B.Com Hons.

Semester – I

MANAGEMENT PRINCIPLES AND APPLICATIONS

DISCIPLINE SPECIFIC CORE COURSE (DSC 1) (English Medium)

As Per The National Education Policy (NEP)

Most Important Questions with Answers

Question 1 : Management is the effective utilization of human and material resources to achieve enterprise objective." Discuss this statement and explain the importance of management in today's scenario.

OR

Question 1 : Discuss the contributoins of Human Relations and Behavioural Science approach of Management to the development of Managerial Thoughts.

Answer 1 : Introduction : Management is a dynamic and continuous process which involves the effective utilization of human and material resources to achieve the objectives of an enterprise. In modern organizations, management is not limited only to planning and controlling work, but also focuses on understanding human behaviour at the workplace.

☆ The Human Relations and Behavioural Science approach of management emphasized the importance of employees' motivation, satisfaction, leadership and group behaviour. Thus, management today is a blend of efficient resource utilization and human-oriented practices for achieving organizational goals.

● **Main Body :-**

1. Management as Effective Utilization of Resources :-

☆ Management ensures the optimum use of available resources such as human, physical, financial and technological resources.

● **Key Points :-**

☆ Proper planning avoids wastage of resources.

☆ Organizing helps in systematic allocation of work.

☆ Directing ensures employees perform tasks efficiently.

☆ Controlling helps in achieving targets within time and cost limits.

☆ Thus, management plays a vital role in achieving enterprise objectives efficiently and effectively.

2. Contribution of Human Relations Approach :-

☆ The Human Relations approach, developed after the Hawthorne Experiments by Elton Mayo, highlighted the importance of human factors in management.

● **Major Contributions :-**

☆ Emphasis on social and psychological needs of workers.

☆ Recognition of informal groups in organizations.

☆ Importance of employee morale and motivation.

☆ Better communication between management and workers.

☆ Improvement in productivity through employee satisfaction.

☆ This approach changed the traditional view of workers as mere tools of production.

3. Contribution of Behavioural Science Approach :-

☆ The Behavioural Science approach extended the Human Relations approach by applying concepts from psychology, sociology and anthropology.

● **Major Contributions :-**

☆ Study of individual and group behaviour.

☆ Development of leadership theories.

☆ Motivation theories by Maslow, Herzberg and McGregor.

☆ Emphasis on participative management.

☆ Focus on job satisfaction and organizational behaviour.

☆ This approach helped managers understand complex human behaviour in organizations.

4. Importance of Management in Today's Scenario :-

☆ In the modern competitive and dynamic environment, management has become more important than ever.

● **Importance :-**

☆ Helps organizations face global competition.

☆ Encourages innovation and adaptability.

☆ Maintains coordination among various departments.

☆ Develops leadership and teamwork.

☆ Ensures employee engagement and productivity.

☆ Balances organizational goals with employee welfare.

☆ Thus, modern management integrates efficiency with human-centric practices.

● **Conclusion :-**

☆ In conclusion, management is the art and science of effectively utilizing human and material resources to achieve organizational objectives. The Human Relations and Behavioural Science approaches have significantly contributed to the development of modern managerial thought by emphasizing the human element in management. In today's scenario, successful management lies in combining efficient resource utilization with a deep understanding of human behaviour to ensure sustainable growth and organizational success.

Question 2 : What is systems approach to Manageme? Explain its main features. What are its limitations?

OR

Queation 2 : Why is coordination considered as the essence of management? Discuss the principles of coordination

Answer 2 : Introduction : Management is a systematic process which involves planning, organizing, directing, coordinating and controlling organizational activities. The Systems Approach to Management views an organization as a unified and integrated system consisting of interrelated parts working together to achieve common goals.

☆ At the same time, coordination acts as the binding force that integrates all managerial functions and activities. Without proper coordination, neither the systems approach nor effective management can succeed. Hence, coordination is rightly considered the essence of management.

● **Main Body :-**

1. Systems Approach to Management :-

☆ The systems approach considers an organization as an open system that interacts with its environment and consists of various interdependent subsystems.

☆ **Meaning :** A system is a set of interrelated and interdependent parts working together to achieve a common objective. Management, under this approach, integrates different departments and activities into a unified whole.

