

02. PRINCIPLES OF MANAGEMENT

Weightage as per CBSE curriculum 2024-25	Max. Marks	01	03	04	06	Total
	No of questions		-	-		

There is ONE internal choice question for 06 marks, from this chapter only

Principle: It refers to a statement which reflects the fundamental truth about some phenomenon based on cause and effect relationship. **Management Principles** These are the statements of fundamental truth, they serve as a guide to thought and actions for managerial decision actions and their execution. A managerial principle is a broad and general guideline for decision-making and behavior. **Principles** are **guidelines** to take decisions or actions while practicing techniques.

Techniques are **procedures** or methods, which involve a series of steps to be taken to accomplish desired goals.

NATURE OF PRINCIPLES OF MANAGEMENT

01	Universal applicability	Principles of Mgt. is applicable in all types of orgs., business as well as non- business, small as well as large enterprises depending on the nature of the org.
02	General guidelines	Management principle give guidelines to solve the problems, these principles donot provide readymade solution for all the problems
03	Formed by practice and experimentation	The Mgt. principles are developed only after deep and through research work.
04	Flexible	These are not set of rigid statements. These can be modified by the managers who are using them.
05	Mainly behavioral	Management principles are formed to guide and influence the behavior of employees.
06	Cause and effect relationships	Mgt principles are based on cause and effect that means these Principles tell us if a particular principle is applied in a situation, what might be the effect.
07	Contingent	Management principles are contingent or dependent upon the situation prevailing in organization.

SIGNIFICANCE OF PRINCIPLES OF MANAGEMENT

01	Providing managers with useful insights into reality	Principles of management guide managers with useful insights into real world situations, adherence to these principles will improve their knowledge, ability and understanding of various managerial situations and circumstances
02	Optimum utilization of resources and effective Administration	The resources with the company are limited. Management principles equip the managers to see the cause and effect of their decisions and actions and thus reduce wastage.
03	Scientific decisions	Decisions must be based on facts, thoughtful and justifiable in terms of intended purpose. Management principles must be timely, realistic and subject to measurement and evaluation. Principles are free from bias and prejudice
04	Meeting changing env. requirements	Management principles are effective and dynamic and thus help the organization to meet the changing requirements of the environment.
05	Fulfilling social responsibility	Due to the increased awareness of the public forces all companies are required to fulfill social responsibilities. Principles of mgt. not only help in achieving organizational goals but also guide managers in performing social responsibilities.
06	Mgt., trg., education and research	Management principles are the core of management and are helpful in increasing knowledge, which forms the basis for management training and research.

SCIENTIFIC MANAGEMENT SUGGESTED BY TAYLOR

Scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way.

TAYLOR'S PRINCIPLES OF SCIENTIFIC MANAGEMENT

Scientific management means knowing exactly what you want men to do and seeing that they do it in the best and cheapest way.

01	Science not Rule of Thumb	One best method to maximize efficiency that can be Developed through study and analysis.
02	Harmony, Not Discord	Complete harmony between the mgt. and workers, mental revolution on the part of both management and workers required
03	Cooperation, Not Individualism	Competition should be replaced by cooperation.
04	Development of Each and Every Person to his or her Greatest Efficiency and Prosperity	Worker training and selection should be scientifically done.

