Principles & Practice of Management

July 17 As per LU datesheet

B.B.A.LL.B. Sem I · BL-103 · Theory paper — thinkers & diagrams. Answer frame: definition (Koontz, Fayol, Taylor) → features/principles → process diagram → example from Indian companies (Tata, Infosys, Reliance) → criticism → conclusion. Draw POSDC, Maslow pyramid, control process.

UNIT I – Management & Thought

★ Definition, nature, scope

★ Fayol's 14 principles

· Taylor: scientific management

· Coordination; environment; social responsibility

UNIT II – Planning & Organising

★ Planning: steps

★ Programmed vs non-programmed decisions

★ Line & staff; committees

· MBO, delegation, centralisation

Principles of Management
mind map

UNIT III – Staffing & Directing

★ Performance appraisal

★ Motivation: Maslow, Herzberg, McGregor

★ Communication: role, principles

· Leadership (situational)

· Recruitment, selection, training

UNIT IV – Controlling

★ Control: significance & process

★ Modern control techniques

· Management by exception

· Effective control system

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Exam date: As per LU datesheet	**Time:** As per LU datesheet	**Duration:** 3 hours	**Paper:** BL-103

Exam-hall strategy: Read the whole paper first → start with the question you know best → draw neat, labelled diagrams → box every final answer and formula → keep the last 5 minutes for checking.

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Most Important Repeated Questions

From the LUUPDATE B.B.A.LL.B. (Integrated) 5-Year Sem I Important Topics 2026 list — based on the new 2026-27 syllabus (Schedule III) and previous LU papers. ★★★ = must study, ★★ = high chance, ★ = if time permits. ESE: 10 questions, attempt any 5, 15 marks each, MM 75 (+ 25 internal = 100), 3 hours.

#	Tag	Question / Topic	Asked in
1	★★★	Meaning, nature and scope of management; science, art or profession	Unit I Must study
2	★★	Levels, functions and process of management	Unit I High chance
3	★★★	Evolution of management thought – Taylor, Hawthorne studies, systems and contingency approach	Unit I Must study
4	★★★	Fayol's 14 principles of management	Unit I Must study
5	★★★	Planning – meaning, importance, process, types of plans and techniques (MBO)	Unit II Must study
6	★★★	Decision-making – process, styles and common errors	Unit II Must study
7	★★	Organising – meaning and principles; formal vs informal organisation	Unit II High chance
8	★★★	Authority, responsibility, delegation; centralisation vs decentralisation; departmentalisation	Unit II Must study
9	★★	Staffing – meaning and process	Unit III High chance
10	★★★	Recruitment (sources), selection process and training methods	Unit III Must study
11	★★	Directing – meaning and principles	Unit III High chance
12	★★★	Motivation theories – Maslow, Herzberg, McGregor X & Y, Vroom	Unit III Must study
13	★★★	Leadership – styles and theories (trait, behavioural, situational)	Unit III Must study
14	★★★	Controlling – nature, importance, process and techniques (budgetary, break-even, PERT/CPM)	Unit IV Must study
15	★★	Coordination – meaning, importance; 'essence of management'	Unit IV High chance
16	★★	Managerial skills (Katz) and roles (Mintzberg)	Unit IV High chance
17	★	Contemporary challenges – globalisation, technology, diversity, ethics	Unit IV If time permits

Also revise: Drucker's MBO, Gantt chart, bounded rationality (Simon), span of control (Graicunas), Likert's systems, Blake–Mouton grid, Hersey–Blanchard model, management by exception, Theory Z (Ouchi).