● **Main Features of Systems Approach :-**

1. Organization as a System : The organization is viewed as a whole rather than isolated departments.

2. Interdependence of Subsystems : All departments such as production, marketing, finance and HR depend on each other.

3. Input–Process–Output Model :-

☆ Inputs: Raw materials, human resources, capital

☆ Process: Managerial activities

☆ Outputs: Goods, services, profits, satisfaction

4. Interaction with Environment : The organization continuously interacts with external factors like market, government and technology.

5. Dynamic Nature : The system adapts to environmental changes.

6. Goal-Oriented Approach : All activities are directed towards achieving organizational objectives.

● **Limitations of Systems Approach :-**

1. Complex and Abstract : Difficult to understand and apply in small organizations.

2. Lack of Quantitative Tools : Does not provide specific techniques for decision-making.

3. Time-Consuming : Requires detailed analysis of all subsystems.

4. Ignores Human Behaviour to Some Extent : Focuses more on structure than individual motivation.

2. Coordination as the Essence of Management :-

☆ Coordination means integrating and synchronizing the activities of different individuals and departments to achieve organizational goals efficiently.

● Why Coordination is the Essence of Management :-

1. Required at All Levels : Coordination is needed at top, middle and lower management levels.

2. Integrates All Functions : Planning, organizing, directing and controlling are meaningless without coordination.

3. Ensures Unity of Action : Prevents duplication of efforts and conflicts.

4. Continuous Process : Coordination is required from the beginning to the end of managerial activities

5. Improves Efficiency and Effectiveness : Helps in optimum utilization of resources.

● Principles of Coordination :-

1. Principle of Direct Contact : Direct communication among employees improves coordination.

2. Principle of Early Beginning : Coordination should start at the planning stage itself.

3. Principle of Continuity : Coordination must be maintained continuously.

4. Principle of Reciprocal Relationship : All factors influence each other mutually.

5. Principle of Unity of Action : All efforts should be directed towards common goals.

● **Conclusion :-**

☆ To conclude, the systems approach provides a comprehensive framework for understanding management by viewing the organization as an integrated whole. However, its practical application has certain limitations. On the other hand, coordination acts as the core of management by harmonizing all activities and efforts. Without coordination, no system can function effectively. Therefore, both systems approach and coordination are essential for achieving organizational success in the modern business environment.

Question 3 : What do you understand by Delphi approach of decision making? How is it different from Nominal Group Technique?

OR

Question 3 : Discuss various techniques for individual and group decision making.

Answer 3 : Introduction : Decision making is a core function of management which involves selecting the best alternative from various available options. Decisions may be taken individually or in groups depending upon the complexity of the problem. To improve the effectiveness of decisions, several scientific techniques such as the Delphi Approach and Nominal Group Technique have been developed.

These techniques help managers reduce bias and improve participation in decision making.

● **Main Body :-**

1. Individual Decision-Making Techniques :-

☆ Individual decision making refers to decisions taken by a single person using logic, experience and analytical methods.

● **Main Techniques :-**

☆ **Intuition:** Decisions based on personal judgement and past experience.

☆ **Rational Decision-Making Model:** Involves identifying the problem, evaluating alternatives and selecting the most suitable option.

☆ **Marginal Analysis:** Decisions are taken by comparing additional costs with additional benefits.

☆ **Cost–Benefit Analysis:** Compares expected costs and benefits of each alternative.

☆ **Operations Research Techniques:** Uses mathematical and statistical tools for decision making.

2. Group Decision-Making Techniques :-

☆ Group decision making involves participation of several individuals to arrive at a collective decision.

● Delphi Approach of Decision Making :-

☆ The Delphi approach is a systematic group decision-making technique in which a panel of experts gives their opinions through questionnaires in several rounds.

● Key Points :-

☆ Experts do not meet face-to-face.

☆ Anonymity of participants is maintained.

☆ Feedback is given after each round.

☆ Opinions are refined until consensus is achieved.

☆ Useful for forecasting and long-term planning.

● Nominal Group Technique (NGT) :-

☆ Nominal Group Technique is a structured decision-making method where group members meet physically but initially work independently.

● Key Points :-

☆ Group members generate ideas silently.

☆ Each member gets equal opportunity to express views.

☆ Ideas are discussed and evaluated collectively.

☆ Final decision is taken through ranking or voting.

☆ Helps avoid dominance by a few members.

● **Difference Between Delphi Approach and Nominal Group Technique**

☆ In the Delphi approach, participants do not interact directly, whereas in NGT face-to-face interaction takes place.

☆ The Delphi approach maintains anonymity, while NGT does not.

