

## 1. Principles of Management

**Q.1.A) Select the correct option and rewrite the sentences.**

1) ..... was regarded as Father of Scientific Management.

a) Henry Fayol **b) F W Taylor** c) Philip Kotler

2) Principle of ..... is based on 'A place for everything and everything in its place'.

a) discipline **b) order** c) equity

3) Member of organization should receive orders from .....

a) many superior **b) one superior** c) all superiors

4) Scalar chain means the hierarchy of ..... from the top level to the lower level for the purpose of communication.

a) discipline b) unity **c) authority**

5) Taylor recommended total ..... foremen to control the various aspects of production.

**a) eight** b) three c) two

**B) Match the pairs.**

Group A	Group B
A) Henry Hayol	1) Eight Foremen
B) Principle of Unity of Direction	2) F.W. Taylor
C) Principle of Management	3) Proper division of all activities
D) Scientific Management Theory	4) General guidelines
E) Functional Organization	5) A place for everything and everything in its place
	6) One head-one plan
	7) Low wage rate
	8) Harmony between the employee and management
	9) German engineer
	10) Modern Management

**Ans: A-10 , B-6 , C-4, D-2 , E-1.**



**C) Give one word/phrase/term for the following statements.**

**1) The study of movement of an employee as well as machine while completing particular task.**

**Ans: Motion Study**

**2) The technique of observing and recording the time required by an employee to complete a given task.**

**Ans: Time Study**

**3) Study consists of an organized, systematic and critical assessment of various activities.**

**Ans: Work Study**

**4) The principle which deals with 'to do work with innovative way'.**

**Ans: Principle of Initiative**

**5) The principle which is based on 'a place for everything and everything in its place'.**

**Ans: Principle of Order**

**D) State whether following statements are true or false.**

**1) The principles of management are universal in nature.**

**Ans: True**

**2) Management principles are applied differently under different situations.**

**Ans: True**

**3) Only some principles of management are important.**

**Ans: False**

**4) Henry Fayol has given different techniques of management.**

**Ans: False**

**5) F W Taylor has proposed 14 principles of management.**

**Ans: False**

**6) Each member of organization should receive orders only from one superior.**

**Ans: True**

**E) Find the odd one.**

1) Principle of Authority and Responsibility, Motion Study, Principle of Division of Work, Principle of Discipline.

Ans: **motion study**

2) Fatigue Study, Principle of Unity of Command, Work Study, Motion Study.

Ans: **Principle of Unity of Command**

**F) Answer in one sentence.**

1) **What is principle of unity of command?**

Ans: Each member of organization should receive orders from only one superior. This principle helps in managing conflicts and solving disputes among people in organization.

2) **What is standardization of tools and equipments?**

Ans: Standardized working environment and methods of production help to reduce spoilage and wastage of material, cost of production, fatigue among the workers and it improves quality of work.

3) **What is differential wage rate?**

Ans: Remuneration should be fixed in such a way that average worker is motivated to attain a standard output.

4) **What is Subordination of individual interest into organizational interest?**

Ans: According to this principle the interest of an individual must be given less importance than the interest of the organization.

5) **What is the meaning of principle?**

Ans: "Principle is defined as a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or for a chain of reasoning." In simple words, techniques or systems which give one directional result are called as principles.

**G) Correct the underlined word and rewrite the following sentences.**

1) Security in job always affects adversely on the efficiency of employees.

Ans: **Insecurity** in job always affects adversely on the efficiency of employees.

2) Esprit de corps means 'division is strength'.

Ans: Esprit de corps means '**Unity** is strength'.

3) Each member of organization should receive orders from only one subordinate.

Ans: Each member of organization should receive orders from only one **Superior**.



4) Decentralization means concentration of powers and authorities at a specific position.

Ans: Centralization means concentration of powers and authorities at a specific position.

5) Management techniques are applied differently under different conditions.

Ans: Management principles are applied differently under different conditions.

**Q.2. Explain the following terms/concepts.**

**1) Motion Study**

**Ans:** There are always various methods of completing the task. For best quality and cost effectiveness, identifying the best method of doing a particular job is very important but challenging task for a manager. It helps in reducing the wastage of time, raw material and in improving the utility of all resources as per predefined objectives. It is helpful in determining the methods for handling the raw materials, transportation, inspection, storage etc.

