

Chapter 2 – Principles of Management

Question 1

What is meant by 'Management Principles'?

Answer: Principles of management refers to the broad and general guidelines for managerial decision making and traits.

Question 2

Name the organisational structure that assists in increasing managerial and operational efficiency.

Answer: Functional structure assists in increasing managerial and operational efficiency.

Question 3

Explain why is it said that the principles of management are 'primarily behavioural' and 'contingent' in nature. Also, explain how principles of management 'furnishes the managers with useful insights into reality' and 'helps is thoughtful decision making'.

Answer: Principles of management are 'primarily behavioural' and 'contingent' in nature and 'furnishes the managers with useful insights into reality' and 'helps is thoughtful decision making'. These points have been justified in the below-mentioned points:

- **Primarily behavioural:** The principles of management are 'primarily behavioural' in nature as principles of management aim at affecting the individuals and their applicability differ as per human nature.
- **Contingent:** Their applicability relies upon the current scenario at a specific point of time. The application must be changed according to the situation.
- **Formed by practice and experimentation:** management principles are based on the number of years of experimentation and practice. Hence, these principles assists the managers when they confront the real-time issues.
- **Cause and effect relationship:** The decisions that are taken regarding the management must be taken carefully. They must certainly be based on the facts. Principles of management were developed from the real-time issues and they stand the test of reasoning and logic.

Question 4

Briefly explain 'discipline' and 'scalar chain' as the principles of general management.

Answer:

1. **Discipline:** Discipline implies that an establishment must follow the rules and regulations and make sure that the compliance to set some stipulated policies and rules. Discipline certainly requires some good supervisors at all the levels with clear and unbiased agreements and judicious application of penalties.
2. **Scalar chain:** Scalar chain refers to a defined, established pathway of authority and communication in the order of highest to the lowest.

Question 5

What are the features on Principles of management?

Answer: Principles of management are the statements of fundamental truth, which possess the capability to anticipate the outcome of managerial pursuits. Below mentioned are the features:

- **Universal applicability:** Management principles are relevant to all sorts of establishments – business & non-business. They are applicable to all levels of management. Every business must make the best potential effectiveness by the use of management principles. Hence, they are universal or all-pervasive.
- **Principles of Management have a Cause & Effect Relationship:** Principles of management mean cause and effect relationship between associated variables. They imply what will be the outcome or result of some actions. Consequently, if one is known, the other can be determined.
- **Principles of Management – Aims at Influencing Human Behavior:** Human behaviour is complicated and unpredictable. Management principles are aimed towards controlling human behaviour so that people can contribute their best to the organization. Management is concerned with combining efforts and harmonizing them towards a purpose. But in situations, even these principles fail to understand human behaviour.
- **Principles of Management are Flexible:** Management principles are effective guidelines and not inactive rules. There is enough room for managerial responsibility i.e. they can be altered as per the necessities of the situation. Modification & development is a perpetual phenomenon in case of principles of management.

Question 6

What is the importance of the principles of management?

Answer: The importance of the principles of management are mentioned below:

- **Furnishing managers with beneficial insights:** These principles of management help in raising the managerial effectiveness by adding to their knowledge, skills and ability to comprehend the various situations more equitably.
- **Scientific decisions:** Management principles assists the managers in taking the decisions that are based on the goal-oriented situation. Hence, the decisions taken are certainly logical, unbiased and free from any sort of prejudices.
- **Fulfilling social responsibilities:** These principles of management are outlined in such a way that they assist in fulfilling social responsibilities.
- **Management training, education and research:** These principles of management are utilised as a basis for management training, education and research.