Flowcharts & Diagrams — See It at a Glance

→ FLOWCHART: Functions of Management (POSDC)

Planning → Organising → Staffing → Directing (leading, motivating, communicating) → Controlling → Coordination: essence of all

→ FLOWCHART: Evolution of Management Thought

Classical: Taylor (scientific) → Fayol (administrative) → Weber (bureaucracy) → Neo-classical: Mayo (Hawthorne, human relations) → Behavioural approach → Modern: systems & contingency

→ FLOWCHART: Steps in Planning

Set objectives → Develop planning premises → Identify alternatives → Evaluate alternatives → Select the best → Formulate derivative plans → Implement → Follow up

→ FLOWCHART: Decision-Making Process

Identify the problem → Gather information → Develop alternatives → Evaluate → Choose the best → Implement → Feedback

→ FLOWCHART: MBO Process (Drucker, 1954)

Set organisational goals → Set departmental goals → Joint goal-setting with subordinates → Action plans → Periodic review → Performance appraisal & feedback

→ FLOWCHART: Communication Process

Sender (idea) → Encoding → Message → Channel / medium → Decoding → Receiver → Feedback → Noise (barriers) at every stage

→ FLOWCHART: Situational Leadership (Hersey & Blanchard)

Assess follower readiness → Low readiness → Telling (S1) → Some readiness → Selling (S2) → Moderate → Participating (S3) → High readiness → Delegating (S4)

→ FLOWCHART: Control Process

Set standards → Measure actual performance → Compare with standards → Analyse deviations (MBE) → Take corrective action → Feedback to planning

UNIT I – Management & Management Thought

Management: definition, nature, scope ★★★

- **Koontz & O'Donnell:** the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims
- **Henri Fayol:** to manage is to forecast and plan, to organise, to command, to coordinate and to control
- **F.W. Taylor:** knowing exactly what you want men to do and seeing that they do it in the best and cheapest way

Nature: goal-oriented · universal · continuous process · group activity · dynamic · intangible · multi-disciplinary · both an art and a science · emerging profession

Scope: functional areas (production, marketing, finance, HR, R&D) and functions (planning, organising, staffing, directing, controlling)

Levels: top, middle, lower (supervisory)

Fayol's 14 Principles ★★★

1. Division of work
2. Authority and responsibility
3. Discipline
4. Unity of command
5. Unity of direction
6. Subordination of individual interest to general interest
7. Remuneration
8. Centralisation
9. Scalar chain (with gang plank)
10. Order
11. Equity
12. Stability of tenure
13. Initiative
14. Esprit de corps (team spirit)

Henri Fayol, "General and Industrial Administration" (1916); father of modern (administrative) management.

Taylor's Scientific Management ★★

F.W. Taylor (father of scientific management, 1911).

- **Principles:** science, not rule of thumb · harmony, not discord · cooperation, not individualism · maximum output · development of each worker to greatest efficiency
- **Techniques:** functional foremanship (8 foremen), standardisation, time study, motion study, fatigue study, method study, differential piece-rate system
- **Criticism:** exploitation of workers, ignores human factor, violates unity of command

Taylor vs Fayol: Taylor — shop floor, productivity, scientist; Fayol — top management, general administration, practitioner.

Coordination; Environment; Social Responsibility ★★

- **Coordination:** orderly synchronisation of group efforts to achieve common goals; the **essence of management**. Features: integrates efforts, continuous, all-pervasive, responsibility of all managers. Techniques: clear objectives, sound structure, communication, leadership, committees, cooperation
- **Business environment:** internal and external forces (economic, social, political, legal, technological) that affect management decisions
- **Social responsibility:** obligation of managers to protect and improve society's welfare along with their own interest; towards owners, employees, consumers, government, community

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UNIT II – Planning, Decision-Making & Organising

Planning ★★★

Koontz: planning is deciding in advance what to do, how to do it, when to do it and who is to do it.