**2) Differential Piece Rate System**

**Ans:** Higher rates are offered to employees who complete the work more than the standard quantity under this system. On the other hand, if an employee is performing below the standard; he shall be given lower rate of wages. This technique motivate the employees to attain higher standard performance and earn wages i.e. remuneration at higher rate.

**3) Fatigue Study**

**Ans:** Generally long working hours without sufficient breaks, target pressure, heavy working tools, and poor working conditions result into physical and mental stress i.e. fatigue. It has an adverse effect on the health and efficiency of the employees. The study of fatigue and steps to reduce the level of fatigue is very important to maintain the operational efficiency of the employees.

**4) Time Study**

**Ans:** It is the technique of observing and recording the time taken by an employee to complete a given task. With the help of time study, the precise time required for each element of work is determined. It is the technique used for fixing the standard time required to do a particular task under given condition. It is useful to measure the efficiency of an employee and to control the cost of work.

**Q.3. Study the following case/situation and express your opinion.**

**1) Mr. Harshad is an entrepreneur and engaged in production of eco-friendly utensils. Both male and female workers are working in his factory. All male employees are directly working on machines whereas female employees are working in Packaging Department. Mr. Sharath is working as Finance Manager while**



**Mrs. Naina is working as HR Manager who is responsible for recruiting employees in the factory. On this basis:**

**i) Identify any one principle of management in above case.**

**Ans:** In the above case, principle of Division of work is identified.

**ii) What is the designation of Mrs. Naina in this organization?**

**Ans:** The designation of Mrs. Naina is Human Resource Manager.

**iii) Who is responsible for overall planning of the organization?**

**Ans:** Mr. Harshad, an entrepreneur of ecofriendly utensils, is responsible for overall planning of the organisation.

**2) In 'Fine Diamonds Ltd.' 200 employees are working in three shifts. In first shift 60 employees, in second shift 60 employees and in third shift 80 employees are working without sufficient breaks except lunch break and shift change break. No employee is able to complete the work in designated time due to inappropriate time management which results into delay for next shift employees.**

**i) Identify which scientific principle needs to be followed by the company.**

**Ans:** In the above case, Principle of scientific management called Science, Not Rule of Thumb needs to be followed.

**ii) Suggest two scientific techniques which can be used for smooth flow of work in 'Fine Diamonds Ltd. '**

**Ans:** Work study based on the technique of fatigue study and Scientific task setting can be used for smooth flow of work in 'Fine Diamonds Ltd.

**iii) Why the work is not being completed in time?**

**Ans:** Reasons for non-completion of work in time are :

(a) Long working hours without sufficient breaks reduces the efficiency of labour.

(b) Inappropriate time management (planning) done by the departmental head (Functional Manager) result into delay for next shift employees.



(c) Standard required time and standard output are not defined by the manager or management of "Fine Diamonds Ltd."

**Q.4. Answer in brief.**

**1) Explain any five principles of management of Henry Fayol.**

**Ans: 1) Principle of Division of Work:**

According to this principle, the work is divided into different kinds such as technical, financial, commercial, security operations, accounting and managerial. It is assigned to employees as per their qualities and capabilities. It helps in improving efficiency and expertise of employees which ultimately turns into expected productivity level.

**2) Principle of Authority and Responsibility:**

Authority is the right to take decisions. It is necessary to get the things done appropriately from subordinates. Authority always comes with the responsibility. If the manager is given the authority to complete a task within a given time, he should be held responsible if he does not complete the work in given time.

**3) Principle of Discipline:**

According to Fayol, discipline is the most essential thing in the organization. Employees must obey and respect the rules that govern the organization. Discipline helps to achieve the goals in the organization. Good discipline is the result of effective leadership. There must be a clear understanding between the management and workers regarding the organization's rules. Basic discipline should be observed at all levels of management.

**4) Principle of Unity of Direction:**

This principle states that 'there should be one head and one plan' in every organization. Each group in the organization should have the same objective and the group should be directed by one manager using single plan.