☆ Delphi approach is more time-consuming, whereas NGT is quicker.

☆Delphi is suitable for expert opinions and future-oriented decisions, while NGT is suitable for immediate problem-solving.

● **Other Group Decision-Making Techniques :-**

☆ Brainstorming: Encourages free flow of ideas without criticism.

☆ Committee Decision Making: Decisions are taken through discussion.

☆ Consensus Decision Making: Decision accepted by all group members.

☆ Quality Circles: Small groups solving organizational problems.

● **Conclusion :-**

☆ In conclusion, decision making is an essential managerial function that can be performed individually or in groups. Techniques like the Delphi approach and Nominal Group Technique improve the quality of group decisions by ensuring systematic participation and reducing bias. While the Delphi approach is useful for expert-based and long-term decisions, the Nominal Group Technique is effective for quick and practical problem-solving. Managers should select the appropriate decision-making technique according to the situation.

Question 4 : What is Macro environment? Elaborate the components of Macro environment.

OR

Question 4 : What is Meso Environment? Elaborate the elements of Meso environment of a business firm by giving examples.

Answer 4 : Introduction : Business does not operate in isolation. It functions within an environment which consists of various forces that influence its performance and decisions. These environmental forces are broadly classified into Macro Environment and Meso Environment. While macro environment includes large external forces affecting all industries, meso environment refers to industry-specific or sector-specific forces that directly influence a business firm. Understanding these environments helps managers in effective planning and decision making.

● **Main Body :-**

1. Macro Environment :-

☆ **Meaning :** Macro environment refers to those external forces which are beyond the control of a business firm and affect all organizations operating in an economy. These forces create opportunities as well as threats for business.

● **Components of Macro Environment :-**

1. Economic Environment : Economic factors determine the purchasing power of consumers.

☆ Examples: Inflation rate, Interest rates, Economic growth, Income level

2. Political Environment : Political stability and government policies influence business operations.

☆ Examples: Government policies, Taxation laws, Industrial policies, Political stability

3. Legal Environment : Legal environment consists of laws and regulations that businesses must follow.

☆ Examples: Companies Act, Labour laws, Consumer protection laws, Environmental laws

4. Social and Cultural Environment : Social values and cultural norms affect consumer behavior and business practices.

☆ Examples: Lifestyle changes, Education level, Customs and traditions, Demographic structure

5. Technological Environment : Technology influences production methods and product innovation.

☆ Examples: Automation, Digitalization, Research and development, E-commerce platforms

6. Natural Environment : Natural resources and ecological factors affect business sustainability.

☆ Examples: Climate change, Availability of raw materials, Pollution control norms

2. Meso Environment :-

☆ **Meaning :** Meso environment refers to the intermediate environment which lies between the macro and micro environment. It includes industry-specific and sector-specific forces that directly affect a particular business firm.

● **Elements of Meso Environment (with Examples) :-**

1. Industry Environment : Includes competitors and market structure within the industry.

☆ Example: Competition among telecom companies like Jio, Airtel and Vodafone.

2. Market Environment : Relates to customers and demand conditions of a specific market.

☆ Example: Demand for electric vehicles in the automobile sector.

3. Suppliers : Suppliers influence production and cost structure.

☆ Example: Dependence of automobile companies on steel and component suppliers.

4. Intermediaries : Includes distributors, wholesalers and retailers.

☆ Example: FMCG companies depending on retail chains for distribution.

5. Regulatory Bodies : Industry-specific regulatory authorities.

☆ Example: SEBI regulating capital markets, RBI regulating banking sector.

6. Trade Associations : Organizations formed to protect industry interests.

☆ Example: CII and FICCI influencing business policies.

● **Conclusion :-**

☆ To conclude, both macro and meso environments play a crucial role in shaping business decisions. The macro environment affects all firms equally through broad economic, political and social forces, whereas the meso environment directly influences a firm through industry-specific factors. A clear understanding of these environments helps business firms identify opportunities, face challenges effectively and achieve long-term success.

Question 5 : What is meant by decentralisation of authority? Discuss its advantages and disadvantages.

OR

Question 5 : Explain the barriers and difficulties in effective delegation of authority? How can the organization remove these barriers?

Answer 5 : Introduction : Authority is an essential element of management which enables managers to get work done through others. For efficient functioning of an organization, authority must be properly distributed among different levels of management. This can be achieved through delegation and decentralisation of authority. While decentralisation refers to systematic dispersal of authority throughout the organization, delegation involves transfer of authority from superior to subordinate. However, several barriers create difficulties in effective delegation, which need to be removed for smooth organizational functioning.