- **Features:** primary function, goal-oriented, pervasive, continuous, futuristic, involves decision-making, mental exercise
- **Steps:** set objectives → planning premises → identify alternatives → evaluate → select → derivative plans → implement → follow up
- **Types of plans:** objectives, strategies, policies, procedures, methods, rules, programmes, budgets
- **Limitations:** rigidity, costly, time-consuming, uncertain environment, false sense of security

Programmed vs Non-programmed Decisions ★★★

Basis	Programmed	Non-programmed
Nature	Routine, repetitive	New, unique, unstructured
Procedure	Pre-set rules & policies	Judgement, creativity
Level	Lower & middle management	Top management
Risk	Low	High
Time	Quick	Takes time, analysis
Example	Granting casual leave, reordering stock	New plant, merger, new product

Line & Staff Organisation ★★★

- **Line authority:** direct command; line managers make and execute decisions (production, sales)
- **Staff authority:** advisory; specialists help line managers (legal, HR, research)
- **Merits:** expert advice, planned specialisation, relief to line managers, better decisions, training ground
- **Demerits:** line–staff conflicts, staff without authority, confusion, costly
- **Reducing conflict:** clear roles, staff advice must be considered, line has final authority, mutual respect

MBO, Delegation & Centralisation ★★

- **MBO (Peter Drucker, 1954, "The Practice of Management"):** superior and subordinate jointly set goals, define responsibilities in terms of expected results, and use them to guide and assess performance. Benefits: clarity, motivation, better planning, objective appraisal. Limitations: time-consuming, goal-setting difficulty, short-term focus
- **Delegation:** entrusting work with authority to subordinates; elements: responsibility, authority, accountability (accountability cannot be delegated)
- **Centralisation vs decentralisation:** retaining vs dispersing decision-making authority; decentralisation suits large, diversified firms

UNIT III – Staffing & Directing

Motivation Theories ★★★

- **Maslow's need hierarchy (1943):** physiological → safety → social (belonging) → esteem → self-actualisation; a satisfied need no longer motivates
- **Herzberg's two-factor theory:** hygiene factors (salary, policy, supervision, conditions, job security) prevent dissatisfaction; motivators (achievement, recognition, work itself, responsibility, growth) create satisfaction
- **McGregor's Theory X and Y:** see table

Theory X	Theory Y
People dislike work	Work is natural as play
Avoid responsibility	Seek responsibility
Need strict control & threats	Self-direction & self-control
Little ambition	Creative and committed
Autocratic style	Participative style

Leadership ★★

Ability to influence people to work willingly towards group goals.

- **Styles:** autocratic, democratic (participative), laissez-faire (free-rein), paternalistic
- **Trait theory:** leaders are born with certain qualities
- **Behavioural theories:** Ohio State, Michigan studies, Managerial Grid (Blake & Mouton)
- **Situational theories:** no single best style; style depends on situation. **Hersey–Blanchard:** telling, selling, participating, delegating according to follower readiness. **Fiedler's contingency model:** task-oriented vs relationship-oriented leaders depending on situational favourableness

Recruitment, Selection & Training ★★

- **Recruitment:** searching for prospective employees and stimulating them to apply; internal (promotion, transfer) and external sources (advertisement, campus, agencies, online portals)
- **Selection process:** screening → application blank → tests → interview → reference check → medical → appointment
- **Training:** increasing knowledge and skills for a particular job; on-the-job (coaching, apprenticeship, job rotation) and off-the-job (lectures, case study, role play, vestibule) methods

UNIT IV – Controlling

Control: meaning & significance ★★★

Koontz: controlling is the measurement and correction of performance to make sure that enterprise objectives and plans are accomplished.

- **Features:** goal-oriented, pervasive, continuous, forward-looking and backward-looking, linked with planning
- **Significance:** achieves goals, judges accuracy of standards, efficient use of resources, motivates employees, ensures order and discipline, facilitates coordination
- **Planning and controlling:** "Siamese twins": planning sets standards, control checks performance against them

Control Process ★★★

1. **Set standards** (quantitative & qualitative)
2. **Measure actual performance**
3. **Compare** actual with standards
4. **Analyse deviations** (focus on significant ones: critical point control & MBE)
5. **Take corrective action** (revise standards or improve performance)

Control Techniques ★★★

- **Traditional:** personal observation, statistical reports, break-even analysis, budgetary control
- **Modern:** return on investment (ROI), ratio analysis, responsibility accounting, management audit, PERT & CPM (network techniques), management information system (MIS), balanced scorecard

Management by Exception; Effective Control ★★

MBE: only significant deviations from standards are reported to top management; routine matters are handled at lower levels. Saves time, focuses attention, quick action.

