing the plan. It is one of the traits of an intelligent person. Initiative should be encouraged. But it does not mean going against the established practices of the company for the sake of being different. A good company should have an employee suggestion system whereby initiative/suggestions which result in substantial cost/time reduction. (Any three points to be explain)

6. (b): Science, not rule of thumb

7. (c): Standardisation

8. (a): Planning, Execution

9. (c): Rs. 1315

10. Techniques of Scientific Management given by F. W. Taylor:

(a) Method Study: The objective of method study is to find out one best way of doing the job. There are various methods of doing the job. To determine the best way there are several parameters. Right from procurement of raw materials till the final product is delivered to the customer every activity is part of method study. Taylor devised the concept of assembly line by using method study. Ford Motor Company used this concept very successfully. Even now auto companies are using it. The objective of the whole exercise is to minimise the cost of production and maximise the quality and satisfaction of the customer. For this purpose, many techniques like process charts and operations research etc. are used. For designing a car, the assembly line production would entail deciding the sequence of operations, place for men, machines and raw materials etc. All this is part of method study.

(b) Functional foremanship is an extension of the principle of division of work and specialisation to the shop floor. Each worker will have to take orders from these eight foremen in the related process or function of production. Foremen should have intelligence, education, tact, grit, judgment, special knowledge, manual dexterity, and energy, honesty and good health. Since all these qualities could not be found in a single person, Taylor proposed eight specialists. Each specialist is to be assigned work according to her/his qualities. For example, those with technical mastery, intelligence and grit may be given planning work. Those with energy and good health may be assigned execution work.

(c) Standardisation 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. The objectives of standardisation are:

(i) To reduce a given line or product to fixed types, sizes and characteristics.

(ii) To establish interchangeability of manufactured parts and products.

(iii) To establish standards of excellence and quality in materials.

(iv) To establish standards of performance of men and machines.

(d) Taylor was a strong advocate of a piece wage system. He wanted to differentiate between efficient and inefficient workers. The standard time and other parameters should be determined on the basis of the work-study discussed above. The workers can then be classified as efficient or inefficient on the basis of these standards. He wanted to reward efficient workers. So, he introduced different rates of wage payment for those who performed above standard and for those who performed below standard. (Any three points to be explain)

11. Science, not rule of thumb: Taylor pioneered the introduction of the method of scientific inquiry into the domain of management practice. We have already referred to the limitations of the rule of thumb approach of management. As different managers would follow their indigenous rules of thumb. But it is a statement of the obvious that all would not be equally effective. Taylor believed that there was only one best method to maximise efficiency. This method can be developed through study and analysis. The method so developed through study and analysis. The method so developed should substitute 'Rule of Thumb' throughout the organisation. Scientific method involved investigation of traditional methods through work-study, unifying the best practices and developing a standard method.

Harmony, not discord: Factory system of production implied that managers served as a link between the owners and the workers. Since as managers they had the mandate to 'get work done' from the workers. Taylor recognised that this conflict helped none, the workers, the managers or the factory owners. He emphasised that there should be complete harmony between the management and workers. Both should realise that each one is important. To achieve this state, Taylor called for a complete Mental Revolution on part of both management and workers. It means that management and workers should transform their thinking. Management should share the gains of the company with the workers. At the same time, workers should work hard and be willing to embrace change for the good of the company.

Development of each and every person to his or her greatest efficiency and prosperity: As such, scientific management also stood for worker development. Worker training was essential also to learn the 'best method' developed as a



consequence of the scientific approach. Taylor was of the view that the concern for efficiency could be built in right from the process of employee selection. Each person should be scientifically selected. Then work assigned should suit her/his physical, mental and intellectual capabilities. To increase efficiency, they should be given required training. Efficient employees would produce more and earn more. This will ensure their greatest efficiency and prosperity for both company and workers.