TECHNIQUES OF SCIENTIFIC MANAGEMENT

01	<div>Function foremanship</div>	<div>Extension of the principle of division of work and in contradiction to unity of command. Taylor suggested four foremen for planning and four foremen for execution.</div> <div><div>FACTORY MANAGER</div><div><div>PLANNING INCHARGE</div><div>PRODUCTION INCHARGE</div></div><div><table><tr><td>Instruction Card Clerk</td><td>Route Clerk</td><td>Time & Cost Clerk</td><td>Disciplinarian</td><td>Speed Boss</td><td>Gang Boss</td><td>Repair Boss</td><td>Inspectors</td></tr></table></div><div>Workman</div></div> <div><div>The four foremen for planning and their role:</div><div><div><div>➤</div><div>Instruction card clerk: To draft instructions for the workers.</div></div><div><div>➤</div><div>Route clerk: To specify the route of production.</div></div><div><div>➤</div><div>Time and cost clerk: To prepare time and cost sheet.</div></div><div><div>➤</div><div>Disciplinarian: To ensure discipline.</div></div></div><div><div>The four foremen for execution and their role:</div><div><div><div>➤</div><div>Speed boss: To be responsible for timely and accurate completion of the job.</div></div><div><div>➤</div><div>Gang boss: To keep machines and tools ready for operation by the workers.</div></div><div><div>➤</div><div>Repair boss: To ensure proper working conditions of machines and tools.</div></div><div><div>➤</div><div>Inspector: To checking the quality of work</div></div></div></div></div>	Instruction Card Clerk	Route Clerk	Time & Cost Clerk	Disciplinarian	Speed Boss	Gang Boss	Repair Boss	Inspectors
Instruction Card Clerk	Route Clerk	Time & Cost Clerk	Disciplinarian	Speed Boss	Gang Boss	Repair Boss	Inspectors			
02	<div>Standardization and simplification of Work</div>	<div>Standardization refers to the process of setting standards of process, raw material, time, product, machinery, methods or working conditions. Simplification aims at eliminating superfluous varieties, sizes and dimensions.</div>								
03	<div>Method study</div>	<div>The objective of method study is to find out one best way of doing the job. So that it will minimize the cost of product ion and maximize the quality of the product.</div>								
04	<div>Motion Study</div>	<div>Study of movements like lifting, putting objects, sitting and changing positions, etc. Unnecessary movements are sought to be eliminated.</div>								

05	Time Study	Standard time taken to perform a well-defined job.
06	Fatigue Study	Seeks to determine the amount and frequency of rest intervals in completing a task.
07	Differential Piece Wage System	Differentiate between efficient and inefficient workers on the basis of these standards and given different rate of wage payment.
08	Mental revolution	Complete change in outlook of the relationship between mgt. and workers.

FAYOL'S PRINCIPLES OF MANAGEMENT		
01	Division of Work	It leads to specialization so that the work can be performed more efficiently
02	Authority and Responsibility	Balance between authority and responsibility.
03	Discipline	Obedience to organizational rules and employment agreement.
04	Unity of Command	One and only one boss for every individual employee. Dual subordination should be avoided.
05	Unity of Direction	One head and one plan.
06	Subordination of Individual Interest to General Interest	The interests of an organization should take priority over the interests of any one individual employee.
07	Remuneration of Employees	Fair to both employees and the organization.
08	Centralization and Decentralization	Balance subordinate involvement through decentralization with managers' retention of final authority through centralization.
09	Scalar Chain	The formal lines of authority from highest to lowest ranks are known as scalar chain. Gang Plank is a shorter route so that communication is not delayed
10	Order	A place for everything (everyone) and everything (everyone) in its (her/his) place.
11	Equity	No discrimination against anyone on account of sex, religion, language, caste, belief or nationality etc.
12	Stability of Personnel	Selected employees should be kept at their post/ position for a minimum fixed tenure. Employee turnover should be minimized.
13	Initiative	Workers should be encouraged to develop and carry out plans for improvements.
14	Esprit De Corps	Promote a team spirit of unity and harmony among employees.

Fayol versus Taylor– A Comparison

Fayol's and Taylor's contributions are complementary to each other. However, the differences between their contributions are

The differences between Henry Fayol and F.W. Taylor are

Basis for Comparison	Henry Fayol	F.W. Taylor
Meaning	Henry Fayol is a father of modern management who laid down fourteen principles of management, for improving overall administration.	F.W. Taylor is a father of scientific management who introduced four principles of management, for increasing overall productivity.
Concept	The general theory of administration.	Scientific Management.
Emphasis	Top-level management.	Lower level / Floor Level Management.
Applicability	Universally applicable.	Applies to specialized organizations only.
Basis of formation	Personal Experience.	Observation and Experimentation.
Orientation	Managerial function.	Production and Engineering.
System of Wage Payment	Sharing of profit with managers.	Differential Payment System.
Approach	Manager's approach.	Engineer's approach.