Essentials of an effective control system: suitable to the organisation · timely · economical · flexible · objective & understandable · forward-looking · focuses on critical points · suggests corrective action · acceptable to employees · simple

Extra Topics from the Hons. Syllabus

Hawthorne Experiments & Chester Barnard ★★

Hawthorne experiments (Elton Mayo, Western Electric Co., Chicago, 1924–32) — beginning of the **human relations approach**.

- Illumination experiments: output rose whatever the lighting ⇒ attention, not light, mattered
- Relay assembly test room: rest pauses, friendly supervision raised productivity
- Mass interviewing programme: workers valued being heard
- Bank wiring room: informal groups set their own output norms
- **Conclusions:** social and psychological factors affect productivity; informal groups matter; participative supervision and communication improve morale

Chester Barnard (The Functions of the Executive, 1938): organisation as a **cooperative system**; elements — common purpose, willingness to serve, communication; **acceptance theory of authority** (authority flows from subordinates' acceptance); importance of informal organisation; executive functions — maintain communication, secure essential services, formulate purpose.

Departmentation & Span of Control

- **Departmentation** = grouping of activities into units — by function, product, territory, customer, process, time
- **Span of control** = number of subordinates a manager can effectively supervise (Graicunas' formula of relationships); narrow span → tall structure; wide span → flat structure
- **Matrix organisation** — dual authority of functional and project managers

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Extra for BBA

McGregor's Theory X & Theory Y ★★★

Theory X (traditional)	Theory Y (modern)
People dislike work, avoid it	Work is as natural as play
Need coercion, control, threats	Self-direction and self-control
Avoid responsibility, want security	Seek responsibility
Little creativity	Creativity widely spread
Autocratic leadership	Participative leadership

Douglas McGregor, **The Human Side of Enterprise** (1960). Theory Y fits knowledge workers (Infosys, Google).

Managerial Effectiveness ★★

Efficiency = doing things right (input–output); **effectiveness** = doing the right things (achieving goals). Managerial effectiveness = extent to which a manager achieves output requirements of the position (Reddin).

- **Determinants:** clear objectives, skills (technical, human, conceptual — Katz), leadership style, motivation, organisation climate, resources, feedback
- **Improving:** MBO, training and development, delegation, performance appraisal, time management, decision support systems

New Syllabus Topics (2026-27)

Levels of Management & Formal vs Informal Organisation ★★

- **Top** (Board, CEO, MD) — objectives, policies, strategy; **middle** (department heads) — implement plans, coordinate; **lower/supervisory** (supervisors, foremen) — direct workers, daily operations
- **Formal organisation** — deliberately created structure of roles, authority and rules (organisation chart); stable, official communication
- **Informal organisation** — network of personal and social relations arising spontaneously (friend groups, grapevine); satisfies social needs, speeds communication, but may resist change and spread rumours

Decision-making Styles & Common Errors ★★★

- **Styles** (Rowe & Mason): **directive** (quick, logical, low ambiguity tolerance), **analytical** (careful, more data), **conceptual** (broad, long-term, creative), **behavioural** (people-oriented, consults); also autocratic, consultative, group/consensus
- **Rationality:** classical rational model vs **bounded rationality** (Herbert Simon — "satisficing")
- **Common errors/biases:** overconfidence, anchoring, confirmation bias, availability bias, framing, escalation of commitment (sunk cost), hindsight bias, groupthink, immediate gratification, randomness error
- **Avoid by:** clear objectives, multiple alternatives, data, devil's advocate, pilot testing, review and feedback