● **Main Body :-**

1. Decentralisation of Authority :-

☆ **Meaning :** Decentralisation of authority refers to the systematic and planned dispersal of decision-making power to lower levels of management. It is an extension of delegation and reflects top management's philosophy of sharing authority.

● **Advantages of Decentralisation :-**

1. Relief to Top Management : Top executives can focus on strategic planning and policy formulation.

2. Quick Decision Making : Decisions are taken at lower levels, saving time.

3. Development of Managerial Skills : Helps in training and developing future managers.

4. Improves Motivation and Morale : Employees feel trusted and responsible.

5. Better Control and Efficiency : Managers are accountable for results.

6. Encourages Innovation : Freedom leads to creative ideas.

● **Disadvantages of Decentralisation :-**

1. Lack of Uniformit : Different departments may follow different practices.

2. Difficulty in Coordination : Increased autonomy may cause conflicts.

3. Costly Process : Requires trained and competent managers.

4. Risk of Misuse of Authority : Wrong decisions may be taken by lower-level managers.

5. Not Suitable for Small Organizations : Limited resources restrict decentralisation.

2. Barriers and Difficulties in Effective Delegation of Authority :-

A. Barriers Related to Superiors :-

1. Fear of Loss of Control : Managers hesitate to share authority.

2. Lack of Confidence in Subordinates : Superiors may doubt employees' abilities.

3. Autocratic Leadership Style : Preference for centralized control.

4. Fear of Criticism : Avoid delegation to escape accountability.

B. Barriers Related to Subordinates :-

1. Fear of Responsibility : Employees avoid additional duties.

2. Lack of Competence : Insufficient knowledge or skills.

3. Overdependence on Superiors : Habit of seeking instructions.

C. Organizational Barriers :-

1. Rigid Rules and Procedures : Reduce flexibility.

2. Inadequate Communication System : Causes confusion.

3. Unclear Authority–Responsibility Relationships : Leads to inefficiency.

3. Measures to Remove Barriers in Delegation :-

1. Develop Trust and Confidence : Superiors should trust subordinates.

2. Proper Training and Development : Improve employees' skills and competence.

3. Clear Definition of Authority and Responsibility : Avoids ambiguity.

4. Effective Communication : Ensures clarity of instructions.

5. Use of Motivation and Incentives : Encourages acceptance of responsibility.

6. Supportive Leadership Style : Encourages participation and initiative.

● Conclusion :-

☆ In conclusion, decentralisation of authority is an effective management technique that promotes efficiency, motivation and managerial development. However, it also has certain limitations. Similarly, effective delegation of authority is often hindered by various psychological and organizational barriers. By adopting proper training, clear communication and supportive leadership, organizations can overcome these barriers and ensure smooth functioning. Thus, both decentralisation and effective delegation are vital for organizational success.

Question 6 : Throw some light on Herzberg's Motivation Hygiene Theory. On what grounds has it bee criticised?

OR

Question 6 : What are the different organisational forms suggest by Mintzberg? Discuss their suitability in different situations.

Answer 6 : Introduction : Modern management emphasizes both effective organizational structure and employee motivation for achieving organisational goals. Motivation theories help managers understand employee behaviour, while organisational structures determine how work is divided and coordinated. Herzberg's Motivation–Hygiene Theory explains factors influencing job satisfaction and dissatisfaction, whereas Henry Mintzberg's organisational forms explain how organisations are structured to suit different situations. Both contribute significantly to modern management thought.

● Main Body :-

1. Herzberg's Motivation–Hygiene (Two-Factor) Theory :-

☆ **Meaning :** Frederick Herzberg developed the Motivation–Hygiene Theory to explain factors affecting job satisfaction and dissatisfaction among employees. According to him, satisfaction and dissatisfaction arise from two different sets of factors.

A. Motivating Factors (Satisfiers) :-

☆ These factors are related to the nature of the job and create satisfaction and motivation.

☆ Achievement. Recognition, Responsibility, Advancement, Growth and development, Challenging work

B. Hygiene Factors (Dissatisfiers) :-

☆ These factors are related to the work environment. Their absence causes dissatisfaction, but their presence does not create motivation.

