

Ques. 1 What do you understand by Management and Administration?

Ans. 1 Definition of Management:

Management is the art of knowing what you want to do and then seeing they do it in the cheapest and best way. - Taylor, F. W.

To manage is to forecast, to plan, to organise, to command, to coordinate and to control. - Henry Fayol.

Administration has to do with the setting up of objectives and crucial policies of every organization whereas management is the act or function of putting into practice the policies and plans decided upon by the administration.

There are different views on the subject of distinction between administration and management.

1.) Management and Administration are different.

According to Llewellyn Sheldon, "Administration is the function in industry concerned with the determination of the corporate policy, the coordination of finance, production and distribution. Management is the function concerned with the execution of policy within the limits set up by administration."

Thus, administration is formulation of policies and is determinative function while management is execution of policies and is an executive function.

Administration involves the overall setting of major objectives, determination of policies, identifying of general purposes laying down broad programmes, major objectives etc. while management is the active direction of human efforts with a view to getting this done.

2) Management includes administration.

According to Brech, "Management is a social process entailing responsibility for the effective and economical planning and regulation of the operation of an enterprise in fulfillment of a given purpose of task."

Administration is that part of management which is concerned with the installation and carrying out of the procedures by which the programme is laid down and communicated and the progress of activities is regulated and checked against plans.

Thus, 1st and 2nd viewpoints are exactly opposite to each other.

3) There is no distinction between Management and Administration.

Other authors like Fayol, Neman Williams, do not make any distinction between these 2 terms.

It is very difficult to demarcate between managerial and administrative functions because the same set of persons perform both of these functions. ∴ there is no difference between the two.

Conclusion: In order to avoid controversy, we can classify management as (a) Administrative management and (b) Operative management.

Administrative management is concerned with laying down policies and determining goals whereas Operative management is concerned with the implementation of the policies for the achievement of goals.

Ques. 2 Define Scientific Management and explain Taylor's principles (2) of management.

Ans. 2 Scientific management is a theory of management that analyzes and synthesizes workflows. Its main objective is improving economic efficiency, especially labour productivity. It was one of the earliest attempts to apply science to the engineering of processes and to management. Scientific management is sometimes also known as Taylorism, after its founder, Frederick W. Taylor. Scientific management theory seeks to improve an organization's efficiency of task completion by utilizing scientific, engineering and mathematical analysis. The goal is to reduce waste, increase the process and methods of production and create a just distribution of goods. This goal serves the common interests of employers, employees and society.

Scientific Management approach is based upon the following 4 Taylor's principles of management:

1.) Scientific, Not Rule of Thumb:

This principle says that we should not get stuck in a set routine with the old techniques of doing work, rather we should be constantly experimenting to develop new techniques which make the work simpler, easier and quicker.

2.) Harmony, Not Discord:

As per this principle, such an atmosphere should be created in the organization that labour (the major factor of production) and management consider each other indispensable.

Taylor has referred to such a situation as a 'Mental Revolution'. Taylor firmly believed that the occurrence of a mental revolution would end all conflicts between the two parties and would be beneficial to both of them.

3) Cooperation, Not Individualism:

According to this principle, all the activities done by different people must be carried on with a spirit of mutual cooperation.

Taylor has suggested that the manager and the workers should jointly determine standards.

This increased involvement and in turn increases responsibility.

4) Development of Each and Every Person to His/Her greatest Efficiency and Prosperity:

According to this principle, the efficiency of each and every person should be taken care of right from his selection.

A proper arrangement of everybody's training should be made. It should also be taken care of that each individual should be allotted work according to his ability and interest.

Ques. 3: Compare Joint Stock Company and Partnership Organization.

Ans. 3: We can distinguish between joint stock company and partnership organization by the following ways:

1.) Formation:

Partnership: It is formed by a written agreement

Joint stock Company: It is formed under the company ordinance.

- (3)
- 2.) Members:-
 Partnership: Minimum 2 and maximum 20 members in the partnership.
- Joint Stock Company: It has shareholders.
- 3.) Liability:
 Partnership: The liability of each partner is unlimited if it is not specified in the agreement.
- Joint Stock Company: Shareholders liability is limited only to the value of the shares.
- 4.) Financing:
 Partnership: Generally, partners contribute the fund.
- Joint Stock Company: It issues ordinary paid up shares to collect the capital. It can also borrow from banks.
- 5.) Tax:
 Partnership: Each partner of the registered firm will pay tax individually.
- Joint Stock Company: The company is subject to double taxation.
- 6.) management:
 Partnership: Managerial functions are shared by partners according to their mutual agreement.
- Joint Stock Company: Shareholders elect the board of directors and board appoints the experts for each department.
- 7.) Control:
 Partnership: All the decisions are made with the consultation of all the members.

Joint Stock Company: The board of directors controls the affairs of the business.

8.) Dissolution:

Partnership: It can be dissolved with the mutual consent of the partners.
It can be dissolved if any of the partners dies, retires or become insolvent.

Joint stock company:
(a) It can be dissolved by court.
(b) With the approval of majority shareholders.
(c) If corporate charter expires
(d) It can be dissolved by the state due to misuse of powers.

Ques. 4 Define Recruitment and explain different sources of recruitment.

Ans. 4 Whenever there is a vacancy in the organization it is to be filled. To make the candidate available for filling those vacancies, their selection procedure and placement on a proper job comes under the purview of the recruitment.

'Recruitment' is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

It involves attracting and obtaining as many applications as possible from eligible job seekers.

Sources of Recruitment:

The eligible and suitable candidates required for a particular job are available through various sources.

These sources can be divided into two categories:
(a) Internal sources of Recruitment
(b) External sources of Recruitment

Internal sources of Recruitment

(4)

(a) Promotions:

The promotion policy is followed as a motivational technique for the employees who work hard and show good performance.

Promotion results in enhancements in pay, position, responsibility and authority.

Important requirement for implementation of the promotion policy is that the terms, conditions rules and regulations should be well defined.

(b) Retirements:

The retired employees may be given the extension in their service in case of non-availability of suitable candidates for the post.

(c) Former employees:

Former employees who had performed well during their tenure may be called back and higher wages and incentives can be paid to them.

(d) Transfer:

Employees may be transferred from one department to another where the post becomes vacant.

(e) Internal advertisement:

The existing employees may be interested in taking up the vacant jobs. For their benefit, the advertisement within the company is circulated so that the employees will be intimated.

External Sources of Recruitment:

(a) Press advertisement:

Through this source, a wide choice for selecting the appropriate candidate for the post is available. It gives publicity to the vacant posts and the details about the job in the form of job description and job specification are made available to public in general.

(b) Campus interviews:

It is the best possible method for companies to select students from various educational institutions. It is easy and economical. Students get a good opportunity to prove themselves and get selected for a good job.

(c) Placement agencies:

A databank of candidates is sent to organizations for their selection purpose and agencies get commission in return.

(d) Employment exchange:

People register themselves with government employment exchanges with their personal details. According to the needs and request of the organization, the candidates are sent for interviews.

(e) Walk-in interviews:

These interviews are declared by companies on the specific day and time and conducted for selection.

(f) E-recruitment:

Various sites such as jobs.com, naukri.com and monster.com are the available electronic sites on which candidates upload their resumes, seek the jobs.

(g) Competitors:

By offering better terms and conditions of service, HR managers try to get the employees working in the competitor's organization.