**5) Principle of Remuneration:**

Appropriate remuneration to staff or employees is the principle to keep them satisfied financially as well as retain them for long span of time within the organization. The fair remuneration effects on the productivity and efficiency level in total. The remuneration should be fixed by taking into consideration the skill, expertise, knowledge, tenure, cost of living, market trend, profitability of organization etc.



**2) Describe any four techniques of scientific management.**

**Ans:** Some of the major techniques of scientific management are as follows:

**1) Standardization of Tools and Equipments :**

With the result of experiments conducted at work place, Taylor advocated standardization of tools and equipments. Standardized working environment and methods of production help to reduce spoilage and wastage of material, cost of production, fatigue among the workers and it improves quality of work.

**2) Scientific Task Setting:**

Taylor emphasized the need for fixing a fair day's work. Scientific work setting is important to prevent the employees from doing work much below their capacity. By using this technique, employees will complete the task according to standards given and management can keep proper control on optimum utilization of workforce.

**3) Scientific Selection and Training:** Management can select right persons for the right jobs by using scientific selection procedures. It needs to fix job specifications as per requirement. Employees are selected according to predetermined standards in an impartial way. After selection, management should provide the proper training programmes to increase their efficiency. :

**4) Differential Piece-Rate Wage Plan:** Taylor suggested the differential piece-wage system. Higher rates are offered to employees who complete the work more than the standard quantity under this system. On the other hand, if an employee is performing below the standard; he shall be given lower rate of wages. This technique motivate the employees to attain higher standard performance and earn wages i.e. remuneration at higher rate.

**Q.5. Justify the following statements.**

**1) Principles of management are flexible in nature.**

**Ans:** (1) Principles of management are the statements of fundamental truth which act as guidelines for managerial decision-making and action. They establish cause and effect relationship. They are evolved through observation, analysis and experiments.

(2) Principles of management although fundamental, are not rigid. They are flexible in nature in the sense they can be changed or modified according to the situation and requirements of the organisation. Managers can change these principles to suit the requirements of the organisation.

(3) Principles of management are flexible guidelines providing ample scope for





making changes according to the nature of enterprise, its size, competitive situation, etc. For instance, in the context of present business scenario, at many places the 'family management has been substituted by professional management.

(4) Modern business world is dynamic. The situations in a business enterprise keep on changing continuously. No two circumstances are identical. Principles of management can be changed, adjusted or modified and used in the enterprise as per its changing needs and requirements. By identifying problems of business changes will be accepted.

## **2) Management principles are helpful in optimum utilization of resources.**

**Ans:** (1) Materials or abstract qualities that a person or organisation uses to perform the work is called resources, e.g. tools, stocks, time, employees, etc. In every organisation, two types of resources are used and they are

(i) Physical resources such as material, machine, money, etc. and

(ii) Human resources i.e. manpower.

(2) The different types of resources are used in the organisation to manufacture or produce different types of goods and services. The resources are scarce in relation to their demand and therefore resources should not be wasted and misused. They should be used carefully and up to their optimum capacity.

(3) The basic aim and function of management are to make and maintain proper balance and allocate these resources by putting them to maximum possible use and control on wastage of resources. Through the use of different techniques and management principles, management maintains discipline and healthy working environment to establish cordial relationship with the employees.

(4) It helps to increase the efficiency level of employees and to manage the administration effectively, e.g. use of modern and standard tools and machineries. It also helps to increase quality, productivity and level of efficiency of human resources.

## **3) Principle of equity is important.**

**Ans:** (1) The principle of equity suggests that employer should give kind, fair, just and equal treatment to the employees. Managers should be kind, impartial and fair to their subordinates.

(2) The principle of equity further states that there should not be any discrimination between the employees while making the payment of wages. The employees working on the same level but in different departments should be paid same wages.





(3) The wages payable to employees should not depend on the departments but the level at which they are working, e.g. Foremen should be paid higher wages than that is paid to employees working under them.

(4) The principle of equity also states that there should not be any discrimination between the employees while distributing work between them. As far as possible, there should be equal distribution of work. Thus, equality in treatment of employees boosts the morale and develops a sense of belongingness among the employees. It helps to develop loyalty of employees towards organisation and avoid conflicts.