☆ Salary and wages, Company policies, Working conditions, Job security, Supervision, Interpersonal relations

● Importance of Herzberg's Theory :-

☆ Helps managers focus on job enrichment.

☆ Explains why salary alone cannot motivate employees.

☆ Encourages improvement in job design.

☆ Useful for human resource management.

● **Criticism of Herzberg's Theory :-**

1. Limited Sample Size : Based on a small group of engineers and accountants.

2. Ignores Individual Differences : What motivates one person may not motivate another.

3. Over-Simplification : Separates satisfaction and dissatisfaction rigidly.

4. Methodological Bias : Employees may credit success to themselves and blame environment for failure.

5. Neglects Situational Factors : Does not consider organisational culture and economic conditions.

2. Mintzberg's Organisational Forms :-

☆ **Meaning :** Henry Mintzberg suggested that organisational structure depends on strategy, size, environment and technology. He proposed different organisational forms suitable for different situations.

● **Types of Organisational Forms and Their Suitability :-**

1. Simple Structure : Centralized authority, Informal communication, Suitable for small organizations and startups

☆ Example: Small family businesses

2. Machine Bureaucracy : Highly formalized rules and procedures, Centralized decision making, Suitable for large manufacturing organizations

☆ Example: Government departments

3. Professional Bureaucracy : Decentralized authority, Skilled professionals, Suitable for knowledge-based organizations

☆ Example: Universities, hospitals

4. Divisional Structure : Semi-autonomous divisions, Central control with decentralised operations, Suitable for large diversified organizations

☆ Example: Multinational corporations

5. Adhocracy : Flexible and innovative structure, Project-based teams, Suitable for dynamic and uncertain environments

☆ Example: IT and research organizations

● **Conclusion :-**

☆ In conclusion, Herzberg's Motivation–Hygiene Theory highlights the importance of intrinsic factors in motivating employees, though it has certain limitations. On the other hand, Mintzberg's organisational forms provide a practical framework for designing structures suitable to

different organizational situations. Both theories are highly relevant in modern management for improving motivation, efficiency and organisational effectiveness.

Question 7 : "Leadership is the essence of Management Comment on this statement and explain the various types of Leadership Styles.

OR

Question 7 : Compare Transformational leadership and Transactions leadership. Which style is suitable for business organization in india.

Answer 7 : Introduction : Leadership plays a vital role in the success of management. It is the ability to influence, guide and motivate people to work willingly towards the achievement of organisational goals. Management functions such as planning, organising and controlling can be effectively performed only with the help of good leadership. Therefore, leadership is rightly considered the essence of management. Different leadership styles have emerged over time to suit various organisational situations, including transformational and transactional leadership.

● **Main Body :-**

1. Leadership as the Essence of Management :-

☆ Leadership is central to management because it binds all managerial functions together.

● Reasons why leadership is the essence of management :-

1. Guides Human Behaviour : Leadership directs and influences employees towards organisational goals.

2. Motivates Employees : Effective leaders inspire and encourage people to perform better.

3. Ensures Effective Communication : Leadership acts as a bridge between management and workers.

4. Facilitates Change Management : Leaders help employees adapt to changes in technology and environment.

5. Builds Team Spirit : Leadership promotes cooperation and coordination.

6. Enhances Efficiency and Productivity : Proper leadership leads to better utilisation of human resources.

2. Types of Leadership Styles :-

1. Autocratic Leadership : Leader takes all decisions independently. Suitable where quick decisions are required.

☆ Example: Military organisations

2. Democratic Leadership : Participation of employees in decision making. Improves motivation and morale.

☆ Example: Educational institutions

3. Laissez-Faire Leadership : Minimum interference by the leader. Suitable for highly skilled and self-motivated employees.

☆ Example: Research organisations

4. Paternalistic Leadership : Leader acts as a guardian.Common in Indian family-owned businesses.

5. Transformational Leadership : Focuses on inspiration and vision. Encourages innovation and change.

6. Transactional Leadership : Based on rewards and penalties. Focuses on performance and supervision.

3. Transformational vs Transactional Leadership :-

● **Transformational Leadership :-**

☆ Inspires followers through vision and values.

☆ Focuses on long-term growth.

☆ Encourages creativity and innovation.

☆ Builds emotional commitment.

● **Transactional Leadership :-**

☆ Based on exchange relationship.

☆ Focuses on short-term goals.

☆ Uses rewards and punishment.

☆ Emphasizes routine and efficiency.