Staffing & Directing ★★

- **Staffing** — filling and keeping filled the positions in the organisation (Koontz). **Process:** manpower planning → recruitment → selection → placement and orientation → training and development → performance appraisal → promotion, transfer, compensation
- **Training methods:** on-the-job (coaching, job rotation, apprenticeship, understudy) and off-the-job (lectures, case study, role play, simulation, vestibule, e-learning)
- **Directing** — instructing, guiding, motivating, leading and communicating with subordinates. **Principles:** maximum individual contribution, harmony of objectives, unity of command, unity of direction, appropriate techniques, managerial communication, use of informal organisation, leadership, follow-through

Vroom's Expectancy Theory ★★★

Motivation (Force) = **Expectancy** × **Instrumentality** × **Valence** (Victor Vroom, 1964).

- Expectancy — effort will lead to performance (E→P)
- Instrumentality — performance will lead to reward (P→O)
- Valence — value of the reward to the person

If any factor is zero, motivation is zero. Managers should provide training and resources, link rewards to performance, and offer rewards employees value.

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Comparison Tables & Answer Tips

Fayol's Principles with Examples

Principle	Example
Unity of command	A salesperson reports only to the sales manager
Unity of direction	Separate plan and head for each product line
Scalar chain & gang plank	Two section heads talk directly with their bosses' permission
Esprit de corps	"We" instead of "I"; team celebrations
Equity	No discrimination on caste, gender, religion
Stability of tenure	Low employee turnover after training

Maslow vs Herzberg

Maslow	Herzberg
Five needs in a hierarchy	Two factors
Physiological, safety, social	≈ Hygiene factors
Esteem, self-actualisation	≈ Motivators
Any unsatisfied need motivates	Only motivators motivate
Descriptive	Based on survey of engineers & accountants

Formal vs Informal Communication

Formal	Informal (grapevine)
Official channels	Social relationships
Slow, reliable	Fast, may spread rumours
Written records	Mostly oral
Downward, upward, horizontal	Single strand, gossip, probability, cluster chains

Planning vs Controlling

Planning	Controlling
First function	Last function
Looks ahead	Looks back and ahead
Sets standards	Checks performance against standards

"Planning without control is meaningless; control without planning is blind."

Leadership Styles Compared

Autocratic	Democratic	Laissez-faire
Leader decides alone	Group participates	Group decides
Quick decisions	Better morale	Freedom, creativity
Low morale	Slower	Lack of direction
Crisis, unskilled staff	Skilled staff	Experts, R&D teams

How to Write a 20-Mark Management Answer

1. Introduction + definition with author (Koontz, Fayol, Taylor, Drucker)
2. Diagram / flowchart (POSDC, Maslow's pyramid, control process)
3. 8–10 points with bold headings and 2–3 lines each
4. Company example (Tata, Infosys, Reliance, Amul)
5. Comparison table where asked
6. Conclusion

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Practice Set with Answers

Cover the answer column, try each question yourself, then check.

#	Question	Answer
1	Who is the father of scientific management?	F.W. Taylor.
2	Who is the father of modern (administrative) management?	Henri Fayol.
3	What is unity of command?	Each employee receives orders from only one superior.
4	What is gang plank?	Direct communication between employees at the same level, with permission, to avoid delay in the scalar chain.
5	What is esprit de corps?	Team spirit; union is strength.
6	Essence of management?	Coordination.
7	What are planning premises?	Assumptions about the future on which plans are based.
8	Give an example of a programmed decision.	Re-ordering stock at the re-order level; granting casual leave.
9	Who gave MBO and when?	Peter Drucker, 1954.
10	Five needs in Maslow's hierarchy?	Physiological, safety, social, esteem, self-actualisation.
11	Two factors in Herzberg's theory?	Hygiene factors and motivators.
12	Theory Y assumes?	People like work, seek responsibility and exercise self-control.
13	What is grapevine?	Informal communication network in an organisation.
14	Four styles in Hersey–Blanchard model?	Telling, selling, participating, delegating.
15	What is management by exception?	Only significant deviations are reported to top management.
16	Name two modern control techniques.	ROI, ratio analysis, PERT/CPM, management audit, MIS.