#### **4) Taylor emphasized on standardization of tools and equipment.**

**Ans:** (1) Frederick Winslow Taylor published Principles of Scientific Management. Its primary objective was to increase efficiency of employees by scientifically designing jobs. According to his views, management problems should be solved through experiments and use of scientific techniques rather than rules of thumb and trial and error approach.

(2) Taylor had conducted many experiments at workplace and as a result of those experiments, he advocated standardisation of tools and equipment. Standard here, means a level of quality or achievement, especially a level that is acceptable.

(3) According to him, standardised working environment and standardised methods of production tools and equipment help to reduce spoilage and wastage of materials. This in turn reduces the overall cost of production.

(4) Similarly use of standardised tools and equipment increases efficiency of employees and also helps to reduce fatigue among the workers. This improves the quality of work.

#### **5) Differential piece wage rate plan is necessary.**

**Ans:** (1) According to F. W. Taylor, the differential piece wage rate plan is necessary to motivate the employees to attain higher standard performance and to earn remuneration at a higher rate. Differential piece wage rate plan suggests that remuneration should be fixed and paid in such a way that average worker is motivated to attain standard output.

(2) In differential piece wage rate plan, the standard is determined for production by the management. The workers who produce more than the standard are to be paid more in the form of incentives and those who produce less than the standard are to be paid less by way of penalty. This technique encourages those who perform well and motivates those who have performed less than the standard required to improve their performance.



(3) Taylor suggested the differential piece wage system and further stated that the discrimination should be made between the efficient and inefficient workers. This technique explains that efficient workers should be paid more remuneration in comparison to inefficient workers.

(4) Thus, the differential piece-rate wage plan technique motivates the able employees to attain higher performance and earn wages at higher rate.

**Q.6. Attempt the following.**

**1) Explain in detail any five Henry Fayol's principles of management given by Henry Fayol.**

**Ans: 1) Principle of Division of Work:**

According to this principle, the work is divided into different kinds such as technical, financial, commercial, security operations, accounting and managerial. It is assigned to employees as per their qualities and capabilities. It helps in improving efficiency and expertise of employees which ultimately turns into expected productivity level.

**2) Principle of Authority and Responsibility:**

Authority is the right to take decisions. It is necessary to get the things done appropriately from subordinates. Authority always comes with the responsibility. If the manager is given the authority to complete a task within a given time, he should be held responsible if he does not complete the work in given time.

**3) Principle of Discipline:**

According to Fayol, discipline is the most essential thing in the organization. Employees must obey and respect the rules that govern the organization. Discipline helps to achieve the goals in the organization. Good discipline is the result of effective leadership. There must be a clear understanding between the management and workers regarding the organization's rules. Basic discipline should be observed at all levels of management.

**4) Principle of Unity of Direction:**

This principle states that 'there should be one head and one plan' in every organization. Each group in the organization should have the same objective and the group should be directed by one manager using single plan.

**5) Principle of Remuneration:**

Appropriate remuneration to staff or employees is the principle to keep them satisfied financially as well as retain them for long span of time within the organization. The fair remuneration effects on the productivity and efficiency level in total. The remuneration should be fixed by taking into consideration the skill,



expertise, knowledge, tenure, cost of living, market trend, profitability of organization etc.

## **2) Describe different techniques of scientific management.**

### **Ans: 1) Work Study:**

Before assigning the work to the available workforce, proper work study should be done by management. Work study consists of an organized, systematic and critical assessment of the various activities or functions. Work study is based on the techniques such as time study, motion study, method study and fatigue study.

#### **A) Time Study:**

It is the technique of observing and recording the time taken by an employee to complete a given task. With the help of time study, the precise time required for each element of work is determined.

#### **B) Method Study:**

There are always various methods of completing the task. For best quality and cost effectiveness, identifying the best method of doing a particular job is very important but challenging task for a manager.

#### **C) Motion Study:**

The study of required motion means movement of an employee as well as of machine while completing a particular task is very important. It is helpful in eliminating unnecessary motions and finding the best method of doing a particular job.