4. Suitable Leadership Style for Business Organisations in India :-

☆ In the Indian business context, a combination of transformational and transactional leadership is most suitable.

● **Reasons :-**

☆ Transformational leadership encourages innovation and growth.

☆ Transactional leadership ensures discipline and performance.

☆ Indian organizations operate in a dynamic and competitive environment.

☆ Cultural diversity requires both inspiration and control.

● **Conclusion :-**

☆ In conclusion, leadership is the backbone of management as it influences human behaviour and ensures goal achievement. Various leadership styles exist, and no single style is universally applicable. While transactional leadership ensures efficiency and discipline, transformational leadership promotes innovation and long-term success. For Indian business organisations, a balanced leadership approach is the most effective for sustainable growth.

Question 8 : Explain Network Organization structure with the help of a suitable example.

OR

Question 8 : Both Formal and Informal Organizations are necessary for group activity just as two blades are essential to make a pair of scissors workable." Comment on this statement and differentiate between formal and informal organisation

Answer 8 : Introduction : Organisation structure plays a crucial role in achieving business objectives. Modern organisations are adopting flexible structures like Network Organisation, while at the same time recognising the importance of both formal and informal organisations for effective group activity. Just as two blades are essential to make a pair of scissors workable, both formal and informal organisations complement each other and help in smooth functioning of an enterprise.

● **Main Body :-**

1. Network Organisation Structure :-

☆ **Meaning :** A network organisation is a modern organisational structure in which a firm focuses on its core activities and outsources other functions to external agencies, suppliers or partners. Coordination is achieved through contracts and information technology.

● **Features of Network Organisation :-**

1. Focus on Core Competencies : Organisation concentrates on its main strengths.

2. Outsourcing of Non-Core Activities : Activities like logistics, HR and IT may be outsourced.

3. Flexible Structure : Easy to expand or shrink operations.

4. Use of Information Technology : Digital communication connects network partners.

5. Decentralised Decision Making : Greater autonomy to partners.

● **Example of Network Organisation :-**

☆ A well-known example is Nike. Nike focuses on design, branding and marketing, while manufacturing is outsourced to independent suppliers across different countries. These suppliers are connected through a global network, making Nike a classic example of a network organisation.

● **Advantages of Network Organisation :-**

☆ Cost reduction

☆ High flexibility

☆ Access to specialized skills

☆ Faster response to market changes

● **Limitations of Network Organisation :-**

☆ Less control over outsourced activities

☆ Risk of dependency on partners

☆ Coordination challenges

2. Formal and Informal Organisation :-

● **Meaning of Formal Organisation :-**

☆ A formal organisation is deliberately created by management with defined roles, authority, responsibility and communication channels.

☆ Examples: Organisational charts, job descriptions, reporting relationships.

● **Meaning of Informal Organisation :-**

☆ An informal organisation arises naturally due to social interactions among employees. It is not officially created by management.

☆ Examples: Friendship groups, informal communication networks.

● **Why Both Are Necessary (Comment on the Statement) :-**

☆ Formal organisation provides structure and discipline.

☆ Informal organisation satisfies social and psychological needs.

☆ Informal communication speeds up information flow.

☆ Informal groups support formal goals when properly guided.

☆ Thus, both are complementary and essential for effective group activity.

● **Difference Between Formal and Informal Organisation :-**

☆ Formal organisation is deliberately created, while informal organisation develops naturally.

☆ Formal organisation has defined authority and responsibility, whereas informal organisation has no official authority.

☆ Formal communication follows official channels, while informal communication flows freely.

☆ Formal organisation is stable, whereas informal organisation is flexible.

● **Conclusion :-**

☆ In conclusion, the network organisation structure represents a flexible and modern approach suitable for dynamic business environments. At the same time, both formal and informal organisations are equally important for effective group activity. Formal organisation ensures discipline and goal achievement, while informal organisation enhances communication, motivation and cooperation. Together, they contribute to the overall effectiveness of an organisation.

Question 9 : Define controlling. Explain the process of controlling Discuss the relationship between planning, organizing. direction and controlling.

OR

Question 9 : What are the major contributions of Hawthorne experiments to the present day organisations? Critically evaluate it.

Answer 9 : Introduction : Management is a continuous and integrated process consisting of various interrelated functions such as planning,

organizing, directing and controlling. Among these, controlling ensures that actual performance conforms to planned standards. At the same time, behavioural studies like the Hawthorne Experiments highlighted the importance of human and social factors in organisational performance. Both controlling and human relations have significantly contributed to the development of modern management practices.