Common Mistakes to Avoid

- Listing Fayol's principles without one-line explanation and example
- Mixing Taylor's principles with his techniques
- No diagram in Maslow (pyramid) or control process (cycle)
- Confusing unity of command with unity of direction
- Writing Theory X/Y as McClelland's theory (it is McGregor's)
- Missing the author's name in definitions
- Ignoring the link between planning and controlling

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Answer Plans — What to Write for Each Question

Q1. Management: definition, nature, scope
3 definitions → nature (9 points) → scope (functional areas & functions) → levels → importance.

Q2. Fayol's principles
Introduction to Fayol → 14 principles with meaning + example → relevance today.

Q3. Evolution; Taylor
Classical, neo-classical, modern schools → Taylor's principles & techniques → criticism → Taylor vs Fayol.

Q4. Coordination, environment, social responsibility
Coordination meaning, features, essence, techniques → environment → responsibilities to stakeholders.

Q5. Planning
Definition → features → 8 steps flowchart → types of plans → limitations.

Q6. Programmed vs non-programmed decisions
Decision-making meaning & process → comparison table (6 points) → examples.

Q7. Line & staff; committees
Line, staff meanings → diagram → merits, demerits, conflict & remedies → committees types, merits, demerits.

Q8. MBO, delegation, centralisation
MBO process & benefits → delegation elements & principles → centralisation vs decentralisation.

Q9. Performance appraisal
Meaning → objectives → process → traditional & modern methods → errors.

Q10. Motivation
Meaning & importance → Maslow (pyramid) → Herzberg (two factors) → McGregor (X vs Y table) → conclusion.

Q11. Leadership
Meaning → styles → trait, behavioural, situational theories (Hersey–Blanchard, Fiedler).

Q12. Communication
Meaning → process diagram → role/importance → types → principles → barriers.

Q13. Recruitment, selection, training
Sources of recruitment → selection steps → training methods.

Q14. Control
Definition → significance → process flowchart → traditional & modern techniques.

Q15. MBE; effective control
MBE meaning & benefits → 10 essentials of an effective control system.

Last-Minute Fact Sheet

Functions	Planning · Organising · Staffing · Directing · Controlling (coordination = essence)
Fayol's 14	Division of work · Authority-responsibility · Discipline · Unity of command · Unity of direction · Subordination · Remuneration · Centralisation · Scalar chain · Order · Equity · Stability · Initiative · Esprit de corps
Taylor	Science not rule of thumb · harmony · cooperation · max output · worker development · functional foremanship · time & motion study
Planning steps	Objectives · premises · alternatives · evaluate · select · derivative plans · implement · follow up
MBO	Peter Drucker, 1954
Maslow	Physiological → safety → social → esteem → self-actualisation
Herzberg	Hygiene (salary, policy, conditions) vs motivators (achievement, recognition, growth)
McGregor	Theory X (negative) vs Theory Y (positive)
Situational	Hersey–Blanchard: telling, selling, participating, delegating · Fiedler: contingency
Communication	Sender → encoding → message → channel → decoding → receiver → feedback
Control process	Standards → measure → compare → analyse deviations → correct
Modern control	ROI · ratio analysis · responsibility accounting · management audit · PERT/CPM · MIS

Before you enter the exam hall: revise the mind map, the flowcharts and the formula sheet once more. Read the paper fully, draw labelled diagrams, box your answers, and keep 5 minutes for checking. **You have prepared well. All the best!** Team LUUPDATE

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