#### **D) Fatigue Study:**

Generally long working hours without sufficient breaks, target pressure, heavy working tools, and poor working conditions result into physical and mental stress i.e. fatigue. The study of fatigue and steps to reduce the level of fatigue is very important to maintain the operational efficiency of the employees.

## **2) Standardization of Tools and Equipments:**

With the result of experiments conducted at work place, Taylor advocated standardization of tools and equipments. Standardized working environment and methods of production help to reduce spoilage and wastage of material, cost of production, fatigue among the workers and it improves quality of work.

## **3) Scientific Task Setting:**

Taylor emphasized the need for fixing a fair day's work. Scientific work setting is important to prevent the employees from doing work much below their capacity. By using this technique, employees will complete the task according to standards given



and management can keep proper control on optimum utilization of workforce.

#### **4) Scientific Selection and Training:**

Management can select right persons for the right jobs by using scientific selection procedures.

It needs to fix job specifications as per requirement. Employees are selected according to predetermined standards in an impartial way. After selection, management should provide the proper training programmes to increase their efficiency. :

#### **5) Functional Organization:**

In this concept of Taylor, planning is separated from implementation. That means, planning is done by different people and actual work is supervised by different people.

**They are categorized as follows:**

##### **A) At Planning Level:**

1. Route Clerk- tells how work moves from one machine to other.
2. Instruction Clerk- records instructions to complete the work.
3. Time and Cost Clerk- determines time in which work should be completed and workout the cost
4. Discipline- ensures that the workers are working as per factory rules.

##### **B) At Implementation Level:**

1. Gang Boss-actually gets the work done.
2. Speed Boss- ensures that the work is completed in specified time.
3. Repair Boss- handles security and maintenance of mechanism
4. Inspector- ensures that the work is done as per the specified standards.

#### **6) Differential Piece-Rate Wage Plan:**

Remuneration should be fixed in such a way that average worker is motivated to attain a standard output. Taylor suggested the differential piece-wage system. Higher rates are offered to employees who complete the work more than the standard quantity under this system. On the other hand, if an employee is performing below the standard; he shall be given lower rate of wages. This



technique motivate the employees to attain higher standard performance and earn wages.

### **3) Elaborate principles of scientific management.**

**Ans: Principles of Scientific Management:**

These principles are as follows:

#### **1) Science, Not Rule of Thumb:**

In order to increase organizational efficiency, the 'Rule of Thumb' method should be substituted with the methods developed through scientific analysis of work. Rule of thumb decisions are based on personal judgments of the manager. Taylor insisted upon scientific method for every small work. This principle is concerned with selecting the best way of performing a job after scientific analysis of that job and not by trial and error methods.

#### **2) Harmony, Not Discord:**

According to this principle, there should be harmony between the employees and management.

This coordination will help in minimizing conflicts between them. Perfect understanding between employees and management will be helpful in creating healthy work environment for achieving the desired goal

#### **3) Mental Revolution:**

Taylor introduced the concept of "Mental Revolution". This principle focuses on change in the attitude of employees and management towards each other. Both should realize their equal importance in organization. They should give full cooperation for achieving goal of organization. This will increase productivity and profits.

#### **4) Cooperation, Not Individualism:**

This principle emphasizes on mutual cooperation between workforce i.e. employees and management. Due to cooperation, trust, team spirit etc. internal competition will turn into healthy working environment. Management should always consider the suggestions given by employees in decision making process.

#### **5) Division of Responsibility:**

Proper division of work should always be accompanied with division of responsibilities between the managers and employees. Major planning is done by the top and middle level management authorities whereas employees are concentrating on its execution. It helps for best performances of managers as well as employees.



6) Development of employer and employees for greater efficiency and maximum prosperity:

Best performance of any organization always depends on the skills and capabilities of its employees to a great extent. Thus, providing training and development programmes to the employees whenever required, is very essential. It ultimately affects the profitability of the organization. Each employee should be given proper opportunity to attain greater efficiency and maximum prosperity.