● **Main Body :-**

1. Controlling :-

☆ **Meaning :** Controlling is the process of ensuring that organisational activities are performed according to the plans. It involves measuring actual performance, comparing it with standards and taking corrective action wherever necessary.

● **Process of Controlling :-**

1. Establishing Standards : Standards are benchmarks against which performance is measured.

2. Measurement of Actual Performance : Actual work performance is assessed.

3. Comparison of Actual Performance with Standards : Deviations are identified.

4. Analysis of Deviations : Causes of deviations are examined.

5. Corrective Action : Necessary steps are taken to remove deviations.

2. Relationship between Planning, Organizing, Directing and Controlling :-

A. Relationship between Planning and Controlling :-

☆ Planning sets standards; controlling ensures achievement of those standards.

☆ Without planning, controlling has no base.

B. Relationship between Organizing and Controlling :-

☆ Organizing assigns duties and authority.

☆ Controlling ensures duties are performed properly.

C. Relationship between Directing and Controlling :-

☆ Directing guides and motivates employees.

☆ Controlling evaluates effectiveness of direction.

D. Controlling as a Unifying Function :-

☆ Controlling links all managerial functions by ensuring coordinated efforts towards objectives.

3. Hawthorne Experiments :-

☆ **Meaning :** The Hawthorne Experiments were conducted at the Western Electric Company between 1924 and 1932 under the

leadership of Elton Mayo to study the effect of working conditions on productivity.

● Major Contributions of Hawthorne Experiments :-

1. Human Relations Movement : Shifted focus from mechanical to human aspects.

2. Social Factors Influence Productivity : Group behaviour affects performance.

3. Importance of Informal Groups : Informal organisation plays a vital role.

4. Employee Morale and Motivation : Psychological factors matter more than physical conditions.

5. Two-Way Communication : Encouraged better communication between workers and management.

● Critical Evaluation of Hawthorne Experiments :-

1. Lack of Scientific Rigor : Findings were not based on strict scientific methods.

2. Limited Sample Size : Results cannot be generalized.

3. Overemphasis on Human Relations : Ignored technical and economic factors.

4. Hawthorne Effect : Productivity increased due to attention, not conditions.

● **Conclusion :-**

☆ In conclusion, controlling is an essential managerial function that ensures organisational goals are achieved efficiently and effectively. It maintains a close relationship with planning, organizing and directing. Similarly, the Hawthorne Experiments made significant contributions by highlighting the importance of human and social factors in organisations, though they were not free from criticism. Both concepts continue to influence modern management practices.

Question 10 : Write short notes

(i) Digitalization

(ii) Entrepreneurship and Innovation

(iii) Values and Ethics

(iv) Workforce Diversity

Answer 10 : (i) Digitalization :-

☆ Digitalization refers to the use of digital technologies to improve business processes, services and decision making. It involves converting traditional processes into digital form to increase efficiency and speed.

● **Key Points :-**

☆ Use of computers, internet and software.

☆ Improves communication and data management.

☆ Helps in online transactions and e-commerce.

☆ Enhances customer experience.

☆ Supports data-based decision making.

(ii) Entrepreneurship and Innovation :-

☆ Entrepreneurship is the process of starting and managing a new business by taking risks to earn profit. Innovation refers to introducing new ideas, products or methods.

● **Key Points :-**

☆ Entrepreneurs identify business opportunities.

☆ Innovation helps in competitive advantage.

☆ Encourages economic growth and employment.

☆ Includes product, process and service innovation.

☆ Essential for business survival in a dynamic environment.

(iii) Values and Ethics :-

☆ Values and ethics refer to moral principles that guide behaviour of individuals and organisations. They help in distinguishing right from wrong in business activities.

● **Key Points :-**

☆ Promote honesty and integrity.

☆ Build trust among stakeholders.

☆ Prevent unethical practices.

☆ Improve corporate image.

☆ Ensure long-term sustainability of business.

(iv) Workforce Diversity :-

☆ Workforce diversity refers to the presence of employees from different backgrounds within an organisation, such as gender, age, culture, education and skills.

● **Key Points :-**

☆ Encourages creativity and innovation.

☆ Improves problem-solving ability.

☆ Promotes inclusive work culture.

☆ Helps organizations understand diverse customers.

☆ Enhances organisational performance.