

EXPERIENTIAL ACTIVITY ON PRINCIPLES OF MANAGEMENT-II

Subject	BUSINESS STUDIES
Class	XII
Chapter/Unit	PRINCIPLES OF MANAGEMENT
Topic	Fayol's Principles of Management- II :- Authority and responsibility, Discipline, Centralisation and decentralization, Initiative, Scalar chain
Time	60 mins
Nature of Activity	Group activity-

What will I learn (Learning Outcome)?

Develop understanding of the Principles of management given by H. Fayol
Examine the applicability of these principles.
Appreciate that these principles have universal applicability

Skills:

Analytical skills, observation skills, conceptual skills, coordination, role playing

What we have to do?

Have an understanding about the principles of management.
To know the positive impacts of following these principles and consequences of not following the same.

What do we require?

A small meaningful skit needs to be prepared, to enact on the allotted principle.
To coordinate with the group members and plan a small skit, enforcing on the need of following the allotted principle.

What do we need to know?

We should know the meaning and concept of management, levels of management.
About Henry Fayol –father of management who gave 14 Principles of Management.

➤ Teacher's Activity

The teacher will explain the principles, with the help of examples to clear the conceptual knowledge of the students.

The teacher will make 5 Group of 8 students each. Each group will be given one principle to be depicted as a small skit. The group will present one by one, the skit and other students will name the principle being followed.

How will we proceed?

➤ Student's Activity

We, as group of 8 students will develop and present a small skit on the principle of management allotted to us by the teacher.. Other students will tell which principle of management is being implemented and their positive impacts or negative consequences.

- ❖ **Authority and responsibility:** 'authority' means the right to give orders and obtain obedience. 'Responsibility' means obligation to perform the job assigned on time. Fayol suggested that there must be a balance between authority and responsibility
- ❖ **Discipline:** it means obedience to organizational rules and employment agreement.
- ❖ **Centralisation and decentralization:** the concentration of decision-making authority by top management is called Centralisation, whereas delegation of authority throughout all the levels of the organisation is called Decentralisation. There should be a balance between Centralisation and Decentralisation.
- ❖ **Initiative:** employees should be encouraged to make and execute plans within the prescribed limits of authority.
- ❖ **Scalar chain:** the formal lines of authority from highest to lowest rank are known as 'Scalar chain' suggests that communication from top to bottom should follow the official lines of command. Gang plank is a shorter route and has been provided so that communication is not delayed.

What have we observed?

S. No.	Principle	Positive impacts of Principle
1	Authority and responsibility	
2	Discipline	
3	Centralization and decentralization	
4	Initiative	
5	Scalar chain	

What have we learnt?

Principles of management

- provide the managers with useful insights into reality.
- help in optimum utilization of resources and effective administration.
- help to take scientific decisions.
- help in meeting changing environment requirements.
- help in fulfilling social responsibility.
- use data basis for management training, education and research.

What am I curious to learn?

Do Principles of Management have to be studied by all to get a diploma or degree in Management?

Let me evaluate myself

Q.1. “Workers should be encouraged to develop and carry out their plans for development”.
Identify the principle of management formulated by Fayol.

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Q.2. The production manager of an automobile company asked the foreman to achieve a target production of 200 scooters per day. But he did not give him the authority to requisition tools and materials from the stores department. Can the production manager blame foreman if he is not able to achieve the desired target? Explain briefly the principle relating to the situation.

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Q.3. Explain the principle of Scalar chain. What role is played by ‘Gang Plank’ in scalar chain?

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Q.4. Voltech India Ltd. is manufacturing LED bulbs to save electricity and 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 increased to 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.

State and explain the principle of management described in the above para.

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Q.5. Telco Ltd. is manufacturing files and folders from old clothes to discourage use of plastic fields and folders. For this, they employ people from nearby villages where very less job opportunities are available. An employee, Harish, designed a plan for 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.

1. State the principle of management described in the above para.
2. Identify any two positive impacts of following the above principle.

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Q.6. Radhika opens a jewelry showroom in Jaipur after completing a course in jewelry designing. She has employed eleven persons in her showroom. For greater productivity, she divides the work into small tasks and each employee is trained to perform his/her specialized job. The sales persons are allowed to close a deal with a buyer by giving a maximum of 10% discount, whereas the decision to given any further discount rests with Radhika as the final authority. In the earlier days of starting of the business, five of her employees were asked to put in extra hours of work. In return she had promised to give them a special incentive within a year. Therefore, after six months when the business was doing well, she awarded a cash bonus to each of these employees to honour her commitment. However, when it comes to setting the conflicts among her employees, she tends to be more biased towards her female employees.

In context of the above case:

1. Identify and explain the various principles of management that are being applied by Radhika by quoting lines from the paragraph.
2. Identify and explain the principle of management which is being violated by Radhika by quoting lines from the paragraph.
3. State any one effect of the violation of the principle of management by Radhika as identified in part (b) of the question.

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