#### **4) Explain nature of principles of management.**

**Ans:** The nature of management principles is given below:

1) Universal application: The principles of management are universal in nature. That means they can be applied to all types of organizations, irrespective of their size and nature. Their results may vary and application may be modified but these are suitable for all kinds of organizations. Similarly, they are applicable to all levels of management.

#### **2) General guidelines:**

Management principles provide general guidelines in tackling the organizational situations wisely as well as in solving the problems. They are not rigid. Which management principles are to be applied depends upon the situation, size and nature of organization.

#### **3) Principles are formed by practice and experiments:**

The management principles are developed gradually with thorough research work. Systematic observations and experiments are conducted before developing them. The results of such experiments have been developed as a principle after its practice in organizations.

#### **4) Flexibility:**

Management principles are flexible in nature. It means they can be changed or modified according to the situation. Managers can be flexible while implementing principles to suit the requirement. The business situations keep on changing. Management principles can be adjusted or modified and can be used in the organization according to its need.

#### **5) Behavioral in nature:**

Management is group activity. Management aims at achieving certain goal through a group of human being. Management principles are designed to influence human beings. These principles control a group of persons and direct them to achieve the objectives.



**6) Cause and effect relationship:**

Principles of management are the base for taking decisions. They determine the cause or reason for particular effect. For example, payment of good wages and incentives helps in increasing the output of workers or making effective advertisement increases the sale of a product.

**7) All principles are of equal importance:**

All principles of management are of equal importance. Those are to be practiced simultaneously to get best results in the form of achievement of predefined goals. If any specific principle is focused more and others are not followed with same focus, then it affects the working of organization.

**Q.7. Answer the following.**

**1) What are the techniques of scientific management? Explain in detail.**

**Ans: 1) Work Study:**

Before assigning the work to the available workforce, proper work study should be done by management. Work study consists of an organized, systematic and critical assessment of the various activities or functions. Work study is based on the techniques such as time study, motion study, method study and fatigue study.

**A) Time Study:**

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## **2) Standardization of Tools and Equipments:**

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**2) Explain 14 principles of Henry Fayol in detail.**

**Ans:** 1) Principle of Division of Work:

According to this principle, the work is divided into different kinds such as technical, financial, commercial, security operations, accounting and managerial. It is assigned to employees as per their qualities and capabilities. It helps in improving efficiency and expertise of employees which ultimately turns into expected productivity level.

**2) Principle of Authority and Responsibility:**

Authority is the right to take decisions. It is necessary to get the things done appropriately from subordinates. Authority always comes with the responsibility. If the manager is given the authority to complete a task within a given time, he should be held responsible if he does not complete the work in given time. Manager should have proper authorities to take managerial decision on his own in respect to the goal.

**3) Principle of Discipline:**

According to Fayol, discipline is the most essential thing in the organization. Employees must obey and respect the rules that govern the organization. Discipline helps to achieve the goals in the organization. Good discipline is the result of effective leadership. There must be a clear understanding between the management and workers regarding the organization's rules. Basic discipline should be observed at all levels of management.

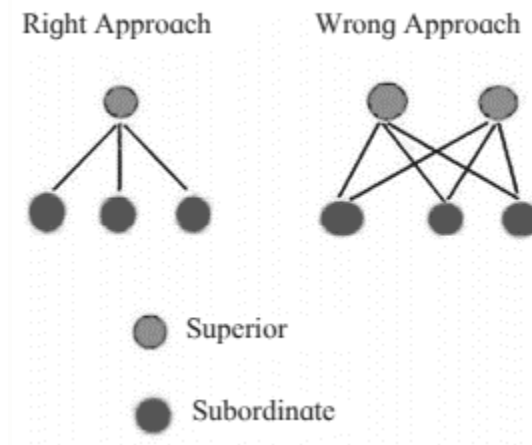
**4) Principle of Unity of Command:**

Each member of organization should receive orders from only one superior. This principle helps in managing conflicts and solving disputes among people in organization. It also helps in avoiding confusion. If an employee receives commands from more than one authority, he will get confused and will not be able to take decision about whose orders should be followed.



### 5) Principle of Unity of Direction:

This principle states that 'there should be one head and one plan' in every organization. Each group in the organization should have the same objective and the group should be directed by one manager using single plan.



### 6) Principle of Subordination of Individual Interest to Organizational Interest:

According to this principle the interest of an individual must be given less importance than the interest of the organization. While taking decision in the organization the manager should always consider the interest of the whole group rather than the interest of a single employee.

Similarly the employee should protect the interest of the organization first and his personal interest should be subordinated.

### 7) Principle of Centralization:

Centralization refers to the concentration of powers and authorities. In some organizations this power is vested in one hand or few hands. According to this principle there must be a proper balance between centralization and decentralization in the organization. This is to be done according to the size of the organization, nature of the activity etc.

### 8) Principle of Remuneration:

Appropriate remuneration to staff or employees is the principle to keep them satisfied financially as well as retain them for long span of time within the organization. The fair remuneration effects on the productivity and efficiency level in total. The remuneration should be fixed by taking into consideration the skill, expertise, knowledge, tenure, cost of living, market trend, profitability of

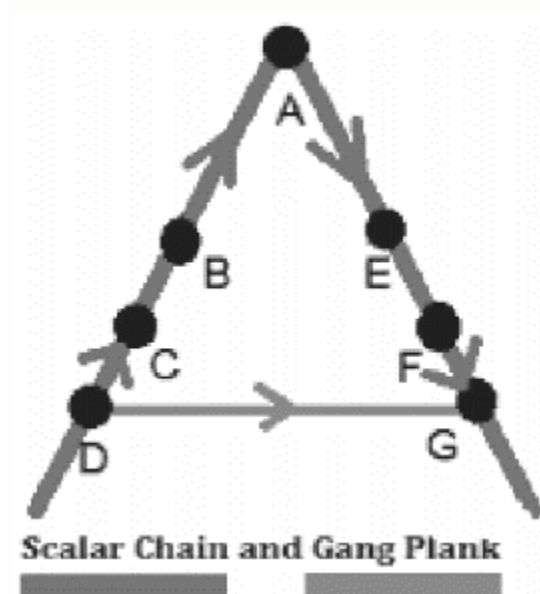
organization etc.

### 9) Principle of Scalar Chain:

Scalar chain means the hierarchy of authority from the top level to the lower level for the purpose of communication. This helps to ensure the orderly flow of information and communication.

Traditionally, organizations used to frame large scalar chain which is time consuming. For avoiding this longer chain and to take speedy decisions cross communication or direct communication is followed by various organizations which is known as Gang Plank. For direct communication, proper permission of the authorities is necessary.

But to avoid delay or in emergency situation there will be direct communication. It is termed as Gang Plank.



### 10) Principle of Order:

This principle is based on 'A place for everything and everything in its place'. Human resources and materials should be in the right place at the right time for maximum efficiency. Human resources should be placed at right place and on right job. The principle focuses on the proper utilization of physical and human resources.

### 11) Principle of Equity:

Management should be fair as well as friendly to the subordinates. While dividing the work, delegating the authorities, deciding the monetary terms etc. There should not be any discrimination between the employees. It is also suggested that the remuneration should not depend on the department but at the level on which subordinates are working.

### **12) Principle of Stability of Tenure:**

At the time of recruitment of employees, the management should assure them about stability of tenure or job security. It plays very important role in creating sense of belongingness among the employees. Insecurity in job always affect the efficiency of employees adversely whereas job security minimizes employee turnover ratio.

### **13) Principle of Initiative:**

Initiative refers to volunteering to do the work in an innovative way. The freedom to think and work on new ideas encourages employees to take initiative while working on given task. This initiative should be welcomed by the manager including thorough discussion on those new ideas. It also helps in creating healthy organizational culture.

### **14) Principle of Esprit de corpse: (Team work)**

Henry Fayol has given emphasis on team work. Esprit de corps means union is strength.

Running any organization is a group activity and human resources are the valuable asset of the organization. If all employees are working as a union and with mutual trust, the difficulties can be solved quickly. Therefore, as a leader, manager should create a spirit of team work and understanding among employees to achieve organizational goal easily.

Above 14 principles of Henry Fayol are very useful to manage the organization efficiently and effectively. These are also supportive to functions of management. These principles are very logical and therefore are applicable in modern management era.